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MURPHY CLARKE FINANCIAL LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2019

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MURPHY CLARKE FINANCIAL LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

CONTENTS

STATEMENT OF MANAGEMENT RESPONSIBILITIES

Murphy Clarke Financial Limited

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Murphy Clarke Financial Limited ("the Group"), which comprise the consolidated statement of financial position as at June 30, 2019, the consolidated statement of income, the consolidated statement of changes in equity and 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 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 consolidated financial statements, management utilised the International Financial Reporting Standard 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.

Leslie Clarke	Fareesha Majid
Managing Director	Senior Manager – Asset Management
September 27, 2019	September 27, 2019

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS' OF
MURPHY CLARKE FINANCIAL LIMITED

Opinion

We have audited the consolidated financial statements of Murphy Clarke Financial Limited ("the Group"), which comprise the consolidated statement of financial position as at June 30, 2019, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of 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 June30, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 of Professional Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Trinidad and Tobago, and we have fulfilled our ethical responsibilities in accordance with these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The financial statements of Murphy Clarke Financial Limited for the year ended June 30, 2018 were audited by another auditor who expressed an unmodified opinion on those statements on September 28, 2018.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. Key audit matters are selected from matters communicated with those charged with governance. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and the auditor does not provide a separate opinion on these matters.

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Independent Auditors' Report (continued)

Key Audit Matters (continued)

Key Audit Matters	How our Audit Addressed the Key Audit Matter
Implementation of IFRS 9 'Financial Instruments'	
The Group adopted the accounting standard IFRS 9 'Financial Instruments' during the financial year. The standard replaces IAS 39 'Financial Instruments: Recognition and Measurement' and makes major changes to the previous guidance on the classification and measurement of financial assets and also introduces an 'expected credit loss' model	We reviewed and assessed the implementation of IFRS 9 and compared it to the requirements of the standard.
Implementation of IFRS 9 'Financial Instruments'	
Valuation of unquoted investments	
The Group values an unquoted investment using the dividend valuation model. Additionally, industry data from the USA was utilized in deriving the share price.	We reviewed the valuation workings based on the dividend valuation model for reasonableness. We independently verified the critical variables inputted into the dividend valuation model to source documents.

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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Independent Auditors' Report (continued)

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 misstatements, whether due to fraud or error, and to issue the 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 auditors' 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 Group 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's audit. We remain solely responsible for our audit opinion.

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Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

We communicate with those charged with governance 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.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Giles Leung.

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Port of Spain,
Trinidad

MURPHY CLARKE FINANCIAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Notes	2019	2018
ASSETS		**$**	**$**
Cash and cash equivalents		30,797,762	36,282,751
Financial assets at fair value through profit or loss	8	80,057,686	74,259,227
Property, plant and equipment	6	8,693,985	963,641
Investment properties	7	40,466,595	29,117,256
Accounts receivable	9	2,433,863	4,009,691
Due from related parties		1,720,220	
Other assets		257,026	-
Taxation recoverable	13	328,024	
Deferred tax asset	13	217,110	575,972
Total assets		**164,972,271**	**145,208,538**
LIABILITIES AND EQUITY			
Liabilities			
Borrowings	11	30,474,056	24,885,139
Customer deposits	12	100,485,609	92,743,537
Other liabilities	14	2,781,030	1,794,112
Deferred tax liability	14	481,217	-
Taxation payable	13	866,771	318,185
		135,088,683	119,740,973
Equity			
Stated capital	10	20,000,000	20,000,000
Retained earnings		9,883,588	5,467,565
		29,883,588	25,467,565
Total liabilities and equity		**164,972,271**	**145,208,538**

The accompanying notes form an integral part of these financial statements.

On September 27, 2019, the Board of Directors of Murphy Clarke Financial Limited authorized these financial statements for issue.

: Director

: Director

MURPHY CLARKE FINANCIAL LIMITED
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	Notes	2019 $	2018 $
INCOME			
Interest income		5,358,046	4,813,313
Interest expense		(3,142,395)	(3,200,789)
Net interest income		2,215,651	1,612,524
Brokerage fees		3,505,115	1,912,226
Management fee		1,795,875	1,562,718
Other income		314,486	1,199,663
Dividend income		436,868	-
Rental income		1,296,881	1,106,784
Change in fair value of investment properties		-	131,264
Gain on disposal of investment		678,992	706,769
Net gain from investments at fair value through profit or loss		2,343,965	-
Gain on foreign currency translations		1,257,802	805,568
		13,845,635	9,037,516
EXPENSES			
Net loss from investments at fair value through profit or loss		-	(104,442)
Change in fair value of investment properties		-	(500,000)
Employee costs	15	(2,702,789)	(2,334,223)
Administrative expenses	22	(3,998,674)	(3,556,569)
		(6,701,463)	(6,495,234)
Profit before taxation		**7,144,172**	**2,542,282**
Taxation	13	(2,055,409)	(560,033)
Profit for the year		**5,088,763**	**1,982,249**
Total comprehensive income		**5,088,763**	**1,982,249**

The accompanying notes form an integral part of these financial statements.

MURPHY CLARKE FINANCIAL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

	Stated Capital $	Retained earnings $	Equity $
Year ended June 30, 2019			
Balance at June 30, 2018	20,000,000	5,467,565	25,467,565
Dividends	-	(672,740)	(672,740)
Profit being total comprehensive income for the year	-	**5,088,763**	3,763,562
Balance at June 30, 2019	**20,000,000**	**9,883,588**	**29.883,588**
Year ended June 30, 2018			
Balance at June 30, 2017	18,250,000	3,884,949	22,134,949
Proceeds from issue of shares	1,750,000	-	1,750,000
Dividends	-	(399,633)	(399,633)
Profit being total comprehensive income for the year	-	1,982,249	1,982,249
Balance at June 30, 2018	**20,000,000**	**5,467,565**	**25,467,565**

The accompanying notes form an integral part of these financial statements.

