Statement of Trustee's Responsibilities

The Trustee is responsible for the following:

- preparing and fairly presenting the accompanying financial statements of The First Citizens Tax Advantage Plus ("The Plan"), which comprise the statement of financial position as at 31 December 2019, the statements of comprehensive income and 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 Plan 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 Plan's assets, detection/prevention of fraud, and the achievement of the Plan'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; and
- using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, the Trustee 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, the Trustee chose those considered most appropriate in the circumstances.

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

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

Trustee
29 May 2020

Trustee
29 May 2020

Independent Auditor's Report

To the Trustee of
First Citizens Tax Advantage Plus

Report on the audit of the financial statements

Our opinion
In our opinion, the financial statements present fairly, in all material respects the financial position of First Citizens Tax Advantage Plus (the Plan) as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited
The Plan's financial statements comprise:
- the statement of financial position as at 31 December 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Plan in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of trustee for the financial statements
The Trustee is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Plan'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 the Trustee either intends to liquidate the Plan or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

Independent Auditor's Report (continued)

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 financial statements.

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 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 Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee'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 Plan'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 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 auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

PricewaterhouseCoopers
Port of Spain,
Trinidad, West Indies
29 May 2020

Statement of Financial Position
(Expressed in Trinidad and Tobago dollars)

	Notes	As at 31 December 2019 $	2018 $
Assets			
Financial assets			
- Fair value through profit and loss	4a	19,346,089	28,463,026
- Amortised cost	4b	62,406,539	59,793,185
Income receivable		718,417	782,621
Due from related parties	6	1,045,825	--
Cash and cash equivalents	5	6,394,476	3,956,014
Total assets		89,911,346	92,994,846
Liabilities			
Due to related parties	6	--	7,849,115
Other payables	7	369,544	346,567
Members' balances	8	80,998,915	80,203,881
Total liabilities		81,368,459	88,399,563
Equity			
Retained surplus		8,542,887	4,595,283
Total capital and reserves		8,542,887	4,595,283
Total liabilities, capital and reserves		89,911,346	92,994,846

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

On 29 May 2020, the Trustee of First Citizens Tax Advantage Plus authorised these financial statements for issue.

Trustee
29 May 2020

Trustee
29 May 2020

Statement of Comprehensive Income
(Expressed in Trinidad and Tobago dollars)

	Notes	Year ended 31 December 2019 $	2018 $
Income			
Net investment income	9	3,474,510	3,588,815
Net unrealised gain/(loss) on financial assets at fair value through profit and loss		3,300,927	(1,351,357)
Realised gain on sale of financial assets		791,940	81,302
Other income		41	33
Net Impairment on financial assets		10,682	--
Foreign exchange gains		2,985	961
Total net income		7,581,085	2,319,754
Expenses			
Fees	6	(1,802,676)	(1,756,973)
Insurance expense		(201,967)	(203,977)
Audit fees		(113,262)	(149,931)
Other expenses		(117,636)	(2,538)
Impairment on financial assets		--	(25,246)
Total expenses		(2,235,541)	(2,138,665)
Operating profit for the year		5,345,544	181,089
Other comprehensive income		--	--
Total comprehensive income for the year		5,345,544	181,089

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

Statement of Changes in Equity
(Expressed in Trinidad and Tobago dollars)

	Retained surplus $	Investment revaluation reserve $	Total $
Year ended 31 December 2019			
Balance at beginning of year	4,595,283	--	4,595,283
Comprehensive income:			
Operating profit for the year	5,345,544	--	5,345,544
Total comprehensive income	5,345,544	--	5,345,544
Transactions with members:			
Income credited to members	(1,397,940)	--	(1,397,940)
Total transactions with members	(1,397,940)	--	(1,397,940)
Balance at end of the year	8,542,887	--	8,542,887
Year ended 31 December 2018			
Balance at beginning of year as previously reported	425,064	8,405,882	8,830,946
Net impact on adoption of IFRS 9	5,329,826	(8,405,882)	(3,076,056)
Revised balance at beginning of year	5,754,890	--	5,754,890
Comprehensive income:			
Operating profit for the year	181,089	--	181,089
Total comprehensive income	181,089	--	181,089
Transactions with members:			
Income credited to members	(1,340,696)	--	(1,340,696)
Total transactions with members	(1,340,696)	--	(1,340,696)
Balance at end of the year	4,595,283	--	4,595,283

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

Statement of Cash Flows
(Expressed in Trinidad and Tobago dollars)

	Year ended 31 December 2019 $	2018 $
Cash flows from operating activities		
Operating profit for the year	5,345,544	181,089
Unrealised (gain)/loss on financial assets at fair value through profit and loss	(3,300,927)	1,351,357
Impairment on financial assets	(10,682)	25,246
Realised gain on sale	--	(81,302)
Net change in receivables	64,204	(83,576)
Net change in due to related parties	(8,894,940)	(1,362,152)
Net change in other payables	22,977	218,821
Purchase of financial assets	(9,154,636)	(5,442,808)
Proceeds from disposal of equities	12,417,864	470,231
Proceeds from maturities/principal repayments of debt securities	6,551,964	4,334,445
Net cash generated from/(used in) operating activities	3,041,368	(388,649)
Cash flows from financing activities		
Contributions	8,003,998	8,396,291
Withdrawals	(8,606,904)	(7,682,971)
Net cash (used in)/generated from financing activities	(602,906)	713,320
Net increase in cash and cash equivalents	2,438,462	324,671
Cash and cash equivalents at the beginning of the year	3,956,014	3,631,343
Cash and cash equivalents at the end of the year	6,394,476	3,956,014

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

Notes to the Financial Statements
(Expressed in Trinidad and Tobago dollars)

1 Description of the Plan

The following brief description of The First Citizens Tax Advantage Plus, (the "Plan") is provided for general information purposes only. Reference should be made to the Trust Deed and Rules of the Plan for more complete information.

