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Chartered Accountants
& Business Advisors

FIRSTLINE SECURITIES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2020

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Chartered Accountants
& Business Advisors

FIRSTLINE SECURITIES LIMITED

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FIRSTLINE
Securities Limited

Statement of Management Responsibilities

Management is responsible for the following:

- preparing and fairly presenting the accompanying consolidated financial statements of Firstline Securities Limited, which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statements of comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;

- ensuring that the group keeps proper accounting records;

- selecting appropriate accounting policies and applying them in a consistent manner;

- implementing, monitoring and evaluating the system of internal control that assures security of the group's assets, detection/prevention of fraud, and the achievement of group's operational efficiencies;

- ensuring that the system of internal control operated effectively during the reporting period;

- producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and

- using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the group will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying consolidated financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Keith M. King	Dalia King
Chairman	Chief Executive Officer
Date: March 30, 2021	Date: March 30, 2021

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Chartered Accountants
& Business Advisors

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Firstline Securities Limited

Opinion

We have audited the consolidated financial statements of Firstline Securities Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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Mailing Address: PO Box 10205, Eastern Main Road, San Juan

Partners: Renée-Lisa Philip Mark K. Superville

Chartered Accountants
& Business Advisors

INDEPENDENT AUDITORS' REPORT (Cont'd)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Barataria
TRINIDAD
30 March 2021

FIRSTLINE SECURITIES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITIION

ASSETS

	Notes	31 December 2020 ($)	31 December 2019 ($)
Assets:			
Cash and short term funds	5	19,705,809	13,991,489
Cash at brokers	6	1,679,258	13,496,687
Other financial assets	7	157,154,497	160,305,384
Investments	8	77,814,795	88,416,838
Inventory		20,671	20,165
Investment Property	9	26,922,400	14,000,000
Fixed assets	10	2,055,546	9,341,318
Total Assets		**285,352,976**	**299,571,881**

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	2020 ($)	2019 ($)
Liabilities:			
Accounts payable and accruals	11	10,035,907	19,064,655
Certificates of participation	12	207,790,750	205,795,002
Repurchase agreements	13	5,660,259	4,043,714
Margin accounts	14	14,043,307	33,879,778
Provision for taxation		2,233,070	555,338
Total Liabilities		239,763,293	263,338,487
Shareholders' Equity			
Stated capital	15	5,921,368	5,921,368
Revaluation reserve		-	2,062,739
Investment re-measurement reserve		15,536,263	12,444,854
Retained earnings		24,132,052	15,804,433
Total Shareholders' Equity		45,589,683	36,233,394
Total Liabilities and Shareholders' Equity		**285,352,976**	**299,571,881**

These financial statements were approved by the Board of Directors and authorised for issue on 30 March 2021 and signed on their behalf by:

Director **Director**

The notes on pages 8 to 35 form an integral part of these financial statements

FIRSTLINE SECURITIES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	For the year ended 31 December 2020 ($)	2019 ($)
Revenue			
Fees		12,089,652	14,428,924
Investment income		21,346,212	23,660,430
Other		-	38,448
		33,435,864	38,127,802
Management and operating expenses	16	(27,338,442)	(29,322,943)
Gain on revaluation of investment properties		2,961,134	-
Unrealised gain on investment properties		2,182,291	-
Loss on sale on investments		(5,536,642)	(2,699,811)
Decrease/(Increase) in expected credit losses		3,029,637	(5,411,801)
Net profit before taxation		8,733,842	693,247
Taxation	17	(2,235,344)	(223,774)
Net profit for the year		6,498,498	469,473
Other Comprehensive Income:			
Items that may be reclassified subsequently to profit or loss -			
Net gain on financial assets measured at FVOCI		3,091,409	10,559,391
Total Comprehensive Income for the year		**9,589,907**	**11,028,864**

The notes on pages 8 to 35 form an integral part of these financial statements

FIRSTLINE SECURITIES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Stated Capital ($)	Revaluation Reserve ($)	Investment Re-measurement Reserve ($)	Retained Earnings ($)	Total Equity ($)
Balance at 1 January 2019	5,921,368	2,062,739	1,885,463	16,372,477	26,242,047
Total Comprehensive Income for the year	-	-	10,559,391	469,473	11,028,864
Dividends paid	-	-	-	(1,037,517)	(1,037,517)
Balance at 31 December 2019	**5,921,368**	**2,062,739**	**12,444,854**	**15,804,433**	**36,233,394**
Balance at 1 January 2020	5,921,368	2,062,739	12,444,854	15,804,433	36,233,394
Total Comprehensive Income for the year	-	-	3,091,409	6,498,498	9,589,907
Transfer of prior period gains on investment properties	-	(2,062,739)	-	2,062,739	-
Dividends paid	-	-	-	(233,618)	(233,618)
Balance at 31 December 2020	**5,921,368**	**-**	**15,536,263**	**24,132,052**	**45,589,683**

