Financial Statements of

DEPOSIT INSURANCE CORPORATION

September 30, 2015

DEPOSIT INSURANCE CORPORATION

September 30, 2015

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DEPOSIT INSURANCE CORPORATION
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Statement of Management Responsibilities

It is the responsibility of management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Deposit Insurance Corporation as at the end of the financial year and of the operating results of the Deposit Insurance Corporation for the year. It is also management's responsibility to ensure that the Deposit Insurance Corporation keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Deposit Insurance Corporation. They are also responsible for safeguarding the assets of the Deposit Insurance Corporation.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards. Management is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Deposit Insurance Corporation and of its operating results. Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of Management to indicate that the Deposit Insurance Corporation will not remain a going concern for at least the next twelve months from the date of this statement.

Hayden Manzano
Director
Board of Management

Date: October 20, 2016

Jacqueline Fermin
Head, Corporate Services & Finance

Date: October 20, 2016

KPMG
Chartered Accountants
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Independent Auditors' Report to the Members of Deposit Insurance Corporation

We have audited the accompanying financial statements of Deposit Insurance Corporation (the Corporation), which comprise the statement of financial position as at September 30, 2015, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

KPMG

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as at September 30, 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matter

The financial statements of the Corporation for the year ended September 30, 2014 were audited by another auditor, who expressed an unqualified opinion on the financial statements on June 22, 2015.

KPMG

Chartered Accountants

October 20, 2016
Port of Spain
Trinidad and Tobago

DEPOSIT INSURANCE CORPORATION

Statement of Financial Position

September 30, 2015

	Notes	2015	2014
		$'000	$'000
ASSETS			
Property, plant and equipment	7	18,205	745
Intangible assets – Computer software	8	460	943
Security deposit – Central Bank		53	53
Held-to-maturity investments	9	2,427,053	2,196,058
Liquidation advances recoverable		872	813
Accounts receivable	10	81,004	36,616
Cash and cash equivalents	11	63,868	140,864
Total assets		**2,591,515**	**2,376,092**
EQUITY AND LIABILITIES			
Equity			
Stated Capital (authorised and paid up)		1,000	1,000
Deposit Insurance Fund		2,587,840	2,373,573
Total equity		2,588,840	2,374,573
Liabilities			
Balance due to Central Bank	12	274	291
Accounts Payable		2,401	1,228
Total Liabilities		2,675	1,519
Total equity and liabilities		**2,591,515**	**2,376,092**

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

These financial statements have been approved for issue by the Board of Management on October 20, 2016 and signed on its behalf by:

Chairman ______________________ Director ______________________

DEPOSIT INSURANCE CORPORATION

Statement of Profit or Loss and Other Comprehensive Income

Year ended September 30, 2015

	Notes	2015	2014
		$'000	$'000
INCOME			
Interest earned		81,284	86,458
Initial contributions and annual premia		154,133	139,600
Amortisation of discounts on investments		315	258
Liquidation/receivership fees		160	100
Gain on disposal of property, plant and equipment		-	2
Other		13	24
		235,905	226,442
EXPENSES			
Personnel	13	8,058	6,430
General and administrative	14	4,197	2,705
Amortisation of premiums on investments		8,547	8,495
Depreciation		836	1,160
		21,638	18,790
Net income for the year being total comprehensive income		214,267	207,652

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

DEPOSIT INSURANCE CORPORATION

Statement of Changes in Equity

Year ended September 30, 2015

	Stated Capital $'000	Deposit Insurance Fund $'000	Total Equity $'000
Year ended September 30, 2014			
Balance at October 1, 2013	1,000	2,165,921	2,166,921
Net income for the year	-	207,652	207,652
Balance as at September 30, 2014	1,000	2,373,573	2,374,573
Year ended September 30, 2015			
Balance at October 1, 2014	1,000	2,373,573	2,374,573
Net income for the year	-	214,267	214,267
Balance as at September 30, 2015	1,000	2,587,840	2,588,840

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

DEPOSIT INSURANCE CORPORATION

Statement of Cash Flows

Year ended September 30, 2015

	2015	2014
	$'000	**$'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	214,267	207,652
Adjustments for:		
Amortisation of premiums on investments	8,547	8,495
Depreciation and amortisation	836	1,160
Gain on disposal of property, plant and equipment	-	(2)
Amortisation of discounts on investments	(315)	(258)
Operating surplus before working capital changes:	223,335	217,047
Change in liquidation advances recoverable	(59)	961
Change in accounts receivable	(44,388)	(2,502)
Change in balance due to Central Bank	(17)	104
Change in accounts payable	1,173	551
Net cash from operating activities	180,044	216,161
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of deposits	(2,000)	-
Purchase of Government Treasury Bills	(71,028)	-
Proceeds from redemption of Government Treasury Bills	4,998	-
Purchase of Government Treasury Notes	(330,776)	(240,400)
Proceeds from redemption of Government Treasury Notes	-	207,332
Purchase of Corporate Bonds	(83,861)	(18,187)
Proceeds from redemption of Corporate Bonds	22,963	23,598
Purchase of Government Bonds	(48,667)	(368,997)
Proceeds from redemption of Government Bonds	269,144	290,821
Additions to property, plant and equipment and intangible assets	(17,813)	(55)
Proceeds from sale of property, plant and equipment	-	4
Net cash used in investing activities	(257,040)	(105,884)
Net change in cash and cash equivalents	(76,996)	110,277
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	140,864	30,587
CASH AND CASH EQUIVALENTS AT END OF YEAR	**63,868**	**140,864**

