



**REPUBLIC OF TRINIDAD AND TOBAGO
AUDITOR GENERAL'S DEPARTMENT**

**R E P O R T
O F T H E
A U D I T O R G E N E R A L**

**ON THE CONSOLIDATED FINANCIAL STATEMENTS
OF THE TRINIDAD AND TOBAGO
UNIT TRUST CORPORATION**

FOR THE YEAR ENDED

31 December, 2014



**TO: THE BOARD OF DIRECTORS
TRINIDAD AND TOBAGO UNIT TRUST CORPORATION**

**REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRINIDAD AND TOBAGO
UNIT TRUST CORPORATION FOR THE YEAR ENDED 31 DECEMBER, 2014**

The accompanying consolidated financial statements of the Trinidad and Tobago Unit Trust Corporation for the year ended 31 December, 2014 have been audited. The Statements as set out on pages 1 to 65 and on pages referenced A-1 to A-20 comprise:

- (i) a Consolidated Statement of Financial Position as at 31 December, 2014, a Consolidated Statement of Profit or Loss, a Consolidated Statement of Comprehensive Income, a Consolidated Statement of Changes in Equity and a Consolidated Statement of Cash Flows for the year ended 31 December, 2014 in respect of the Trinidad and Tobago Unit Trust Corporation;
- (ii) Notes to the Consolidated Financial Statements for the year ended 31 December, 2014 numbered 1 to 38; and
- (iii) Additional Information comprising a Statement of Financial Position as at 31 December, 2014, a Statement of Profit or Loss, a Statement of Comprehensive Income, a Statement of Changes in Equity and a Statement of Cash Flows for the year ended 31 December, 2014 in respect of each of the following: the Growth and Income Fund (First Unit Scheme), the TT Dollar Income Fund, the Universal Retirement Fund and the US Dollar Income Fund respectively.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

3. The Auditor General's responsibility is to express an opinion on these consolidated financial statements in accordance with section 30 (4) of the Unit Trust Corporation of Trinidad and Tobago Act, Chapter 83:03 (the Act) based on the audit. The audit which was carried out in accordance with section 30 (1) of the said Act was conducted in accordance with auditing standards which require that ethical requirements be complied with and that the audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

5. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the audit opinion.

OPINION

6. In my opinion, the Consolidated Financial Statements present fairly, in all material respects, the financial position of the Trinidad and Tobago Unit Trust Corporation, its four locally domiciled funds and its subsidiaries as at 31 December, 2014 and their financial performance and cash flows for the year ended 31 December, 2014 in accordance with International Financial Reporting Standards.

27th March, 2015



**MAJEED ALI
ACTING AUDITOR GENERAL**

Trinidad and Tobago Unit Trust Corporation
CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December, 2014
Expressed in Trinidad and Tobago dollars

	Notes	31-Dec-14 \$ '000	Restated 31-Dec-13 \$ '000
CONTINUING OPERATIONS			
INCOME			
Investment Income -	15,16		
Growth & Income Fund		159,603	193,366
TTS Income Fund		293,945	311,825
Universal Retirement Fund		9,970	16,244
USS Income Fund		100,707	120,098
Net Investment Income - Group Operations	16	23,014	36,009
Realized Gains Re-classified from Equity	17	78,034	55,016
Initial Charge		11,952	10,790
Other Income		12,864	16,244
Total Income		690,089	759,592
EXPENSES			
Commissions		(17,529)	(18,470)
Impairment	18	(165,602)	(165,419)
Administrative	19	(226,206)	(212,394)
Depreciation and Amortisation		(18,751)	(25,111)
Sinking Fund Expense		-	(4,269)
Total Expenses		(428,088)	(425,663)
Net Income before Finance & Guarantee Charges		262,001	333,929
Finance Charges	20	(22)	(73)
Guarantee Pricing Provision	11	(419)	5,160
Net Income after Finance Charges & Guarantee Charges		261,560	339,016
Distributions to Non-group Interest	25	(146,726)	(198,624)
Transfer from Non-group Interest to Reserves	33,34,36	(15,852)	(22,941)
Income Capitalized by Non-group Interest	35	(1,951)	(8,539)
Net Loss Attributable to Non-group Interest		40,131	9,976
Net Income from Continuing Operations before Taxation		137,162	118,888
Taxation	8	(9,194)	(10,374)
Net Income from Continuing Operations after Taxation		127,968	108,514
DISCONTINUED OPERATIONS			
Net Gain from Discontinued Operations	26	2	5,874
Net Income for the year		127,970	114,388

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December, 2014

Expressed in Trinidad and Tobago dollars

	Notes	31-Dec-14 \$ '000	Restated 31-Dec-13 \$ '000
ASSETS			
Cash and Cash Equivalents	3	2,398,439	4,374,680
Receivables		163,734	170,904
Prepayments and Other Assets		19,030	17,121
Investment Securities	4	18,721,245	17,016,563
Property, Plant and Equipment	5	163,460	164,273
Intangible Assets	6	2,554	5,996
TOTAL ASSETS		21,468,462	21,749,537
LIABILITIES			
Accounts Payable and Short Term Liabilities		60,762	53,420
Financial Instruments	7	573,190	1,175,544
Distribution Payable		35,381	27,128
Deferred Income Tax Liability	9	6,964	5,513
Pension and Other Post-retirement Liabilities	10	11,734	12,997
Guarantee Pricing Liability	11	3,723	5,043
Net Assets Attributable to Non-group Interests	12	19,536,894	19,314,323
Other Liabilities		3,574	8,954
TOTAL LIABILITIES		20,232,222	20,602,922
EQUITY			
Statutory Reserves	13	5,050	5,050
Revaluation Reserve	14	155,234	194,991
Retained Income		1,075,956	946,574
		1,236,240	1,146,615
TOTAL LIABILITIES AND EQUITY		21,468,462	21,749,537

Chairman



Executive Director

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December, 2014

Expressed in Trinidad and Tobago dollars

	Notes	31-Dec-14 \$ '000	Restated 31-Dec-13 \$ '000
Net Income for the year		127,970	114,388
Other Comprehensive Income:			
<i>Amounts that may be transferred to Profit or Loss in the future:</i>			
Revaluation of Available-for-Sale Financial Assets	14	15,221	(10,461)
Exchange Differences on Translating Foreign Operations	14	(54,275)	(48,297)
<i>Amounts that will never be transferred to Profit or Loss in the future:</i>			
Re-measurements of Pension and Other Post Retirement Liabilities	10	(703)	311
Other Comprehensive Loss for the year		(39,757)	(58,447)
Total Comprehensive Income for the year		88,213	55,941

Trinidad and Tobago Unit Trust Corporation
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December, 2014
Expressed in Trinidad and Tobago dollars

	<i>Statutory Reserves</i> <u>\$'000</u>	<i>Revaluation Reserve</i> <u>\$'000</u>	<i>Retained Income</i> <u>\$'000</u>	<i>Total</i> <u>\$'000</u>
Balance as at 1 January, 2014	5,050	194,991	946,574	1,146,615
Total Comprehensive Income for the year	-	(39,757)	127,970	88,213
Adjustment for SPC Cayman	-	-	1,412	1,412
Balance as at 31 December, 2014	5,050	155,234	1,075,956	1,236,240
Balance as at 1 January, 2013	5,050	253,438	832,186	1,090,674
Total Comprehensive Income for the year	-	(58,447)	114,388	55,941
Balance as at 31 December, 2013 (Restated)	5,050	194,991	946,574	1,146,615

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December, 2014

Expressed in Trinidad and Tobago dollars

	31-Dec-14 \$ '000	Restated 31-Dec-13 \$ '000
OPERATING ACTIVITIES		
Net Income before Taxation	137,162	118,888
<i>Adjustment to reconcile net income to net cash and cash equivalents from operating activities:</i>		
Net Income Attributable to Non-group Interests	124,398	220,128
Depreciation and Amortisation	18,751	25,111
Impairment - Non-financial Assets	391	7,339
Impairment Financial Assets	165,602	165,419
(Gain)/Loss on sale of Property, Plant and Equipment	(139)	103
Gain - Discontinued Operations	2	6,190
	<u>446,167</u>	<u>543,178</u>
<i>Movements in Working Capital</i>		
Decrease in Receivables	7,169	65,600
Increase in Prepayments and Other Assets	(2,300)	(807)
Increase/(Decrease) in Accounts Payable and Liabilities	3,413	(3,700)
Taxation paid	(9,194)	(10,374)
Decrease in Sinking Fund Liability	-	(13,587)
Increase/(Decrease) in Distribution Liability	8,252	(46,308)
Decrease in Guarantee Pricing Liability	(1,320)	(11,794)
Decrease in Pension and Other Post Retirement Liabilities	(559)	(1,049)
Net cash used in operating activities of discontinued operations	-	(976)
Net Cash Flow from Operating Activities	<u>451,628</u>	<u>520,183</u>
INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(12,802)	(7,315)
Proceeds from Disposal of Property, Plant and Equipment	280	723
Purchase of Intangible Assets	(1,833)	(617)
Purchase of Investment Securities	(6,127,277)	(9,324,337)
Proceeds from Disposal of Investments	4,300,230	7,409,929
Net cash flow from investing activities of discontinued operations	-	67,395
Net Cash used In Investing Activities	<u>(1,841,402)</u>	<u>(1,854,022)</u>
FINANCING ACTIVITIES		
Subscriptions from Non-group Interests	2,690,372	3,792,352
Redemptions by Non-group Interests	(2,527,805)	(4,724,061)
Financial Instruments	(602,354)	(403,617)
Distribution Payments to Non-group Interests	(146,726)	(198,624)
Interest Earned on Reserve Assets	1,028	933
Guarantee Reserve Payment by Investment Funds	(1,000)	(1,000)
Net cash used in financing activities of discontinued operations	-	(71,824)
Net Cash used In Financing Activities	<u>(586,485)</u>	<u>(1,605,841)</u>
Translation Adjustment	18	5,125
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(1,976,241)</u>	<u>(2,934,555)</u>
Cash and Cash Equivalents at beginning of year	4,374,680	7,309,235
Cash and Cash Equivalents at end of year	<u>2,398,439</u>	<u>4,374,680</u>

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

1) Incorporation and Principal Activities

The Trinidad and Tobago Unit Trust Corporation (the Corporation) was established by the Unit Trust Corporation of Trinidad and Tobago Act (the Act), Chapter 83:03 of the Laws of the Republic of Trinidad and Tobago, *inter alia*, to provide facilities for members of the public to invest in shares and securities approved by the Board of the Corporation.

The Corporation's registered office is UTC Financial Centre, 82 Independence Square, Port of Spain.

The Finance Act of 1997 permitted expansion of the Corporation's scope of business to include other financial services, such as merchant banking, trustee and card services.

The Corporation controlled eleven (11) entities during 2014 (2013: 11).

2) Significant Accounting Policies

The principal accounting policies adopted in the preparation of these Consolidated Financial Statements (the Financial Statements) are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Basis of Preparation

- i. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Act under the historical cost convention, except for certain financial instruments, which are measured at fair value. The accounting policies in all material respects conform to IFRS.
- ii. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.
- iii. 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.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

a) Basis of Preparation (continued)

- iv. These Financial Statements are presented in Trinidad and Tobago dollars (TTD), which is the functional currency of the Corporation. All financial information presented in TTD has been rounded to the nearest thousand except where otherwise indicated.
- v. The preparation of the Financial Statements in accordance with IFRS requires management to make judgments, estimates and assumptions. Management reviews these judgments, estimates and underlying assumptions on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Management has exercised significant judgment in estimating the following:
 - (a) impairment charges in respect of fixed assets, intangible assets and investment securities;
 - (b) the liability under the guarantee offered to unit holders in the Growth and Income Fund; and
 - (c) the fair value of financial assets categorized as Level 3. (See Note 2c).

b) Changes in Accounting Policies

i. *New accounting standards, amendments to accounting standards and interpretations adopted by the Group*

The Group adopted the following improvements and amendments to IFRSs on 1 January, 2014, which are relevant to its operations:

- *Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets (effective 1 January 2016)*. The amendments:
 - (a) clarify that a revenue-based method is not an appropriate basis for the calculation of depreciation for property, plant and equipment. A revenue-based method reflects the pattern of generating economic benefits that arise from the operations of the business of which the asset is a part, rather than the consumption pattern of the asset's economic benefits; and
 - (b) introduce a presumption that a revenue-based amortization method for intangible assets is inappropriate. The presumption however, can be rebutted if the intangible asset is expressed as a measure of revenue and it can be demonstrated that the revenue and the consumption of economic benefits are highly correlated.

Early adoption of these amendments had no impact on these Financial Statements.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

b) Changes in Accounting Policies (continued)

- *IAS 32 – Offsetting Financial Assets and Financial Liabilities (effective 1 January 2014):* The amendment clarifies the meaning of certain terms with respect to the qualifying criteria for off-setting financial assets and liabilities. It specifies that a financial asset and a financial liability should be offset and the net amount reported when, and only when, an entity has a legally enforceable right to set off the amounts and intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously. Adoption of the amendment had no impact on the Financial Statements.
- *IAS 36 Recoverable Amounts Disclosures for Non-Financial Assets (effective 1 January 2014):* The amendment introduces a requirement to disclose the discount rate used when computing impairment (or impairment reversals) of non-financial assets where the recoverable amount (based on fair value less costs of disposal) is determined using the present value technique. Adoption of this amendment had no impact on these Financial Statements.

ii. *Standards and Interpretations in issue, not yet effective and not early adopted*

There are new IFRSs and amendments to IFRSs that the Group did not early adopt in 2014. These new standards and amendments were not applied in the preparation of these Financial Statements. The standards and amendments are:

- *IFRS 9 - Financial Instruments:* IFRS 9, was issued in July 2014 and is mandatory for annual periods beginning on or after 1 January 2018 with early adoption permitted. IFRS 9 replaces IAS 39 Financial Instruments – Recognition and Measurement. Adoption of IFRS 9 will primarily impact the classification and measurement of the Group's financial assets.
- *IFRS 15 Revenue from Contracts with Customers:* IFRS 15 was issued on May 28 2014 and supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and a number of revenue-related interpretations. The standard establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 is mandatory for annual Financial Statements beginning on or after 1 January 2017.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

a) Basis of Preparation (continued)

- iv. These Financial Statements are presented in Trinidad and Tobago dollars (TTD), which is the functional currency of the Corporation. All financial information presented in TTD has been rounded to the nearest thousand except where otherwise indicated.
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Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

b) Changes in Accounting Policies (continued)

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Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

c) Basis of Consolidation

The Financial Statements comprise the unconsolidated Financial Statements of the Corporation, the Financial Statements of the locally domiciled Funds and the incorporated subsidiaries of the Corporation drawn up as at 31 December, 2014. Management concluded that, for purposes of IFRS 10, its relationship with the locally domiciled Funds was that of a principal rather than that of an agent. Management's conclusion was based primarily on its exposure to significant variability of returns as a result of its commitment to support the Funds.

As a principal under IFRS 10, the Corporation 'controls' the Funds which therefore must be consolidated with the Corporation in its Consolidated Financial Statements.

The Corporation reassesses at each reporting period whether or not it controls the entities with which it is involved using the control criteria established in IFRS 10. It concludes that it controls an entity if, and only if, after considering all the circumstances, it forms the view *inter alia* that:

- i. it has power over the entity;
- ii. it is exposed, or has rights, to variable returns from its involvement with the entity; and
- iii. it has the ability to use its power to affect its returns from the entity.