General information

The First Citizens Tax Advantage Plus is a deferred annuity plan, approved by the Board of Inland Revenue (BIR) of Trinidad and Tobago under Section 28 of the Income Tax Act and registered with the Trinidad and Tobago Securities and Exchange Commission as a Collective Investment Scheme in accordance with section 62 (8) of the Securities Act, 2012 (SA 2012). The Plan commenced on 1 March 1999 and is governed by the Trust Deed and Rules executed on 13 November 1997, amended on 18 September 1998, 14 December 1998 and 9 February 2004. The Plan's main objective is to provide investors with supplemental retirement income by investing over the long term. Investors ("members") contribute periodically for the purpose of providing an annuity for life commencing at the maturity date, which is a date not prior to the member's 50th birthday. In 2003, the Plan changed its year end from 30 September to 31 December.

On 27 November 2015, a Supplemental Trust Deed containing an Amended and Restated Trust Deed and Rules was executed with effect from 1 December 2015. The name of the Plan changed from First Citizens Bank Retirement Provider to First Citizens Tax Advantage Plus. There were no changes in the Amended and Restated Trust Deed and Rules which alter the operations of the Plan. Apart from the change in name, the amendments were executed primarily to consolidate changes made over the life of the Plan through numerous supplemental Trust Deeds, to align the document to reflect best practice disclosure and the changes to the Income Tax Act and to clarify areas of ambiguity in the language within the previous governing documents of the Plan.

The address of its registered office is #45 Abercromby Street, Port of Spain.

Contributions

Members make contributions to the Plan in accordance with the respective contract of each individual member, on a monthly, quarterly or otherwise basis. A member may invest additional contributions, however, the amount must be greater than $300. Contributions to the Plan are tax deductible. No contributions shall be payable by the member under this Plan after the maturity date.

Income credited to members

In accordance with the terms of the Trust Deed and Rules, income is credited to each member's account on an annual basis. By 31 January in each financial year, the Trustee declares a rate of income to be credited to the member's account as at 31 December of the preceding financial year. Prior to 9 February 2004, the Plan guaranteed a minimum rate of interest every year and this was declared no later than 20 December in each financial year to be credited to the member's account in the following financial year.

Withdrawals

Withdrawals of contributions can be made under special circumstances as laid out in the Trust Deed and Rules. Under some circumstances, these withdrawals are subject to tax. The Plan ensures that the applicable taxes are remitted to the BIR.

1 Description of the Plan (continued)

Benefits upon maturity

Upon maturity, the member terminates his/her relationship with the Plan and uses his/her contributions plus accumulated income credited to purchase an annuity of the member's choice. This annuity provides pension payments for the member. Alternatively, members may elect to take a cash payment not exceeding 25% of the contributions together with all or part of the income and an annuity provided with the balance of the accumulation.

Benefits upon death of a member

If a member dies before the maturity date of the contract, a return of the accumulation of contributions and income credited plus a life insurance benefit will be paid to the nominated beneficiary. This insurance benefit is an additional feature of the Plan and represents a policy agreement between the member and an independent insurance provider. In each financial year, insurance is effected on the life of each member to the extent of the accumulation of the member's balance for the previous financial year. The insurance premiums are an expense of the Plan and the insurance benefit is paid by the insurance policy and not the Plan. This payment will be subject to tax levied by law.

Fees

Trustee fees are payable to the Trustee at a rate of 0.25% per annum on the average net assets of the Plan. The Investment Manager is paid up to a maximum of 2.00% per annum on the average net asset value of the Plan. The Custodian is paid 50% of the Investment Management fee deducted from the Plan. Administration and distribution fees are paid to First Citizens Depository Services Limited, the administrator and the distribution agent at a rate of 0.50% and 0.25% per annum respectively on the average net assets of the Plan.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a. *Basis of preparation*

The financial statements of the Plan have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention, as modified by the revaluation of financial assets at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Trustee to exercise its judgment in the process of applying the Plan's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(i) New standards, amendments and interpretations which are effective and have been adopted by the Plan.

There are no IFRS or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2019 that was adopted and had a material impact on the Plan.

(ii) Standards amendments and interpretations issued which are effective after 1 January 2019 and have been early adopted by the Plan.

The Plan has not early adopted any new standards, interpretations or amendments.

(iii) Standards, amendments and interpretations issued which are effective and not relevant to the Plan

The following new IFRS amendments that have been issued do not apply to the activities of the Plan:

- IFRS 3 Business Combinations - Previously held interests in a joint operation
- IFRS 11 Joint Arrangements - Previously held interests in a joint operation
- IFRS 16 Leases – replaces IAS 17 leases.
- Amendments to IAS 19 Employee Benefits - Plan Amendment, Curtailment or Settlement

b. *Foreign currency transactions*

(i) *Functional and presentation currency*

The primary activity of the Plan is to invest in securities denominated in Trinidad and Tobago dollars. Contributions, income credited to members and withdrawals are denominated in Trinidad and Tobago dollars. The Trustee considers the Trinidad and Tobago dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Trinidad and Tobago dollars which is the Plan's functional and presentation currency. The exchange rate between the TT dollar and the US dollar as at 31 December 2019 was TT$ 6.7124 = US$1.00 (2018: TT$ 6.7124 = US$1.00). This rate represents the First Citizens Group midrate.

(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 at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(ii) *Transactions and balances (continued)*

Changes in the fair value of monetary securities denominated in foreign currency classified as financial assets are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of security. Translation differences related to changes in the amortised cost are in the Statement of Comprehensive Income.

c. *Financial assets and financial liabilities*

The Plan's financial assets and liabilities are recognised in the statement of financial position when it becomes party to the contractual obligation of the instrument.