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

1. General Information

The Deposit Insurance Corporation (the Corporation) was established by the Central Bank and Financial Institutions (Non-Banking) (Amendment) Act, 1986 (Act No. 2 of 1986), which amended the Central Bank Act Chapter 79:02 (the Act). (All references made to legislation in the ensuing paragraphs unless specifically stated otherwise, relate to the Central Bank Act Chapter 79:02). The Corporation is a statutory body, the authorised capital of which is fixed by the Act in the amount of $1,000,000. However, an increase may be approved by the Minister to whom the responsibility for finance is assigned.

The Corporation's principal objective is to manage a Deposit Insurance Fund established by the Act to provide insurance coverage on deposits held with member institutions to a maximum of $125,000 per depositor in each capacity and right in each institution. Membership of the Fund is compulsory for all institutions licensed under the Financial Institutions Act, 2008.

Section 44W of the Act authorises the Corporation to take such action as it deems necessary to fulfil its mandate including levying premia and contributions from member institutions, hiring of staff, borrowing, lending, arranging for the restructuring of a failed member whether by merger with a financially sound member or otherwise and acquiring the undertaking of any member institution which is in financial difficulty. The Corporation may also act as receiver or liquidator of an insolvent member institution.

2. Basis of Preparation and Significant Accounting Policies

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(b) Basis of preparation and functional currency

These financial statements are prepared under the historical cost convention. The Corporation's functional currency is the Trinidad and Tobago dollar and these financial statements are presented in thousands of Trinidad and Tobago dollars, unless otherwise stated.

(c) Use of estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Corporation's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period.

2. Basis of Preparation and Significant Accounting Policies (continued)

(c) Use of estimates (continued)

Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 5.

(d) New and amended standards adopted by the Corporation

The following standards have been adopted by the Corporation for the first time for the financial year beginning on or after October 1, 2014:

- IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised. The Corporation is not currently subjected to significant levies so the impact on the Corporation is not material.

- Amendments to IAS 36, 'Impairment of Assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13.

(e) New, revised and amended standards and interpretations not yet effective

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

- IAS 1, *Presentation of Financial Statements*, effective for accounting periods beginning on or after January 1, 2016, has been amended to clarify or state the following:
  - specific single disclosures that are not material do not have to be presented even if they are minimum requirements of a standard;
  - the order of notes to the financial statements is not prescribed;
  - line items on the statement of financial position and the statement of profit or loss and other comprehensive income (OCI) should be disaggregated if this provides helpful information to users. Line items can be aggregated if they are not material;

2. **Basis of Preparation and Significant Accounting Policies** (continued)

(e) **New, revised and amended standards and interpretations not yet effective** (continued)

- IAS 1 (continued)
  - specific criteria is now provided for presenting subtotals on the statement of financial position and in the statement of profit or loss and OCI, with additional reconciliation requirements for the statement of profit or loss and OCI; and
  - the presentation in the statement of OCI of items of OCI arising from joint ventures and associates accounted for using the equity method follows the IAS 1 approach of splitting items that may, or that will never, be reclassified to profit or loss.

  The Corporation is assessing the impact that this amendment will have on its 2017 financial statements.

- Amendments to IAS 16 and IAS 38, *Clarification of Acceptable Methods of Depreciation and Amortisation,* are effective for accounting periods beginning on or after January 1, 2016.
  - The amendment to IAS 16, *Property, Plant and Equipment* explicitly states that revenue-based methods of depreciation cannot be used. This is because such methods reflect factors other than the consumption of economic benefits embodied in the assets.
  - The amendment to IAS 38, *Intangible Assets* introduces a rebuttable presumption that the use of revenue-based amortisation methods is inappropriate for intangible assets.

  The Corporation is assessing the impact that this amendment will have on its 2017 financial statements.

- *Improvements to* IFRS *2012-2014* cycle, contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2016. The main amendments applicable to the Corporation are as follows:
  - IFRS 7, *Financial Instruments: Disclosures,* has been amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred assets in cases when they are derecognized in their entirety. A servicer is deemed to have continuing involvement if it has an interest in the future performance of the transferred asset -e.g. if the servicing fee is dependent on the amount or timing of the cash flows collected from the transferred financial asset; however, the collection and remittance of cash flows from the transferred asset to the transferee is not, in itself, sufficient to be considered 'continuing involvement'.