Consolidation of an entity begins when the Corporation obtains control over the entity and ceases when the Corporation loses control of the entity. The income and expenses of an entity acquired during the year are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income from the date the Corporation gains control until the date the Corporation ceases to control the entity.

The line item 'Net Assets Attributable to Non-group Interest' represents the portion of the profit and net assets not owned, directly or indirectly, by either the Corporation or another Group entity. IAS 32: AG 29 requires that such non-group interests be recognized as a liability in the Consolidated Financial Statements as the units/shares represent obligations to deliver cash on presentation for redemption.

All material intra-group transactions and accounts have been eliminated in full in preparing these Financial Statements.

The financial year end of the Group is 31 December. The accounting policies of each Group entity is consistent with those of the Group.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

d) Investment Securities

The Group recognizes financial assets and liabilities when it becomes party to the contractual obligations of the instrument. The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expires or where the Group has transferred substantially all the risks and rewards of ownership of the asset to another party. Group financial liabilities are derecognized when the obligation under the liability is discharged, cancelled or has expired.

The Group classifies its financial assets on initial recognition into the following categories: available-for-sale, held-to-maturity and loans and receivables. The classification depends on the purpose for which the financial assets were acquired.

Investment securities intended to be held for an indefinite period of time, but which may be sold in response to liquidity requirements or market conditions, are classified as available-for-sale. Available-for-sale investments are carried at fair value.

Un-realized gains and losses from changes in the fair value of investments classified as available-for-sale are recognized in equity. When available-for-sale financial assets are disposed of or are impaired, the related fair value adjustments are re-classified to the Consolidated Statement of Profit or Loss.

Investment securities with fixed maturities that management has the intent and ability to hold to maturity are classified as held-to-maturity. Held-to-maturity investments are carried at amortized cost, less adjustments for impairment.

Investment securities with fixed and determinable payments, but which are not quoted in an active market, are classified as loans and receivables. Loans and receivables are carried at amortized cost, using the effective interest method. The effective interest method uses the effective interest rate to recognize interest income over the life of a debt instrument. The effective interest rate is the rate that exactly discounts estimated future cash receipts for the life of the debt instrument to the net carrying amount on initial recognition. Impairment adjustments are made to the amortized cost of loans and receivables where necessary.

Purchases and sales of equity investments are recognized at the trade date. Purchases and sales of all other investment securities are recognized on the settlement date.

e) Fair Value Estimation - Investment Securities

Financial assets traded in active markets

The fair value of financial assets traded in active markets is based on quoted prices at the close of trading on the reporting date. An active market is a market in which transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Where the last day of trading is not the reporting date and significant

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

e) Fair Value Estimation - Investment Securities (continued)

movements in prices occur subsequent to the close of trading and before the reporting date, valuation techniques are used to determine the fair value.

The Group had no traded financial liabilities at the reporting date.

Financial assets and liabilities not traded in an active market

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques commonly used by market participants including: discounted cash flow analysis and reference to recent comparable arm's length transactions. In determining the fair value, the Group makes assumptions that are based on market conditions existing at the reporting date and makes the maximum use of market inputs relying as little as possible on entity-specific inputs.

Financial assets and liabilities with no active market

For financial assets and liabilities with no active market, the Group uses internally developed models which are based on standard valuation methods and techniques generally recognized within the finance industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which markets were, or have been, inactive during the financial year. Some of the inputs to these models are not market observable.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty. Valuation techniques employed may not fully reflect all factors relevant to the positions held by the Group. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

Receivables, payables and short-term liabilities

The carrying value less impairment provisions of receivables and payables are assumed to approximate their fair values. The carrying value of short-term financial liabilities are assumed to approximate their fair value also.

Fair value hierarchy

Fair value measurements of securities are categorized into three levels based on the degree to which the fair value measurement inputs are observable. The three levels are:

- **Level 1.** Level 1 valuation inputs are unadjusted quoted prices for identical assets and liabilities in active markets that the entity can access at the measurement date.
- **Level 2.** Level 2 valuation inputs exclude Level 1 inputs but are inputs that are observable for the asset or liability either directly or indirectly.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

e) Fair value estimation - Investment Securities (continued)

- *Level 3.* Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy to which fair value measurements are assigned is determined by the lowest level input that is significant to the fair value measurement in its entirety. Thus, where a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, it is classified as Level 3.

The Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

f) Impairment of Financial Assets

Assets carried at amortized cost

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets carried at amortized cost, is impaired. A financial asset or group of financial assets is considered impaired and impairment losses are recognized if and only if:-

- there is objective evidence of impairment as a result of one or more events that occurred subsequent to initial recognition of the asset (a 'loss event'); and
- the impact on the future cash flows as a result of the loss event can be reliably estimated.

The criteria used by the Group to determine whether there has been a loss event include evidence that:-

- the issuer, or obligor, is in significant financial difficulty;
- there has been a breach of contract, such as a default or delinquency in interest payments or principal re-payment by the issuer or obligor;
- the issuer's lender, for economic or legal reasons relating to the issuer's financial difficulty, has granted to the issuer a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial re-organization;
- an active market for the financial asset has disappeared because of financial difficulties; or
- there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the portfolio including:-

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

f) Impairment of Financial Assets (continued)

- i. adverse changes in the payment status of borrowers in the portfolio; and
- ii. national or local economic conditions that correlate with defaults on the assets in the portfolio.

Where there is objective evidence of impairment to financial assets carried at amortized cost, the Group measures the amount of the loss as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognized in the Consolidated Statement of Profit or Loss. If a held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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 recognized (such as an improvement in the debtor's credit rating), the reversal of an appropriate portion of the previously recognized impairment loss is recognized in the Consolidated Statement of Profit or Loss.

Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets classified as available-for-sale is impaired. For debt securities, the Group uses the criteria used for financial assets carried at amortized cost (see above).

In the case of equity investments classified as available-for-sale, in addition to the criteria for amortizing assets mentioned above, the Group assesses whether there has been either a significant or a prolonged decline in the fair value of the security below cost. If there has been either a significant or a prolonged decline, it is regarded as evidence that the asset is impaired. If any such evidence exists for available-for-sale equity investments, the cumulative unrealised loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is re-classified from equity and recognized in the Consolidated Statement of Profit or Loss as an impairment expense.

The Group considers a decline for a period of twelve or more months as prolonged and a 30% decline below cost, as significant.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

g) Repurchase and Reverse Repurchase Agreements

A repurchase agreement is the sale of securities for cash with a simultaneous agreement to repurchase the securities at a fixed price on a contracted date. An interest rate is negotiated for the term of the agreement.

A reverse repurchase agreement is the opposite of a repurchase agreement. A reverse repurchase agreement is the purchase of securities for cash with a simultaneous agreement to re-sell them at a fixed price on a contracted date and at an agreed rate of interest.

A repurchase agreement may be construed as a borrowing. In the normal course of business the Corporation does not enter into repurchase agreements. As part of its short-term investment activity, it does enter into reverse repurchase agreements. Deterioration in the value of the securities bought under reverse repurchase agreements is materially covered through margin calls comprising cash and/or additional securities.

h) Property, Plant and Equipment

Property, Plant and Equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs for repairs and maintenance are charged to the Consolidated Statement of Profit or Loss during the financial period in which such costs are incurred.

Where the carrying amount of Property, Plant and Equipment is greater than its estimated recoverable amount, the asset is considered impaired and the carrying amount is written down to its recoverable amount.

Gains and losses on disposal of Property, Plant and Equipment are determined by comparing the disposal proceeds with the carrying amounts. The resulting gains or losses are recognized in the Consolidated Statement of Profit or Loss.

Freehold land is not depreciated. Leasehold land is capitalized and amortized over the term of the lease.

Depreciation on Property, Plant and Equipment, with the exception of motor vehicles, is calculated using the straight-line method to allocate their cost over their estimated useful lives. The estimated useful life of the various categories of the Group's property, plant and equipment follows:

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

h) Property, Plant and Equipment (continued)

Property, Plant and Equipment Category	Estimated Useful Life
Building	50 years
Office Improvement	3-15 years
Computer Equipment	2-8 years
Office Equipment	3-13 years
Office Furniture & Fixtures	3-10 years

Motor vehicles are depreciated using a rate of 25% per annum on the reducing balance.

i) Intangible Assets

Acquired computer software and licenses are the only intangible assets recognized by the Group in these Financial Statements. Computer software and licenses are capitalized on the basis of the costs incurred to acquire and bring the specific software into operation. The costs are recognized as intangible assets if, and only if, it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

The cost of intangible assets is amortized on a straight line basis over the estimated useful life of the asset (between three (3) to five (5) years).

Costs associated with maintaining computer software are expensed as incurred.

j) Impairment of Non-Financial Assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is the amount by which an asset's carrying amount exceeds its recoverable amount. Impairment losses are recognized in the Consolidated Statement of Profit or Loss.

Non-financial assets are reviewed for impairment at least annually.

k) Foreign Currency Translation

The Group's functional and presentation currency is Trinidad and Tobago dollars. Foreign currency transactions are translated into the functional currency using the exchange rate prevailing on the date of the transaction. 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 recognized in the Consolidated Statement of Profit or Loss.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

k) Foreign Currency Translation (continued)

The results and financial position of all Group entities that have a functional currency other than the presentation currency are translated into the presentation currency using the closing rate. All resulting exchange differences are recognized in the Consolidated Statement of Comprehensive Income.

l) Employee Benefits

i. *Short-term benefits*

Short-term employee benefits such as salaries are recognized in the accounting period during which services are rendered by employees.

ii. *Pension obligations*

Group contributions to retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefits comprise a small portion of the Group's pension plan benefits (see Note 10). The Group's defined benefit obligations are calculated by estimating the value of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of the plan assets are deducted. The discount rate approximates either high quality corporate bonds or the long-term bond rate for government bonds with a duration similar to the defined benefit obligations.

The defined benefit obligation calculations are performed by an actuary regularly using the projected unit credit method. Should the calculation result in a surplus, the surplus is not recognized as an asset since the Group is not entitled to reduce its contributions to the plan.

iii. *Other post-retirement obligations*

The Group provides post-retirement medical and insurance benefits to its retirees. Entitlement to these benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using a methodology similar to that used in the computation of the defined benefit pension obligations. An independent qualified actuary conducts a valuation of these obligations regularly.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

m) Cash and Cash Equivalents

Cash and cash equivalents represent balances held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. It includes cash in hand, deposits held at call with banks, cash balances at brokers, other short-term instruments with original maturities of ninety days or less and bank overdrafts.

n) Provisions

Provisions are recognized when the Group has a present or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation has been reliably estimated. Provisions are not recognized for future operating losses.

o) Revenue Recognition

Income comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities. Income is shown net of value-added tax, discounts and after eliminating services provided by Group entities.

Interest income is recognized in the Consolidated Statement of Profit or Loss using the effective interest method. Dividend income is recognized when the right to receive payment is established. Realized investment gains and losses are also recognized in the Consolidated Statement of Profit or Loss.

p) Borrowings

Borrowings are recognized initially at fair value, and are subsequently stated at amortized cost. Borrowing costs related to the acquisition, construction or production of qualifying assets are capitalised. A qualifying asset is an asset which takes a substantial amount of time to be ready for use or sale. The Corporation does not borrow to finance the acquisition, construction or production of qualifying assets.

q) Segment Reporting

A segment is a distinguishable component of the Group that is engaged in providing similar products or services which are subject to risk and rewards that are different from those of other segments. The Group consists of one segment as all the Group's activities are incidental to its main activity of collective investment scheme management.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

r) Separate Funds Under Management

The assets and liabilities pertaining to pension and other funds, which are managed by the Group in accordance with specific Investment Management Agreements, are not included in the Consolidated Statement of Financial Position of the Corporation. The market value of these portfolios as at 31 December, 2014 is \$565 million (2013: \$535 million).

s) Taxation

The Corporation is exempt from Corporation Tax; however, it is subject to the Green Fund Levy. Corporation Tax is payable on profits realized by the subsidiaries, based on the applicable laws in each jurisdiction, and is recognized as an expense in the period in which profits arise.

The tax effects of income tax losses available for carry forward, are recognized as an asset when it is probable that future taxable profits will be available against which the losses can be utilized.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements.

Deferred tax is determined using tax rates that have been enacted at the date of the Consolidated Statement of Financial Position and are expected to apply when the related deferred tax asset is realized or the deferred corporation tax liability is settled.

Deferred tax assets are recognized where it is probable that future taxable profits will be available against which the temporary differences can be utilized.

t) Comparative Information

Certain changes in presentation have been made in these Financial Statements. These changes had no effect on the operating results or net income after tax of the Group for the previous year.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

3) Cash and Cash Equivalents

Cash and cash equivalents are analyzed below:

	2014 \$'000	2013 \$'000
Corporation	388,021	625,947
Locally Domiciled Funds	1,996,603	3,737,875
Foreign Funds	20	25
Other Group Entities	13,795	10,833
	2,398,439	4,374,680

Cash and cash equivalents held by the locally domiciled Funds and foreign Funds form part of the capital of the said Funds. In compliance with legislation, regulatory restrictions and best practice, the Funds' assets, including cash and cash equivalents, are ring-fenced and are not available for use by the Group.

4) Investment Securities

The Group's investment securities are classified by major instrument type below.

	2014 \$'000	Restated 2013 \$'000
Held-to-maturity investments carried at amortized cost:		
Bonds	5,378,832	5,974,864
Equity	19,785	20,046
Short-term Investments	4,261,975	2,254,429
	9,660,592	8,249,339
Available-for-sale assets carried at fair value:		
Bonds	5,383,630	5,194,765
Equity	3,663,866	3,452,336
Mutual Funds	90	78
Short-term Investments	13,067	120,045
	9,060,653	8,767,224
Total Investment Securities	18,721,245	17,016,563

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

4) Investment Securities (continued)

a) The fair value of Level 3 Investment Securities carried at Amortized Cost.

The fair value of Level 3 investment securities carried at cost is provided below.