(i) Financial assets

The Plan has adopted IFRS 9, effective 1 January 2018 and classifies its financial assets based on the following business models:

- Hold for trading or
- Hold to collect

Based on the Plan's business model, there were no financial assets which met the hold to collect and sell classification. The Plan has therefore classified its assets into the following two categories:

– *Amortised cost*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 12.a.iii. Interest income from these financial assets is included in "net investment income" using the effective interest rate method.

– *Fair value through profit or loss*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the "statement of comprehensive income" within "Gains on investments securities" in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented in Investment Interest Income. Interest income from these financial assets is included in "Interest income" using the effective interest rate method.

- *Debt instruments*

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depend on:

(i) the cash flow characteristics of the asset, and

(ii) the Plan's business model for managing the asset;

Plan's business model

The business model reflects how the Plan manages the assets in order to generate cash flows. An assessment is made at a portfolio level and includes an analysis of factors such as:

- The stated objective and policies of the portfolio and the operation of those in practice. More specifically whether the Plan's objective is solely to collect the contractual cash flows from the assets or it to collect both the contractual cash flows and cash flows arising from the sale of the assets.
- Past experience on how the cash flows for these assets were collected.
- Determination of performance targets for the portfolio, how evaluated and reported to key management personnel.
- Managements identification of and response to various risks, which includes but not limited to, liquidity risk, market risk, credit risk, interest rate risk.
- How managers are compensated for e.g. if compensation is based on fair value of assets managed or contractual cash flows collected

Arising out of the assessment the portfolios were deemed to have the business models identified as follows:

Hold to Collect	Hold for Trading
Bonds issued by or guaranteed by Government of Trinidad & Tobago (GOTT), USD Sovereign, Corporate Bonds	Equity

The Plan reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

2 Summary of significant accounting policies

c. *Financial assets and financial liabilities (continued)*

- *Equity instruments*

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include ordinary shares.

The Plan subsequently measures all equity investments at fair value through profit or loss, except where the Plan's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Plan's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Plan's right to receive payments is established.

Gains and losses on equity investments classified as FVPL are included in the Statement of Comprehensive Income.

Recognition/de-recognition of financial assets

All purchases and sales of financial assets are recognised on the trade date- the date on which the Plan commits to purchase or sell the financial asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Plan has transferred substantially all risks and rewards of ownership.

Impairment

The Plan assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The Plan recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

– An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
– The time value of money; and
– Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(ii) *Financial liabilities*

Financial liabilities are classified and subsequently measured at amortised cost. Financial liabilities include member's balances, due to related parties and payables. Financial liabilities are de-recognised when they have been redeemed or otherwise extinguished (that is, when the obligation specified in the contract is discharged, cancelled or expired).

(iii) *Determination of fair value*

For financial instruments traded in an active market, the determination of fair values of financial assets and liabilities is based on quoted market prices or dealer price quotations.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and these prices represent actual and regular occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indicators that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques using input existing at the year-end.

The Plan uses an internally developed model which is generally consistent with other valuation models used in the industry. Valuation models are used to value unlisted debt securities and other debt securities for which the market has become or is illiquid. Some of the inputs of this model may not be market observable and are therefore based on assumptions.

d. *Cash and cash equivalents*

Cash and cash equivalents comprise of cash in hand and deposits held at call with banks and short-term investments with original maturities of three months or less.

e. *Provisions*

Provisions are recognised when the Plan has a present legal or constructive obligation as a result of past events, 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.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

f. *Members' balances*

The members' balance consists of the aggregate contributions by the Member and the net income earned by the Plan and credited to the members' account. Withdrawals of contributions can be made under restricted conditions. The members' balance is classified as a financial liability in accordance with IAS 32 and IAS 1 (Amendment), 'Presentation of financial statements - Puttable financial instruments and obligation arising on liquidation'.

g. *Interest income*

Interest income is recognised on a time-proportionate basis using the effective interest method and is included in the statement of comprehensive income. It includes interest income from cash and cash equivalents and on financial assets.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Plan estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

h. *Dividend income*

Dividend income is recognised in the profit and loss on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date.

For unquoted equity securities, this is usually the date on which the shareholder approves the payment of a dividend. Dividend income from equity securities designated as at fair value through the profit and loss is recognised in the profit or loss in a separate line item.

i. *Expenses*

Expenses are accounted for on the accrual basis.

j. *Contributions and withdrawals*

Contributions and withdrawals are accounted for on the accrual basis.

k. *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the balance sheet where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

l. *Income credited to members*

Income is due when declared and this takes place during the first quarter of the financial year.

3 Critical accounting estimates and judgements in applying accounting principles

The Plan makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. 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.

(i) *Financial assets at fair value through profit or loss*

All financial assets at fair value through profit and loss are valued according to quoted prices. All these assets are level 1 and thus there are no estimation risks.