2. Basis of Preparation and Significant Accounting Policies (continued)

(e) New, revised and amended standards and interpretations not yet effective (continued)

- IFRS 7 (continued)

  IFRS 7 has also been amended to clarify that the additional disclosures required by *Disclosures: Offsetting Financial Assets* and *Financial Liabilities (Amendment to IFRS 7)* are not specifically required for inclusion in condensed interim financial statements for all interim periods; however, they are required if the general requirements of IAS 34, *Interim Financial Reporting*, require their inclusion.

- IFRS 15, *Revenue From Contracts With Customers*, effective for accounting periods beginning on or after January 1, 2018, replaces IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes,* IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter Transactions Involving Advertising Services.* It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties.

  The Corporation will apply a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised at a point in time, when control of goods or services is transferred to the customer; or over time, in a manner that best reflects the entity's performance.

  There will be new qualitative and quantitative disclosure requirements to describe the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

  The Corporation is assessing the impact that this amendment will have on its 2019 financial statements.

- IFRS 9, *Financial Instruments,* which is effective for annual reporting periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement.* IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

2. **Basis of Preparation and Significant Accounting Policies** (continued)

(e) **New, revised and amended standards and interpretations not yet effective** (continued)

- IFRS 9 (continued)

  Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value though profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognized.

  The Corporation is assessing the impact that this amendment will have on its 2019 financial statements.

- IFRS 16, *Leases,* which is effective for annual reporting periods beginning on or after January 1, 2019, eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Companies will be required to bring all major leases on-balance sheet, recognising new assets and liabilities. The on-balance sheet liability will attract interest; the total lease expense will be higher in the early years of a lease even if a lease has fixed regular cash rentals. Optional lessee exemption will apply to short- term leases and for low-value items with value of US$5,000 or less.

  Lessor accounting remains similar to current practice as the lessor will continue to classify leases as finance and operating leases. Finance lease accounting will be based on IAS 17 lease accounting, with recognition of net investment in lease comprising lease receivable and residual asset. Operating lease accounting will be based on IAS 17 operating lease accounting.

  Early adoption is permitted if IFRS 15, *Revenue from Contracts with Customers* is also adopted.

  The Corporation is assessing the impact that this amendment will have on its 2020 financial statements.

2. Basis of Preparation and Significant Accounting Policies (continued)

(f) Financial instruments

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

Financial assets and financial liabilities are recognised on the Corporation's statement of financial position when the Corporation becomes a party to the contractual provisions of the instrument.

(i) Recognition and initial measurement

A financial asset or financial liability is measured at fair value plus transaction costs that are directly attributable to its acquisition or issue, except for financial assets carried at fair value through profit or loss where transaction costs are expensed as incurred.

The Corporation initially recognises loans and receivables on the date when they are originated. All other financial assets and liabilities are initially recognised on the trade date i.e. the date at which the Corporation becomes a party to the contractual provisions of the instrument.

(ii) Classification

Financial assets

The Corporation classifies its financial assets into the following categories: held-to-maturity, available-for-sale, at fair value through profit or loss and loans and receivables. The classification is determined by management at initial recognition and depends on the purpose for which the instruments were acquired.

For the purpose of the financial statements, financial assets have been determined to include cash and all cash equivalent, held to maturity investments, accounts receivable and liquidation advances receivable.

a) Financial assets at fair value through profit or loss

A financial asset is classified into the 'financial assets at fair value through profit or loss' category if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so designated by management.

b) Loans and receivables

Loans and receivables include financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as available-for-sale. Accounts receivable and liquidation advances recoverable are classified as loans and receivables.

2. Basis of Preparation and Significant Accounting Policies (continued)

(f) Financial instruments (continued)

(ii) Classification (continued)

Financial assets (continued)

c) Held-to-maturity financial assets

Held-to-maturity assets are financial assets with fixed or determinable payments and fixed maturity that the Corporation's management has the positive intent and ability to hold to maturity. These include certain debt investments. All investments held by the Corporation are classified as held to maturity financial assets.

Interest on held-to-maturity investments is included in profit or loss and is reported as investment income.

d) Available-for-sale financial assets

Available-for-sale investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Financial liabilities

A financial instrument is classified as a financial liability if it is (1) a contractual obligation to deliver cash or another asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the reporting entity; or (2) a contract that will or may be settled in the reporting entity's own equity instruments under certain circumstances.

The Corporation classifies its financial liabilities as measured at amortised cost or fair value through profit or loss. Financial liabilities include accounts payable and Balance due to Central Bank.