	2014		2013 Restated	
	Carrying Value \$'M	Fair Value \$'M	Carrying Value \$'M	Fair Value \$'M
Bonds	4,931.9	5,521.9	5,742.6	6,333.6
Equity	19.8	19.8	20.0	20.0
Short-term Investments	<u>4,262.0</u>	<u>4,262.0</u>	<u>2,254.4</u>	<u>2,254.4</u>
	<u>9,213.7</u>	<u>9,803.7</u>	<u>8,017.0</u>	<u>8,608.0</u>

b) The Fair Value Hierarchy for Investment Securities

The Group's investment securities are analyzed by the fair valuation hierarchy below:

Fair Value Hierarchy for Investment Securities December 2014

Recurring fair value measurements	Level 1 (Quoted prices in active markets for identical assets) \$'000	Level 2 (Significant other observable inputs) \$'000	Level 3 (Significant unobservable inputs) \$'000	Total \$'000
	Held-to-maturity investments carried at amortized cost:			
Bonds	443,847	3,099	4,931,886	5,378,832
Equity	-	-	19,785	19,785
Short-term Investments	4,261,975	-	-	4,261,975
	<u>4,705,822</u>	<u>3,099</u>	<u>4,951,671</u>	<u>9,660,592</u>
Available-for-sale assets carried at fair value:				
Bonds	37,512	3,295,650	2,050,468	5,383,630
Equity	3,062,021	3,329	598,516	3,663,866
Short-term Investments	13,067	-	-	13,067
Mutual Fund Units	90	-	-	90
	<u>3,112,690</u>	<u>3,298,979</u>	<u>2,648,984</u>	<u>9,060,653</u>
Total Investment Securities	<u>7,818,512</u>	<u>3,302,078</u>	<u>7,600,655</u>	<u>18,721,245</u>

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

4) Investment Securities (continued)

b) The Fair Value Hierarchy for Investment Securities (cont'd)

Fair Value Hierarchy for Investment Securities December 2013 – Re-stated

Recurring fair value measurements	Level 1 (Quoted prices in active markets for identical assets) \$'000	Level 2 (Significant other observable inputs) \$'000	Level 3 (Significant unobservable inputs) \$'000	Total \$'000
Held-to-maturity investments carried at amortized cost:				
Bonds	222,999	9,298	5,742,567	5,974,864
Equity	-	-	20,046	20,046
Short-term Investments	2,254,429	-	-	2,254,429
	2,477,428	9,298	5,762,613	8,249,339
Available-for-sale assets carried at fair value:				
Bonds	45,000	2,395,435	2,754,330	5,194,765
Equity	3,205,203	3,201	243,932	3,452,336
Short-term Investments	120,045	-	-	120,045
Mutual Fund Units	78	-	-	78
	3,370,326	2,398,636	2,998,262	8,767,224
Total Investment Securities	5,847,754	2,407,934	8,760,875	17,016,563

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

4) Investment Securities (continued)

c) Transfers between Fair Value Hierarchy Levels.

There were no transfers between the hierarchy levels during 2014.

d) Investment Securities included in Level 1

Investments whose values are based on quoted securities in an active market are classified as Level 1 and include: active listed equities, quoted US Government securities and listed Exchange Traded Funds (ETFs). The Group does not adjust the quoted price on these instruments in arriving at their fair value.

e) Level 2 Fair Values

Financial instruments that are valued on the average of quotes provided by brokers, dealers or alternative pricing sources supported by observable inputs, are classified as Level 2. Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions. Valuations of such instruments may be adjusted to reflect their illiquidity and/or non-transferability. Such adjustments are based on available market information.

f) Valuation Techniques used to derive Level 3 Fair Values

Investments classified as Level 3 have significant unobservable inputs. The valuation techniques used by the Group to arrive at the fair value of Level 3 investments are summarized below.

Held-to-maturity Bonds:

The bonds classified as held-to-maturity are carried at amortized cost and principally include locally issued bonds. In valuing such bonds, the Group uses internally constructed models designed to forecast future interest rates for TT\$ and US\$ bonds issued in Trinidad and Tobago. The models are commonly referred to as yield curves. The yield curves are updated regularly by management based on 'market reads' i.e. information gathered from market participants on the interest rates required for bonds issued in Trinidad and Tobago. The Group's yield curves are largely comparable with the publicly available international yield curves for TT\$ and US\$ bonds issued in Trinidad and Tobago.

The yield curves are used to estimate the returns required by market participants given the bond's term to maturity. The desired market yield serves as a benchmark in valuing bonds carried at amortized cost. The benchmark is increased to arrive at an appropriate discount rate where management is of the view that an additional premium is warranted given the liquidity and other risks attaching to the bond at the reporting date. The discount rate is used to discount the bond's future cash flows and arrive at the net present value/fair value of the bond.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

4) Investment Securities (continued)

f) Valuation Techniques used to derive Level 3 fair values (continued)

Markets are dynamic and the market reads used to construct the yield curve may quickly become dated. Management therefore reviews the benchmark at reporting dates to ensure that it reflects market participants' view of the credit, liquidity, business and other risks of Level 3 bonds at the reporting date.

Management's estimate of the fair value of the Group's Level 3 held-to-maturity bonds is provided at Note 4 (a) above.

Held-to-Maturity Equity:

Management estimates the value of its held-to-maturity equity using net present value techniques. Impairment reviews of the equity classified as held-to-maturity are undertaken regularly. No impairment charges were recognized for these securities in 2014 (2013: Nil). The carrying value of the Group's held-to-maturity equity approximates its fair value at the reporting date.

Short-term Investments:

Management estimates that the value of its short-term investments approximates carrying value.

Available-for-sale Bonds:

Available-for-sale bonds are valued based on the average of quotations received for the bond at the reporting date.

Available-for-sale Equity:

Available-for-sale equity instruments are valued based on the average of quotations received for the security at the reporting date.

The Table below summarises the valuation techniques used in estimating the fair value of Level 3 securities, the significant unobservable inputs, the relationship of the unobservable inputs to fair value and the impact that an increase or decrease in the unobservable inputs would have had on the valuation results.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

4) Investment Securities (continued)

f) Valuation Techniques used to derive Level 3 fair values (continued)

As at 31 December 2014					
	Level 3 fair value 2014	Valuation Technique used	Significant unobservable inputs	Possible shift in inputs +/-	Change in valuation +/-
Held-to-maturity investments carried at amortized cost:	\$'M				\$'M
Bonds	5,521.9	Yield Curve/Net Present Value	Bond yields and risk premia	+1% -1%	-380.8 44.6
Equity	19.8	Not applicable	Not applicable	Not applicable	Not applicable
Short-term investments	4,262.0				
Sub-total	<u>9,803.7</u>				
Available-for-sale investments carried at fair value					
Bonds	2,050.5	Average of broker and other quotations	Not applicable	Not applicable	Not applicable
Equity	<u>598.5</u>	Average of broker and other quotations	Not applicable	Not applicable	Not applicable
Sub-total	<u>2,649.0</u>				
TOTAL	<u>12,452.7</u>				

The following Table presents the movement in Level 3 instruments for the year 2014.

	Carrying Value Level 3 Securities 1/1/2014 \$'M	Purchases/ Capitalized Interest \$'M	Sales/ Repayments/ Maturities \$'M	Net Gains/ Losses recognized in Profit or Loss \$'M	Un-realized Gains/ Losses recognized in Other Comprehensive Income \$'M	Carrying Values Level 3 Securities 31/12/2014 \$'M	Fair Values \$'M
Held-to-maturity assets carried at amortized cost:							
Bonds	5,742.6	205.7	(930.1)	(86.3)	-	4,931.9	5,521.9
Equity	20.0	-	-	(0.2)	-	19.8	19.8
	<u>5,762.6</u>	<u>205.7</u>	<u>(930.1)</u>	<u>(86.5)</u>	<u>-</u>	<u>4,951.7</u>	<u>5,541.7</u>
Available-for-sale assets carried at fair value							
Bonds	2,754.3	-	(707.6)	(0.1)	3.9	2,050.5	2,050.5
Equity	244.0	377.0	(31.6)	1.1	8.0	598.5	598.5
	<u>2,998.3</u>	<u>377.0</u>	<u>(739.2)</u>	<u>1.0</u>	<u>11.9</u>	<u>2,649.0</u>	<u>2,649.0</u>
TOTAL	<u>8,760.9</u>	<u>582.7</u>	<u>(1,669.3)</u>	<u>(85.5)</u>	<u>11.9</u>	<u>7,600.7</u>	<u>8,190.7</u>

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

4) Investment Securities (continued)

f) Valuation Techniques used to derive Level 3 fair values (continued)

As at 31 December 2013 - Restated					
	Re-stated Level 3 fair value 2013	Valuation Technique used	Significant unobservable inputs	Possible shift in inputs +/-	Change in valuation +/-
	S'M				S'M
Held-to-maturity investments carried at amortized cost:					
Bonds	6,333.6	Yield Curve/Net Present Value	Bond yields and risk premia	+1% -1%	-188.6 +205.7
Equity	20.0	Not applicable	Not applicable	Not applicable	Not applicable
Short-term Investments	<u>2,254.4</u>				
Sub-total	<u>8,608.0</u>				
Available-for-sale investments carried at fair value					
Bonds	2,754.3	Average of broker and other quotations	Not applicable	Not applicable	Not applicable
Equity	<u>244.0</u>	Average of broker and other quotations	Not applicable	Not applicable	Not applicable
Sub-total	<u>2,998.3</u>				
TOTAL	<u>11,606.3</u>				

The following Table presents the restated movement in Level 3 instruments for the year 2013.

	Carrying Value Level 3 Securities 1/1/2013 S'M	Purchases/ Capitalized Interest S'M	Sales/ Repayments/ Maturities S'M	Re-stated Net Gains/ Losses recognized in Profit or Loss S'M	Un-realized Gains/ Losses recognized in Other Compre- hensive Income S'M	Re-stated Carrying Values Level 3 Securities 31/12/2013 S'M	Re-stated Fair Values S'M
Held-to-maturity assets carried at amortized cost:							
Bonds	5,607.3	2,204.6	(2,106.2)	36.9	-	5,742.6	6,333.6
Equity	28.8	-	-	(8.8)	-	20.0	20.0
	<u>5,636.1</u>	<u>2,204.6</u>	<u>(2,106.2)</u>	<u>28.1</u>	<u>-</u>	<u>5,762.6</u>	<u>6,353.6</u>
Available-for-sale assets carried at fair value							
Bonds	3,266.4	157.7	(646.8)	-	(23.0)	2,754.3	2,754.3
Equity	334.4	67.7	(131.8)	-	(26.3)	244.0	244.0
	<u>3,600.8</u>	<u>225.4</u>	<u>(778.6)</u>	<u>-</u>	<u>(49.3)</u>	<u>2,998.3</u>	<u>2,998.3</u>
TOTAL	<u>9,236.9</u>	<u>2,430.0</u>	<u>(2,884.8)</u>	<u>28.1</u>	<u>(49.3)</u>	<u>8,760.9</u>	<u>9,351.9</u>

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

5) Property, Plant and Equipment

	Land \$'000	Building \$'000	Office Improvement \$'000	Motor Vehicles \$'000	Office & Computer Equipment \$'000	Office Furniture \$'000	Total \$'000
Year ended 31 Dec., 2014							
Opening Net Book Value	16,118	107,035	18,526	1,584	15,852	5,158	164,273
Acquisitions	-	-	1,749	286	10,587	180	12,802
Re-classifications	-	-	-	-	-	-	-
Disposals	-	-	-	(136)	(5)	-	(141)
Depreciation/Amortization	(22)	(2,809)	(4,609)	(359)	(4,695)	(980)	(13,474)
Closing Net Book Value	<u>16,096</u>	<u>104,226</u>	<u>15,666</u>	<u>1,375</u>	<u>21,739</u>	<u>4,358</u>	<u>163,460</u>
As at 31 Dec., 2014							
Cost	16,569	139,427	50,826	3,856	72,590	22,451	305,719
Accumulated Depreciation/ Impairment charges	(473)	(35,201)	(35,160)	(2,481)	(50,851)	(18,093)	(142,259)
Net Book Value	<u>16,096</u>	<u>104,226</u>	<u>15,666</u>	<u>1,375</u>	<u>21,739</u>	<u>4,358</u>	<u>163,460</u>
Year ended 31 Dec., 2013							
Opening Net Book Value	16,140	109,843	21,400	2,398	17,705	4,774	172,260
Acquisitions	-	-	2,572	250	3,079	1,414	7,315
Re-classifications	-	-	-	-	(2)	2	-
Disposals	-	-	(47)	(513)	(231)	(36)	(827)
Depreciation/Amortization	(22)	(2,808)	(5,399)	(551)	(4,699)	(996)	(14,475)
Closing Net Book Value	<u>16,118</u>	<u>107,035</u>	<u>18,526</u>	<u>1,584</u>	<u>15,852</u>	<u>5,158</u>	<u>164,273</u>
As at 31 Dec., 2013							
Cost	16,569	139,427	49,077	4,528	62,589	22,271	294,461
Accumulated Depreciation/Impairment charges	(451)	(32,392)	(30,551)	(2,944)	(46,737)	(17,113)	(130,188)
Net Book Value	<u>16,118</u>	<u>107,035</u>	<u>18,526</u>	<u>1,584</u>	<u>15,852</u>	<u>5,158</u>	<u>164,273</u>

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

5) Property, Plant and Equipment (continued)

Land

Land includes leasehold land of \$2.2 million (2013 \$2.2 million) and freehold land of \$14.4 million (2013: \$14.4 million).

Fair Value Land and Buildings

The fair value of land and buildings was estimated at \$192.2 million at 31 December, 2014 (2013: \$191.5 million). Land and buildings are valued by independent professional valuers every three years. The valuation in the intervening years is undertaken by management. Information related to the valuation of land and buildings is provided in the table below:

Property	Cost \$'M	Independent Valuation \$'M	Date of last valuation	Fair value 31 Dec 2014 \$'M	Valuation Level
Leasehold Land	2.2	17.0	31 Dec 2013	17.0	Level 2
Freehold Land	14.4	61.9	31 Dec 2014	61.9	Level 1
Building	70.9	77.0	31 Dec 2013	77.0	Level 2
Buildings	68.5	36.3	31 Dec 2014	36.3	Level 1
Total	156.0	192.2		192.2	

Valuation Technique used to derive Level 2 fair valuation Land and Buildings

Management estimated the fair value of Level 2 land and buildings by reference to recent sale prices of comparable land and buildings in the immediate vicinity of the Group's properties.

6) Intangible Assets

	2014 \$'000	2013 \$'000
Year ended 31 December		
Opening Net Book Value	5,996	16,015
Acquisitions	1,833	617
Disposals	-	-
Amortization Adjustment	-	(6,496)
Amortization	(5,275)	(4,140)
Closing Net Book Value	2,554	5,996
As at 31 December		
Cost	52,441	50,608
Accumulated Amortization	(49,887)	(44,612)
Net Book Value	2,554	5,996

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

6) Intangible Assets (continued)

In 2013, the Group changed the maximum estimated useful life of its computer software licenses from ten (10) years to five (5) years which resulted in an amortization adjustment of \$6.5 million.

7) Financial Instruments

	Term	2014 \$'000	2013 \$'000
Fixed-term Funding	Less than 1 year	573,190	1,174,898
Long-term Bonds	10 years	-	646
Total		573,190	1,175,544

Fixed-term funding represents financial liabilities in the form of Investment Note Certificates all of which were originated with maturities of less than one year. The carrying value of these liabilities is assumed to approximate their fair value.

The long-term interest bearing bonds were issued by UTC Property Holdings Limited to finance the construction of its properties.

8) Taxation

The local subsidiary companies are subject to Corporation Tax and the foreign subsidiaries are subject to taxation relevant to their country of domicile.

	2014 \$'000	2013 \$'000
Net Income before taxation	137,162	118,888
Less: Income taxed at 0%	(131,358)	(113,670)
Net Income subject to tax	5,804	5,218
Corporation Tax at 25% for local subsidiaries	1,450	1,305
Corporation Tax for foreign subsidiaries	638	-
Withholding Tax	6,534	8,562
Business Levy payments	163	87
Green Fund Levy payments	409	420
Tax charge	9,194	10,374

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

9) Deferred Tax

Deferred taxes are calculated on all temporary differences under the liability method using the current rate of 25%.