(ii) *Measurement of the expected credit loss allowance*

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 11.a.iv, which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

4 Financial assets

a. *Financial assets at fair value through profit and loss*

	31 December 2019 $	2018 $
Equities	19,346,089	28,463,026
	19,346,089	28,463,026
Movement		
Balance at the beginning of year	28,463,026	91,989,435
IFRS 9 adjustments - reclassification FVOCI to amortised cost	--	(58,710,068)
IFRS 9 adjustments - remeasurement FVOCI to amortised cost	--	(3,076,056)
Revised opening balance	28,463,026	30,203,311
Additions	--	--
Disposal of equities	(12,417,864)	(470,230)
Net unrealised gain/ (loss) on revaluation of FVPL for the year	3,300,927	(1,351,357)
Realised gain on sale	--	81,302
Balance at the end of year	19,346,089	28,463,026

b. *Financial assets at amortised cost*

	2019	2018
Government debt securities	54,347,186	48,189,917
Corporate debt securities	8,059,353	11,603,268
	62,406,539	59,793,185
Movement		
Balance at the beginning of year	59,793,185	--
IFRS 9 adjustments		
- reclassification from FVOCI to amortised cost	--	61,786,124
IFRS 9 adjustments		
- remeasurement FVOCI to amortised cost	--	(3,076,056)
Revised opening balance	59,793,185	58,710,068
Additions	9,154,636	5,442,808
Maturities/principal repayments	(6,551,964)	(4,334,445)
Net Impairment on financial assets at amortised cost	10,682	(25,246)
Balance at the end of year	62,406,539	59,793,185

5 Cash and cash equivalents

	2019	2018
Cash in bank	4,345,683	2,304,384
Cash equivalents	2,048,793	1,651,630
Total	6,394,476	3,956,014

6 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 or operational decisions.

First Citizens Bank Limited acts as the Bank of the Fund with a banking relationship similar to that of any non-related bank.

In 2019, investment management fees of 1.00% (2018: 1.00%), the custodian is paid 50% of the investment management fees deducted from the Plan, administration fees of 0.50% (2018: 0.50%), distribution fees of 0.25% (2018: 0.25%) and trustee fees of 0.25% (2018: 0.25%) of the average net assets of the Plan were charged to the Plan.

Total investment management and custodian fees for the year, including the outstanding accrued fees due to First Citizens Portfolio and Investment Management Services Limited and First Citizens Depository Services Limited at the end of the year, are detailed below.

	31 December 2019 $	2018 $
Investment management and custodian fees for the year	901,337	878,501
Accrued at the end of the year	75,618	74,816

Total trustee fees for the year, including the outstanding accrued fees due to First Citizens Trustee Services Limited at the end of the year, are detailed below.

	2019	2018
Trustee fee for the year	225,335	219,620
Accrued at the end of the year	18,905	18,704

Total distribution fee for the year, including the outstanding accrued fees due to First Citizens Depository Services Limited at the end of the year, are detailed below.

	2019	2018
Distribution fee for the year	225,335	219,620
Accrued at the end of the year	18,905	18,704

Total administration fee for the year, including the outstanding accrued fees due to First Citizens Depository Services Limited at the end of the year, are detailed

	31 December 2019 $	2018 $
Administration fee for the year	450,669	439,232
Accrued at the end of the year	37,809	37,408
Other balances:		
Financial assets	2,694,526	5,844,577
Income receivable	7,545	7,545
Due from/ (to) related parties	1,045,825	(7,849,115)
Cash and cash equivalents	6,394,476	3,956,014
Other payables	(180,047)	--
Net Investment income	197,096	151,066

7 Other payables

	31 December 2019 $	2018 $
Fees	151,237	185,892
Audit fees	135,561	137,943
Publication expenses	53,024	21,773
Insurance expenses	28,810	--
TTSEC market access fees	912	959
	369,544	346,567

8 Members' balances

	2019	2018
Balance at beginning of year	80,203,881	78,149,864
Contributions	8,003,998	8,396,291
Withdrawals	(8,606,904)	(7,682,901)
Income credited to members	1,397,940	1,340,627
Balance at end of year	80,998,915	80,203,881

9 Net investment income

	2019	2018
Interest	3,102,133	2,997,959
Dividends	600,883	783,252
Discount accretion	7,872	8,118
Amortisation of premiums	(236,378)	(200,514)
	3,474,510	3,588,815

10 Income credited to members

	31 December 2019 %	2018 %
Rate of interest	2.00	1.75

The rate of income to be credited to members for 2019 was declared and credited in 2020.

11 Financial risk management

The Plan's activities expose it to a variety of financial risks and those activities involve the acceptance, analysis and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and operational risks are an inevitable consequence of being in business. The aim of the Investment Manager of the Plan is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Plan's financial performance.

Risk management is overseen by the Board of Directors of the Investment Manager which has delegated its responsibility to an Investment Committee that is responsible for the supervision of the fiduciary investment activities of the Investment Manager. The Investment Committee receives information on key market and economic risk events, trends and forecasts. In addition, the Plan's Investment Policy Statement identifies and defines the various financial risks faced by the Plan and sets appropriate risk limits and controls.

The most important types of financial risk are credit risk, market risk, concentration risk and liquidity risk. Market risk includes currency risk, interest rate and other price risk.

a. *Credit risk*

(i) Definition
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

(ii) Management of risk
Credit risk is mitigated to some extent by limiting the Plan's exposure to issuers with high credit ratings. The Plan also reduces this risk by prudent credit analysis of issuers to restrict questionable exposures in the Plan.

(iii) Credit risk grading
The Plan uses the Group's internal credit risk grading or ratings which reflect its assessment of the risk profile or PD of counterparties. The Plan utilises one (1) rating model for all financial assets.

11 Financial risk management (continued)

a. *Credit risk (continued)*

Financial assets

For sovereign and corporate financial assets, the ratings published by Standards and Poor's Rating Agency (S&P), where available, are used. For sovereigns with no S&P rating, the Group's Research and Analytics Unit uses a model based on the S&P methodology to generate a rating. For corporate investment securities with no S&P rating, a rating is assigned using the Borrower Risk Rating (BRR) model.

S&P published ratings are continuously monitored and updated. The PD's associated with each rating are determined based on realised default over the prior 12 months, as published by the rating agency. The ratings generated by the BRR model are also updated annually.