The notes on pages 8 to 35 form an integral part of these financial statements

FIRSTLINE SECURITIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

	For the year ended 31 December	
	2020 ($)	2019 ($)
Cash Flows from Operating Activities		
Net profit before taxation	8,733,842	693,247
Adjustment for non-cash items:		
Amortisation of bonds	(507,898)	(104,430)
Depreciation	595,878	425,153
Loss on sale of investments	5,536,642	2,699,809
Loss on disposal of fixed assets	605,508	-
Unrealised gain on investment properties	(2,182,291)	-
Gain on revaluation of investment properties	(2,961,134)	-
(Reversal of)/Allowance for expected credit losses	(3,029,637)	5,411,801
	6,790,910	9,125,580
Net change in inventory	(506)	(2,238)
Net change in due to directors	-	-
Net change in cash at brokers	11,817,429	(12,685,542)
Net change in other financial assets	6,180,524	(49,088,159)
Net change in accounts payable and accruals	(6,846,457)	10,204,701
Net change in certificates of participation	1,995,748	41,618,228
Net change in margin accounts	(19,836,471)	(9,368,592)
	101,177	(10,196,022)
Taxation paid	(557,612)	(261,128)
Net cash used in Operating Activities	(456,435)	(10,457,150)
Investing Activities		
Purchase of fixed assets	(261,353)	(1,120,913)
Proceeds from disposal of fixed assets	90,000	-
Change in investment property	(3,705,527)	(14,000,000)
Net change in investments	8,664,708	12,687,241
Net cash provided by/(used in) Investing Activities	4,787,828	(2,433,672)
Financing Activities		
Repurchase agreements	1,616,545	(163,861)
Dividends paid	(233,618)	(1,037,517)
Net cash provided by/(used in) Financing Activities	1,382,927	(1,201,378)
Net change in cash and cash equivalents	5,714,320	(14,092,200)
Cash and cash equivalents, beginning of year	13,991,489	28,083,689
Cash and cash equivalents, end of year	**19,705,809**	**13,991,489**
Represented by:		
Cash and short term funds	**19,705,809**	**13,991,489**

The notes on pages 8 to 35 form an integral part of these financial statements

FIRSTLINE SECURITIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2020

1. **Incorporation and Principal Activity:**

The Company was incorporated in the Republic of Trinidad and Tobago in November 2005.

The principal activity of the Company is arranging business financing for corporations and governments.

The Company has eleven (11) wholly-owned subsidiaries – 46 Agra Street Limited, Patrice Properties Limited, Liege Properties Limited, Firstline Oil Notes Limited, Firstline Securities (St. Lucia) Limited, Firstline Multi-Sector Notes Limited, Firstline Multi-Sector Notes II Limited, Sapvilla Limited, Mason Forrest Limited, Liege Properties II Limited, Liege Properties Limited and Hyder Park Limited.

2. **Summary of Significant Accounting Policies:**

(a) Basis of accounting -

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) and are stated in Trinidad and Tobago dollars. These financial statements have been prepared on the historical cost basis, except for financial assets measurement at fair value through profit or loss or other comprehensive income.

(b) Basis of consolidation -

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries.

Subsidiaries, which were those companies in which the Company, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies are consolidated. Subsidiaries are consolidated from the date on which control is transferred to the Company and are no longer consolidated from the date that control ceases. All significant inter-company transactions, balances and unrealized gains in transactions between group companies are eliminated; unrealized losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

(c) Use of estimates -

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

FIRSTLINE SECURITIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2020

2. Summary of Significant Accounting Policies (Cont'd):

(d) New Accounting Standards and Interpretations -

The Group has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective as they either do not apply to the activities of the Group or have no material impact on its financial statements:

IFRS 1 First-time Adoption of Financial Reporting Standards - Amendments regarding subsidiary as first-time adopter (effective for accounting periods beginning on or after 1 January 2022).

IFRS 3 Business Combinations - Amendments regarding the definition of a business (effective for accounting periods beginning on or after 1 January 2020).

IFRS 3 Business Combinations - Amendments regarding the reference to the conceptual framework (effective for accounting periods beginning on or after 1 January 2022).

IFRS 4 Insurance Contracts - Amendments regarding the interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021).

IFRS 4 Insurance Contracts - Amendments regarding IFRS 17 and the extension of the temporary exemption from applying IFRS 9 (effective for accounting periods beginning on or after 1 January 2023).

IFRS 7 Financial Instruments: Disclosures - Amendments regarding additional disclosures arising from interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021).

IFRS 9 Financial Instruments - Amendments regarding fees in the 'ten percent' test for derecognition of financial liabilities (effective for accounting periods beginning on or after 1 January 2022).

IFRS 16 Leases - Amendments regarding Covid-19 related rent concessions (effective for accounting periods beginning on or after 1 June 2020).

IFRS 16 Leases - Amendments regarding the interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021).

IFRS 16 Leases - Amendments regarding the accounting treatment of lease incentives (effective for accounting periods beginning on or after 1 January 2022).

IFRS 17 Insurance Contracts (effective for accounting periods beginning on or after 1 January 2023).

FIRSTLINE SECURITIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2020

2. Summary of Significant Accounting Policies (Cont'd):

(d) New Accounting Standards and Interpretations (cont'd)

IAS 1 Presentation of Financial Statements - Amendments regarding the definition of material (effective for accounting periods beginning on or after 1 January 2020).

IAS 1 Presentation of Financial Statements - Amendments regarding the classification of liabilities as current and non-current (effective for accounting periods beginning on or after 1 January 2023).

IAS 7 Statement of Cash Flows - Amendments regarding the definition of material (effective for accounting periods beginning on or after 1 January 2020).

IAS 16 Property, Plant and Equipment - Amendments regarding proceeds before intended use (effective for accounting periods beginning on or after 1 January 2022).

IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding onerous contracts and cost of fulfilling a contract (effective for accounting periods beginning on or after 1 January 2022).