Deferred tax assets and liabilities and deferred tax (credit)/charge in the profit or loss account are attributable to the following items:

	2014	2013
	\$'000	\$'000
Tax losses carried forward	(369)	(1,434)
Accelerated tax depreciation	7,333	6,947
Net deferred liability	6,964	5,513

The movements in deferred tax assets and liabilities during the years presented are as follows:

	Accelerated Tax Depreciation
	\$'000
Deferred Tax Liability	
Balance at 1 January 2013	6,478
Charged to the Consolidated Statement of Profit or Loss 2013	<u>469</u>
Balance as at 31 December 2013	6,947
Charged to the Consolidated Statement of Profit or Loss 2014	<u>386</u>
Balance as at 31 December 2014	<u>7,333</u>
 Deferred Tax Asset	
Balance at 1 January 2013	(2,269)
Charged to the Consolidated Statement of Profit or Loss 2013	<u>835</u>
Balance as at 31 December 2013	(1,434)
Charged to the Consolidated Statement of Profit or Loss 2014	<u>1,065</u>
Balance as at 31 December 2014	<u>(369)</u>

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

10) Pension and Other Post Retirement Benefits

a) Pension benefits

Prior to 1 January, 2001 the Unit Trust Corporation Pension Fund Plan (the Plan) was a defined benefit plan. Although the Plan received formal approval during 2002 for conversion to a defined contribution plan with effect from 1 January 2001, pre- 1 January, 2001 benefits are guaranteed. For purposes of IAS 19 the Plan remains a defined benefit plan. Retirement benefits are currently paid out of the Plan and are guaranteed for life. The defined benefits comprise a small portion of Plan benefits.

- i. Changes in the present value of the defined benefit obligations are as follows:

	2014 \$'000	2013 \$'000
Opening present value of defined benefit obligation	153,891	136,298
Current service costs	8,156	8,081
Plan participant contributions	3,506	3,524
Interest cost	7,875	13,137
Actuarial gains on obligation	(8,175)	(1,429)
Benefit and expenses paid	(4,449)	(5,720)
Closing present value of defined benefit obligation	160,804	153,891

- ii. Changes in the fair value of Plan assets are as follows:

	2014 \$'000	2013 \$'000
Opening fair value of Plan assets	151,768	131,652
Expected return on Plan assets	7,980	13,370
Actuarial loss on Plan assets	(5,419)	(924)
Employer contributions for current service	9,816	9,866
Plan participant contributions for current service	3,506	3,524
Benefits and expenses paid	(4,449)	(5,720)
Closing fair value of Plan assets	163,202	151,768

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

10) Pension and Other Post Retirement Benefits (continued)

a) Pension benefits (continued)

iii. The amounts recognized in the Consolidated Statement of Financial Position are as follows:

	2014 \$'000	2013 \$'000
Present value of the defined benefit obligation	(160,804)	(153,891)
Fair value of Plan assets	163,202	151,768
Sub-total	2,398	(2,123)
Un-recognized asset due to limit in IAS 19:64 (b)	(2,398)	-
Liability recognized in the Consolidated Statement of Financial Position	-	(2,123)

iv. The amounts recognized in the Consolidated Statement of Profit or Loss are as follows:

	2014 \$'000	2013 \$'000
Current service costs	8,156	8,081
Net interest costs	(106)	(232)
Total recognized in Staff Costs	8,050	7,849

v. The amounts recognized in the Consolidated Statement of Comprehensive Income are as follows:

	2014 \$'000	2013 \$'000
Actuarial losses	(2,755)	(1,429)
IAS 19: 64 (b) limit	2,398	924
	(357)	(505)

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

10) Pension and Other Post Retirement Benefits (continued)

a) Pension benefits (continued)

vi. The major categories of Plan assets as a percentage of total Plan assets are as follows:

	2014	2013
	%	%
Universal Retirement Fund	73.0	73.0
TT\$ Income Fund	27.0	27.0

vii. The actual return on Plan assets are as follows:

	2014	2013
	\$'000	\$'000
Actual return	2,562	12,446

viii. The actuarial assumptions have been based on market expectations at 31 December annually for the period over which the obligations are to be settled. The principal actuarial assumptions used are as follows:

	2014	2013
	%	%
Discount rate at 31 December	5.0	5.0
Future salary increases	5.0	5.0

ix. The Group expects to contribute \$9.9 million to the Plan in 2015.

b) Group Life Benefits

The Corporation operates a post-employment Group Life Scheme. The method of accounting, the assumptions and the frequency of valuations are similar to those used for computing the defined benefit pension obligations.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

10) Pension and Other Post Retirement Benefits (continued)

b) Group Life Benefits (continued)

i. The changes in the present value of the defined benefit obligation are as follows:

	2014 \$'000	2013 \$'000
Present value of the defined benefit obligations of the Group Life Scheme		
Opening present value of defined benefit obligations	1,575	1,398
Current service costs	113	94
Interest costs	83	74
Actuarial (gains)/losses on obligations	(70)	34
Benefits paid	(38)	(25)
Closing present value of defined benefit obligations	1,663	1,575

ii. The changes in the fair value of Plan assets are as follows:

	2014 \$'000	2013 \$'000
Opening fair value of Plan assets	-	-
Adjustment	-	-
Return on Plan assets at discount rate	-	-
Gains/(losses) on Plan assets	-	-
Employer contributions for current service	38	25
Plan participant contributions for current service	-	-
Benefits paid	(38)	(25)
Closing fair value of Plan assets	-	-

iii. The amounts recognized in the Consolidated Statement of Financial Position are as follows:

	2014 \$'000	2013 \$'000
Present value of the defined benefit obligation	1,663	1,575
Fair value of Plan assets	-	-
	1,663	1,575
Unrecognized assets due to limit in IAS 19:64 (b)	-	-
Unrecognized actuarial gains/(losses)	-	-
Liability recognized in the Consolidated Statement of Financial Position	1,663	1,575

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

10) Pension and Other Post Retirement Benefits (continued)

b) Group Life Benefits (continued)

iv. The amounts recognized in the Consolidated Statement of Profit or Loss are as follows:

	2014 \$'000	2013 \$'000
Current service costs	113	94
Net interest costs	83	74
Expense recognized in the Consolidated Statement of Profit or Loss	196	168

v. The amounts recognized in the Consolidated Statement of Comprehensive Income are as follows:

	2014 \$'000	2013 \$'000
Experience (gains)/losses - Demographic	(70)	34
Experience (gains)/losses - Financial	-	-
Re-measurement (gains)/losses - Demographic	-	-
Re-measurement (gains)/losses - Financial	-	-
Total actuarial (gains)/losses recognized in the Consolidated Statement of Comprehensive Income	(70)	34

c) Medical Benefits

The Corporation operates a post-employment medical benefit scheme. The method of accounting, the assumptions and the frequency of valuations are similar to those used for computing the defined benefit pension obligations.

i. The changes in the present value of the defined benefit obligation are as follows:

	2014 \$'000	2013 \$'000
Present value of the defined benefit obligations of the Medical Benefit Scheme		
Opening present value of defined benefit obligation	9,299	8,313
Current service costs	725	652
Interest costs	479	445
Actuarial (gains)/losses	(276)	13
Benefits paid	(156)	(124)
Closing present value of defined benefit obligation	10,071	9,299

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

10) Pension and Other Post Retirement Benefits (continued)

c) Medical Benefits (continued)

ii. The changes in the fair value of Plan assets are as follows:

	2014 \$'000	2013 \$'000
Opening fair value of Plan assets	-	-
Adjustment	-	-
Return on Plan assets at discount rate	-	-
Gain/(Loss) on Plan assets	-	-
Employer contributions for current service	156	124
Plan participant contributions for current service	-	-
Benefits paid	(156)	(124)
Closing fair value of Plan assets	-	-

iii. The amounts recognized in the Consolidated Statement of Financial Position are as follows:

	2014 \$'000	2013 \$'000
Present value of the defined benefit obligation	10,071	9,299
Fair value of Plan assets	-	-
	10,071	9,299
Unrecognized assets due to limit in IAS 19:64 (b)	-	-
Unrecognized actuarial gain/(loss)	-	-
Liability recognized in the Consolidated Statement of Financial Position	10,071	9,299

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

10) Pension and Other Post Retirement Benefits (continued)

c) Medical Benefits (continued)

iv. The amounts recognized in the Consolidated Statement of Profit or Loss are as follows:

	2014 \$'000	2013 \$'000
Current service costs	725	652
Net interest costs	479	445
Expense recognized in the Consolidated Statement of Profit or Loss	1,204	1,097

v. The amounts recognized in the Consolidated Statement of Comprehensive Income are as follows:

	2014 \$'000	2013 \$'000
Experience (gains)/losses - Demographic	(276)	13
Experience (gains)/losses - Financial	-	-
Re-measurement (gains)/losses - Demographic	-	-
Re-measurement (gains)/losses - Financial	-	-
Total Actuarial (gains)/losses recognized in the Consolidated Statement of Comprehensive Income	(276)	13

In addition to the pension benefit actuarial assumptions at 10 (a) (viii) above, the Medical Benefit Scheme benefit obligation calculation assumes that long term health costs will increase by 3% (2013: 3%).

A summary of the post retirement liabilities are as follows:

	2014 \$'000	2013 \$'000
Pension liability (see Note 10 (a) (iii) above)	-	2,123
Group Life liability (see Note 10 (b) (iii) above)	1,663	1,575
Medical Benefit liability (see Note 10(c) (iii) above)	10,071	9,299
Total	11,734	12,997

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

11) Guarantee Pricing Liability

The Growth and Income Fund (G&IF) guarantees that all unit holders that hold their units in the Fund for three years from the date of purchase, will redeem those units at a price no less than the purchase price of those units. The Corporation established the Guarantee Reserve Fund under section 26 (1) of the Act to meet claims under the Guarantee Pricing Plan.

There is significant uncertainty with regard to the timing and value of the claims made under the Guarantee Pricing Plan. Factors that appear to influence the timing of guarantee claims include:

- i. The prevailing price of the Growth and Income Fund units. Generally, the price of the G&IF units and the total Guarantee Pricing Liability are inversely related. Increases in the price of G&IF units generally result in a decrease in the total Guarantee Pricing Liability as the number of units 'in the money' tends to contract. Conversely a decrease in the price of the units generally increases the total Guarantee Pricing Liability as more units are 'in the money'; and
- ii. General public sentiment with regard to the local and global economy.

The G&IF allocates \$500,000 out of its undistributed earnings to the Guarantee Reserve Fund at each distribution, to meet any guarantee claims that may arise. The Corporation has historically funded shortfalls in the Guarantee Reserve Fund and is committed to doing so in the future.

In estimating its total Guarantee Pricing Liability at December 2014, the Corporation:

- i. used historical data to develop scenarios of the possible future paths of the unit prices of the G&IF during the ensuing calendar year;
- ii. estimated the claims that may arise under each price projection scenario based on the value of the units entitled to claims at 31 December 2014 (\$37.0 million) and the offer price at 31 December 2014;
- iii. assigned probability weightings to the claim projections for each scenario;
- iv. computed the expected value of each scenario by multiplying the projected claims for the scenario by the probability weighting assigned to that scenario, and
- v. aggregated the expected value of each scenario to determine the total liability.

The expected value represents the Corporation's best estimate of the expenditure required to settle its constructive obligations under the Guarantee Pricing Plan at the end of each of the annual periods presented. The Guarantee Pricing Liability was estimated at \$3.723 million at December 2014 (2013: \$5.043 million).

The actual claims against the liability at December 2014 may vary significantly from the Corporation's best estimate due to material variances in the foregoing assumptions.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

12) Net Assets Attributable to Non-group Interests

This represents units issued by the Growth and Income Fund, the TT\$ Income Fund, the Universal Retirement Fund, the US\$ Income Fund and shares issued by the North American Fund. The units/shares issued by each of the foregoing Funds may be redeemed by unit/share holders of the Funds at any time. Each Fund is primarily responsible for redemption of its units/shares out of its assets. The Corporation is committed to making good any shortfall that may arise.

The units in the locally domiciled Funds and the North American Fund are treated as equity instruments in their Financial Statements in accordance with IAS 32.16A to 16D.

However as required by IAS 32: AG29, the units are treated as a liability in these Consolidated Financial Statements. An analysis of net assets attributable to unit holders is provided below.

	2014 \$'000	2013 \$'000
Initial Capital Growth and Income Fund	4,766	4,766
Unit Capital Growth and Income Fund	4,682,607	4,433,321
Unit Capital TT\$ Income Fund	10,474,481	10,662,594
Unit Capital Universal Retirement Fund	273,940	257,348
Unit Capital US\$ Income Fund	4,054,418	3,900,078
Sub-total locally domiciled Funds	19,490,212	19,258,107
Unit Trust Corporation (Cayman) SPC Limited	-	5,989
North American Fund	46,682	50,227
Sub-total corporate bodies	46,682	56,216
Net Assets Attributable to Non-group Interests	19,536,894	19,314,323

	2014 \$'000	2013 \$'000
ANALYSIS OF NET ASSETS ATTRIBUTABLE TO NON-GROUP INTERESTS		
Cash and Cash Equivalents	1,996,609	3,737,884
Receivables	343,486	331,203
Investment Securities	17,534,263	15,570,862
Total Assets	19,874,358	19,639,949
Less: Liabilities	(120,992)	(156,364)
Less: Group holdings in UTC (Cayman) SPC and North American Fund	(216,472)	(169,262)
Net Assets Attributable to Non-group Interests	19,536,894	19,314,323

Initial Capital represents the capital subscribed by the Initial Contributors, in accordance with Section 17 of the Act. The subscriptions were invested in the Growth and Income Fund. Initial Capital at 31 December, 2014 was \$4.8 million (2013: \$4.8 million).

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

12) Net assets attributable to non-group interests (continued)

Unit capital represents the Net Asset Value of the four (4) investment Funds domiciled in Trinidad and Tobago at the reporting dates. In respect of the Growth and Income Fund (First Unit Scheme), this excludes the acquisition cost of the units issued in respect of Initial Capital.

Financial information is provided for the locally domiciled Entities represented above in Notes 33-36.

Summarized information for the North American Fund is provided in Note 37.

13) Statutory Reserves

In accordance with Section 59(3)(d)(ii) of the Securities Industry Act, Chapter 83:02 and Section 12(1)(a) and (b) of the Securities Industry By-Laws, Chapter 83:02, a reserve of \$5 million was established to satisfy the capital requirements for registration as an Underwriter and \$50,000 for registration as an Investment Adviser.

14) Revaluation Reserve

The revaluation reserve reflects un-realized capital appreciation and depreciation from changes in the fair values of available-for-sale financial instruments and foreign currency translation differences related to such financial instruments. The revaluation of the investments held by the Investment Funds is reflected in the line item Net Assets Attributable to Non-group Interests and is not included in this revaluation reserve.

15) Investment Income – Investment Funds

The investment income of the Funds reported in the Consolidated Statement of Profit or Loss excludes transfers from the Corporation. During 2014 the Corporation transferred income in the amount of \$8.2 million to the Growth and Income Fund (2013: \$2.65 million).