MURPHY CLARKE FINANCIAL LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	2019 $	2018 $
Cash flows from operating activities		
Profit before taxation	7,144,172	2,542,282
Non cash adjustments		
Depreciation	348,051	166,842
Amortisation of deferred income	(2,343,965)	-
Loss on disposal of property, plant and equipment	-	170,300
Change in fair value of investment properties	-	368,736
Net gain/(loss) from investments at fair value through profit or loss	-	104,442
Interest income	(5,672,046)	(4,813,313)
Interest expense	2,928,857	3,200,789
	2,405,069	1,740,078
Net changes in working capital		
Decrease in accounts receivable	806,837	28,923
Increase in customer deposit	7,742,072	21,796,122
Increase/ (decrease) in other liabilities	972,632	(8,592)
Increase in due from related parties	1,720,220	-
	10,206,390	23,556,531
Taxation paid (net)	(994,768)	(643,712)
Net cash generated from operating activities	9,211,622	22,912,819
Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,079,998)	(428,625)
Investments	(3,454,494)	-
Proceeds from disposal of property, plant and equipment	-	2,539
Acquisition of investment property	(17,347,736)	(1,436,779)
Net movement in investments	-	(474,580)
Interest paid	(2,914,571)	(3,189,426)
Interest received	6,184,011	4,884,184
Net cash used in investing activities	(19,612,788)	(642,689)
Cash flows from financing activities		
Proceeds from issue of shares	-	1,750,000
Dividends paid	(672,740)	(399,633)
Net movement in borrowings	5,588,917	(1,452,755)
Net cash used in financing activities	4,916,177	(102,388)
Decrease in cash and cash equivalents for the year	(5,484,989)	22,167,742
Cash and cash equivalents at beginning of the year	36,282,751	14,115,009
Cash and cash equivalents at end of year	**30,797,762**	**36,282,751**

The accompanying notes form an integral part of these financial statements.

1. General Information

Murphy Clarke Financial Limited (the Company) is incorporated in the Republic of Trinidad and Tobago. The address of the Company's registered office is #15 Wainwright Street, St Clair, Port of Spain. The consolidated financial statements comprise the Company and its subsidiaries Panda Holdings Limited, Stone Services Limited, Murphy Clarke Financial Limited St. Lucia and Trinity Scott Limited (the Group).

The Company is a private independently owned wealth management business, operating under a broker/dealer license, offering a full range of investment management services and providing avenues to invest in a number of products and services.

Panda Holdings Limited and Stone Services Limited are both real estate management companies. On August 8, 2014, Stone Services Limited acquired Coastal Services Limited, also a real estate management company. On January 15, 2019, Murphy Clarke Limited formed Trinity Scott Limited, also a real estate management company

Murphy Clarke Financial Limited St. Lucia has not commenced operations.

Company	Country of Incorporation	Percentage Owned
Stone Services Limited	Trinidad and Tobago	100%
Coastal Winds Limited	Trinidad and Tobago	100%
Panda Holdings Limited	Trinidad and Tobago	100%
Murphy Clarke Financial Limited St. Lucia	St. Lucia	100%
Trinity Scott Limited	Trinidad and Tobago	100%

These consolidated financial statements were approved for issue by the Directors on September 27, 2019.

2. Basis of Preparation

(a) Basis of accounting

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

(b) Basis of measurement

These consolidated financial statements are prepared on the historical cost basis, except for financial assets at fair value through profit or loss which are measured at fair value.

(c) Functional and reporting currency

These consolidated financial statements are presented in Trinidad and Tobago dollars which is the Group's functional currency.

2. Basis of Preparation (continued)

(d) Use of estimates and judgements

The preparation of these consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods affected. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

Note 4(a)(ii)	-	Determination of control over investees.
Note 4(k)	-	Leases: whether an arrangement contains a lease.
Note 4(k)	-	Lease classification.

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending June 30, 2019 is included in the following notes:

Note 4(l)	-	Recognition of deferred tax assets: availability of future taxable profits against which tax losses carried forward and can be used.
Note 4(c)(v)	-	Determination of the fair value of financial instruments with and 4 significant unobservable inputs.

3. Changes in accounting policy

a) New, revised and amended standards or interpretations

i. IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 'Revenue from Contracts with Customers' and the related 'Clarifications to IFRS 15 Revenue from Contracts with Customers' (hereinafter referred to as 'IFRS 15') replace IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new Standard has been applied retrospectively without restatement, with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings at June 1, 2018. In accordance with the transition guidance, IFRS 15 has only been applied to contracts that are incomplete as at June 1, 2018. The adoption of IFRS 15 did not have a material impact on the revenue recognition policies of the Group.

3. Changes in accounting policy (continued)

a) New, revised and amended standards or interpretations (continued)

ii. IFRS 9 'Financial Instruments'

The Group has adopted IFRS 9 Financial Instruments issued in July 2014 with a date of initial application of January 1, 2018. The requirements of IFRS 9 represent a significant change from IAS 39 Financial Instruments: Recognition and Measurement. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

The key changes to the Group's accounting policies resulting from its adoption of IFRS 9 are summarised below.

When adopting IFRS 9, the group has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of IFRS 9 in relation to classification, measurement, and impairment are recognised in retained earnings.

IFRS 9 also contains new requirements on the application of hedge accounting. The new requirements look to align hedge accounting more closely with entities' risk management activities by increasing the eligibility of both hedged items and hedging instruments and introducing a more principles-based approach to assessing hedge effectiveness. The Group did not engage any hedging instruments during the period.

The adoption of IFRS 9 has not impacted the financial assets. All debt and equity instruments have been previously accounted for as fair value through profit and loss under IAS 39 with the same designation under IFRS 9. All gains and losses are continued to be recognized through profit and loss.

Certain new, revised and amended standards and interpretations have been issued which are not yet effective for the current year and which the Group has not early-adopted. The Group has assessed the relevance of all such new standards, amendments and interpretations with respect to the Group's operations and has determined that the following are likely to have an effect on the consolidated financial statements.