IAS 41 Agriculture - Amendments regarding taxation in fair value measurements (effective for accounting periods beginning on or after 1 January 2022).

(e) Foreign currencies -

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('functional currency).

The financial statements are presented in Trinidad and Tobago dollars, which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of year end exchange rates of monetary assets and liabilities denominated in foreign currencies and recognized in the profit and loss account.

2. Summary of Significant Accounting Policies (Cont'd):

(f) Cash and short term funds -

Cash and short term funds are carried in the Statement of Financial Position at cost. For the purpose of the cash flow statements, cash and cash equivalents comprise cash on hand, and other short term highly liquid investments.

(g) Financial instruments -

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument.

(h) Financial assets -

The Group measures investments and loans at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amounts outstanding.

The carrying amount of these assets is adjusted by any expected credit loss allowance recognized. Interest income from these financial assets is included in "Investment Income" using the effective interest rate method. For unquoted equity investments which are recognised at amortised cost, the cost approximates to the valuation as the purchase was made within the last two (2) years.

The Business Model Assessment

The business model reflects how the Group manages groups of financial assets to generate cash flows and achieve its business objective. An assessment is made at a portfolio level and is based on factors such as:

- The stated objectives and policies of the portfolios;
- How information about financial assets and their performance is reported and evaluated by the entity's key management personnel; and
- Management's identification of and response to the risks that affect the performance of the business model.

2. Summary of Significant Accounting Policies (Cont'd):

(h) Financial assets -

The SPPI Test

The SPPI test requires the Group to assess the contractual terms of the financial assets. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes typically the consideration for the time value of money and credit risk. However, where the contractual term introduces volatilities that are inconsistent with a basic lending arrangement or risk exposures, the related financial assets are to be classified and measured at FVTPL.

(i) Impairment of financial assets -

Under IFRS 9

With the adoption of IFRS 9, the existing incurred loss model is replaced with a forward-looking expected credit loss (ECL) model.

IFRS 9 requires the Group to record an allowance for ECL's for all secured loan notes and other debt financial instruments not held at Fair Value Through Profit and Loss (FVPL).

ECLs are measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether the asset is considered to be credit impaired. The Group uses the probability of default (PD) approach when calculating ECLs.

The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. Lifetime ECL results from all possible default events over the expected life of the financial instrument. Both 12-month and lifetime ECLs are calculated on either an individual or collective basis, depending on the size and nature of the underlying portfolio of financial assets.

2. Summary of Significant Accounting Policies (Cont'd):

(i) Impairment of financial assets (cont'd) -

Under IFRS 9

IFRS 9 outlines a three-stage model for impairment, which the Group uses to classify its financial assets:

Stage 1
When financial assets are first recognized, are not credit impaired, continue to perform in accordance with its contractual terms and conditions and credit risk is continuously monitored, the Group records an allowance based on 12-month ECLs.

Stage 2
When financial assets are identified as having significant increases in credit risk since origination, but are not yet deemed to be credit impaired, the Group records an allowance based on lifetime ECLs.

Stage 3
When financial assets have objective evidence of impairment at the reporting date i.e. when these financial assets are deemed to be credit impaired, the Group records an allowance based on lifetime ECLs.

The calculation of Expected Credit Losses

The Group calculates ECL's based on a historical estimate of cash shortfalls discounted at a discount rate that takes account of the coupon rate on the secured loan note, any applicable penalty interest rate, and any arrangement fee rate paid at origination of the note. A cash shortfall is the difference between the cash flows that are due to the Group and the cash flows that the Group expects to receive.

The key elements of the ECL calculation are as follows.

Probability of Default

The Probability of Default is an estimate of the likelihood of default over a given period of time. The Group uses a Probability of Default based upon its internal grading of secured loan notes.

Exposure at Default

The Exposure at Default is the estimate of the exposure to default under the secured loan note at the reporting date.

2. Summary of Significant Accounting Policies (Cont'd):

(i) Impairment of financial assets (cont'd) -

The calculation of Expected Credit Losses (cont'd)

Loss Given Default

The Loss Given Default is the estimate of the loss arising in the case where a default occurs at a given point in time. It is an estimate of the loss that would arrive on a secured loan note and is based upon its historical experience of losses arising on secured loan notes in default.

The mechanics of the ECL method under IFRS 9 are summarised as follows:

Stage 1
The 12 months ECL is calculated as a portion of lifetime ECL's that represent the ECL's that result from default events on a financial instrument that are possible within a 12-month period from the Group's reporting date. 12-month ECL's are calculated by multiplying the Exposure at Default by the Probability of Default and the Loss Given Default.

Stage 2
When a secured loan note has shown a significant increase in credit risk since origination the Group records an allowance for lifetime expected credit losses. The Probabilities of Default and Loss Given Default are estimated over the lifetime of the secured loan note.

Stage 3
For secured loan notes considered to be credit impaired the group recognises lifetime expected credit losses. The probability of default for secured loan notes classified within Stage 3 is set at 100%.

FIRSTLINE SECURITIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2020

2. **Summary of Significant Accounting Policies (Cont'd):**

(i) **Impairment of financial assets (cont'd) -**

Impairment allowance for secured loan notes

The table below indicates the credit quality and the maximum exposure to credit risk based on the Group's Credit rating system and the process by which all secured loan notes receive a stage classification at the reporting date.