16) Net Investment Income – Group Operations

Net Investment Income includes the contribution to revenue from Treasury operations and the corporate subsidiaries. It comprises the following:

	2014	2013
Net Investment Income	\$'000	\$'000
Interest and Other Fee Income	45,864	80,993
Interest Expense and Other Charges	(22,850)	(44,984)
Total	<u>23,014</u>	<u>36,009</u>

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

17) Realized Gains Re-classified from Equity

Un-realized gains in the amount of \$392 million were recognized in equity on the revaluation of available-for-sale bonds during 2012. On receipt of principal repayments and on disposal of available-for-sale bonds, the relevant portion of the un-realized gains in equity is re-classified to the Consolidated Statement of Profit or Loss. The total un-realized gains re-classified from equity to the Consolidated Statement of Profit or Loss was \$78 million (2013: \$55 million).

18) Impairment

The Group recognised impairment charges of \$165.6 million during 2014. A summary of the impairment charges for 2014 and 2013 is as follows.

	2014 \$'000	2013 \$'000
Entity		
Growth and Income Fund	51,072	80,952
TTS Income Fund	6,180	12,216
Universal Retirement Fund	2,192	2,387
US\$ Income Fund	46,158	33,443
Sub-total	105,602	128,998
Corporation and subsidiaries	60,000	36,421
Total	165,602	165,419

A portion of the impairment charges recognized represents amounts previously recognized as unrealised losses on available-for-sale assets in the equity of the respective Funds. Accordingly, recognition of those impairment losses in the Profit or Loss Account did not impact the carrying value of the assets in the respective Funds and consequently had no impact on the Net Asset Value (NAV) of the Funds. The impairment charges are analyzed to show those amounts that affected the carrying value of the assets.

	2014 \$'000	2013 \$'000
Impairments which reduced the carrying value of assets	112,338	96,486
Impairments which did not impact the carrying value of assets	53,264	68,933
Total	165,602	165,419

The impairment charges are analyzed by IAS 39 classification below.

	2014 \$'000	2013 \$'000
Available-for-sale	113,265	116,884
Held-to-maturity	52,337	48,535
Total	165,602	165,419

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

18) Impairment (continued)

The carrying value of the assets impaired (before deducting any impairment loss) and the fair value of collateral held are provided below.

	2014	2013
	\$'000	\$'000
Carrying value of impaired investments	685,278	466,521
Fair value of collateral held for impaired investments	-	-

19) Administrative Expenses

Administrative expenses comprised:

	2014	2013
	\$'000	\$'000
Audit fees	187	668
Bank charges	1,688	2,033
Building maintenance	6,187	5,304
Directors' fees	1,659	1,762
General administration	40,446	43,238
Insurance	2,387	2,341
Impairment- non-financial assets	391	7,339
Marketing and advertising	10,363	9,148
Professional services	13,566	12,382
Rental of premises	6,040	6,205
Security	11,896	12,478
Staff costs (Note 24)	131,396	109,496
Total	226,206	212,394

20) Finance Charges

	2014	2013
	\$'000	\$'000
Long-term bonds (Note 7)	22	73

21) Management Charge

The Corporation, in accordance with the regulations governing the Growth and Income Fund, the TT\$ Income Fund, the Universal Retirement Fund and the US\$ Income Fund, may charge a management fee of up to 2% on the value of the Funds under management. The average rate of management charge for the year was 1.67% (2013: 1.53%).

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

21) Management Charge (continued)

Management charge is eliminated on consolidation. Management charge eliminated for the years ended 31 December 2014 and 31 December 2013 is as follows:

	2014 \$'000	2013 \$'000
Growth and Income Fund	94,560	81,209
TT\$ Income Fund	174,905	159,028
Universal Retirement Fund	5,395	4,787
US\$ Income Fund	42,046	36,734
Total	316,906	281,758

In addition to the management charge of \$317 million, the Group earned management charge of \$3.2 million (2013: \$3.0 million) from its foreign investment portfolios and other funds under management. Management charge from third party funds under management is recognized in the Consolidated Statement of Profit or Loss.

22) Restricted Assets

The Group, in keeping with best practice and legislation, has no access to the investment securities, cash holdings, cash flows or other assets of the Funds. The Funds are by nature Collective Investment Schemes and as such the assets, including cash, are ring-fenced and used exclusively for the interests of the unit holders/shareholders. The Tables below analyze the significant line items in the Consolidated Statement of Financial Position which include assets that are not available to the Group.

Particulars	2014 \$'000	2013 \$'000
Cash and Cash Equivalents (see Note 3)	2,398,439	4,374,680
Restricted Cash and Cash Equivalents	(1,996,623)	(3,737,900)
Available to Group without restriction	401,816	636,780

Particulars	2014 \$'000	2013 \$'000
Receivables	163,735	170,904
Restricted Receivables	(149,338)	(160,105)
Available to Group without restriction	14,397	10,799

Particulars	2014 \$'000	2013 \$'000
Investment Securities (see Note 4)	18,721,245	17,016,564
Restricted Investment Securities	(17,577,494)	(15,622,604)
Available to Group without restriction	1,143,751	1,393,960

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

23) Foreign Exchange Gains / (Losses)

The exchange differences credited to the Consolidated Statement of Profit or Loss are included in other income as follows:

	2014 \$'000	2013 \$'000
Foreign exchange gains	1,720	1,988

24) Staff Costs

	2014 \$'000	2013 \$'000
Salaries and benefits	118,780	97,737
Pension costs	8,050	7,849
National insurance	4,566	3,910
Total	131,396	109,496
 Number of employees	 510	 497

25) Distributions

	2014 \$'000	2013 \$'000
Growth and Income Fund	16,547	31,259
TT\$ Income Fund	99,037	125,206
US\$ Income Fund	31,142	42,159
Total	146,726	198,624

a) Growth and Income Fund

The Growth and Income Fund paid \$16.5 million to its unit holders in respect of its June 2014 and December 2014 distributions (2013: \$31.3 million). Included in the \$16.5 million referred to, are distributions to Initial Capital Contributors of \$0.05 million (2013: \$0.1 million).

b) TT\$ Income Fund

The TT\$ Income Fund makes quarterly distributions at the end of February, May, August and November. Income accrued at 31 December, 2014 for distribution in the quarter ending 28 February, 2015 amounted to \$17.1 million (2013: \$13.7 million).

c) US\$ Income Fund

Distributions in the US\$ Income Fund are paid by calendar quarters.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

26) Discontinued Operations

Unit Trust Corporation (Cayman) SPC Limited

On 28 October 2013, the Unit Trust Corporation (Cayman) SPC Limited ceased operations. The assets of the funds were liquidated and investors' units redeemed.

During 2014 the Group received the outstanding balances from its brokerage accounts.

Summary	2013 \$'000	2012 \$'000
Gain on disposal – UTC Cayman (SPC) Limited	2	7,636
2011 Disposal expenses - Merchant Bank Portfolio	-	(1,762)
Total Discontinued Operations	2	5,874

27) Financial Risk Management

The financial assets and liabilities of the Group are summarized below:

	2014 \$'000	Restated 2013 \$'000
Financial Assets		
Cash and Bank Balances (see Note 3)	2,398,439	4,374,680
Receivables	163,734	170,904
Investment Securities (see Note 4)	18,721,245	17,016,563
Financial Liabilities		
Financial Instruments (see Note 7)	(573,190)	(1,175,544)
Net Assets Attributable to Non-group Interest (see Note 12)	(19,536,894)	(19,314,323)

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

27) Financial Risk Management (continued)

Financial Risk Management Framework

The Collective Investment Schemes managed by the Corporation and the Corporation's investment activities expose the Group to a variety of financial risks. The Board of Directors has established policies, procedures and an Audit Risk and Compliance Committee to minimize the potential loss arising from such financial risks.

The Audit Risk and Compliance Committee meets quarterly to:

- i. monitor compliance with the risk management policies and procedures established by the Board;
- ii. ensure that the overall risk profile and policy environment of the Group is appropriate and consistent with the Group's strategic objectives; and
- iii. consider reports and recommendations submitted by the Risk Management Department, the Internal Audit Department and the Management Risk Committee – an executive committee chaired by the Executive Director.

Financial Risk Exposures

The primary financial risks to which the Group is exposed are:

- i. equity price risk
- ii. interest rate risk
- iii. currency risk
- iv. credit risk; and
- v. liquidity risk

The Group does not use derivatives to hedge any of the foregoing risks neither does it enter into transactions for speculative purposes.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

27) Financial Risk Management (continued)

Equity Price Risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of equity indices and the value of individual stocks.

Three (3) of the Funds within the Group have significant holdings of equities most of which are traded on either the local or North American stock exchanges. Negative equity price movements in the local and foreign equity markets can subject the portfolios to decreases in their Net Asset Values. This risk is managed by:

- i. careful asset allocation and security selection;
- ii. daily monitoring of security prices; and
- iii. monitoring and measuring of each portfolio's price risk exposure.

The equity price risk exposure is monitored and measured with reference to the beta of equity instruments. Beta is a measure of the stock's price sensitivity to the stock market e.g. stocks that have a beta of 1 would change by approximately 1% for every 1% move in the overall stock market.

A stock with a beta less than 0.9 is considered to have a low equity price risk relative to the overall market. A stock with a beta above 1.1 is considered to have a high equity price risk vis-à-vis the market. A stock with a beta between 0.9 and 1.1 is regarded as having equity price risk comparable to the market.

The Group's equity holdings are categorized below, both in dollar terms and as a percentage of total equity holdings, into three (3) categories to reflect the Group's exposure to movements in equity prices.

	Lower than market \$'000	Comparable to market \$'000	Higher than market \$'000
At 31 December, 2014	2,393,071 55.6%	720,023 29.0%	570,647 15.4%
At 31 December, 2013	1,915,048 56.0%	1,074,526 31.4%	428,817 12.6%

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

27) Financial Risk Management (continued)

Equity Price Risk (continued)

The following Table presents the approximate sensitivity of the net asset value of the Group to a 5% change in the TTSE Composite Index and the S&P 500 Composite Index respectively as at 31 December, 2014 and 31 December, 2013 with all other variables held constant.

	31 December, 2014	31 December, 2013
TTSE Composite Index	\$39.6 million	\$65.9 million
S&P 500 Composite Index	\$58.4 million	\$63.1 million

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.

Funds

Two (2) of the Funds within the Group have significant bond holdings and are therefore exposed to interest rate risks.

In general, rising interest rates expose these portfolios to significant fair value interest rate risk i.e. the fair value of fixed rate debt instruments held by the portfolios can diminish because of a rise in market interest rates. Conversely falling interest rates generally expose these portfolios to significant cash flow interest rate risk. The variable rate debt instruments held by the portfolio will experience a diminution in earnings as market interest rates fall.

The overall interest rate risk of the portfolios is managed by making appropriate adjustments to the weighted average duration (term to maturity) of the portfolio based on relevant economic and financial market information.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

27) Financial Risk Management (continued)

Interest rate risk (continued)

Corporation

Due to the Corporation's interest bearing asset and liability positions, movements in interest rates expose it to volatility in its net interest income. A substantial portion of its interest bearing assets are at variable rates. Its financial instruments are short-term but not variable rate instruments. It therefore carefully manages potential rate re-pricing mis-matches to maintain a stable and consistent spread between its interest bearing assets and its financial instruments.

The Group's exposure to interest rate risk is summarized below.

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Non-Interest Bearing \$'000	Total \$'000
At 31 December, 2014					
Assets					
Cash & Cash Equivalents	2,398,439	-	-	-	2,398,439
Short-term Investments	4,239,095	35,947	-	-	4,275,042
Fixed Income Securities	3,727,069	2,958,664	4,076,729	-	10,762,462
Liabilities					
Financial Instruments	(573,190)	-	-	-	(573,190)
Net Assets Attributable to Non-group Interest	-	-	-	(19,536,894)	(19,536,894)
Rate Re-pricing Position	<u>9,791,413</u>	<u>2,994,611</u>	<u>4,076,729</u>	<u>(19,536,894)</u>	<u>(2,674,141)</u>
	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Non-Interest Bearing \$'000	Total \$'000
At 31 December, 2013 - Restated					
Assets					
Cash & Cash Equivalents	4,374,680	-	-	-	4,374,680
Short-term Investments	2,302,474	72,000	-	-	2,374,474
Fixed Income Securities	877,099	3,462,407	6,830,123	-	11,169,629
Liabilities					
Financial Instruments	(1,175,544)	-	-	-	(1,175,544)
Net assets attributable to non-group interests	-	-	-	(19,314,323)	(19,314,323)
Rate Re-pricing Position	<u>6,378,709</u>	<u>3,534,407</u>	<u>6,830,123</u>	<u>(19,314,323)</u>	<u>(2,571,084)</u>

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

27) Financial Risk Management (continued)

Currency Risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The TTS\$ denominated portfolios can be negatively impacted by movements in the US\$/TTS\$ exchange rate.

The material foreign currency assets and liabilities of the Group as at 31 December 2014 and 31 December 2013 are summarized below.

	At 31 December, 2014		At 31 December, 2013	
	US\$	Other	US\$	Other
	(Presented in TTS\$) \$'000	Currencies \$'000	(Presented in TTS\$) \$'000	Currencies \$'000
Assets				
Cash & Cash Equivalents	693,641	2,559	1,033,928	-
Short-term Investments	504,981	-	671,827	-
Fixed Income Securities	5,662,793	-	5,112,574	-
Equities & Mutual Funds	1,770,747	-	1,628,993	-
Liabilities				
Financial Instruments	(548,110)	-	(801,539)	-
Net Assets Attributable to Unitholders	<u>(4,009,767)</u>	<u>-</u>	<u>(3,858,329)</u>	<u>-</u>
Total	<u>4,074,285</u>	<u>2,559</u>	<u>3,787,454</u>	<u>-</u>

A 1% change in the TT dollar relative to the US dollar would have changed the net assets of the Group as at 31 December, 2014 and 31 December, 2013 as follows:

	2014 \$'000	2013 \$'000
Change in net assets	<u>40,743</u>	<u>37,875</u>

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

27) Financial Risk Management (continued)

Credit Risk

Credit risk is the risk that the counter party to a financial instrument will default on its financial obligations i.e. it fails to make full and timely payments of scheduled interest and/or principal sums due.

Default risk is managed by:

- i. subjecting counter parties to robust credit risk assessments prior to initial acquisition;
- ii. limiting the acquisition or retention of debt instruments to certain credit ratings; and
- iii. regular review, measurement and monitoring of counter-parties' credit ratings.

The maximum exposure to credit risk before enhancements (e.g. collateral) at 31 December is the carrying amount of the financial assets and is set out below.

	2014	Restated 2013
	\$'000	\$'000
Cash and bank balances (see Note 3)	2,398,439	4,374,680
Receivables	163,734	170,904
Investment securities (see Note 4)	<u>18,721,245</u>	<u>17,016,563</u>
	<u>21,283,418</u>	<u>21,562,147</u>

The quality of the Group's debt securities is analyzed in the Table below into high, moderate and low using ratings from international and local rating agencies.

	2014	2013
	\$'000	\$'000
A rated securities (e.g. S&P AAA to A-)	7,028,407	10,442,880
B rated securities (e.g. S&P BB+ to BBB-)	3,546,126	1,277,518
C rated securities (e.g. CCC+ and below)	<u>187,928</u>	<u>418,589</u>
	10,762,461	12,138,987
Short-term investments	<u>4,275,042</u>	<u>3,737,875</u>
	<u>15,037,503</u>	<u>15,876,862</u>

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

27) Financial Risk Management (continued)

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset as they become due.