IFRS 16 'Leases'

IFRS 16 will replace IAS 17 'Leases' and three related Interpretations. It completes the IASB's long-running project to overhaul lease accounting. Leases will be recorded in the statement of financial position in the form of a right-of-use asset and a lease liability. There are two important reliefs provided by IFRS 16 for assets of low value and short-term leases of less than 12 months.

IFRS 16 is effective from periods beginning on or after January 1, 2019. Early adoption is permitted.
The Group has not assessed the impact of these amendments on the consolidated financial statements.

4. Significant Accounting Policies

The Group has consistently applied the accounting policies as set out in Note 3 to all periods presented in these consolidated financial statements.

a) *Basis of consolidation*

The consolidated financial statements of the Group include the assets and liabilities and results of operations of the Parent company and its subsidiaries after elimination of inter-company transactions and balances.

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date – that is, when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase (negative goodwill) is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if they are related to the issue of debt or equity securities.

(ii) Subsidiaries

Subsidiaries' are investees controlled by the Group. The Group 'controls' an investee when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) *Foreign currency*

Transactions denominated in foreign currencies are translated into the respective functional currency at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

4. Significant Accounting Policies (continued)

(c) Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.
Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified as:

- fair value through profit or loss (FVTPL).

The classification is determined by both:

- the Group's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, other income, except for impairment of trade receivables which is presented within expense.

Financial assets at fair value through profit or loss

This category includes financial assets held for trading or financial assets designated at fair value through profit or loss. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so, designated by management.

Financial liabilities

The Group classifies its financial liabilities into borrowings, customer deposits and other liabilities as measured at amortised cost or fair value through profit or loss.

Subsequent measurement of financial assets

Financial assets at fair value through profit and loss (FVTPL)

4. Significant Accounting Policies

(c) Financial instruments (continued)

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different within a different business model other than 'hold to collect' or' hold to collect and sell' are categorized at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains and losses recognized in profit and loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

(d) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the reducing balance method over the estimated useful lives of each item of equipment at the following rates:

Leasehold improvements	-	the lesser of the lease term or 10% on the reducing balance method
Furniture and fittings	-	20%
Office equipment	-	33.33%
Motor vehicles	-	25%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4. Significant Accounting Policies (continued)

(d) Property, plant and equipment

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

(e) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. The loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(f) Investment property

Investment property is property held to earn rental income, held for capital appreciation or for both. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that as previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

The Group's policy is to perform a revaluation of the investment properties once every three years.

(g) Other assets and other liabilities

Other assets and other liabilities, not classified as financial instruments, are initially recognised and subsequently measured at amortised cost.

(h) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at banks and other short-term highly liquid investments with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at cost in the consolidated statement of financial position.

4. Significant Accounting Policies (continued)

(i) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of finance cost is recognised as finance cost.

(j) Revenue recognition

(i) Interest income

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial assets or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability and is not revised subsequently. When calculating the effective interest rate, the Group estimates the future cash flows considering all contractual terms of the financial instrument, but not the future credit losses.

The calculation of the effective interest rate includes all fees paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

Interest income is recognised on an accrual basis in the period in which it is due and in accordance with the underlying loan contract terms and conditions except for loans classified as impaired or for loans classified as non-accrual when in management's judgment there was a deterioration in credit quality that if continued would lead to impairment.

Interest income is shown net of the interest expense incurred on managed funds.

Other income is accounted for on the accrual basis.

ii) Net gain from investments at fair value through profit or loss

Net gain from investments at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences, but excludes interest and dividend income, and dividend expense on securities sold short.

iii) Fees and commissions

Fees and commissions that are material to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commissions are recognised in income when a binding obligation has been established. Where such obligations are continuing, income is recognised over the duration of the facility.

iv) Rental income

Rental income is recognised on the accrual basis.

4. Significant Accounting Policies (continued)

(k) Leased assets

Finance leases

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Group obtains ownership of the asset at the end of the lease term.

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interests. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease.

Operating leases

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

All other leases are treated as operating leases. Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

The Group as a lessor

The Group also earns rental income from operating leases of its investment properties (see Note 7). Rental income is recognised on a straight-line basis over the term of the lease.

(l) Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or subsequently enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or subsequently enacted at the reporting date.

4. Significant Accounting Policies (continued)

(l) Taxation (continued)

Deferred tax asset and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and the current tax assets, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(m) Fiduciary activities

The Group acts in fiduciary capacities that result in the holding or placing of assets on behalf of individuals and institutions. These assets and income arising thereon are excluded from these financial statements as they are not assets or revenue of the Group.

(n) Dividends

Dividends are recognized as a liability in the consolidated financial statements in the period in which the dividends are approved by the Board of Directors.

o) Comparative information

Certain changes in presentation have been made in these consolidated financial statements. These changes had no effect in the operating results or profit after tax on the Group for the previous year.

p) Use of Critical Estimates and Judgements

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Management team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.
When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

4. Significant Accounting Policies (continued)

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 6 – Investment properties
Note 7 and 17 – Financial Instruments

5. Reclassification of prior year presentation

An adjustment has been made to the consolidated financial statements to correctly classify properties as property, plant and equipment which were incorrectly disclosed as investment property for the year ended June 30, 2019. This resulted in an increase in property, plant and equipment by $7,800,000 and a decrease in investment properties by $7,800,000. This classification had no effect on the reported results of operations for the year ended June 30, 2019