(iii) Measurement

After initial recognition available for sale financial assets and financial assets at fair value through profit or loss are measured at fair value with unrealised gains and losses recongised in other comprehensive income (OCI) or profit or loss respectively. Held to maturity investment and loans and receivables are subsequently measured at cost or amortised cost using the effective interest method, less provisions made for any permanent diminution in value.

Financial liabilities are re-measured at amortised cost using the effective interest rate method.

2. Basis of Preparation and Significant Accounting Policies (continued)

(f) Financial instruments (continued)

(iv) Derecognition (continued)

Financial assets (continued

The Corporation derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of:

(i) the consideration received (including any new asset obtained less any new liability assumed); and

(ii) any cumulative gain or loss that had been recognized in other comprehensive income (OCI).

Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Corporation is recognised as a consolidated asset or liability in the statement of financial position.

Financial liabilities

The Corporation derecognizes a financial liability when its contractual obligations are discharged, or cancelled, or expired.

(v) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Corporation has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Corporation's trading activity.

2. Basis of Preparation and Significant Accounting Policies (continued)

(f) Financial instruments (continued)

(vi) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(vii) Determination of fair value

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Corporation has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Corporation measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Corporation uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Corporation determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

2. Basis of Preparation and Significant Accounting Policies (continued)

(f) Financial instruments (continued)

(vii) Determination of fair value (continued)

If an asset or a liability measured at fair value has a bid price and an ask price, then the Corporation measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The Corporation recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred. No transfers have occurred during the year.

(viii) Impairment of financial assets

The Corporation assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or group of financial assets is impaired and impairment losses are incurred if and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial assets or group of financial assets is impaired includes observable data that comes to the attention of the Corporation about the following loss events:

i) Significant financial difficulty of the issuer or obligor

ii) A breach of contract, such as default or delinquency in interest or principal payments.

iii) It becoming probable that the borrower will enter in bankruptcy or other financial reorganization.

iv) The disappearance of an active market for that financial asset because of financial difficulties.

v) Observable data indicating that there is a measurable decrease in the estimated cash-flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with individual financial assets in the group, including adverse changes in the payment status of borrowers in the Corporation or national or economic conditions that correlate with defaults on assets in the Corporation.

2. Basis of Preparation and Significant Accounting Policies (continued)

(f) Financial instruments (continued)

(viii) Impairment of financial assets (continued)

v) (continued)

The Corporation first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Corporation determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

Impairment losses are recorded in an allowance account and are measured and recognised as follows:

i) Financial assets measured at amortised cost

The difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improvement in the debtor's credit rating), the previously recognised loss is reversed to the extent that the carrying amount of the financial asset does not exceed what the amortised cost would have been had the impairment not been recognised at the date that the impairment is reversed. The amount of the reversal in recognised in profit or loss.

ii) Financial assets measured at cost

The difference between the assets' carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the current market's rate of return for similar financial assets is recognised in profit or loss. These losses are not reversed.

2. Basis of Preparation and Significant Accounting Policies (continued)

(g) Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less and are carried at cost, which approximates market value.

(h) Provisions

Provisions are recognised when the Corporation 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(i) Pensions

The Corporation maintains a defined pension plan for its employees. This is a funded scheme and the Corporation's contributions are charged against profit for the year as incurred.

(j) Revenue recognition

(i) Premium income

Premium income is recognised on the accruals basis.

(ii) Investment income

Investment income is recognised when it is probable that the economic benefits will flow to the Corporation and the amount of revenue can be measured reliably. Investment income is accrued on the time basis by reference to the principal outstanding and the interest rate applicable under the effective interest rate method.
The amortization of any premiums or discounts is shown as a separate line item in profit or loss.

2. Basis of Preparation and Significant Accounting Policies (continued)

(k) Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rates ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at year end average rates. Exchange gains and losses are reflected in profit or loss.

(l) Property, plant and equipment

(i) Depreciation

Items of property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is provided on a reducing balance basis at rates calculated to write off the cost of the assets over their estimated useful lives for all asset groups except computer equipment and software. The method of depreciation on computer equipment and software is the straight-line method. Land is not depreciated.

The rates used are as follows:

Buildings	-	2% per annum
Leasehold improvements	-	33 1/3% per annum
Motor vehicles	-	25% per annum
Furniture and fixtures	-	10% per annum
Office equipment	-	15% per annum
Computer equipment	-	25% per annum

No depreciation is charged in the year of disposal. However, a full year's charge is made in the year of acquisition.

The estimated useful lives, residual values and depreciation methods are reviewed at each reporting date.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in profit or loss.

(iii) Disposal

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with their carrying amounts and are recognised in profit or loss.

2. Basis of Preparation and Significant Accounting Policies (continued)

(m) Intangible assets

Computer software

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Corporation are recognised as intangible assets in accordance with IAS 38 Intangible Assets. Costs associated with maintaining computer software programmes are recognised as expenses when incurred. Computer software costs recognised as assets are amortised over their estimated useful lives of five (5) years on a straight-line basis.