The units of the Growth and Income Fund, the TT\$ Income Fund, the US\$ Income Fund and the North American Fund are redeemable on demand. The risk is mitigated by each portfolio by maintaining adequate investments in cash, near cash and short-term liabilities. In addition, substantial portions of investments held by the portfolios are tradable. The risk is therefore deemed insignificant.

The financial liabilities of the Group are summarized by their due dates and shown below. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000
At 31 December, 201			
Financial Instruments	573,190	-	-
Net assets attributable to non-group interests	<u>19,536,894</u>	-	-
Total	<u>20,110,084</u>	-	-
	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000
At 31 December, 2013 - Restated			
Financial Instruments	1,175,544	-	-
Net assets attributable to non-group interests	<u>19,314,323</u>	-	-
Total	<u>20,489,867</u>	-	-

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

28) Interests Corporate Entities

a) Local Corporate Entities

The Corporation established three (3) wholly-owned local subsidiary companies incorporated under the Companies Act 81:01 of the Laws of the Republic of Trinidad and Tobago as follows:

Company	Interest	Principal Place of Business	Date of Incorporation
UTC Financial Services Limited	100%	82, Independence Square, Port of Spain, Trinidad	23 March, 1999
UTC Trust Services Limited	100%	82, Independence Square, Port of Spain, Trinidad	2 June, 1999
UTC Property Holdings Limited	100%	82, Independence Square, Port of Spain, Trinidad	18 June, 2002

All the Directors of these three companies are Directors of the Corporation.

UTC Financial Services Limited carries on the business of a registrar and paying agent.

UTC Trust Services Limited was activated in 2012 and is the registered Trustee for certain bonds.

UTC Property Holdings Limited currently owns buildings constructed for rental to the Corporation to house its investment centres.

The assets, liabilities and results of these subsidiaries have been fully incorporated in these Financial Statements.

The auditor for UTC Property Holdings Limited and UTC Financial Services Limited is PricewaterhouseCoopers.

b) Foreign Corporate Entities

The Corporation has four (4) foreign subsidiaries. These are:

Company	Interest	Date of Incorporation	Country of Incorporation
UTC Fund Services, Inc.	100%	8 December, 1997	Delaware, USA
UTC Financial Services USA, Inc.	100%	8 June, 1999	Rhode Island, USA
UTC Energy Investment Limited	100%	31 May, 2007	Delaware, USA
UTC North American Fund Inc.	72%	24 October, 1990	Maryland, USA

The auditors of these foreign subsidiaries are as follows:

Company	Auditors
UTC Financial Services USA, Inc.	Mayer Hoffman McCann P.C. (formerly Kirkland, Russ, Murphy & Tapp, USA)
UTC North American Fund Inc.	Cohen Fund Audit Services, Cleveland, Ohio

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

28) Interests Corporate Entities (continued)

b) Foreign Corporate Entities (continued)

UTC Energy Investment Limited and UTC Fund Services Inc. are not engaged in activities that require treatment as publicly traded entities and do not require audited statements for any regulatory purpose.

UTC Energy Investment Limited was incorporated in 2007 under the laws of Delaware, USA. The Corporation holds 90% capital of this company and the Growth and Income Fund holds the remaining 10%. All of the assets of this subsidiary are reported on the Consolidated Statement of Financial Position.

UTC Fund Services Inc. was inactive from its incorporation until 1 March, 2009 when it began operations as the investment advisor to the UTC North American Fund Inc.

UTC North American Fund Inc. is registered as an open-end, diversified, management investment company under the Investment Act of 1940 of the United States of America, as amended.

29) Related-party Transactions

Related parties are individuals or entities that are related to the Corporation. An individual is related to the Corporation when that individual or a close member of that individual's family either:

- i. has significant influence over the Corporation; or
- ii. is a key member of the management of the Corporation.

An entity is related to the Corporation because the entity is a subsidiary of the Corporation, is an associate of the Corporation, is in a joint venture with the Corporation or participates in a post-employment benefit plan of either the Corporation or one of its related entities.

Related party transactions and balances, not disclosed elsewhere in these Financial Statements, are disclosed below.

	2014 \$'000	2013 \$'000
Loans		
Key management personnel of the Group	1,756	2,159
Represented by:		
Balance at beginning of year	2,159	2,027
Loans advanced during year	598	1,250
Loan repayments received during year	(1,001)	(1,118)
Interest income during year	79	96
Interest received during year	(79)	(96)
Balance at end of year	1,756	2,159
Key Management compensation		
Salaries and other short-term benefits	28,546	25,474

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

29) Related-party Transactions (continued)

	2014 \$'000	2013 \$'000
Directors		
Consultancy fees to Directors	-	1,286
Sale of assets to Directors	-	168
Units held by Directors and key management personnel	6,771	8,224
Subsidiaries		
Rents paid to subsidiaries	10,919	10,919
Administrative services provided to subsidiaries	3,346	3,674
Receivables from Corporate subsidiaries	27,064	24,235
Receivable balances from Funds which are considered subsidiaries for the purposes of IFRS 10 (see Note 33)	81,264	109,873
Loans balances receivable from subsidiaries	2,236	7,734
Loan repayments by subsidiaries	5,499	5,965
Interest from Corporate subsidiaries	515	967
Loan balances payable to Corporate subsidiaries	31,755	31,755
Net appropriations payable to the Funds	103,748	108,725

30) Commitments

At 31 December, 2014, the Group had contractual obligations for capital contributions under two contracts. Under the first contract there was a capital commitment of \$11.7 million payable over the next two and half years (2.5) years (2013: \$11.7 million). Under the second contract there was a contractual obligation in the amount of \$20.5 million (2013: \$20.5 million).

31) Contingent Liabilities

(a) At 31 December, 2014, there were no legal proceedings outstanding against the Group and as such no provisions were required.

(b) **Growth and Income Fund Guarantee Pricing Contingent Liability:** the computation of the contingent liability under the Growth and Income Fund Price Guarantee for the years 2014 and 2013 is provided in the table below:

Year	2014 \$'M	2013 \$'M
Total Guarantee Pricing Liability	37.0	50.4
Less: Provision (see Note 11)	<u>(3.7)</u>	<u>(5.0)</u>
Contingent liability	<u>33.3</u>	<u>45.4</u>

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

32) Locally domiciled funds

The four (4) locally domiciled Funds controlled by the Corporation, are considered subsidiaries for the purposes of IFRS 10 and are consolidated structured entities for the purposes of IFRS 12. The portfolio values of the locally domiciled Funds are shown in the Table below.

	2014 \$'000	2013 \$'000
Growth and Income Fund	4,744,088	4,520,770
TT\$ Income Fund	10,655,688	10,835,646
Universal Retirement Fund	276,738	262,045
US\$ Income Fund	<u>4,078,936</u>	<u>3,931,856</u>
Total assets	<u>19,755,450</u>	<u>19,550,317</u>

The summarized financial information in Notes 33-36 discloses the Corporation's interests in the Funds and the arrangements that may require the Corporation to provide financial support to the Funds.

33) Summarized Financial Information – Growth and Income Fund

The Table below summarises financial information for the Growth and Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2014 and 2013.

	2014 \$'000	2013 \$'000
Cash and Cash Equivalents	569,841	403,163
Receivables	27,164	58,696
Investment Securities (see Tables below)	<u>4,147,083</u>	<u>4,058,911</u>
Total assets	<u>4,744,088</u>	<u>4,520,770</u>
Liabilities	56,715	82,683
Equity	<u>4,687,373</u>	<u>4,438,087</u>
Total liabilities and equity	<u>4,744,088</u>	<u>4,520,770</u>
Investment Income	<u>167,834</u>	<u>193,433</u>
Net Income available for distribution	14,951	23,193
Distribution	(16,547)	(31,259)
Allocations to Reserves (see paragraphs below)	(1,000)	(1,000)
Other Comprehensive Income for the year	<u>68,624</u>	<u>444,602</u>
Total Comprehensive Income for the year	<u>66,028</u>	<u>435,536</u>
Net cash flow from operating activities	71,587	53,466
Net cash flow used in investing activities	(70,620)	(400,679)
Net cash flow from financing activities	<u>165,711</u>	<u>221,847</u>
Net change in cash flows for the year	<u>166,678</u>	<u>(125,366)</u>

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

33) Summarized Financial Information – Growth and Income Fund (continued)

Investment Securities – Growth and Income Fund

The Table below analyses the investment securities held by the Growth and Income Fund.

	2014 \$'000	2013 \$'000
Government Securities	690,072	720,527
Corporate Securities	219,275	236,142
Equity (local and foreign)	3,038,586	3,072,263
Short-term Investments	199,150	29,979
Total	4,147,083	4,058,911

The Table below classifies the investment securities held by the Growth and Income Fund

	2014 \$'000	2013 \$'000
Available-for-sale assets	3,393,194	3,072,263
Held-to-maturity assets	753,889	986,648
Total	4,147,083	4,058,911

Growth and Income Fund Guarantee Reserves

In 1984, in accordance with the provisions of Section 26 (1) and (2) of the Act, the Corporation established a Guarantee Reserve Fund in respect of the Growth and Income Fund (First Unit Scheme) to ensure adequate funding of the Guarantee Pricing Plan. During 2014 the Growth and Income Fund made allocations in the amount of \$1.0 million to the Guarantee Reserve. Calls totalling \$2.7 million were made on the Reserve, of which the Corporation met \$1.7 million.

The Corporation has met and will continue to meet any shortfalls in the Guarantee Reserve. In accordance with the requirements of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets - a provision for this liability has been established (see Note 11).

In 2012 the Board approved the establishment of a Secondary Reserve Facility for the Growth and Income Fund (First Unit Scheme). The Secondary Reserve Facility is funded from: income of the Growth and Income Fund, and income of the Corporation. The Secondary Reserve is used to fund requirements for capital reinstatement and/or distribution liabilities of the Growth and Income Fund. A summary of the transactions in each of the Growth and Income Fund Reserves is provided below.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

33) Summarized Financial Information – Growth and Income Fund (continued)

Growth and Income Fund Guarantee Reserves (continued)

	2014 \$'000	2013 \$'000
Growth and Income Fund Primary Reserve		
Fund Reserve as at 1 January	-	-
Allocation to Reserve (Growth and Income Fund)	1,000	1,000
Call on Reserve	(2,739)	(7,634)
Allocation to Reserve (Corporation)	1,739	6,634
Guarantee Reserve as at 31 December	-	-
Growth and Income Fund Secondary Reserve Facility		
Fund Reserve as at 1 January	-	53,000
Allocation to Reserve (Growth and Income Fund)	-	-
Call on Reserve	-	(53,000)
Secondary Reserve as at 31 December	-	-
Total Growth and Income Fund Reserves as at 31 December	-	-

The Corporation may from time to time transfer a portion of its income to the secondary reserves of the Growth and Income Fund.

During 2014 the Corporation transferred \$8.2 million (2013: \$2.65 million) to the Growth and Income Fund to support the June distribution of the Growth and Income Fund. The Corporation is the sponsor of the Growth and Income Fund and is committed to supporting the Fund financially and otherwise as necessary.

More detailed financial information in respect of the Growth and Income Fund may be found in the Additional Information section of these Financial Statements.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

34) Summarized Financial Information – TTS Income Fund

The Table below summarises financial information for the TTS Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2014 and 2013.

	2014 TTS'000	2013 TTS'000
Cash and Cash Equivalents	1,029,044	2,815,569
Receivables	348,217	294,932
Investment Securities (see Tables below)	<u>9,278,427</u>	<u>7,725,145</u>
Total assets	<u>10,665,688</u>	<u>10,835,646</u>
Liabilities	181,207	173,052
Equity	<u>10,474,481</u>	<u>10,662,594</u>
Total liabilities and equity	<u>10,655,688</u>	<u>10,836,646</u>
Investment Income	<u>293,945</u>	<u>311,825</u>
Net Income available for distribution	101,837	128,006
Distributions	(99,037)	(125,206)
Allocations to Reserves (see paragraphs below)	(2,800)	(2,800)
Other comprehensive (loss)/income for the year	<u>(7,668)</u>	<u>4,860</u>
Total comprehensive (loss)/Income for the year	<u>(7,668)</u>	<u>4,860</u>
Net cash flow from operating activities	62,886	90,089
Net cash used in investing activities	(1,567,129)	(1,679,264)
Net cash used in financing activities	<u>(282,282)</u>	<u>(666,882)</u>
Net change in cash flows for the year	<u>(1,786,525)</u>	<u>(2,256,057)</u>

The Table below analyses the investment securities held by the TTS Income Fund

	2014 S'000	2013 S'000
Government securities	3,259,105	3,083,977
Corporate securities	2,498,857	3,019,478
Short-term Investments	<u>3,520,465</u>	<u>1,621,690</u>
Total	<u>9,278,427</u>	<u>7,725,145</u>

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

34) Summarized Financial Information – TTS Income Fund (continued)

The Table below classifies the investment securities held by the TTS Income Fund

	2014 \$'000	2013 \$'000
Available-for-sale assets	1,503,545	1,428,854
Held-to-maturity assets	7,774,882	6,296,291
Total	9,278,427	7,725,145

TTS Income Fund Reserves

In accordance with the provisions of Section 13 of the TTS Income Fund (Second Unit Scheme) Regulations issued under the Act, the Corporation established two reserves in respect of the TTS Income Fund - a Primary Reserve and a Secondary Reserve.

The Primary Reserve was established to satisfy any shortfall that may arise from the liquidation of securities in the portfolio of the Fund.

The Secondary Reserve was established to augment the capital maintenance capability of the Fund and to provide for the funding of any distribution liability which may arise.

The Corporation may from time to time transfer a portion of its income to the Reserves of the TTS Income Fund.

A summary of the transactions in the TTS Income Fund Reserves is provided below.

TTS Income Fund – Primary Reserve	2014	2013
	\$'000	\$'000
Fund reserve as at 1 January	38,669	35,553
Allocation to primary reserve	2,800	2,800
Interest earned on the reserve	191	316
Primary Reserve as at 31 December	41,660	38,669
TTS Income Fund – Secondary Reserve	2014	2013
	\$'000	\$'000
Fund reserve as at 1 January	3,605	3,575
Interest earned on the reserve	18	30
Secondary Reserve as at 31 December	3,623	3,605
Total TTS Income Fund Reserves as at 31 December	45,283	42,274

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

34) Summarized Financial Information – TT\$ Income Fund (continued)

The Corporation is the sponsor of the TT\$ Income Fund and is committed to supporting the fund financially and otherwise as and when necessary. No transfers to support the TT\$ Income Fund were required during 2014.

More detailed financial information in respect of the TT\$ Income Fund may be found in the Additional Information section of these Financial Statements.

35) Summarized Financial Information – Universal Retirement Fund

The Table below summarises financial information for the Universal Retirement Fund (before inter- entity eliminations or consolidation adjustments) for the years 2014 and 2013.

	2014	2013
	\$'000	\$'000
Cash and Cash Equivalents	42,208	17,801
Receivables	1,440	1,466
Investment Securities (see Tables below)	233,090	242,779
Total assets	276,738	262,046
Liabilities	2,798	4,697
Equity	273,940	257,349
Total liabilities and equity	276,738	262,046
Investment Income	9,969	16,245
Net Income for capitalization	1,950	8,540
Other Comprehensive Income for the year	3,196	15,895
Total comprehensive income for the year	5,146	24,435
Net cash flow from operating activities	2,268	13,007
Net cash flow from/(used in) investing activities	10,694	(35,856)
Net cash flow from financing activities	11,445	20,206
Net change in cash flows for the year	24,407	(2,643)

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

35) Summarized Financial Information – Universal Retirement Fund (continued)

The Table below analyses the investment securities held by the Universal Retirement Fund.