6. Property, plant and equipment

	Construction in Progress	Land and Buildings	Building improvements	Furniture, Fittings and Office Equipment	Motor Vehicles	Total
	$	$	$	$	$	$
Year ended June 30, 2019						
Cost						
Balance at June 30, 2018	-	-	102,236	1,038,998	336,214	1,477,448
Additions for the year	-	-	-	278,395	-	278,395
Reclassifications	-	-	-	-	-	-
Transfer to investment properties	-	7,800,000	-	-	-	7,800,000
Balance at June 30, 2019	-	7,800,000	102,236	1,317,393	36,214	9,555,843
Accumulated depreciation						
Balance at June 30, 2018	-	-	19,972	281,603	212,232	513,807
Charge for the year	-	89,400	8,227	219,428	30,996	348,051
Balance at June 30, 2019	-	89,400	28,199	501,031	243,228	861,858
Net book Value	**-**	**7,710,600**	**74,037**	**816,362**	**92,986**	**8,693,985**
Cost						
Balance at June 30, 2017	95,387	-	466,274	443,501	336,214	1,341,376
Additions for the year	-	-	79,536	349,089	40,543	428,625
Reclassifications	-	-	(249,448)	249,448	-	-
Transfer to investment properties	(95,387)	-	(10,320)	-	-	(105,707)
Disposals	-	-	(183,806)	(3,040)	-	(186,846)
Balance at June 30, 2018	-	-	102,236	1,038,998	336,214	1,477,448
Accumulated depreciation						
Balance at June 30, 2017	-	-	26,366	170,195	170,905	367,466
Charge for the year	-	-	13,309	112,206	41,327	166,842
Transfer to investment properties	-	-	-	(6,494)	-	(6,494)
Disposals	-	-	(13,209)	(798)	-	(14,007)
Balance at June 30, 2018	-	-	19,972	281,603	212,232	513,807
Net book value	**-**	**-**	**82,264**	**754,395**	**123,982**	**963,641**

7. Investment Properties

	2019 $	2018 $
Balance as at July 1	29,117,256	27,950,000
Additions	17,347,736	1,436,779
Transfer to property, plant and equipment	(7,800,000)	99,213
Change in fair value	-	(368,736)
Construction in progress	1,801,603	-
Balance as at June 30	**40,466,595**	**29,117,256**

Investment property comprises of properties at the following locations:

(i) 50 Lewis Street, Woodbrook, Port of Spain
(ii) Villa No 34D, Tobago Plantations Development Lowlands, Tobago
(iii) Lot No. 28, Pinta Drive, Westmoorings by the Sea East, Westmoorings
(iv) 15 Wainwright Street, St. Clair, Port of Spain.
(v) 6 Scott Street, St. Clair, Port of Spain

The property at Luis Street was revalued by BCQS Chartered Quantity Surveyors on January 18, 2016 on the basis of the market value of the property, which was $4,500,000.

The second and third properties were revalued by BCQS International on April 14, 2015 and June 5, 2018 respectively, on the basis of the direct comparable method. The properties were valued at $2,300,000 and $5,500,000 respectively.

The fourth property was acquired on August 8, 2014 based on a valuation performed by BCQS Chartered Quantity Surveyors on September 14, 2017. The valuator used the market value basis to determine the fair value of the property, which was $15,500,000.

The fifth property was acquired on January 5, 2019 based on a valuation performed by BCQS Chartered Quantity Surveyors on January 10, 2019. The valuator used the market value basis to determine the fair value of the property, which was $13,000,000.

8. Financial Assets at Fair Value Through Profit or Loss

	2019 $	2018 $
Non-pledged financial assets at fair value through profit or loss	73,813,583	67,642,383
Pledge financial assets designated as at fair value	6,244,103	6,616,844
	80,057,686	**74,259,227**

This balance is unsecured, non-interest bearing and repayable when finances permit.

Loan receivable terms

Included in other receivables is the following loan:

Caribbean Educational Association, a not-for-profit organization, was granted an interest-free loan in the amount of $625,000 to acquire and renovate a property at Glencoe. The loan is for 5 years commencing September 30, 2013. The terms of payment shall be made quarterly throughout the repayment period via bank transfer.

	2019 $	2018 $
9. Accounts receivable		
Accrued interest	1,571,102	2,083,067
Rental deposit	-	17,500
Other **client** receivables	224,474	919,483
Other receivables	638,287	989,641
	2,433,863	**4,009,691**

10. Stated Capital

Authorised capital
Unlimited number of ordinary shares of no par value
Unlimited number of preference shares of no par value

Issued and fully paid		
10,000,000 ordinary shares of no par value	10,000,000	10,000,000
10,000,000 preference shares of no par value	10,000,000	10,000,000
	20,000,000	**20,000,000**

11. Borrowings

Current	9,897,147	4,380,471
Non-current	20,576,909	20,504,668
	30,474,056	**24,885,139**
Fair value of collateral provided in respect of borrowings	**27,561,360**	**26,766,844**

Morgan Stanley

Borrowings from Morgan Stanley of $9,897,147 (2018: $4,380,471) have no fixed terms of repayment. The proceeds of which were used to purchase bonds and equities held at the same financial institution. The loan bears interest at a rate of one month LIBOR plus 1.5%, which equated to approximately 3.05% per annum. The loan is secured by the investments which were acquired.

Other loans

Real Asset Structured Products (RASP) represent investments in real assets, namely real estate holdings. In 2018 the value of the RASP was $20,576,909 (2018: $20,504,668). The weighted average interest rate offered to clients was 2.785% (2017: 2.76%) with an average life of the investment being three (3) years. The RASP structure is an unsolicited private placement of funds to clients that fit into the Company's family office structure.

12. Customer Deposits

	2019 $	2018 $
Certificate of investments	60,729,305	52,039,359
Customer deposits unsubscribed	9,333,538	4,604,286
Other deposits	30,422,766	36,099,892
	100,485,609	**92,743,537**
Fair value of collateral provided in respect of customer deposits	**107,174,077**	**104,248,121**

(i) Certificates of investments represents fixed income securities sold to the investor at a specified fixed rate held for less than a year.

(ii) Other deposits represent funds received from customers which have not been allocated to a product type.

(iii) Other deposits unsubscribed represents funds received from customers to be invested in the purchase of investments of is to be allocated to Customers by the first financial quarter.