(n) Comparative figures

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

(o) Levy of initial contributions and annual premia

All institutions are required to pay an initial contribution on becoming members, and annual premia in subsequent years. Initial contributions paid by member institutions are matched by the Central Bank (Central Bank Act, Section 44M).

The payment of initial contributions is based on a rate of 0.4 per centum of the average deposit liabilities existing at the end of the first and second quarters of the first twelve (12) months of operation.

Annual premia in respect of a given year are paid on the basis of a rate of 0.2 per centum of the average deposit liabilities existing at the end of each of the quarters in the preceding calendar year, except that for a new institution the first year's levy is based on its average deposit liabilities existing in the first year of operation.

(p) Exemption from the provisions of taxation and insurance legislation

The Corporation is exempt from the provisions of any Act relating to income taxation or corporation taxation and from payment of stamp duty, and is also exempt from the provisions of the Insurance Act 1980, [Section 55 (1) and (2)].

3. Financial Risk Management

Financial risk factors

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

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Corporation is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including investments in bonds and other funding instruments. It should be noted that within fiscal 2015, notwithstanding the increase in the investment portfolio, interest earned decreased due to the continued fall in market interest rates.

The exposure is managed through the matching of funding products with financial services and monitoring market conditions and yields.

i) Bonds

The Corporation invests mainly in medium to long term bonds consisting of both floating rate and fixed rate instruments.

The market values of the floating rate bonds are not very sensitive to changes in interest rates. The market values of the fixed rate bonds are sensitive to changes in interest rates. The longer the maturity of the bonds, the greater is the sensitivity to changes in interest rates. Because these assets are being held to maturity and are not traded, any changes in market values will not impact profit or loss.

The Corporation actively monitors bonds with maturities greater than ten years, as well as the interest rate policies of the Central Bank of Trinidad and Tobago.

ii) Interest rate sensitivity gap

The Corporation's exposure to interest rate risk is summarized in the table below, which analyses assets and liabilities at their carrying amounts categorized according to their maturity dates.

3. Financial Risk Management (continued)

Financial risk factors (continued)

(a) ***Interest rate risk*** (continued)

ii) Interest rate sensitivity gap (continued)

	2015					
	Effective Rate	Up to One Year	Two to Five Years	Over Five Years	Non-Interest Bearing	Total
	%	$'000	$'000	$'000	$'000	$'000
Financial assets						
Cash and cash equivalent	0 - 1.95	11,730	-	-	52,138	63,868
Held-to-maturity investment	0.67-12.25	356,083	1,597,769	473,201	-	2,427,053
Other financial assets	0 - 12.25	3,278	20,240	6,947	51,464	81,929
		371,091	1,618,009	480,148	103,602	2,572,850
Financial liabilities						
Other financial liabilities		136	-	-	2,539	2,675
Net Gap		370,955	1,618,009	480,148	101,063	2,570,175
Cumulative Gap		370,955	1,988,964	2,469,112	2,570,175	-

	2014					
	Effective Rate	Up to One Year	Two to Five Years	Over Five Years	Non-Interest Bearing	Total
	%	$'000	$'000	$'000	$'000	$'000
Financial assets						
Cash and cash equivalent	0 - 1.95	140,090	-	-	774	140,864
Held-to-maturity investment	0.74 - 12.25	238,792	1,158,894	798,372	-	2,196,058
Other financial assets	0 - 12.25	7,668	13,533	13,016	3,265	37,482
		386,550	1,172,427	811,388	4,039	2,374,404
Financial liabilities						
Other financial liabilities		155	-	-	1,364	1,519
Net Gap		386,395	1,172,427	811,388	2,675	2,372,885
Cumulative Gap		386,395	1,558,822	2,370,210	2,372,885	-

3. Financial Risk Management (continued)

Financial risk factors (continued)

(a) Interest rate risk (continued)

ii) Interest rate sensitivity gap (continued)

The Corporation is not subject to significant interest rate changes as interest rates are fixed on held-to-maturity investments. Therefore changes in interest rates will not have a significant impact on the Corporation.

(b) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Corporation relies heavily on its written Accounting Procedures document.

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

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

The Corporation's maximum exposure to credit risk is represented by amounts included for investments, liquidation advances recoverable, accounts receivable and cash and cash equivalents on the statement of financial position.

The Corporation does not employ the practice of taking security in respect of its investments portfolio. There are no provisions for credit loss required in these financial statements.

(c) Liquidity risk

Liquidity risk is the risk that the Corporation is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence maybe the failure to meet obligations to fulfill claims and other liabilities incurred. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Corporation has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

3. Financial Risk Management (continued)

Financial risk factors (continued)

(c) ***Liquidity risk*** (continued)

The Corporation is able to make daily calls on its available cash resources to settle financial and other liabilities.

i) Risk management

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Corporation. The Corporation employs various asset/liability techniques to manage liquidity gaps. Liquidity gaps are mitigated by the marketable nature of a substantial segment of the Corporation's assets.