The Table below provides a comparative view of the rating models used by the Group:

	S&P Rating	Research & Analytics Risk Rating (Investment Securities)	FC Borrower Risk Rating (Corporate)	FC IG Code	Interpretation
Investment Grade	AAA, AA+	A+	1	98	
	AA, AA-	A			Extremely Low Risk
	A+, A	A-	2	95	Very Low Risk
	BBB+, BBB, BBB-	B+	3	90	Low Risk
Speculative Grade	BB+, BB, BB-	B	4	85	Moderate Risk
	B+, B, B-	B-	5	80	High Risk
	CCC+, CCC, CCC-, CC+, CC, CC-, C+, C, C-	C	6	65	Very High Risk
	D	D	7	*	In Default

For December 2019, 96% (December 2018: 95%) of the investments in debt securities and other bills have at least a BBB- based on Standards & Poor's Ratings.

(iv) *Expected credit loss measurement*

IFRS 9 established a new model for recognition and measurement of impairments in financial instruments that are measured at amortised cost or FVOCI called the expected credit losses model. Expected credit losses are measured according to one of three approaches- a general approach, a simplified approach and a credit adjusted approach.

The simplified approach applies to all amounts due from related parties. At initial recognition, the Plan recognizes a loss allowance based on Lifetime ECLs. This approach does not require the significant estimation and judgement necessary to determine whether there have been changes in credit risk and whether such changes are significant. A provision matrix is used to measure the lifetime ECL.

For all investments, IFRS 9 outlines a three-stage model (general approach) for impairment based on changes in credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1 and has its credit risk continuously monitored by the Plan.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3. Please refer to note 11.a.(v) for a description of how the Plan defines credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses within the next twelve (12) months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Please refer to note 11.a.(vi) for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward- looking information. Note 11.a.(vi) includes an explanation of how the Plan has incorporated this in its ECL model.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Further explanation is also provided of how the Plan determines appropriate groupings when ECL is measured on a collective basis (refer to note 11.a.(vi)).

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(initial Recognition)	**(Significant increase in credit risk)**	**(Credit - impaired assets)**
12 month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

Significant increases in credit risk (SICR)

The Plan considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following criteria have been met.

Financial assets:

Criteria	*Investment Grade Portfolio*	*Single "B" Speculative Grade Portfolio*
Absolute Measure	PD - 15% or higher	PD - 25% or higher
AND	AND	AND
Relative Measure	One notch downgrade (investment securities rating scale)	One notch downgrade (investment securities rating scale)
OR	OR	OR
Special Consideration	Eurobonds with Trigger 3 Breaches	Eurobonds with Trigger 3 Breaches

The Plan has not used the low credit risk exemption for any financial instruments in the year ended 31 December 2019.

With respect to the cure for SICR, the Plan considers a significant decrease in credit risk has occurred when the following happens:

Financial assets:

Criteria	**Investment Grade Portfolio**	**Single "B" Speculative Grade Portfolio**
Absolute Measure	PD – 12.5% or lower	PD - 25% or lower
AND	AND	AND
Relative Measure	Credit rating reverts to level just prior to the SICR	One notch upgrade (investment securities rating scale)
OR	OR	OR
Special Consideration	No credit stop loss breaches	No credit stop loss breaches

(v) *Definition of default and credit-impaired assets*

The Plan defines a financial instrument as in default, which is fully aligned with the definition of credit- impaired, when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower formally files for bankruptcy or there is a commencement of foreclosure proceedings.
- The obligation is classified Doubtful or worse as per The Plan's classification process.
- A modification to the terms and conditions of the original agreement that would not normally be considered is executed
- Restructure proceedings or an indication of the intention to restructure is initiated by the issuer (investments only).

The criteria above have been applied to all financial instruments held by The Plan and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD), throughout The Plan's expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months. This period of six months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

(vi) *Measuring ECL - Explanation of inputs, assumptions and estimation techniques*

The Expected Credit Loss (ECL) is measured on either a twelve (12) month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired assets" in note 11.a.v), either over the next twelve (12) months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. The Financial assets' PDs for sovereign and corporate instruments are taken from the Standard & Poors' (S&P) Annual Sovereign Default and Rating Transition Study and the Annual Global Corporate Default and Transition Study, respectively.

11 Financial risk management (continued)

a. *Credit risk (continued)*

(vi) *Measuring ECL - Explanation of inputs, assumptions and estimation techniques (continued)*

- EAD is based on the amounts the Plan expects to be owed at the time of default, over the next twelve (12) months (12M EAD) or over the remaining lifetime (Lifetime EAD). The EAD is calculated as the outstanding balance less the discounted collateral value. Collateral values are discounted by first making adjustments to account for the cost of disposal and the expected time it would take to sell the collateral. This present value of this reduced collateral value is then calculated by discounting it by the effective interest rate of the facility.
- LGD is expressed as the percentage of loss expected to be incurred if the default occurs over the remaining expected lifetime of the loan and represents management's expectation of the extent of loss on a defaulted exposure. LGD varies by seniority of claim and product type, while the availability of collateral is factored before LGD is considered. For sovereign financial assets, LGDs are obtained from Moody's Investor Services' Data Report on Sovereign Global Default and Recovery Rates (1983-2016). Corporate LGDs are based on the standard terms for North American corporate entities CDS contracts, taken from Moody's Analytics' CDS.

(vii) *Forward-looking information incorporated in the ECL models*

The calculation of ECL incorporates forward-looking information. The Plan has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

For each country in which the Plan has financial assets, management performs scenario analysis to determine the impact of future economic conditions on the probability of defaults in these countries. A macro-economic indicator is determined, which is statistically linked to the credit risk of that sovereign. Correlation analysis is conducted between this macro-economic indicator and key sovereign credit risk metrics, to determine which are most significant. Three selected sovereign credit risk metrics were identified as sovereign credit rating drivers to quantify the impact of the lead macro-economic indicator on each credit risk driver, ordinary least squares (OLS) regression is conducted.