13. Taxation

(i) Income tax recognised in profit or loss

	2019	2018
Corporation tax	1,182,917	1,007,255
Green Fund levy	38,989	31,784
Business levy	2,203	-
Deferred tax	831,300	(479,006)
	2,055,409	**560,033**

(ii) ***Reconciliation of effective tax rate***

	2019	2018
Profit for the year	7,144,172	2,542,282
Corporation tax at statutory rate of – 30%	2,143,252	762,685
Tax effect on non-deductible expenses	(129,035)	(234,436)
Green Fund levy	38,989	31,784
Business levy	2,203	-
	2,055,409	**560,033**

13. Taxation (continued)

(iii) Movement in the deferred tax (asset) liability

The movement in deferred tax is attributable to property, plant and equipment.

	2019	**2018**
Deferred tax asset	$	$
The components of deferred tax are as follows:		
Property, plant and equipment		
At the beginning of the year	575,972	96,786
Deferred tax benefit	(358,862)	479,186
At the end of the year	**217,110**	**575,972**
Deferred tax liability		
The components of deferred tax are as follows:		
Property, plant and equipment		
At the beginning of the year	-	-
Deferred tax benefit	481,217	-
At the end of the year	**481,217**	**-**

14. Other Liabilities

	2019	2018
Interest payable	1,190,747	661,010
Other payables	1,590,283	1,133,102
	2,781,030	**1,794,112**

15. Employee Costs

	2019	2018
Salaries	1,656,472	1,570,653
National Insurance	104,927	109,081
Bonus	682,553	352,186
Medical expense	13,500	9,406
Allowances	245,337	122,880
Commissions	-	170,017
	2,702,789	**2,334,223**

Number of persons employed by the Group full time at year-end was 13 (2018: 13).

16. Operating Leases

	2019 $	2018 $
Non-cancellable operating lease rentals are payable as follows:		
Less than one year	517,230	513,320
Between one and five year	2,068,920	2,053,278
	2,586,150	**2,566,598**

During the year, $454,785 (2017: $540,502) was recognised as an expense in profit or loss in respect of operating leases.

The operating lease for the property in Port of Spain is for 2 years, expiring March 1, 2020.

17. Related Parties

(i) Identity of related parties

A party is related to the Group if:

a) The party is a subsidiary or an associate of the Group;

b) The party is, directly or indirectly, either under common control or subject to significant influence with the Group or has significant or joint control of the Group.

c) The party is a close family member of a person who is part of key management personnel or who controls the Group;

d) The party is controlled or significantly influenced by a member of key management personnel or by a person who controls the Group;

e) The party is a joint venture in which the Group is a venture partner;

f) The party is a member of a Group's or its parent's key management personnel;

g) The party is a post-employment benefit plan for the Group's employees.

h) The party, or any member of a group of which it is a part, provides key management personnel services to the Group.

(ii) Key management personnel

Key management personnel receive compensation in the form of short-term, employee benefits and post-employment benefits. Key management personnel received compensation of $846,143 (2018: $944,380) for the year. Total remuneration is included in staff costs.

18. Financial Risk Management

Introduction and overview

The Group has exposure to the following risks from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk.

This Note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. The Group's management of capital is presented in Note 18.

Risk management framework

The Group maintains positions in a variety of non-derivative financial instruments in accordance with its investment management strategy. The investment strategy is to invest in marketable, high quality securities as a basis for structuring fixed income instruments and other solutions for clients. The Group's investment portfolio comprises listed and unlisted equity and debt securities.

The Group's investment manager has been given a discretionary authority to manage the assets in line with the Group's investment objectives, compliance with the target asset allocations. The composition of the portfolio is monitored by the Board of Directors on a quarterly basis. In instances where the portfolio has diverged from target asset allocations, the Group's investment manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

(i) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group, resulting in a financial loss to the Group. It arises principally from debt securities held and also from cash and cash equivalents and balances due from brokers. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

(i) Management of credit risk

The Group's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties meeting the credit standards set out in the Group's prospectus and by taking collateral.

Credit risk is monitored on a daily basis by the investment manager in accordance with policies and procedures in place. Exposure to credit risk is low as issues are mainly investments grade, rated A and above. The Group's credit risk is monitored on a quarterly basis by the Board of Directors. Where the credit risk is not in accordance with the investment policy or guidelines of the Group, the investment manager is obliged to rebalance the portfolio within 21 days of each determination that the portfolio is not in compliance with the stated investment parameters.

18. Financial Risk Management (continued)

(i) Credit risk (continued)

(ii) Exposure to credit risk

The Group's maximum credit risk exposure (without taking into account collateral and other credit enhancements) at the reporting date is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position.

(iii) Investment in debt securities

Credit risk arising on debt securities is mitigated by investing primarily in investment-grade rated instruments, primarily with credit ratings of at least "BB" or equivalent as determined by S&P, Moody's, Fitch or other recognised Credit Rating Agencies. The Investment Committee reviews a monthly rating update from the rating agency and rebalances the portfolio where necessary. The Group may also invest in unrated debt securities whereby the Investment Analyst assigns a credit rating to these securities.

At June 30, the Group had invested in debt securities with the following credit quality:

Ratings:	2019 %	2018 %
A	3.26	3.47
BBB	4.82	12.64
BB	85.86	71.41
B	2.4	4.94
C	-	-
Not rated	3.66	7.54
Total	100.00	100.00

(iv) Cash and cash equivalents

The Group's cash and cash equivalents are held mainly with Scotia Bank Trinidad and Tobago Limited. The Senior Manager – Asset Management monitors the financial position on a monthly basis.

18. Financial Risk Management (continued)

(i) Credit risk (continued)

(v) Concentration of credit risk

The Director – Financial Engineering reviews credit concentration of debt securities held based on counterparties, industries, currency and geographic location. As at the reporting date, the Group's debt securities exposures were concentrated in the following geographic locations:

	2019 %	2018 %
Trinidad	42.15	26.22
Jamaica	-	5.26
Bermuda	21.09	36.54
Brazil	-	1.83
UK	17.45	14.57
USA	10.64	7.69
Other	8.67	7.89
Total	**100.00**	**100.00**

In this portfolio of credit risk, there are issuer concentrations to an individual issuer or group of issuers. Investments exceeding 15% of net assets are comprised of Government of Trinidad and Tobago (GOTT) and Barclays.