To manage and reduce liquidity risk the Corporation's management actively seeks to match cash inflows with liability requirements.

ii) Liquidity gap

The Corporation's exposure to liquidity risk is summarized in the table below which analyses financial liabilities using undiscounted cash flows by relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

	Up to One Year	Two to Five Years	Over Five Years	Total
	$'000	$'000	$'000	$'000
2015				
Financial liabilities				
Other financial liabilities	2,669	-	6	2,675
2014				
Financial liabilities				
Other financial liabilities	1,513	-	6	1,519

3. Financial Risk Management (continued)

Financial risk factors (continued)

(d) Currency risk

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

The Corporation's net exposure to currency risk is as follows:

	2015 $'000	2014 $'000
United States Dollars	84	120

Sensitivity analysis

A 5% strengthening of the US dollar against the TT dollar at September 30, 2015 would not have a material effect on profit and loss on the Corporation's financial statements. This analysis assumes that all other variables, in particular interest rates, remain constant.

(e) Other price risk

Price risk is the risk that the value of a financial investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instruments or its issuer or factors affecting all investments traded in the market. The Corporation has no significant exposure to other price risk.

(f) Operational risk

Operational risk is the risk derived from deficiencies relating to the Corporation's information technology and control systems, as well as the risk of human error and natural disasters. The Corporation's systems are evaluated, maintained and upgraded continuously. Supervisory controls are also installed to minimise human error.

(g) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Central Bank of Trinidad and Tobago, as well as by the monitoring controls applied by the Corporation.

3. **Financial Risk Management** (continued)

Financial risk factors (continued)

(h) Reputation risk

The risk of loss of reputation arising from the negative publicity relating to the Corporation's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Corporation. The Corporation engages in public social endeavours to engender trust and minimize this risk.

(i) Capital Management - Adequacy of the Deposit Insurance Fund

The Corporation's capital comprises stated capital and the Deposit Insurance Fund (DIF). The Corporation is not subject to externally imposed capital requirements, and there were no changes in what the Deposit Insurance Fund considers as capital, and management of capital was performed on a basis consistent with that of prior years. The key mechanisms used to manage the level of capital are premium assessments and borrowings, if necessary.

The Corporation's principal objective is to establish and manage a scheme for the insurance of deposits, or part thereof, held by Policyholders against the risk of loss of deposits up to a maximum of $125,000 per depositor, in each right and capacity, in each institution.

As at September 30, 2015, there were 25 member institutions with total insured deposits estimated at $78.8 billion (2014: $71.7 billion), of which the Corporation covered 0.2% (2014: 0.2%). The adequacy of the DIF will be based primarily on the assessed risk posed by Policyholders. In relation to its insurance obligations, the Corporation's main exposure is to unexpected loss from the non-viability or insolvency of a Policyholder that is not readily estimated due to the unavailability of data on specific loss experience.

If a Policyholder's future viability or solvency is deemed to be at risk or the Policyholder becomes insolvent and the DIF is required to intervene by providing financial assistance or pay out depositors in accordance with its resolution powers under the Act, and the DIF is insufficient to meet the obligation, the Corporation has the power to borrow, as well as, with the approval of the Minister of Finance, prescribe the levying of additional premiums payable by Policyholders.

4. **Fair Value of Financial Instruments**

The fair value of financial assets and liabilities that are traded in active markets are based on quoted market prices or dealer quotations. For all other financial instruments, the Corporation determines fair values using other valuation techniques.

(a) Valuation models

The Corporation's accounting policy on fair value measurements is discussed in accounting policy 2(d).

4. Fair Value of Financial Instruments (continued)

(a) Valuation models (continued)

The Corporation measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

There were no transfers of financial instruments between levels during the year, neither were there any changes in the categorization from the prior year.

(b) Financial instruments measured at fair value – fair value hierarchy

At year end, the following financial instrument was measured at fair value.

	Level 1	Level 2	Level 3	Fair Value
	$'000	$'000	$'000	$'000
As at September 30, 2015				
Accounts receivable	-	-	81,004	81,004
Short-term and Money Market deposits	-	-	11,192	11,192
As at September 30, 2014				
Accounts receivable	-	-	36,616	36,616
Short-term and Money Market deposits	-	-	4,154	4,154

4. Fair Value of Financial Instruments (continued)

(c) Financial instruments not measured at fair value

The carrying value of financial assets and liabilities not measured at fair value is a reasonable approximation of fair value.