To establish scenarios the lead macroeconomic indicator is 'shocked', such that the official forecast for each year moves up and down by a multiple of the historical standard deviation to establish a best and worse-case. The new values derived are run through a regression model to quantify relationship between credit rating and the scenarios.

Credit ratings were forecasted for the next three years using these macro-economic scenarios. The weightings applied to the forecasted ratings were 60% for year 1, 20% each for year 2 and 3. These weightings were determined based on management's judgment and experience.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Management judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are provided by Research & Analytics on a periodic basis and provide the best estimate view of the economy over the next three years. After three years, to project the economic variables out for the full remaining lifetime of each instrument, a mean reversion approach has been used. The impact of these economic variables on the PD, EAD and LGD has been determined by performing regression analysis to understand the impact changes in these variables have had historically on default rates and LGD.

(viii) Risk limit control and mitigation policies

The Plan structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single borrower, groups of borrowers, industry and country segments. The Plan monitors its concentration of credit exposure so that no single borrower default will have a material impact on the Plan. These limits are implemented and monitored by the Group Credit Risk Management Unit through the Group Credit Policy Manual. In instances where it is strategically beneficial and adequately documented, the Plan would seek approval on an exception basis for variation to the approved limits from the Board of Directors.

(a) Single borrower and borrower group exposure limits

Limits established by regulatory authorities have been incorporated into the credit policies where concentration is restricted by limiting credit amounts to a percentage of the capital base. This is supported by a stringent reporting requirement and is further enhanced by policies requiring periodic review of all commercial credit relationships.

(b) *Industry exposure limits*
These limits have been established based on a ranking of the riskiness of various industries. The ranking is guided by a model developed for the Group for this purpose. The model utilises a scale incorporating scores of 1 to 6 with 1 being the least risky. Exposure limits as a percentage of the total credit portfolio have been established to the various Industry exposure categories based on the risk ranking.

(c) *Country exposure limits*
Exposure limits have been established for selected countries which are considered to be within the Plan's target market. Three (3) risk categories have been developed and the selected countries have been assigned to these categories based either on ratings issued by acceptable rating agencies or the Plan's own internal assessment of the strategic direction of the Plan. Maximum cross border exposure has been limited to a pre-determined portion of total assets and this amount is allocated to the various risk categories with a larger share being allocated to the more highly rated categories.

(ix) Impairment and provisioning policies
The Plan's impairment provision policy is covered in detail in Note 2(c) (i).

(x) *Maximum exposure to credit risk before collateral held or other credit enhancements*

Credit risk exposures relating to on balance sheet assets are as follows:

	31 December 2019 $	31 December 2018 $
Maximum exposure		
Cash and cash equivalents	6,394,476	3,956,014
Financial assets	62,406,539	59,793,185
Income receivable	718,417	782,621
Due from related parties	1,045,825	--
	70,565,257	64,531,820

The above table represents a worst case scenario of credit risk exposure to the Plan at 31 December 2019 and 31 December 2018, without taking account of any collateral held or other credit enhancements attached. For on-balance-sheet assets, the exposures set out above are based on gross carrying amounts before impairment. There are no credit risk exposures relating to off-balance sheet items.

As shown above, 12.0% of the total maximum exposure is derived from cash and cash equivalents, receivables and due from related parties (December 2018: 7.2%); while 88.0% represents investments in other debt securities (December 2018: 92.8%).

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Plan resulting from both its cash and cash equivalents and receivables portfolio and its other debt securities based on the following:

- The Plan limits its exposure to issuers with high credit ratings
- The Plan performs prudent credit analysis of issuers to restrict questionable exposures to the Plan

Maximum exposure to credit risk - Financial instruments not subject to impairment

The following table contains an analysis of the maximum credit risk exposure from financial assets not subject to impairment (i.e. FVPL):

Maximum exposure to credit risk - Financial Instruments not subject to impairment:

Maximum exposure	31 December 2019 $	31 December 2018 $
Financial instruments		
- Cash and cash equivalents	6,394,476	3,956,014

Concentration of risks of financial assets with credit exposure

	Financial Institutions $	**Public Sector $**	**Private Sector $**	**Total $**
As at 31 December 2019				
Financial assets – debt instruments	2,694,526	54,347,187	5,364,826	62,406,539
Income receivable	7,545	651,500	59,372	718,417
Due from related parties	1,045,825	--	--	1,045,825
Cash and cash equivalents	6,394,476	--	--	6,394,476
	10,142,372	54,998,687	5,424,198	70,565,257
As at 31 December 2018				
Financial assets - debt instruments	2,650,939	48,189,917	8,952,329	59,793,185
Income receivable	15,799	603,691	163,131	782,621
Cash and cash equivalents	3,956,014	--	--	3,956,014
	6,622,752	48,793,608	9,115,460	64,531,820

(xi) Financial assets

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Plan's maximum exposure to credit risk on these assets.

	31 December 2019 Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Total $
Credit rating:				
Investment grade	62,421,103	--	--	62,421,103
Standard monitoring	--	--	--	--
Special monitoring	--	--	--	--
Default	--	--	--	--
Gross balance	62,421,103	--	--	62,421,103
Loss allowance	(14,564)	--	--	(14,564)
Carrying balance	62,406,539	--	--	62,406,539

11 Financial risk management (continued)

a. *Credit risk (continued)*

(xi) Financial assets (continued)

31 December 2018	Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Total $
Credit rating:				
Investment grade	59,593,431	225,000	--	59,818,431
Standard monitoring	--	--	--	--
Special monitoring	--	--	--	--
Default	--	--	--	--
Gross balance	59,593,431	225,000	--	59,818,431
Loss allowance	(15,105)	(10,141)	--	(25,246)
Carrying balance	59,578,326	214,859	--	59,793,185

(xii) Expected credit loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent step up (or step down) between 12 month and lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models; currently ten years of data for PDs are being used (2018: nine years was used), and management's intention is to maintain this ten year rolling average for the PDs.
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Financial assets that were written off during the period.