(ii) Settlement risk

The Group's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.
For the majority of transactions, the Group mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval and limit monitoring processes described earlier.

(i) Past due and impaired assets

No financial assets carried at amortised cost were past due or impaired at June 30, 2019.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Group.

(i) Management of liquidity risk

The Group's policy approach to managing liquidity is to have sufficient liquidity to meet its liabilities, which risk damage to the Group's reputation. The Group's policy provides for the monthly evaluation of fixed income security obligation due and receivable. It is therefore exposed to the liquidity risk of meeting redemptions month over month on assets held.

18. Financial Risk Management (continued)

(iv) Liquidity risk (continued)

(i) *Management of liquidity risk (continued)*

The Group's financial assets include unlisted equity investments which generally are illiquid. The Group's listed securities are considered to be readily realisable as they are actively traded on major Euro Bond Market, stock exchanges and on the NYSE.

The Group's liquidity risk is managed on a daily basis by the Senior Manager – Asset Management in accordance with policies and procedures in place.

The Group's overall liquidity risk is monitored on a monthly basis by the Board of Directors. The Group's redemption policy only allows for redemption of shares to be determined at fair value price agreed amongst parties within 21 days. It is the Senior Asset Manager's policy to have liquid assets comprising cash and cash equivalents and bonds for which there is an active and liquid market equal to at least 120 percent of quarterly anticipated redemptions.

The Board of Directors is empowered to impose a redemption gate should redemption levels exceed 10 percent of the net assets value of the Group in any redemption period.

(ii) *Maturity analysis of financial liabilities*

The table below shows the undiscounted cash flows of the Group's financial liabilities, including estimated interest payments, on the basis of their earliest possible contractual maturity.

	Carrying amount $	Contractual cash flows $	Less than one month $	1 to 3 months $	3 months to 1 year $	More than 1 year $
June 30, 2019						
Borrowings	9,897,147	9,897,147	-	-	-	9,897,147
RASP deposits	20,576,909	20,576,909	-	-	-	20,576,909
Certificated of investments	42,088,862	42,088,862	6,297,423	9,273,257	26,518,182	-
Customer deposits	39,756,304	39,756,304	39,756,304	-	-	-
Interest payable	675,296	2,356,581	183,129	438,379	1,201,122	533,951
Other payable	1,922,189	1,922,189	1,922,189	-	-	-
	114,916,707	**116,597,992**	**48,159,045**	**9,711,636**	**27,719,304**	**31,008,007**

18. Financial Risk Management (continued)

(iii) *Liquidity risk* (continued)

(ii) *Maturity analysis of financial liabilities (continued)*

June 30, 2018

Borrowings	4,380,471	4,380,471				4,380,471
RASP deposits	20,504,668	20,504,668	-	-	-	20,504,668
Certificates of investment	52,039,359	52,039,359	500,000	11,056,695	40,482,663	-
Customer deposits	40,704,178	40,704,178	40,704,178	-	-	-
Interest payable	661,010	2,493,507	13,941	401,566	1,479,502	598,498
Other payable	824,847	824,847	-	824,847	-	-
	119,114,533	**120,947,030**	**41,218,119**	**12,283,108**	**41,962,165**	**25,483,637**

The gross amounts include interest payable where applicable. The Group's expected cash flows on these instruments do not vary significantly from this analysis, except for net assets attributable to the holders of redeemable shares, which the Group has contractual obligations. Historical experience indicates that these bonds are held on a medium- or long-term basis.

(iv) *Market risk*

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Group's income or the fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) *Management of market risk*

The Group's strategy for the management of market risk is driven by the Group's investment objective and investment strategy.

The Group's investment objective is to generate superior returns for the investors.

The Group's market risk is managed weekly but monitored on an ongoing basis by the Senior Manager – Asset Management in accordance with policies and procedures in place. The Group's market positions are monitored on a monthly basis by the Board of Directors.

(ii) *Exposure to interest rate risk*

The Group is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. In respect of the Group's interest-bearing financial instruments, the Group's policy is to transact in financial instruments that mature or re-price in the short term, i.e. no longer than 12 months. Accordingly, the Group would be subject to limited exposure to fair value or cash flow interest rate risk due to fluctuations in the prevailing levels of market interest rates.

A summary of the Group's interest rate gap position, categorized by the earlier of contractual re-pricing or maturity date, is as follows:

18. Financial Risk Management (continued)

(iv) *Market risk (continued)*

(ii) Exposure to interest rate risk (continued)

	Less than one month $	1 to 3 months $	3 months to 1 year $	More than 1 year $	Total $
June 30, 2019					
Assets					
Cash and cash equivalents	30,797,762	-	-	-	30,797,762
Investment securities	-	-	-	80,051,686	80,051,686
	30,797,762	**-**	**-**	**80,051,686**	**110,849,448**
Liabilities					
Borrowings	-	-	-	9,897,147	9,897,147
Customer deposits	39,756,304	-	-	-	39,756,304
RASP deposit	-	-	-	20,576,909	20,576,909
Certificate of investment	183,129	225,374	890,395	-	1,328,898
	39,939,433	**225,374**	**890,395**	**30,474,056**	**71,559,258**
June 30, 2018					
Assets					
Cash and cash equivalents	36,282,751	-	-	-	36,282,751
Investment securities	-	-	-	74,259,227	74,259,227
	36,282,751	**-**	**-**	**74,259,227**	**110,541,978**
Liabilities					
Borrowings	-	-	-	4,380,471	4,380,471
Customer deposits	40,704,178	-	-	-	40,704,178
RASP deposit	-	-	-	20,504,668	20,504,668
Certificate of investment	500,000	11,056,695	40,482,663	-	52,039,358
	41,204,178	**11,056,695**	**40,482,663**	**24,885,139**	**117,628,675**
Total interest sensitivity gap	**(5,104,286)**	**(11,056,695)**	**(40,482,663)**	**49,374,088**	**(7,269,557)**

In order to manage interest rate risk, the Group aims to maintain a weighted average days to maturity, or contractual re-pricing date if earlier, for debt securities.