5. Critical Accounting Estimates and Judgments

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

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

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

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

i) Whether investments are classified as held-to-maturity investments, available-for-sale or loans and receivables.

ii) Whether leases are classified as operating leases or finance leases.

iii) Which depreciation method for property, plant and equipment is used and in determining whether future economic benefits can be derived from expenditures to be capitalized.

iv) Whether the Deposit Insurance Fund is adequate to meet unexpected loss from non-viability or insolvency of a policy holder.

5. Critical Accounting Estimates and Judgments (continued)

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

i) Impairment of assets

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

ii) Property, plant and equipment

Management makes certain assumptions regarding the useful lives and residual values of capitalized assets.

iii) Determining fair values using Valuation Techniques

The determination of fair values for financial assets for which there is no observable market price requires the use of valuation techniques which utilises various degrees of judgments affecting the specific investment.

6. Assets under Administration

There exist six (6) failed non-banking financial institutions for which the Corporation serves as liquidator. These companies and their year of liquidation are as follows:

• Commercial Finance Company Limited (in liquidation)	1986
• Trade Confirmers Limited (in liquidation)	1986
• Swait Finance Limited (in liquidation)	1986
• Caribbean Mortgage and Funds Limited (in liquidation)	1991
• Principal Finance Company Limited (in liquidation)	1993
• CLICO Investment Bank Limited (in compulsory liquidation)	2011

In its role as liquidator, the Corporation is engaged in liquidating the assets of these failed institutions in an attempt to settle the outstanding liabilities associated with these institutions.

The Corporation submits reports every six (6) months to The Official Receiver (High Court) providing details of receipts and payments for the period being reported. Lastly, these liquidations have not as yet been wound up due to legal matters before the Courts.

6. Assets under Administration (continued)

The statement of financial position does not include the assets of these closed financial institutions under the administration of the Corporation. However, the table presented hereunder provides in summary, the balances as at September 30, 2015. In relation to the table, the following points should be noted:

- Column (A) – The assets at closure are reported at net realizable value representing a reasonable estimate of the amount for which the assets could have been sold.
- Column (B) – The liabilities at closure represent the total amount owing by the failed institutions, inclusive of deposit liabilities, as at the date of closure.
- Column (C) – Liabilities incurred represent liquidation expenses from the date of closure up to the end of the reporting period.
- Column (D) – Total realisations represent the amount received to date from the sale of liquidated assets.
- Column (E) – Total payments represent liquidation expenses paid and insurance payments recovered as at the reporting date.
- Column (B+C-E) – Remaining liabilities represent the balance due to unsecured creditors as at the reporting date.
- The legislation authorises the DIC to recover insurance paid from the sales proceeds of liquidated assets in priority to unsecured creditors.

(A) **Total Value of Assets at Closure**	(B) **Total Liabilities at Closure**	(C) **Total Liabilities incurred 2015**	(D) **Total Realisations 2015**	(E) **Total Payments 2015**	(B+C-E) **Remaining Liabilities 2015**
$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
6,148,206	12,072,221	406,407	1,893,451	1,634,398	10,844,230

7. Property, Plant and Equipment

	Land and Buildings $'000	Leasehold Improvements $'000	Motor Vehicles $'000	Furniture and Fixtures $'000	Office Equipment $'000	Computer Equipment $'000	W.I.P. $'000	Total $'000
Cost								
Balance as at October 1, 2014	-	391	639	622	419	542	-	2,613
Additions	15,859	-	-	-	-	-	1,954	17,813
Balance as at September 30, 2015	**15,859**	**391**	**639**	**622**	**419**	**542**	**1,954**	**20,426**
Accumulated depreciation								
Balance as at October 1, 2014	-	380	344	442	254	448	-	1,868
Charge for the year	173	4	74	18	24	60	-	353
Balance as at September 30, 2015	**173**	**384**	**418**	**460**	**278**	**508**	**-**	**2,221**
Net book value								
Balance as at September 30, 2015	**15,686**	**7**	**221**	**162**	**141**	**34**	**1,954**	**18,205**
Balance as at September 30, 2014	**-**	**11**	**295**	**180**	**165**	**94**	**-**	**745**

7. **Property, Plant and Equipment** (continued)

	Leasehold Improvements $'000	Motor Vehicles $'000	Furniture and Fixtures $'000	Office Equipment $'000	Computer Equipment $'000	Total $'000
Cost						
Balance as at October 1, 2013	391	639	629	412	909	2,980
Additions	-	-	7	16	32	55
Disposals	-	-	(14)	(9)	(399)	(422)
Balance as at September 30, 2014	**391**	**639**	**622**	**419**	**542**	**2,613**
Accumulated depreciation						
Balance as at October 1, 2013	375	245	434	234	740	2,028
Charge for the year	5	99	20	29	107	260
Disposals	-	-	(12)	(9)	(399)	(420)
Balance as at September 30, 2014	**380**	**344**	**442**	**254**	**448**	**1,868**
Net Book Value						
Balance as at September 30, 2014	11	295	180	165	94	745
Balance as at September 30, 2013	16	394	195	178	169	952