	31 December 2020 ($)	31 December 2019 ($)
Secured loan notes	154,350,678	164,199,749
Stage 1: 12 month Expected Credit Losses	(1,929,200)	(1,502,554)
Stage 2: Lifetime Expected Credit Losses	-	-
Stage 3: Credit Impaired – Lifetime Expected Credit Losses	(2,608,866)	(6,065,150)
	149,812,612	156,632,045

(j) **Financial liabilities -**

When financial liabilities are recognised initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the liability. Financial liabilities are re-measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognised in the Statement of Comprehensive Income.

Financial liabilities comprise accounts payable, repurchase agreements, margin accounts and cash at brokers.

(k) **Sale and repurchase agreements -**

Securities sold subject to sale and repurchase agreements ("repos") are retained on the Statement of Financial Position and the counterparty liability is disclosed separately under the heading "Due under repurchase agreements".

FIRSTLINE SECURITIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2020

2. **Summary of Significant Accounting Policies (Cont'd):**

(l) **Fixed assets -**

Fixed Assets are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one period. The cost of an item offixed assets is recognised as an asset only if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably.

Cost includes the purchase price and any expenditure directly attributable to the acquisition of the item. Expenditures incurred for repairs and maintenance is recognised in profit or loss as incurred.

The carrying amount of an item of fixed asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of the item, determined as the difference between the net disposal proceeds and the carrying amount of the item is recognised in profit or loss when the item is derecognised.

Owner occupied properties comprise land and buildings used by the Group for the supply of goods and services or for administrative purposes and are stated at fair values less accumulated depreciation and accumulated impairment losses.

Fair values are based on independent professional open market valuations that are conducted at least once every five (5) years. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the property and the net amount is restated to the revalued amount.

Increases in carrying amounts arising from revaluations are recognized in other comprehensive income and accumulated in equity under the heading of revaluation reserve. Increases are recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

Decreases in carrying amounts arising from revaluations are recognized in other comprehensive income to the extent of any credit balance existing in revaluation surplus in respect of that asset. All other decreases are recognised in profit or loss.

Revaluation surpluses are transferred directly to retained earnings as the assets are used, measured as the difference between depreciation based on the revalued amounts and depreciation based on asset's original cost, and upon derecognition of the respective assets.

All assets are recorded at historical cost less depreciation with the exception of land and building.

2. Summary of Significant Accounting Policies (Cont'd):

(l) Fixed assets (cont'd) -

Depreciation is charged as follows:

	Method	Rates
Leasehold improvements	Reducing balance	6.67%
Office furniture and equipment	Reducing balance	15% - 25%
Motor vehicles	Reducing balance	25%

(m) Investment properties

Investment properties comprise of land and buildings held for rentals and/or for capital appreciation rather than occupied by the Group for use in the supply of goods and services or for administrative purposes. Land and buildings that comprise a portion held to earn rentals and/or for capital appreciation and another portion that is occupied by the Group for administrative purposes are classified as investment properties only if an insignificant portion is held primarily for administrative purposes. Otherwise it is classified as fixed assets.

An investment property is recognised as an asset only if it is probable that future economic benefits associated with the investment property will flow to the Group and its cost can be reliably measured.

Investment properties are initially measured at cost including transaction costs. Cost is the amounts of cash and cash equivalents paid or the fair value of other consideration given to acquire the asset at the time of its acquisition or construction.

After initial recognition, investment properties are measured at fair values. Fair values are based on independent professional open market valuations that are conducted at least once every five (5) years. Gains and losses arising from changes in fair values are included in profit or loss in the period in which they arise.

Transfer to or from investment properties are made only when there is a change in use.

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The gains or losses arising from the retirement or disposal is determined as the difference between the net proceeds and the carrying amount of the asset and is recognised in profit or loss in the period of retirement or disposal.

Valuations were conducted during the year for all investmnet properties.

FIRSTLINE SECURITIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2020

2. Summary of Significant Accounting Policies (Cont'd):

(n) Taxation -

Tax on the profit or loss for the year comprises current tax and the change in deferred tax. Current tax comprises tax payable calculated on the basis of the net taxable income for the year, using the prevailing tax rate and any adjustments for previous years.

Deferred tax is provided, using the liability method, on all temporary differences between the carrying amounts for financial reporting purposes the amounts used for taxation purposes. Currently enacted tax rates are used to determine deferred income tax. In the opinion of Management, the effect of temporary differences at 31 December 2020 is not considered material.

Deferred tax assets are taxed recoverable in future periods in respect of deductible temporary difference. Net deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(o) Share capital -

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.

(p) Provisions -

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(q) Investment income -

Interest income is recognized in the profit and loss account using the effective interest method. Dividends on equity instruments are recognized in the profit and loss account when the entity's right to receive payment is established.

2. Summary of Significant Accounting Policies (Cont'd):

(r) Fee income -

Fee income is recognized on an accrual basis when the service has been provided. Management fees and commissions arising from negotiating or participating in the negotiation of, a transaction for a third party are recognized on completion of the underlying transaction. Portfolio, asset management and other management advisory and service fees are recognized based on the applicable service contracts over the period the service is provided.

(s) Comparative figures -

Certain comparative figures were restated to facilitate changes in presentation. These changes had no effect on the previously reported net profit.

3. Financial Risk Management:

Financial instruments -
The Group's activities are primarily related to the use of financial instruments. The Group accepts funds from investors and earns interest by investing in equity investments, bonds and on-lending to customers at higher interest rates.