18. Financial Risk Management (continued)

(iv) *Market risk (continued)*

(ii) *Exposure to interest rate risk* (continued)

The internal procedures require the Investment Analyst to manage interest rate risk on a weekly basis in accordance with policies and procedures in place. The Group's interest rate risk is monitored on a monthly basis by the Board of Directors. Where the interest rate risk is not in accordance with the investment policy or guidelines of the Group, the Investment Analyst is required to re-evaluate and consider options for re-allocation of the portfolio and seek concurrence from the Board of Directors.

The sensitivity analysis reflects how profit or loss and net assets attributable to holders of redeemable shares would have been affected by changes in the relevant risk variable that were reasonably possible at the end of the reporting period.

Management has determined that a fluctuation in interest rates of 400 basis points is reasonably possible, considering the economic environment in which the Group operates.

(iii) *Exposure to currency risk*

The Group invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency, primarily in US Dollars (USD), Brazilian Real (BRL), and Canadian Dollars (CAD). Consequently, the Group is exposed to risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value or future cash flows of that portion of the Group's financial assets or liabilities denominated in currencies other than the Trinidad and Tobago dollar (TTD).

The Group's policy with respect to managing its currency risk is to limit its total foreign currency exposure, excluding USD currency, to less than 50 percent of the Group's net assets, with no individual foreign currency exposure, excluding USD currency, being greater than 20 percent of the net assets.

The Group's currency risk is managed on a daily basis by the Senior Manager – Asset Management in accordance with policies and procedures in place. Since the TTD is considered to have a "managed float" against the USD, the risk of loss between the two currencies is considered minimal. Other currency risk is managed by daily monitoring of the foreign exchange market and benchmarked to our base currency (USD). The Group's currency positions and exposures are monitored on a monthly basis by the Board of Directors.

18. Financial Risk Management (continued)

(iv) *Market risk (continued)*

(iv) Exposure to currency risk (continued)

At the reporting date the carrying value of the Group's investment securities held in individual foreign currencies expressed in TTD are as follows:

	USD	GBP	CAD	Euro	Total
	$	$	$	$	$
June 30, 2019					
Foreign assets	106,482,951	129,189	1,228,326	120,358	107,960,824
Foreign liabilities	(85,836,160)	(6)	(378,548)	(21,910)	(86,236,624)
Net assets	**20,646,791**	**129,183**	**849,778**	**98,448**	**21,724,200**

	USD	GBP	CAD	Euro	Total
	$	$	$	$	$
June 30, 2018					
Foreign assets	102,523,948	1,157,961	29,249	302,588	104,013,746
Foreign liabilities	(85,295,634)	(1,207,204)	(139)	(58,551)	(86,561,528)
Net assets	**17,228,314**	**(49,243)**	**29,110**	**244,037**	**17,452,218**

(v) Exposure to other price risk

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

Price risk portfolio is managed by the Portfolio Manager and Investment Analyst by diversifying the portfolio. The Portfolio Manager further monitors concentration of risk based on counterparties and industries and geographical location.

The Group's policy for concentration of the investment portfolio profile sets limits as follows:

Country limits (excluding USD)	-	not exceeding 40%
Currency limits (excluding USD)	-	not exceeding 30%

18. Financial Risk Management (continued)

(iv) *Market risk (continued)*

(v) Exposure to other price risk (continued)

Where the price risk is not in accordance with the investment policy or guidelines of the Group, the Portfolio Manager is required to re-evaluate and consider options for re-allocation of the portfolio and seek concurrence from the Board of Directors.

The following table sets out concentration of the investment assets, excluding derivatives, held by the Group as at the reporting date:

	2019	2018
	%	%
Percentage of Total Assets		
Government	6.77	13.81
Government agencies	-	2.13
Corporate	93.23	84.06

There are concentrations of risk to issuers at June 30, 2019.

(v) *Operational risk*

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Group's activities with financial instruments either internally within the Group or externally at the Group's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior.

The Group's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risks identified;
- Contingency plans;
- Ethical and business standards; and
- Risk mitigation, including insurance if this is effective.

18. Financial Risk Management (continued)

(v) *Operational risk (continued)*

Substantially all of the foreign financial assets of the Group are held by Morgan Stanley, Oppenheimer and Stifel, Nicolaus & Company. The local financial assets are held by the Central Bank of Trinidad and Tobago and Scotiabank of Trinidad and Tobago Limited.

Bankruptcy or insolvency of the Group's custodian may cause the Group's rights with respect to the securities held by the custodian to be delayed or limited. The investment manager monitors credit ratings and capital adequacy of its custodian on a quarterly basis, and reviews the findings documented in the report on the internal controls annually.

(vi) *Financial instruments measured at fair value*

The following table shows an analysis of financial instruments measured at fair value by level of the fair value hierarchy:

(i) Fair value hierarchy

June 30, 2019

i) Non-pledged financial assets at fair value through profit or loss

	Level 1 $	Level 2 $	Level 3 $	Total $
Equity Investments				
Listed				
Banking/financial services	2,274,390	-	-	2,274,390
Conglomerate	674,969	-	-	674,969
Consumer services	1,467,078	-	-	1,467,078
Entertainment	930,469	-	-	930,469
Health care	592,641	-	-	592,641
Oil, gas and coal	337	1	-	338
Other	116,585	-	-	116,585
Technology	6,837,824	-	-	6,837,824
Debt Securities				
Banking/financial services	26,528,156	-	-	26,528,156
Construction	1,050,956	-	-	1,050,956
Entertainment		1,076,026	-	1,076,026
Oil, gas and coal	19,893,238		-	19,893,238
Other		1,375,540	-	1,375,540
Retail	3,734,053	-	-	3,734,053
State	5,416,644	-	-	5,416,644
Technology	1,687,403	-	-	1,687,403
Total	**71,204,743**	**2,451,567**	-	**73,656,310**