	2014 \$'000	2013 \$'000
Government Securities	32,799	33,596
Corporate Securities	32,292	35,539
Equity (local and foreign)	167,999	173,644
Total	233,090	242,779

The Table below classifies the investment securities held by the Universal Retirement Fund.

	2014 \$'000	2013 \$'000
Available-for-sale assets	192,728	199,562
Held-to-maturity assets	40,362	43,217
Total	233,090	242,779

The Corporation is the sponsor of the Universal Retirement Fund and is committed to supporting the fund financially and otherwise as and when necessary. No transfers to support the Universal Retirement Fund were required during 2014.

More detailed financial information in respect of the Universal Retirement Fund may be found in the Additional Information section of these Consolidated Financial Statements.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

36) Summarized Financial Information – US\$ Income Fund

The Table below summarises Financial Information for the US\$ Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2014 and 2013.

	2014 \$'000	2013 \$'000
Cash and Cash Equivalents	368,447	501,343
Receivables	98,783	113,011
Investment Securities (see Tables below)	<u>3,611,706</u>	<u>3,317,502</u>
Total assets	<u>4,078,936</u>	<u>3,931,856</u>
Liabilities	24,518	31,777
Equity	<u>4,054,418</u>	<u>3,900,079</u>
Total liabilities and equity	<u>4,078,936</u>	<u>3,931,856</u>
Investment Income	<u>100,706</u>	<u>120,131</u>
Net Income available for distribution	11,301	48,672
Distributions	(31,142)	(42,159)
Allocations to reserves (see paragraphs below)	(12,052)	(19,141)
Other Comprehensive Income/(loss) for the year	<u>21,923</u>	<u>(39,376)</u>
Total comprehensive loss for the year	<u>(9,970)</u>	<u>(52,004)</u>
Net cash flow from operating activities	64,429	303,928
Net cash used in investing activities	(318,333)	(135,831)
Net cash flow from/(used in) financing activities	<u>120,367</u>	<u>(705,572)</u>
Net change in cash flows for the year	<u>(133,537)</u>	<u>(537,475)</u>

The Table below analyses the investment securities held by the US\$ Income Fund

	2014 \$'000	2013 \$'000
Government securities	337,141	360,426
Corporate securities	2,850,388	2,354,316
Short-term Investments	424,177	602,760
Total	<u>3,611,706</u>	<u>3,317,502</u>

The Table below classifies the investment securities held by the US\$ Income Fund

	2014 \$'000	2013 \$'000
Available-for-sale assets	2,887,185	2,364,024
Held-to-maturity assets	724,521	953,478
Total	<u>3,611,706</u>	<u>3,317,502</u>

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

36) Summarized Financial Information – US\$ Income Fund (continued)

US\$ Income Fund Reserves

In accordance with the provisions of Section 26 (1) and (2) of the Act, the Corporation has established two reserves in respect of the US\$ Income Fund, a Primary Reserve and a Secondary Reserve.

The Primary Reserve was established to satisfy any shortfall that may arise from the liquidation of securities in the portfolio of the Fund. There was a call on the Primary Reserve during 2014.

The Secondary Reserve was established to augment the capital maintenance capability of the Fund and to provide for the funding of any distribution liability which may arise. There was a call on the Secondary Reserve during 2013.

A summary of the transactions in the US\$ Income Fund Reserves is provided below.

US\$ Income Fund – Primary Reserve	2014	2013
	\$'000	\$'000
Fund reserve as at 1 January	46,016	38,007
Allocation to primary reserve	7,668	7,629
Call on reserve	(31,909)	-
Interest earned on the reserve	109	235
Revaluation	592	145
Primary Reserve as at 31 December	22,476	46,016
US\$ Income Fund – Secondary Reserve	2014	2013
	\$'000	\$'000
Fund reserve as at 1 January	20,435	21,344
Allocation to secondary reserve	4,401	11,478
Call on reserves	-	(12,628)
Interest earned on the reserve	85	175
Revaluation	33	66
Secondary Reserve as at 31 December	24,954	20,435
Total US\$ Income Fund Reserves as at 31 December	47,430	66,451

The Corporation is the sponsor of the US\$ Income Fund and is committed to supporting the Fund financially and otherwise as and when necessary. No transfers to support the US\$ Income Fund were required during 2014.

More detailed financial information in respect of the US\$ Income Fund may be found in the Additional Information section of these Financial Statements.

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

37) Summarized Financial Information – North American Fund

The North American Fund is an investment company organized under the Investment Act 1940 of the United States of America. It is controlled by the Corporation though there is significant shareholding by third parties. The Table below summarizes financial information for the North American Fund (before inter-entty eliminations or consolidation adjustments) for the years 2014 and 2013.

	2014 TT\$'000	2013 TT\$'000
Cash and cash equivalents	6	10
Receivables & other assets	520	463
Investment securities (see Tables below)	263,957	226,526
Total assets	264,483	226,999
Liabilities	2,003	1,522
Equity	262,480	225,477
Total liabilities and equity	262,483	226,999
Investment income	3,894	23,423
Net (loss)/income	(1,152)	18,652
Distributions	4,956	11,690
Other comprehensive income for the year	25,210	10,102
Net cash (used in)/flow from operating activities	(379)	298
Net cash (used in)/flow from investing activities	(12,561)	176
Net cash flow from/(used in) financing activities	12,937	(507)
Net change in cash flows for the year	(3)	(33)

The Table below analyses the investment securities held by the North American Fund.

	2014 S'000	2013 S'000
Corporate securities	37,512	26,932
Equity (foreign)	213,378	185,328
Short-term investments	13,067	14,266
Total	263,957	226,526

Trinidad and Tobago Unit Trust Corporation

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

37) Summarized Financial Information – North American Fund (continued)

The Table below classifies the investment securities held by the North American Fund

	2014 \$'000	2013 \$'000
Available-for-sale assets	263,957	226,526
Held-to-maturity assets	-	-
Total	<u>263,957</u>	<u>226,526</u>

The Corporation is the sponsor of the North American Fund and is committed to supporting the Fund financially and otherwise as and when necessary. No transfers to support the North American Fund were required during 2014.

38) Approval of the Financial Statements

These Financial Statements were approved by the Board of Directors and authorized for issue on 5th March, 2015.

ADDITIONAL INFORMATION

Trinidad and Tobago Unit Trust Corporation
GROWTH AND INCOME FUND
(FIRST UNIT SCHEME)
STATEMENT OF FINANCIAL POSITION

As at 31 December, 2014

Expressed in Trinidad and Tobago Dollars

ASSETS	31-Dec-14	31-Dec-13
	\$'000	\$'000
Cash and Cash Equivalents	569,841	403,163
Receivables	27,164	58,696
Investment Securities	4,147,083	4,058,911
TOTAL ASSETS	4,744,088	4,520,770
 LIABILITIES		
Accounts Payable	56,443	48,255
Other Liabilities	272	34,428
TOTAL LIABILITIES	56,715	82,683
 EQUITY		
Net Assets attributable to unitholders	3,218,515	3,035,257
Fair Value Reserve	1,564,968	1,496,344
Retained Earnings	(96,110)	(93,514)
TOTAL EQUITY	4,687,373	4,438,087
 TOTAL LIABILITIES AND EQUITY	4,744,088	4,520,770

Trinidad and Tobago Unit Trust Corporation
GROWTH AND INCOME FUND
(FIRST UNIT SCHEME)
STATEMENT OF PROFIT OR LOSS
For the year ended 31 December, 2014
Expressed in Trinidad and Tobago Dollars

	31-Dec-14	31-Dec-13
	\$ '000	\$ '000
INCOME		
Interest income	68,700	54,411
Dividends income	89,870	113,507
Realised Capital Gains	9,264	25,515
Total Income	167,834	193,433
EXPENSES		
Management Charge	(94,560)	(81,209)
Impairment	(51,072)	(80,951)
Other Expenses	(1,161)	(62)
Total Expenses	(146,793)	(162,222)
Net Income Before Taxation	21,041	31,211
Withholding Taxes	(6,090)	(8,018)
NET INCOME AVAILABLE FOR DISTRIBUTION	14,951	23,193
Distribution Paid to Initial Contributors	(57)	(114)
Distribution Paid to Unitholders	(16,490)	(31,145)
Total Distribution	(16,547)	(31,259)
UNDISTRIBUTED LOSS BEFORE TRANSFER TO RESERVES	(1,596)	(8,066)
Allocation to Guarantee Reserve Fund	(1,000)	(1,000)
UNDISTRIBUTED LOSS FOR THE YEAR	(2,596)	(9,066)

Trinidad and Tobago Unit Trust Corporation
GROWTH AND INCOME FUND
(FIRST UNIT SCHEME)
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

	31-Dec-14 \$'000	31-Dec-13 \$'000
UNDISTRIBUTED LOSS FOR THE YEAR	(2,596)	(9,066)
Other Comprehensive Income:		
<i>Amounts that may be transferred to Profit or Loss in the future:</i>		
Fair value gains arising during the year	27,684	387,824
Fair value gains transferred to income	(10,132)	(24,173)
Impairment losses transferred to income	51,072	80,951
Other Comprehensive Income for the year	68,624	444,602
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	66,028	435,536

Trinidad and Tobago Unit Trust Corporation
GROWTH AND INCOME FUND
(FIRST UNIT SCHEME)
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December, 2014
Expressed in Trinidad and Tobago Dollars

	Net Assets Attributable to Unitholders \$'000	Fair Value Reserve \$'000	Fund Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance as at 1 January, 2014	3,035,257	1,496,344	-	(93,514)	4,438,087
Subscriptions from Unitholders	267,382	-		-	267,382
Redemptions to Unitholders	(84,124)	-		-	(84,124)
Other Comprehensive Income for the year	-	68,624		(2,596)	66,028
Balance as at 31 December, 2014	3,218,515	1,564,968	-	(96,110)	4,687,373
Balance as at 1 January, 2013	2,728,151	1,051,742	53,000	(84,448)	3,748,445
Subscriptions from Unitholders	306,286	-		-	306,286
Redemptions to Unitholders	(52,180)	-		-	(52,180)
Fund Reserve	53,000		(53,000)		-
Other Comprehensive Income for the year	-	444,602		(9,066)	435,536
Balance as at 31 December, 2013	3,035,257	1,496,344	-	(93,514)	4,438,087

Trinidad & Tobago Unit Trust Corporation
GROWTH AND INCOME FUND
(FIRST UNIT SCHEME)
STATEMENT OF CASH FLOWS
For the year ended 31 December, 2014
Expressed in Trinidad and Tobago Dollars

	31-Dec-14	31-Dec-13
	\$'000	\$'000
OPERATING ACTIVITIES		
Net Income before Taxation	21,041	31,211
<i>Adjustment to reconcile net income to net cash and cash equivalents from operating activities:</i>		
Impairment	51,072	80,951
Taxation Paid	<u>(6,090)</u>	<u>(8,018)</u>
	66,023	104,144
<i>Movements in Working Capital</i>		
Decrease/(Increase) in Receivables	31,532	(11,416)
Decrease in Accounts Payables	<u>(25,968)</u>	<u>(39,262)</u>
Net Cash Flow From Operating Activities	<u>71,587</u>	<u>53,466</u>
INVESTING ACTIVITIES		
Purchase of Investment Securities	(377,802)	(1,005,356)
Disposal of Investment Securities	307,182	604,677
Net Cash Used In Investing Activities	<u>(70,620)</u>	<u>(400,679)</u>
FINANCING ACTIVITIES		
Subscriptions from Unitholders	267,382	306,287
Redemptions to Unitholders	(84,124)	(52,181)
Distributions to Unitholders	(16,547)	(31,259)
Guarantee Reserve	(1,000)	(1,000)
Net Cash Flow from Financing Activities	<u>165,711</u>	<u>221,847</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	166,678	(125,366)
Cash and Cash Equivalents at the beginning of the year	403,163	528,529
Cash and Cash Equivalents at the end of the year	<u>569,841</u>	<u>403,163</u>

Trinidad and Tobago Unit Trust Corporation
TT DOLLAR INCOME FUND
STATEMENT OF FINANCIAL POSITION
As at 31 December, 2014
Expressed in Trinidad and Tobago Dollars

	31-Dec-14 \$'000	31-Dec-13 \$'000
ASSETS		
Cash and Cash Equivalents	1,029,044	2,815,569
Receivables	348,217	294,932
Investment Securities	9,278,427	7,725,145
Total Assets	<u>10,655,688</u>	<u>10,835,646</u>
LIABILITIES		
Payables	32,713	51,404
Other Liabilities	148,494	121,648
Total Liabilities	<u>181,207</u>	<u>173,052</u>
EQUITY AND RESERVES		
Net Assets Attributable to Unitholders	10,412,115	10,595,569
Other Reserves	9,918	9,918
Fund Reserves	45,283	42,274
Fair Valuation Reserve	7,165	14,833
Total Equity and Reserves	<u>10,474,481</u>	<u>10,662,594</u>
TOTAL LIABILITIES, EQUITY AND RESERVES	<u>10,655,688</u>	<u>10,835,646</u>

Trinidad and Tobago Unit Trust Corporation
TT DOLLAR INCOME FUND
STATEMENT OF PROFIT OR LOSS
For the year ended 31 December, 2014
Expressed in Trinidad and Tobago Dollars

	31-Dec-14 \$ '000	31-Dec-13 \$'000
INCOME		
Interest Income	290,697	303,167
Realised Capital Loss	(744)	-
Net Foreign Exchange Gains	2,015	1,089
Other Income	1,977	7,569
Total Income	<u>293,945</u>	<u>311,825</u>
EXPENSES		
Management Charge	(174,905)	(159,028)
Impairment	(6,179)	(12,215)
Commissions	(10,719)	(12,126)
Other Expenses	(305)	(450)
Total Expenses	<u>(192,108)</u>	<u>(183,819)</u>
NET INCOME AVAILABLE FOR DISTRIBUTION	101,837	128,006
Distribution	(81,910)	(119,732)
Provision for Distribution	(17,127)	(5,474)
Total Distribution	<u>(99,037)</u>	<u>(125,206)</u>
UNDISTRIBUTED INCOME BEFORE TRANSFER TO RESERVES	2,800	2,800
Allocation to Primary Reserve	(2,800)	(2,800)
UNDISTRIBUTED PROFIT FOR THE YEAR	<u><u>-</u></u>	<u><u>-</u></u>

Trinidad and Tobago Unit Trust Corporation
TT DOLLAR INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December, 2014
Expressed in Trinidad and Tobago Dollars

	31-Dec-14 \$ '000	31-Dec-13 \$'000
UNDISTRIBUTED INCOME/(LOSS) FOR THE YEAR	-	-
Other Comprehensive Income:		
<i>Amounts that may be transferred to Profit or Loss in the future:</i>		
Fair value losses arising during the year	(16,834)	(176,249)
Fair value gains transferred to income	2,987	193,324
Impairment losses transferred to income	6,179	(12,215)
Other Comprehensive (Loss)/ Income for the year	(7,668)	4,860
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	(7,668)	4,860