The following table summarizes the carrying amounts and fair values of the Group's financial assets and liabilities.

	2020	
	Carrying Value ($)	Fair Value ($)
Financial Assets		
Cash and Short-Term Funds	19,705,809	19,705,809
Cash at Brokers	1,679,258	1,679,258
Other Financial Assets	157,154,497	157,154,497
Investments	77,814,795	77,814,795
Financial Liabilities		
Accounts Payable and Accruals	10,035,907	10,035,907
Certificates of Participation	207,790,750	207,790,750
Repurchase Agreements	5,660,259	5,660,259
Margin Accounts	14,043,307	14,043,307

FIRSTLINE SECURITIES LIMITED

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3. **Financial Risk Management (Cont'd):**

	2019 Carrying Value ($)	2019 Fair Value ($)
Financial Assets		
Cash and Short-Term Funds	13,991,489	13,991,489
Cash at Brokers	13,496,687	13,496,687
Other Financial Assets	160,305,384	160,305,384
Investments	88,416,838	88,416,838
Financial Liabilities		
Accounts Payable and Accruals	19,064,655	19,064,655
Certificates of Participation	205,795,002	205,795,002
Repurchase Agreements	4,043,714	4,043,714
Margin Accounts	33,879,778	33,879,778

Financial risk factors

The Group is exposed to interest rate risk, credit risk, liquidity risk, currency risk, operational risk, compliance risk and reputation risk arising from the financial instruments that it holds. The risk management policies employed by the Group to manage these risks are discussed below:

(a) **Interest rate risk -**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including short-term investments.

2020	Up to 1 year ($)	1 to 5 years ($)	Over 5 years ($)	Non-Interest Bearing ($)	Total ($)
Financial Assets					
Cash and short terms funds	-	-	-	19,705,809	19,705,809
Cash at brokers	-	-	-	1,679,258	1,679,258
Other financial assets	67,276,273	52,656,688	35,188,595	2,032,941	157,154,497
Investments	25,616,749	47,378,329	-	4,819,717	77,814,795
	92,893,022	**100,035,017**	**35,188,595**	**28,237,725**	**256,354,359**
Financial Liabilities					
Acccounts payable and accruals	-	-	-	10,035,907	10,035,907
Certificates of participation	92,046,551	27,827,015	87,917,184	-	207,790,750
Repurchase agreements	-	5,660,259	-	-	5,660,259
Margin accounts	14,043,307	-	-	-	14,043,307
	106,089,858	**33,487,274**	**87,917,184**	**10,035,907**	**237,530,223**

FIRSTLINE SECURITIES LIMITED

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31 DECEMBER 2020

3. **Summary of Significant Accounting Policies (Cont'd):**

(a) **Interest rate risk (cont'd) -**

	Up to 1 year ($)	1 to 5 years ($)	2019 Over 5 years ($)	Non-Interest Bearing ($)	Total ($)
Financial Assets					
Cash and short terms funds	663,870	-	-	13,327,619	13,991,489
Cash at brokers	13,496,687	-	-	-	13,496,687
Other financial assets	76,846,750	58,864,577	19,297,869	5,296,188	160,305,384
Investments	65,317,037	3,325,835	-	19,773,966	88,416,838
	156,324,344	62,190,412	19,297,869	38,397,773	276,210,398
Financial Liabilities					
Acccounts payable and accruals	-	-	-	19,064,655	19,064,655
Certificates of participation	89,133,021	40,662,842	75,999,139	-	205,795,002
Repurchase agreements	4,043,714	-	-	-	4,043,714
Margin accounts	33,879,778	-	-	-	33,879,778
	127,056,513	40,662,842	75,999,139	19,064,655	262,783,149

(b) **Credit risk -**

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has no significant credit risk.

Cash balances are held with high credit quality financial institutions and the Group has policies to limit the amount of exposure to any financial institution.

The Group also actively monitors global economic developments and government policies that may affect the growth rate of the local economy.

3. Financial Risk Management (Cont'd):

(b) Credit risk (cont'd) -

Credit risk arises primarily from structuring of loan notes and investment in bonds.

i) Bonds

The Group invests in bonds issued only by governments, financial institutions and corporations with acceptable credit ratings. The Group actively reviews all bond-issuing entities in which investments are being considered. The Group also limits the size of any given bond issue compared to size of its investment portfolio.

ii) Loan Notes

The Group relies heavily on a written Credit Policy Manual, which sets out in detail the current policies governing the loan notes that it invests in. Adherence to these guidelines is expected to communicate the Group's philosophy, provide policy guidelines to team members involved in investing, establish minimum standards for credit analysis, documentation, decision making and post-disbursement administration, as well as create the foundation for a sound credit portfolio.

All team members involved with the structuring of loan notes are required to be familiar with the contents of the Credit Policy Manual and are required to adhere to the policies therein. Serious breaches results in disciplinary measures being taken. It is the responsibility of the Chief Executive Officer to ensure that policies are adhered to.

The Group's secured loan note portfolio is adequately secured by collateral and where necessary, provisions have been established for potential credit losses on delinquent accounts.

iii) Concentration

The Group has set an upper limit of total assets that can be invested with any one company or group of related companies so as to avoid any significant concentration of credit risk.

iv) Global economic developments and government policies

The Group actively monitors global economic developments and government policies that may affect the growth rate of the local economy.