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors.

	Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Total $
Loss allowance as at 1 January 2019	15,105	10,141	--	25,246
Movement with P&L Impact				
Transfer from stage 2 to stage 1	10,141	(10,141)	--	--
New financial assets originated	--	--	--	--
Change in PDs/LGDs/EADs	(2,144)	--	--	(2,144)
Repayment	(8,538)	--	--	(8,538)
Total net P&L charge during the period	(541)	(10,141)	--	(10,682)
Other movement with no P&L impact				
Financial assets derecognised during the period	--	--	--	--
Write-offs	--	--	--	--
Loss allowance as at 31 December 2019	14,564	--	--	14,564

	Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Total $
Loss allowance as at 1 January 2018	--	--	--	--
Movement with P&L Impact				
Transfer from stage 2 to stage 1	--	--	--	--
New financial assets originated	--	--	--	--
Change in PDs/LGDs/EADs	15,105	10,141	--	25,246
Repayment	--	--	--	--
Total net P&L charge during the period	15,105	10,141	--	25,246
Other movement with no P&L impact				
Financial assets derecognised during the period	--	--	--	--
Write-offs	--	--	--	--
Loss allowance as at 31 December 2018	15,105	10,141	--	25,246

b. *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(i) Currency risk

- *Definition*
  Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

- *Management of risk*
  The majority of the Plan's assets are denominated in Trinidad and Tobago dollars with an insignificant portion denominated in United States dollars. All of the Plan's liabilities are denominated in Trinidad and Tobago dollars. The strategy is to minimise the amount of assets held in currencies other than Trinidad and Tobago dollars.

- *Concentration of currency risk*
  The following table analyses the Plan's assets and liabilities by currency with all amounts denominated in Trinidad and Tobago dollars:

As at 31 December 2019	TT $	US $	Total $
Assets			
Financial assets	67,535,936	14,216,692	81,752,628
Income receivable	718,417	--	718,417
Due from related parties	1,045,825	--	1,045,825
Cash and cash equivalents	6,331,659	62,817	6,394,476
Total assets	75,631,837	14,279,509	89,911,346
Liabilities			
Other payables	369,544	--	369,544
Members' balances	80,998,915	--	80,998,915
Total liabilities	81,368,459	--	81,368,459
Net statement of financial position	(5,736,622)	14,279,509	

As at 31 December 2018	TT $	US $	Total $
Assets			
Financial assets	76,852,551	11,403,660	88,256,211
Income receivable	782,621	--	782,621
Cash and cash equivalents	3,952,534	3,480	3,956,014
Total assets	81,587,706	11,407,140	92,994,846
Liabilities			
Other payables	346,567	--	346,567
Due to related parties	7,849,115	--	7,849,115
Members' balances	80,203,881	--	80,203,881
Total liabilities	88,399,563	--	88,399,563
Net statement of financial position	(6,811,857)	11,407,140	

- *Sensitivity analysis for currency risk*
  The table below summarizes the Plan's sensitivity to a reasonable change in the foreign exchange rate between the US Dollar and the TT Dollar with all other variables held constant on equity.

	Effect on Equity 2019 $	Effect on Equity 2018 $
Change in Foreign Exchange Rate		
1%	142,795	114,071
-1%	(142,795)	(114,071)

(ii) Interest rate risk

- *Definition*
  Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value and future cash flows of financial assets and liabilities. Fixed interest securities expose the Plan to fair value interest rate risk. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes Floating rate debt instruments and cash and cash equivalents expose the Plan to cash flow interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

- *Management of risk*
  The Plan's fixed income assets are classified under the amortised cost category, therefore there is limited exposure to fair value interest rate risk. There may be some exposure to cash flow interest rate risk.

  This risk is managed by maintaining financial assets with an appropriate mix of maturity profiles which seek to match the Plan's liability profile where possible subject to market conditions. However, if the interest environment is expected to rapidly increase over a relatively short period, assets under this category may be sold to mitigate against duration or cash flow sensitivity. Historically there has been no sale of bonds from the Plan.

11 Financial risk management (continued)

b Market risk (continued)

(ii) Interest rate risk (continued)

- *Concentration of interest rate risk*
  The table below summarises the Plan's exposure to interest rate risk. Included in the table are the Plan's assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturities.

As at 31 December 2019

	Up to 1 year $	1 to 5 years $	Over 5 years $	Non-interest Bearing $	Total $
Assets					
Financial assets	3,990,464	24,134,311	34,281,764	19,346,089	81,752,628
Income receivable	11,888	234,196	472,333	--	718,417
Due from related parties	--	--	--	1,045,825	1,045,825
Cash and cash equivalents	6,394,476	--	--	--	6,394,476
Total assets	10,396,828	24,368,507	34,754,097	20,391,914	89,911,346
Liabilities					
Other payables	--	--	--	369,544	369,544
Members' balances	8,864,705	17,341,820	54,792,390	--	80,998,915
Total liabilities	8,864,705	17,341,820	54,792,390	369,544	81,368,459
Interest Sensitivity Gap	1,532,123	7,026,687	(20,038,293)	20,022,370	

As at 31 December 2018

	Up to 1 year $	1 to 5 years $	Over 5 years $	Non-interest Bearing $	Total $
Assets					
Financial assets	5,728,002	25,169,869	28,895,314	28,463,026	88,256,211
Income receivable	7,824	238,804	432,108	103,885	782,621
Cash and cash equivalents	3,956,014	--	--	--	3,956,014
Total assets	9,691,840	25,408,673	29,327,422	28,566,911	92,994,846
Liabilities					
Other payables	--	--	--	346,567	346,567
Due to related parties	--	--	--	7,849,115	7,849,115
Members' balances	8,957,871	18,059,269	53,186,741	--	80,203,881
Total liabilities	8,957,871	18,059,269	53,186,741	8,195,682	88,399,563
Interest sensitivity gap	733,969	7,349,404	(23,859,319)	20,371,229	

- *Sensitivity analysis for interest rate risk*
  The table below summarises the Plan's sensitivity to a reasonable change in the market interest rate with all other variables held constant on operating profit, other comprehensive income and equity before income to be credited to members is considered.