18. Financial Risk Management (continued)

(vi) *Financial instruments measured at fair value (continued)*

(i) Fair value hierarchy (continued)

The following table shows an analysis of financial instruments measured at fair value by level of the fair value hierarchy:

June 30, 2019

ii) Pledged financial assets at fair value through profit or loss

	Level 1 $	Level 2 $	Level 3 $	Total $
Equity Investments Ltd				
Banking/financial services	1,471,177	-	-	1,471,177
Technology	4,772,926	-	-	4,772,926
Total	**6,244,103**	-	-	**6,244,103**

The following table shows an analysis of financial instruments measured at fair value by level of the fair value hierarchy:

June 30, 2018

iii) Non-pledged financial assets at fair value through profit or loss

	Level 1 $	Level 2 $	Level 3 $	Total $
Equity Investments Listed				
Banking/financial services	3,196,181	-	-	3,196,181
Capital goods	346,048	-	-	346,048
Consumer services	625,194	-	-	625,194
Oil, gas and coal	-	1	-	1
Technology	282,655	-	-	282,655
Other	688,552	-	-	688,552
	5,138,630	**1**	-	**5,138,631**
Debt Securities				
Banking/financial services	33,538,755	-	-	33,538,755
Construction	6,742	-	-	6,742
Electricity	1,584,877	-	-	1,584,877
Entertainment	-	1,716,875	-	1,716,875
Oil, gas and coal	8,839,732	-	-	8,839,732
Other	-	1,506,995	-	1,506,995
Retail	3,185,501	-	-	3,185,501
State	10,257,825	-	-	10,257,825
Technology	1,771,829	-	-	1,771,829
	59,185,261	3,223,870	-	62,409,131
Total	**64,323,891**	**3,223,871**	-	**67,547,762**

18. Financial Risk Management (continued)

(vi) *Financial instruments measured at fair value (continued)*

(i) Fair value hierarchy (continued)

The following table shows an analysis of financial instruments measured at fair value by level of the fair value hierarchy:

June 30, 2018

iv) Pledged financial assets at fair value through profit or loss

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Equity Investments Ltd				
Banking/financial services	1,953,953	-	-	1,953,953
Technology	3,213,381	-	-	3,213,381
Total	**5,167,334**	**-**	**-**	**5,167,334**
Debt Securities				
Banking/financial services	1,451,510	1,451,510	1,451,510	1,451,510
Total	**6,618,844**	**-**	**-**	**6,618,844**

(vii) *Financial instruments not measured at fair value*

The table below shows the financial assets and liabilities not measured at fair value and analyses them by level in the fair value hierarchy into which the fair value measurement is categorised. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of
fair value.

	Level 1	Level 2	Level 3	Fair Value	Total Carrying Amount
	$	$	$	$	$
As at June 30, 2019					
Liabilities					
Customer deposits	100,485,609	-	-	100,485,609	100,485,609
Borrowings	30,474,056	-	-	30,474,056	30,474,056
	130,959,665	**-**	**-**	**130,959,665**	**130,959,665**
As at June 30, 2018					
Liabilities					
Customer deposits	40,704,178	-	-	40,704,178	40,704,178
Borrowings	24,792,374	-	-	24,792,374	24,792,374
	65,496,552	**-**	**-**	**65,496,552**	**65,496,552**

18. Financial Risk Management (continued)

(vi) *Financial instruments not measured at fair value (continued)*

The fair value of borrowings and payables under repurchase agreements is estimated using discounted cash flow techniques, applying the rates that are offered for borrowings and payables under repurchase agreements of similar maturities and terms.

19. Capital Management

The Group is required by the Securities and Exchange Commission to maintain authorised and paid up capital at a minimum amount of TT$5 million in the form of management shares. The holders of management shares are entitled to a repayment of up to par value only upon the winding up of the Group in priority to redeemable shares. The Group is not subject to other externally imposed capital requirements.

The redeemable shares issued by the Group provide an investor with the right to require redemption for cash at a value proportionate to the investor's share in the Group's net assets at fair value agreed parties amongst parties within 21 days. The Board of Directors is empowered to impose a redemption gate should redemptions levels exceed 10 percent of the net assets value of the Group in any redemption period.

20. Third Party Assets under Management

Third party owned assets which are managed by the Group in a fiduciary capacity and therefore not included in these consolidated financial statements amounted to $144 million as at June 30, 2019 (2018: $211 million).

21. Events after the Reporting Date

There are no events occurring after the reporting date and before the date of approval of the consolidated financial statements by the Board of Directors that require adjustment to or disclosure in these consolidated financial statements.

22. Administrative expenses

	2019 $	2018 $
Advertising and promotions	23,103	35,310
Bank charges and interest	36,020	26,816
Brokerage fees	73	-
Business licenses and permits	-	30,000
Commissions expense	-	144,296
Computer and internet expenses	48,104	72,640
Consultancy expense	32,000	29,625
Courier and postage	17,821	35,797
Depreciation	348,057	166,842
Donations	21,941	4,250
Dues and subscriptions	68,769	46,827
Entertainment	57,307	42,572
Equipment lease	181,390	184,756
Insurance	300,068	240,649
Loss on disposal of property, plant and equipment	-	170,300
Miscellaneous expenses	4,381	4,238
Motor vehicle expenses	19,882	16,280
Office expenses	145,684	54,290
Penalty and interest	78,000	9,222
Professional fees	670,796	736,213
Rent	35,100	274,100
Repairs and maintenance	349,405	268,769
Security	27,000	945
Telephone	48,605	37,001
Training	144,720	56,305
Transaction fees	1,102,079	774,081
Travel	115,971	12,807
Uniforms	-	405
Utilities	57,543	36,681
Website	3,000	3,000
Withholding tax	61,860	41,552
	3,998,674	**3,556,569**