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3. **Financial Risk Management (Cont'd):**

(b) **Credit risk (cont'd) -**

v) **Credit Risk Ratings and Probability of Default (PD) estimations**

The Group uses internal credit risk ratings, which reflect its assessment of the individual counterparties risk profile. Borrower and loan note specific information collected at the time of the application (such as asset value, sales turnover, credit history, security structure, geographical location) is fed into the model. Each exposure is allocated a credit risk rating on initial recognition based on the information inputted into the model.

Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk-rating band. The monitoring typically involves use of the following data:

- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts;
- Actual and expected significant changes in the financial, economic, political, regulatory and technological environment of the borrower and/or in its business activities;
- Payment records inclusive of overdue status (where applicable); and
- Utilization of approved credit facilities.

PDs for exposures. The Group looked at performance and number of defaults over a period of time analysed by credit risk grading. Historical PDs were developed using statistical models, which analysed the data collected, generating estimates of the Probability of Default of exposures.

vi) **Significant increase in credit risk**

In order to determine whether a financial asset or portfolio of financial assets are subject to 12 month ECL or lifetime ECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition. Whether the risk of default on a financial instrument has increased significantly, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and credit assessment.

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3. **Financial Risk Management (Cont'd):**

(b) **Credit risk (cont'd) -**

vii) **Default and credit impaired assets**

The Group considers a financial asset defaulted and therefore Stage 3 (credit-impaired) for ECL calculations when it meets one or more of the following criteria:

- The borrower is more than 180 days past due on its contractual obligations;
- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as collateral realization;
- It is probable that there would be a modification to the original agreement due to the borrower's inability to pay its credit obligations; and
- The exposure has been classified as Accounts in Liquidation as per the Group's classification process.

viii) **Analysis of Gross Carrying Amount and Corresponding ECLs**

	31 December	
Secured Loan Notes and Commercial Paper	**2020**	**2019**
Stage 1: 12 month Expected Credit Losses	88.0%	20.0%
Stage 2: Lifetime Expected Credit Losses	0.0%	0.0%
Stage 3: Credit Impaired - Lifetime Expected Credit Losses	12.0%	80.0%
	100%	100%

	31 December	
	2020	**2019**
	$	**$**
Stage 1		
Gross Loan Notes	135,192,829	144,519,828
Expected Credit Loss Allowance	(1,929,200)	(1,502,554)
	133,263,629	143,017,274
Expected Credit Loss Allowance as % of Gross Loan Notes	**1.4%**	**1.0%**
Stage 2		
Gross Loan Notes	-	-
Expected Credit Loss Allowance	-	-
	-	-
Expected Credit Loss Allowance as % of Gross Loan Notes	**0.0%**	**0.0%**

3. Financial Risk Management (Cont'd):

(b) Credit risk (cont'd) -

viii) Analysis of Gross Carrying Amount and Corresponding ECLs (cont'd)

	31 December 2020 $	31 December 2019 $
Stage 3		
Gross Loan Notes	19,157,849	19,679,921
Expected Credit Loss Allowance	(2,608,866)	(6,065,150)
	16,548,983	13,614,771
Expected Credit Loss Allowance as % of Gross Loan Notes	**13.6%**	**31.0%**

(c) Liquidity risk -

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The Group is exposed to daily calls on its available cash resources to settle financial and other liabilities.

Liquidity gap

2020	Up to 1 year ($)	1 to 5 years ($)	Over 5 years ($)	Total ($)
Financial Assets				
Cash and short term funds	19,705,809	-	-	19,705,809
Cash at brokers	1,679,258	-	-	1,679,258
Other financial assets	85,442,719	36,523,183	35,188,595	157,154,497
Investments	25,616,749	50,753,328	1,444,718	77,814,795
	132,444,535	**87,276,511**	**36,633,313**	**256,354,359**
Financial Liabilities				
Accounts payable and accruals	10,035,907	-	-	10,035,907
Certificates of participation	92,046,551	27,827,015	87,917,184	207,790,750
Repurchase agreements	-	5,660,259	-	5,660,259
Margin accounts	14,043,307	-	-	14,043,307
	116,125,765	**33,487,274**	**87,917,184**	**237,530,223**

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31 DECEMBER 2020

3. **Financial Risk Management (Cont'd):**

(c) **Liquidity risk (cont'd)**

Liquidity gap (cont'd)

	2019			
	Up to 1 year ($)	1 to 5 years ($)	Over 5 years ($)	Total ($)
Financial Assets				
Cash and short term funds	13,991,489	-	-	13,991,489
Cash at brokers	13,496,687	-	-	13,496,687
Other financial assets	79,777,746	57,229,958	23,297,680	160,305,384
Investments	65,317,037	3,325,835	19,773,966	88,416,838
	172,582,959	60,555,793	43,071,646	276,210,398
Financial Liabilities				
Accounts payable and accruals	12,741,123	6,323,532	-	19,064,655
Certificates of participation	89,133,021	40,662,842	75,999,139	205,795,002
Repurchase agreements	4,043,714	-	-	4,043,714
Margin accounts	33,879,778	-	-	33,879,778
	139,797,636	46,986,374	75,999,139	262,783,149

(d) **Currency risk -**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollar. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

(e) **Operational risk -**

Operational risk is the risk that derives from the deficiencies relating to the Group's information technology and control systems as well as the risk of human error and natural disasters. The Group's systems are evaluated, maintained and upgraded continuously.

(f) **Compliance risk -**

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to the extent of monitoring controls applied by the Group.