Trinidad and Tobago Unit Trust Corporation
TT DOLLAR INCOME FUND
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December, 2014
Expressed in Trinidad and Tobago Dollars

	Net Assets Attributable to Unitholders S'000	Other Reserves S'000	Retained Earnings S'000	Fair Value Reserve S'000	Fund Reserve S'000	Total S'000
Balance as at 1 January, 2014	10,595,569	9,918	-	14,833	42,274	10,662,594
Net Income Available for Distribution	-	-	101,837	-	-	101,837
Subscriptions from Unitholders	1,395,280	-	-	-	-	1,395,280
Redemptions to Unitholders	(1,578,734)	-	-	-	-	(1,578,734)
Reallocation to Income	-	-	-	-	-	-
Distributions to Unitholders	-	-	(99,037)	-	-	(99,037)
Net Allocation to Reserves	-	-	(2,800)	-	3,009	209
Other Comprehensive Loss for the year	-	-	-	(7,668)	-	(7,668)
Balance as at 31 December, 2014	10,412,115	9,918	0	7,165	45,283	10,474,481
Balance as at 1 January, 2013	11,144,748	9,918	-	9,973	39,128	11,203,767
Net Income Available for Distribution	-	-	128,006	-	-	128,006
Subscriptions from Unitholders	2,273,416	-	-	-	-	2,273,416
Redemptions to Unitholders	(2,815,438)	-	-	-	-	(2,815,438)
Reallocation to Income	(7,157)	-	-	-	-	(7,157)
Distributions to Unitholders	-	-	(125,206)	-	-	(125,206)
Net Allocation to Reserves	-	-	(2,800)	-	3,146	346
Other Comprehensive Income for the year	-	-	-	4,860	-	4,860
Balance as at 31 December, 2013	10,595,569	9,918	-	14,833	42,274	10,662,594

Trinidad and Tobago Unit Trust Corporation
TT DOLLAR INCOME FUND
STATEMENT OF CASH FLOWS
For the year ended 31 December, 2014
Expressed in Trinidad and Tobago Dollars

	31-Dec-14 \$'000	31-Dec-13 \$'000
OPERATING ACTIVITIES		
Net Income	101,837	128,006
<i>Adjustments to reconcile Net Investment Income to Net Cash Flow From Operating Activities:</i>		
Impairment	6,179	12,215
	<u>108,016</u>	<u>140,221</u>
<i>Movements in Working Capital</i>		
Increase in Receivables	(53,285)	(33,028)
Increase/(Decrease) in Payables	8,155	(17,104)
Net Cash Flow From Operating Activities	<u>62,886</u>	<u>90,089</u>
INVESTING ACTIVITIES		
Purchase of Investment Securities	(4,018,593)	(6,596,279)
Disposal of Investment Securities	2,451,464	4,917,015
Net Cash Used In Investing Activities	<u>(1,567,129)</u>	<u>(1,679,264)</u>
FINANCING ACTIVITIES		
Subscriptions from Unitholders	1,395,280	2,273,416
Redemptions to Unitholders	(1,578,734)	(2,815,438)
Distribution to Unitholders	(99,037)	(125,206)
Interest earned on the Reserve	209	346
Net Cash Used In Financing Activities	<u>(282,282)</u>	<u>(666,882)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(1,786,525)</u>	<u>(2,256,057)</u>
Cash and Cash Equivalents at beginning of the year	2,815,569	5,071,626
Cash and Cash Equivalents at end of the year	<u>1,029,044</u>	<u>2,815,569</u>

Trinidad & Tobago Unit Trust Corporation
UNIVERSAL RETIREMENT FUND
STATEMENT OF FINANCIAL POSITION

As at 31 December, 2014
Expressed in Trinidad and Tobago Dollars

	31-Dec-14	31-Dec-13
	\$ '000	\$ '000
ASSETS		
Cash and Cash Equivalents	42,208	17,801
Receivables	1,440	1,465
Investment Securities	233,090	242,779
TOTAL ASSETS	276,738	262,045
LIABILITIES		
Accounts Payable	2,794	2,691
Other Liabilities	4	2,006
TOTAL LIABILITIES	2,798	4,697
EQUITY		
Net Assets attributable to unitholders	154,308	142,862
Fair Value Reserve	63,849	60,653
Retained Earnings	55,783	53,833
TOTAL EQUITY	273,940	257,348
TOTAL LIABILITIES AND EQUITY	276,738	262,045

Trinidad & Tobago Unit Trust Corporation
UNIVERSAL RETIREMENT FUND
STATEMENT OF PROFIT OR LOSS

For the year ended 31 December, 2014
Expressed in Trinidad and Tobago Dollars

	31-Dec-14	31-Dec-13
	\$ '000	\$ '000
INCOME		
Dividends	5,508	6,604
Interest	3,431	3,120
Realised Gains	1,030	6,502
Miscellaneous Income	-	19
TOTAL INCOME	<u>9,969</u>	<u>16,245</u>
 EXPENSES		
Management Charge	(5,395)	(4,788)
Impairment	(2,192)	(2,387)
Other Expenses	(4)	(4)
TOTAL EXPENSES	<u>(7,591)</u>	<u>(7,179)</u>
Net Income before Taxation	2,378	9,066
Withholding Tax	(428)	(526)
NET INCOME FOR CAPITALISATION	<u>1,950</u>	<u>8,540</u>

Trinidad and Tobago Unit Trust Corporation
UNIVERSAL RETIREMENT FUND
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

	31-Dec-14	31-Dec-13
	\$ '000	\$ '000
Net Income for the year	<u>1,950</u>	<u>8,540</u>
Other Comprehensive Income:		
<i>Amounts that may be transferred to Profit or Loss in the future:</i>		
-Fair value gains arising during the year	2,046	20,194
-Fair value gains transferred to income	(1,042)	(6,686)
-Impairment losses transferred to income	2,192	2,387
 OTHER COMPREHENSIVE INCOME FOR THE YEAR	 <u>3,196</u>	 <u>15,895</u>
 TOTAL COMPREHENSIVE INCOME FOR THE YEAR	 <u>5,146</u>	 <u>24,435</u>

Trinidad and Tobago Unit Trust Corporation
UNIVERSAL RETIREMENT FUND
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December, 2014
Expressed in Trinidad and Tobago Dollars

	Net Assets Attributable to Unitholders <i>\$'000</i>	Fair Value Reserve <i>\$'000</i>	Retained Earnings <i>\$'000</i>	<i>Total</i> <i>\$'000</i>
Balance as at 1 January, 2014	142,863	60,653	53,833	257,349
Total Comprehensive Income for the year	-	3,196	1,950	5,146
Subscriptions from unitholders	29,264	-	-	29,264
Redemptions to unitholders	(17,819)	-	-	(17,819)
Balance as at 31 December, 2014	154,308	63,849	55,783	273,940
Balance as at 1 January, 2013	122,656	44,758	45,293	212,707
Total Comprehensive Income for the year	-	15,895	8,540	24,435
Subscriptions from unitholders	38,604	-	-	38,604
Redemptions to unitholders	(18,397)	-	-	(18,397)
Balance as at 31 December, 2013	142,863	60,653	53,833	257,348

Trinidad & Tobago Unit Trust Corporation
UNIVERSAL RETIREMENT FUND
STATEMENT OF CASH FLOWS
For the year ended 31 December, 2014
Expressed in Trinidad and Tobago Dollars

	31-Dec-14 \$ '000	31-Dec-13 \$ '000
OPERATING ACTIVITIES		
Net Investment Income	2,378	9,066
<i>Adjustments to reconcile Net Investment Income to Net Cash Flow From Operating Activities:</i>		
Impairment	2,192	2,387
Taxation Paid	(428)	(526)
	4,142	10,927
<i>Movements in Working Capital</i>		
Decrease/(Increase) in Receivables	25	(453)
(Decrease)/Increase in Payables	(1,899)	2,533
	2,268	13,007
Net Cash Flow From Operating Activities	2,268	13,007
INVESTING ACTIVITIES		
Purchase of Investment Securities	(3,032)	(70,283)
Disposal of Investment Securities	13,726	34,427
	10,694	(35,856)
Net Cash Flow From/(Used in) Investing Activities	10,694	(35,856)
FINANCING ACTIVITIES		
Subscriptions from unitholders	29,264	38,603
Redemptions to unitholders	(17,819)	(18,397)
	11,445	20,206
Net Cash Flow From Financing Activities	11,445	20,206
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	24,407	(2,643)
Cash and Cash Equivalents at beginning of the year	17,801	20,444
Cash and Cash Equivalents at end of the year	42,208	17,801

Trinidad and Tobago Unit Trust Corporation
US DOLLAR INCOME FUND
STATEMENT OF FINANCIAL POSITION
As at 31 December, 2014
Expressed in Trinidad and Tobago Dollars

	31-Dec-14 \$ '000	31-Dec-13 \$ '000
ASSETS		
Cash and Cash Equivalents	368,447	501,343
Receivables	98,783	113,011
Investments Securities	3,611,706	3,317,502
Total Assets	4,078,936	3,931,856
 LIABILITIES		
Payables	24,182	31,439
Other Liabilities	336	338
Total Liabilities	24,518	31,777
 EQUITY AND RESERVES		
Net Assets Attributable to Unitholders	4,009,767	3,858,329
Other Reserves	180	180
Undistributable Loss	(73,259)	(41,216)
Fair Valuation Reserve	(2,959)	(24,881)
Fund Reserves	47,430	66,451
Capital Reinstatement	73,259	41,216
Total Equity and Reserves	4,054,418	3,900,079
 TOTAL LIABILITIES EQUITY AND RESERVES	4,078,936	3,931,856

Trinidad and Tobago Unit Trust Corporation
US DOLLAR INCOME FUND
STATEMENT OF PROFIT OR LOSS
For the year ended 31 December, 2014
Expressed in Trinidad and Tobago Dollars

	31-Dec-14	31-Dec-13
	\$'000	\$'000
INCOME		
Interest Income	98,594	113,889
Realised Capital Losses	(5,862)	-
Other Income	7,974	6,242
Total Income	100,706	120,131
EXPENSES		
Management Charge	(42,047)	(36,734)
Impairment	(46,158)	(33,443)
Commissions	(1,074)	(1,147)
Other Expenses	(126)	(135)
Total Expenses	(89,405)	(71,459)
NET INCOME AVAILABLE FOR DISTRIBUTION	11,301	48,672
Distribution	(31,142)	(42,159)
Total Distribution	(31,142)	(42,159)
UNDISTRIBUTED (LOSS)/INCOME BEFORE TRANSFER TO RESERVES	(19,841)	6,513
Allocation to Primary Reserve	(7,654)	(7,654)
Allocation to Secondary Reserve	(4,398)	(11,487)
UNDISTRIBUTED LOSS FOR THE YEAR	(31,893)	(12,628)

Trinidad and Tobago Unit Trust Corporation
US DOLLAR INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December, 2014

Expressed in Trinidad and Tobago Dollars

	31-Dec-14	31-Dec-13
	\$ '000	\$ '000
UNDISTRIBUTED LOSS FOR THE YEAR	(31,893)	(12,628)
Other Comprehensive Income:		
<i>Amounts that may be transferred to Profit or Loss in the future:</i>		
Fair value losses arising during the year	(24,959)	(69,897)
Fair value losses/(gains) transferred to income	725	(2,864)
Impairment losses transferred to income	46,158	33,443
Exchange translation differences	(1)	(58)
Other Comprehensive Income/(Loss) for the year	21,923	(39,376)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(9,970)	(52,004)

Trinidad and Tobago Unit Trust Corporation
US DOLLAR INCOME FUND
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December, 2014
Expressed in Trinidad and Tobago Dollars

	Net Assets Attributable to Unitholders <i>\$'000</i>	Other Reserves <i>\$'000</i>	Retained Earnings <i>\$'000</i>	Fair Value Reserve <i>\$'000</i>	Fund Reserves <i>\$'000</i>	Capital Re- instatement <i>\$'000</i>	Total <i>\$'000</i>
Balance as at 1 January, 2014	3,858,329	180	(41,216)	(24,881)	66,451	41,216	3,900,079
Net Income Available for Distribution	-	-	11,301	-	-	-	11,301
Exchange translation differences	121	-	(150)	(1)	-	150	120
Subscriptions from unitholders	998,444	-	-	-	-	-	998,444
Redemptions to unitholders	(847,127)	-	-	-	-	-	(847,127)
Distribution to unitholders	-	-	(31,142)	-	-	-	(31,142)
Capital Reinstatement	-	-	-	-	-	31,893	31,893
Net Allocation to Reserves	-	-	(12,052)	-	(19,021)	-	(31,073)
Other Comprehensive Income for the year	-	-	-	21,923	-	-	21,923
Balance as at 31 December, 2014	4,009,767	180	(73,259)	(2,959)	47,430	73,259	4,054,418
Balance as at 1 January, 2013	4,504,255	179	(28,588)	14,437	59,352	28,588	4,578,223
Net Income Available for Distribution	-	-	48,672	-	-	-	48,672
Exchange translation differences	18,073	1	-	58	-	-	18,132
Subscriptions from unitholders	1,174,047	-	-	-	-	-	1,174,047
Redemptions to unitholders	(1,838,046)	-	-	-	-	-	(1,838,046)
Distribution to unitholders	-	-	(42,159)	-	-	-	(42,159)
Capital Reinstatement	-	-	-	-	-	12,628	12,628
Net Allocation to Reserves	-	-	(19,141)	-	7,099	-	(12,042)
Other Comprehensive Loss for the year	-	-	-	(39,376)	-	-	(39,376)
Balance as at 31 December, 2013	3,858,329	180	(41,216)	(24,881)	66,451	41,216	3,900,079

Trinidad & Tobago Unit Trust Corporation
 US DOLLAR INCOME FUND
 STATEMENT OF CASH FLOWS
 For the year ended 31 December, 2013
 Expressed in Trinidad and Tobago Dollars

	31-Dec-14 \$'000	31-Dec-13 \$'000
OPERATING ACTIVITIES		
Net Income	11,301	48,672
<i>Adjustments to reconcile Net Investment Income to Net Cash</i>		
<i>Flow From Operating Activities:</i>		
Impairment	46,158	33,443
	57,459	82,115
<i>Movements in Working Capital</i>		
Decrease in Receivables	14,229	314,256
Decrease in Payables	(7,259)	(92,443)
Net Cash From Operating Activities	64,429	303,928
INVESTING ACTIVITIES		
Purchase of Investment Securities	(1,349,615)	(1,612,032)
Disposal of Investment Securities	1,031,282	1,476,201
Net Cash Used In Investing Activities	(318,333)	(135,831)
FINANCING ACTIVITIES		
Subscriptions from Unitholders	998,444	1,174,047
Redemptions to Unitholders	(847,127)	(1,838,046)
Distribution to Unitholders	(31,142)	(42,159)
Interest Earned on Fund Reserves	192	586
Net Cash Flow From/(Used In) Financing Activities	120,367	(705,572)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(133,537)	(537,475)
Cash and Cash Equivalents at beginning of year	501,343	1,034,905
Translation Differences on Fund Reserves	625	(239)
Translation Adjustment	16	4,152
Cash and Cash Equivalents at end of year	368,447	501,343