	Effect on Equity 2019 $	Effect on Equity 2018 $
Change in interest rate		
-100 bps	3,096,306	2,975,656
100 bps	(3,096,306)	(2,975,656)

(iii) Other price risk

- *Definition*
  Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from changes in interest rates or foreign exchange rates), whether those changes are caused by factors specific to the individual financial instruments or issuer, or factors affecting all similar financial instruments traded in the market. The Plan is affected by changing prices of equity instruments classified as fair value through profit and loss with fair value movements recognised in the statement of comprehensive income.

- *Management of risk*
  The Plan holds financial assets that are either traded on registered exchanges or are private placements.

Market price risk is managed through a diversification of the financial assets portfolio. The managers of the Plan set prudent exposure limits among its asset classes.

The Plan's overall investment exposures are monitored on a daily basis and are reviewed quarterly by the Investment Managers.

c Liquidity risk

(i) Definition
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities and redeemable units.

(ii) Management of risk
The Plan is exposed to withdrawals from members on or after the member's 50th birthday. The Plan also provides for certain other restrictions on withdrawals.

This means that the Plan invests the majority of its assets in marketable securities which can be disposed of if the need arises, while trying the match the maturity profiles of the investments with the maturity of the members' contracts.

The table below analyses the financial assets and liabilities of the Plan into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

As at 31 December 2019

	Up to 1 year $	1 to 5 years $	Over 5 Years $	Total $
Financial liabilities:				
Other payables	369,544	--	--	369,544
Members' balance	8,864,705	17,341,820	54,792,390	80,998,915
Total financial liabilities	9,234,249	17,341,820	54,792,390	81,368,459
Total financial assets	30,788,742	24,368,507	34,754,097	89,911,346
Liquidity gap	21,554,493	7,026,687	(20,038,293)	8,542,887

	Up to 1 year $	1 to 5 years $	Over 5 Years $	Total $
As at 31 December 2018				
Financial liabilities:				
Other payables	346,567	--	--	346,567
Due to related parties	7,849,115	--	--	7,849,115
Members' balance	8,957,871	18,059,269	53,186,741	80,203,881
Total financial liabilities	17,153,553	18,059,269	53,186,741	88,399,563
Total financial assets	38,258,752	25,408,673	29,327,421	92,994,846
Liquidity gap	21,105,199	7,349,404	(23,859,320)	4,595,283

d. Fair value of financial assets and liabilities

(i) Financial instruments not measured at fair value

The following table summarises the carrying amounts and fair values of those financial assets and liabilities not presented on the Plan's statement of financial position at their fair value.

	Carrying value December 2019 $	Carrying value December 2018 $	Fair value December 2019 $	Fair value December 2018 $
Financial assets				
Cash and cash equivalents	6,394,476	3,956,014	6,394,476	3,956,014
Income receivables	718,417	782,621	718,417	782,621
Due from related parties	1,045,825	--	1,045,825	--
Financial assets – amortised cost	62,406,539	59,793,185	65,785,809	62,745,675
Financial liabilities				
Due to related parties	--	7,849,115	--	7,849,115
Other payables	369,544	346,567	369,544	346,567
Members' balances	80,998,915	80,203,881	80,998,915	80,203,881

The fair values of the Plan's financial instruments are determined in accordance with International Financial Reporting Standards (IFRS) 9 "Financial instruments: Classification and Measurement".

Financial instruments where carrying value is equal to fair value

Due to their liquidity and short-term maturity, the carrying values of certain financial instruments approximate their fair values. Financial instruments where carrying value is approximately equal to fair value include cash and cash equivalents, receivables, due from related parties, other payables and members balances.

Financial assets measured as amortised cost (hold to collect)

Fair value for amortised cost assets is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is estimated using a discounted cash flow valuation methodology where all cash-flows of the instruments are discounted at an appropriate yield plus a credit spread where applicable. The fair value of the amortised cost portfolio is computed for disclosure purposes only.

(ii) Fair value estimation

The Plan classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes debt instruments.
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

Notes to the Financial Statements (continued)
(Expressed in Trinidad and Tobago dollars)

11 Financial risk management (continued)

d. Fair value of financial assets and liabilities (continued)

(ii) Fair value estimation (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The following table analyses within the fair value hierarchy the Plan's assets as at 31 December 2019 and 31 December 2018:

	Level 1 $	Level 2 $	Level 3 $	Total $
As at 31 December 2019				
Financial assets:				
Equity	19,346,089	--	--	19,346,089
Total financial assets - FVPL	19,346,089	--	--	19,346,089
As at 31 December 2018				
Financial assets:				
Equity	28,463,026	--	--	28,463,026
Total financial assets - FVPL	28,463,026	--	--	28,463,026

12 Contingencies and commitments

The Plan has no undisclosed contingent liabilities or commitments which have not been provided for in these financial statements.

13 Events after the statement of financial position date

Since the latter part of February 2020, the financial markets have been very volatile in response to the developing COVID-19 pandemic and the equity markets globally in particular have experienced significant declines. The Plan has been subject to these market fluctuations and is expected to continue to experience significant volatility as the situation evolves.

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