3. Financial Risk Management (Cont'd):

(g) Reputation risk -

The risk of loss of reputation arising from the negative publicity relating to the Group's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Group. The Group applies procedures to minimize this risk.

Fair value estimation

The fair values of the Group's financial assets and liabilities approximates to their carrying amounts at the reporting date.

4. Critical Accounting Estimates and Judgments:

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make judgements, estimates and assumptions in the process of applying the Group's accounting policies (see Note 2(d)).

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future and actual results could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Changes in accounting estimates are recognised in the Statement of Comprehensive Income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

The critical judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements, are as follows:

i) Whether investments are classified as held to maturity investments or loans and receivables.
ii) Whether leases are classified as operating leases or finance leases.
iii) Which depreciation method for plant and equipment is used.
iv) Measurement of the expected credit loss allowance.
v) Classification and measurement of financial assets

4. Critical Accounting Estimates and Judgments (Cont'd):

The key assumption concerning the future and other key sources of estimation uncertainty at the reporting date (requiring management's most difficult, subjective or complex judgements) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

Impairment of assets

Management assesses at each reporting date whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

Measurement of the expected credit loss allowance

The measurement of impairment losses under IFRS 9 requires the use of complex models and requires significant assumptions. A number of significant accounting judgements and estimates were required for the ECL model, these include:

- The Group's internal credit rating model, as this was used in calculating PD;
- The estimation of the present value of collateral values when determining impairment losses;
- Determining criteria for assessing if there has been a significant increase in credit risk; and
- Development of ECL models, including the various formulae.

Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and business model assessment. The Group determines the business model at a level that reflects how financials assets are managed together to achieve the business objectives. An assessment is made at a portfolio level and is based on factors such as:

- How information about financial assets and their performance is reported and evaluated by the entity's key management personnel; and
- Management's identification of and response to the risks that affect the performance of the business model.

Plant and equipment

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised and the useful lives and residual values of these assets.

Deferred tax assets

Management uses judgement in determining whether it is probable that future taxable profits will be available against which deductible temporary differences can be utilised before deferred tax assets arising there from are recognised.

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5. Cash and Short Term Funds:

	31 December 2020 ($)	31 December 2019 ($)
Cash in hand and at bank	7,413,190	12,895,078
Money market instruments	12,292,619	1,096,411
	19,705,809	**13,991,489**

6. Cash at Brokers:

This balance represents start up cash used by the Group to open brokerage accounts.

As at 31 December 2020, the Group held investments valued at **$29,184,059** (2019 - **$15,901,292**) on behalf of its clients. These investments were not included in the Group's assets in the Statement of Financial Position.

7. Other Financial Assets:

	31 December 2020 ($)	31 December 2019 ($)
Accrued interest income	7,284,260	3,647,338
Prepaid expenses	42,625	26,000
Other receivables	15,000	-
Secured loan notes	154,350,678	164,199,749
	161,692,563	167,873,087
Less: Expected credit loss allowance (IFRS 9)	(4,538,066)	(7,567,703)
	157,154,497	**160,305,384**

Movement in allowance for expected credit losses

	31 December 2020 ($)	31 December 2019 ($)
Balance, beginning of year	7,567,703	2,155,902
(Reversal)/Allowance	(3,029,637)	5,411,801
Balance, end of year	4,538,066	7,567,703

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7. **Other Financial Assets (Cont'd):**

	31 December 2020 ($)	31 December 2019 ($)
Current portion of other financial assets	85,442,719	79,777,746
Non-current portion of other financial assets	71,711,778	80,527,638
	157,154,497	**160,305,384**

8. **Investments:**

	31 December 2020 ($)	31 December 2019 ($)
Equities	25,765,300	23,219,926
Mutual funds UTC	7,783	7,745
Corporate bonds TT$	52,041,712	65,189,167
	77,814,795	**88,416,838**
Current portion of investments	25,616,749	65,317,037
Non-current portion of investments	52,198,046	23,099,801
	77,814,795	**88,416,838**

9. **Investment Property:**

	31 December 2020 ($)	31 December 2019 ($)
Balance as at beginning of year	14,000,000	-
Additions	3,705,527	1,086,065
Transfer of Investment Property	-	12,913,935
Transfer from Fixed Assets	6,255,739	-
Gain on revaluation	2,961,134	-
Balance as at end of year	**26,922,400**	**14,000,000**
Income earned	86,495	-
Expenses incurred	365,389	3,500

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10. Fixed Assets:

2020

	Land and Building ($)	Motor Vehicle ($)	Office Furniture and Equipment ($)	Total ($)
Cost				
Balance as at 1 January 2020	7,236,982	1,810,055	1,856,654	10,903,691
Additions	138,436	-	122,917	261,353
Disposals	(792,708)	-	(32,924)	(825,632)
Transfers to Investment Property	(6,255,739)	-	-	(6,255,739)
Balance as at 31 December 2020	326,971	1,810,055	1,946,647	4,083,673
Accumulated Depreciation				
Balance as at 1 January 2020	122,572	509,922	929,879	1,562,373
Charge for the year	38,131	325,034	232,713	595,878
Adjustments	(120,694)	-	(9,430)	(130,124)
Balance as at 31 December 2020	40,009	834,956	1,153,162	2,028,127
Net Book Value				
Balance as at 31 December 2020	**286,962**	**975,099**	**793,485**	**2,055,546**
Balance as at 31 December 2019	**7,114,410**	**1,300,133**	**926,775**	**9,341,318**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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10. Fixed Assets (Cont'd):