	2015 $'000	2014 $'000
8. Intangible Assets – Computer Software		
Cost		
Balance at start and end of year	5,480	5,480
Accumulated amortisation		
Balance at start of year	4,537	3,637
Charge for the year	483	900
Balance at end of year	5,020	4,537
Balance at end of year	**460**	**943**

	2015 $'000	2014 $'000
9. Held-to-Maturity Investments		
(a) Current		
Deposits	3,000	-
Corporate Bonds	86,676	5,703
Government Bonds	52,463	86,279
	142,139	91,982
(b) Non-current		
Deposits	2,000	3,000
Treasury Bills	66,030	-
Corporate Bonds	46,652	66,726
Government Treasury Notes	902,209	574,614
Government Bonds	1,268,023	1,459,736
	2,284,914	2,104,076
	2,427,053	**2,196,058**

The effective rate of interest is 0.67% to 12.25% (2014: 0.74% to 12.25%).

	2015	2014
	$'000	$'000
10. Accounts Receivable		
Interest receivable	30,339	34,171
Other receivable	50,665	2,445
	81,004	36,616

Included in 'other receivable' is $50 million for the purchase of Trinidad and Tobago Natural Gas Limited share. Subsequent to year end, the shares were allocated and the balance of $40.7 million was refunded to the Corporation.

	2015	2014
	$'000	$'000
11. Cash and Cash Equivalents		
Cash and bank balances	52,676	136,710
Term deposits	7,000	-
Money Market deposits	4,192	4,154
	63,868	140,864

12. Related Party Transactions

A party is related to the Corporation if:

a) The party is an associate of the Corporation;

b) The party is, directly or indirectly, either under common control with the Corporation or has significant or joint control over the Corporation.

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

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

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

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

12. Related Party Transactions (continued)

Significant aspects of the relationship between the Corporation and the Central Bank of Trinidad and Tobago (the Central Bank) are as follows:

(a) Capital contribution

The paid-up capital has been contributed entirely by the Central Bank of Trinidad and Tobago.

(b) Representation on the Board of Management (Section 44Q (1) (a))

Two members represent the Central Bank of Trinidad and Tobago on the Board of Management of the Corporation.

	2015	2014
	$'000	$'000
(c) Current liabilities		
Personnel and administration expenses reimbursable to the Central Bank	274	291

(d) Operational arrangements between the Central Bank and the Corporation

During the financial year, the Central Bank provided under contract, office accommodation and other administrative services to the Corporation. The costs incurred for the year ended September 30, 2015 under these arrangements were $1.295 million (2014: $1.027 million). Limited commercial banking type facilities are also provided by the Central Bank.

	2015	2014
	$'000	$'000
(e) Key management personnel compensation		
Short-term employee benefits	2,911	2,154
Post-employment benefits	136	107
	3,047	2,261

In fiscal 2015, the increase in key management personnel compensation relates to arrears for the period 2012 to 2014 and the applicable increases to remuneration packages for the current period.

	2015 $'000	2014 $'000
13. Personnel Expenses		
Allowances	1,331	1,055
Salaries and overtime	5,157	4,130
Gratuity	346	-
Staff benefits	433	490
Directors' fees	238	266
Pension contributions (Note 15)	294	217
National Insurance contributions	182	188
Medical and Workmen Compensation Insurance	77	84
	8,058	6,430

14. General and Administrative Expenses

	2015 $'000	2014 $'000
Office rental and related expenses	1,201	927
Repairs and maintenance	122	31
Equipment rental	54	54
Property services	10	11
Motor vehicle	127	115
Information technology	163	185
Printing and stationery	65	70
Public relations and advertising	75	151
Telecommunications	210	180
Professional fees	187	115
Library services	8	8
Archiving	23	20
Meetings	25	11
Training and education	21	33
International Association of Deposit Insurers membership fees	85	81
Management contract (Administrative services provided by the Central Bank of Trinidad and Tobago)	50	50
Conferences and official visits	1,752	648
Miscellaneous	19	15
	4,197	2,705

15. Retirement Benefits

The Corporation does not operate a pension plan but a non-compulsory arrangement exists whereby the Corporation contributes 150% of an employee's contribution to an approved individual annuity or the Individual Retirement Unit Account of the Trinidad and Tobago Unit Trust Corporation up to a maximum of 10% of an employee's base salary. Costs incurred for 2015 were $294 thousand (2014: $217 thousand).

16. Employees

At September 30, 2015 the Corporation had in its employ a staff complement of 18 persons (2014: 22).

17. Capital Commitments

The Corporation had $1 million in capital commitments as at September 30, 2015.

18. Subsequent Events

The Corporation had no subsequent events to report for the year ended September 30, 2015.