2019

	Land and Building ($)	Motor Vehicle ($)	Office Furniture and Equipment ($)	Total ($)
Cost				
Balance as at 1 January 2019	7,200,536	920,055	1,662,187	9,782,778
Additions	36,446	890,000	194,467	1,120,913
Balance as at 31 December 2019	7,236,982	1,810,055	1,856,654	10,903,691
Accumulated Depreciation				
Balance as at 1 January 2019	61,031	399,461	676,728	1,137,220
Charge for the year	59,150	254,211	255,542	568,903
Adjustments	2,391	(143,750)	(2,391)	(143,750)
Balance as at 31 December 2019	122,572	509,922	929,879	1,562,373
Net Book Value				
Balance as at 31 December 2019	**7,114,410**	**1,300,133**	**926,775**	**9,341,318**
Balance as at 31 December 2018	**7,139,505**	**520,594**	**985,459**	**8,645,558**

11. Accounts Payables and Accruals:

	31 December 2020 ($)	31 December 2019 ($)
Funds under management	1,802,954	2,412,529
Accrued interest	2,415,082	2,256,117
Holdback reserve	313,084	68,748
Debt service account	1,752,273	4,865,269
Statutory deductions	84,650	171,147
Unrealised income	2,980,087	5,778,364
Other accounts payables	687,777	3,512,481
	10,035,907	**19,064,655**
Current portion of accounts payable and accruals	10,035,907	12,741,123
Non-current portion of accounts payable and accruals	-	6,323,532
	10,035,907	**19,064,655**

12. Certificates of Participation:

The Group's Firstline Oilnotes (FONL) investments have interest rates range from .40% - 6.00% (2019: 2.00% - 4.10%).
Investors have purchased zero coupon notes in the Firstline Multi Sector Notes I and Firstline Multi Sector Notes II at yields ranging from 3.25% - 6.5% (2019: 4% - 6%) at varying tenors.

	31 December	
	2020	**2019**
	($)	**($)**
Current portion of certificates of participation	92,046,551	89,133,021
Non-current portion of certificates of participation	115,744,199	116,661,981
	207,790,750	**205,795,002**

13. Repurchase Agreements:

The repurchase agreements become due in 2020. Interest is accrued thereon at the rate of 2.00% - 4.10% per annum (2019 : 2.00% - 4.10%).

14. Margin Accounts:

The average rate of funding from the Group's brokerage institutions is .865% (2019 : 2.10%). The market value of the investment securities held as collateral for this facility amounted to **$51,747,120** (2019 : **$67,786,057**).

15. Stated Capital:

	31 December	
	2020	**2019**
	($)	**($)**
Authorized		
An unlimited number of ordinary shares of no par value		
Issued and fully paid		
825,000 ordinary shares of no par value	5,197,500	5,197,500
Deposit on shares	723,868	723,868
	5,921,368	**5,921,368**

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16. Management and Operating Expenses:

	31 December 2020 ($)	31 December 2019 ($)
Administrative expenses	2,049,643	3,282,465
Interest expenses	13,623,711	14,120,030
Depreciation	595,878	425,153
Legal and professional fees	897,444	1,077,562
Salaries and staff benefits	9,566,258	10,417,733
Loss on disposal of fixed assets	605,508	-
	27,338,442	29,322,943

17. Taxation:

	31 December 2020 ($)	31 December 2019 ($)
Corporation Tax/Business Levy - Trinidad and Tobago	2,115,999	83,344
Green Fund Levy - Trinidad and Tobago	119,345	140,430
	2,235,344	223,774

18. Related Party Transactions:

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial decisions.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms at market rates.

Balances and transaction with related parties and key management personnel during the year were as follows:

	31 December 2020 ($)	31 December 2019 ($)
Key management compensation		
Short-term benefits	2,142,000	1,903,600
Dividends paid	233,618	1,037,511

19. Fair Values:

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The existence of published price quotation in an active market is the best evidence of fair value. Where market prices are not available, fair values are estimated using various valuation techniques, including using recent arm's length market transactions between knowledgeable, willing parties, if available, current fair value of another financial instrument that is substantially the same and discounted cash flow analysis.

20. Capital Risk Management:

The Group manages its capital to ensure that it will be able to continue as a going concern whilst maximising the return to the shareholders. The Group's overall strategy remains unchanged from previous years.

The capital structure of the Group consists of equity attributable to the shareholder, which comprises stated capital and retained earnings.

21. Capital Commitments:

The Group does not have any confirmed capital commitments as at 31 December 2020, however, the Group intends to upgrade its current investment management software or acquire and implement new software in the future. Either option selected will incur additional costs in the future though Management has not yet been determined the amount required as at the year end.

22. Events after the Reporting Date:

In March 2020, a global pandemic was declared by the World Health Organization related to the novel coronavirus disease 2019 (COVID-19). COVID-19 and the actions being taken to respond to same have impacted individuals and businesses in the markets and communities where the Group operates. This is likely to negatively impact business and economic activities including the following:

- Liquidity;
- Collections;
- Expected credit losses;
- Fair values of assets;
- Earnings and productivity;
- Projects and planned business expansions, including those of customers;
- Supply chain;

The future financial impact cannot be determined with certainty. No adjustments have been made in these financial statements on account of this event, as it provides no evidence of conditions that existed at the end of the reporting period.