REPUBLIC OF TRINIDAD AND TOBAGO
AUDITOR GENERAL'S DEPARTMENT

REPORT
OF THE
AUDITOR GENERAL

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

FOR THE YEAR ENDED

31 December, 2013

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, 2013

The accompanying consolidated financial statements of the Trinidad and Tobago Unit Trust Corporation for the year ended 31 December, 2013 have been audited. The Statements as set out on pages 1 to 76 and on pages referenced A-1 to A-20 comprise:

(i) a Consolidated Statement of Financial Position as at 31 December, 2013, 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, 2013 in respect of the Trinidad and Tobago Unit Trust Corporation;

(ii) Notes to the Consolidated Financial Statements for the year ended 31 December, 2013 numbered 1 to 40, and

(iii) Additional Information comprising a Statement of Financial Position as at 31 December, 2013, 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, 2013 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, 2013 and their financial performance and cash flows for the year ended 31 December, 2013 in accordance with International Financial Reporting Standards.

26th March, 2014

Sharman Ottley

SHARMAN OTTLEY
AUDITOR GENERAL

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2013

(Expressed in Trinidad and Tobago dollars)

	Notes	31-Dec-13 $ '000	Restated 31-Dec-12 $ '000	Restated 31-Dec-11 $ '000
ASSETS				
Cash and Cash Equivalents	3	**4,375,210**	7,309,235	2,629,830
Receivables		**170,374**	236,665	466,202
Prepayments and Other Assets		**17,121**	23,653	24,177
Investment Securities	4	**17,026,057**	14,933,910	17,961,885
Property, Plant and Equipment	5	**164,273**	172,260	184,322
Intangible Assets	6	**5,996**	16,015	20,829
TOTAL ASSETS		**21,759,031**	22,691,738	21,287,245
LIABILITIES				
Accounts Payable and Short Term Liabilities		**38,715**	42,002	66,290
Other Liabilities		**23,659**	26,195	55,498
Financial Instruments	7	**1,175,544**	1,579,161	1,897,681
Distribution Payable		**27,128**	73,436	101,348
Deferred Income Tax Liability	9	**5,513**	4,209	3,149
Sinking Fund Liability	10	**–**	13,587	7,805
Pension and Other Post-Retirement Liabilities	11	**12,997**	14,356	8,398
Guarantee Pricing Liability	12	**5,043**	16,837	44,721
Net assets attributable to non-group interests	13	**19,314,323**	19,831,281	18,379,152
TOTAL LIABILITIES		**20,602,922**	21,601,064	20,564,042
EQUITY				
Statutory Reserves	14	**5,050**	5,050	5,050
Revaluation Reserve	15	**194,991**	253,438	(3,312)
Retained Income		**956,068**	832,186	721,465
		1,156,109	1,090,674	723,203
TOTAL LIABILITIES AND EQUITY		**21,759,031**	22,691,738	21,287,245

Chairman

Executive Director

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER, 2013

(Expressed in Trinidad and Tobago dollars)

	Notes	31-Dec-13 $ '000	Restated 31-Dec-12 $ '000
CONTINUING OPERATIONS			
INCOME			
Investment Income –	**16,17**		
Growth & Income Fund		**193,366**	234,903
TT$ Income Fund		**311,825**	440,889
Universal Retirement Fund		**16,244**	12,136
US$ Income Fund		**120,098**	98,360
Net Investment Income – Group Operations	17	**45,503**	29,778
Realised Gains re-classified from Equity	18	**55,016**	154,989
Initial Charge		**10,790**	8,818
Other Income		**16,244**	24,669
Total Income		**769,086**	1,004,542
EXPENSES			
Commissions		**(18,470)**	(17,368)
Impairment	19	**(165,419)**	(334,624)
Administrative	20	**(212,394)**	(223,134)
Depreciation and Amortisation		**(25,111)**	(20,571)
Sinking Fund Expense		**(4,269)**	(5,782)
Total Expenses		**(425,663)**	(601,479)
Net Income before Finance & Guarantee Charges		**343,423**	403,063
Finance Charges	21	**(73)**	(119)
Guarantee Pricing Provision	12	**5,160**	17,449
Net Income after Finance Charges		**348,510**	420,393
Net Income attributable to non-group interest		(220,128)	(302,452)
Net Income before Taxation from Continuing Operations		**128,382**	117,941
Taxation	8	**(10,374)**	(6,938)
Net Income after Taxation		**118,008**	111,003
DISCONTINUED OPERATIONS			
Net Gain/(Loss) from Discontinued Operations	27	**5,874**	**(282)**
Net Income for the year		**123,882**	**110,721**

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

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER, 2013
(Expressed in Trinidad and Tobago dollars)

	Notes	31-Dec-13 $ '000	Restated 31-Dec-12 $ '000
Net Income for the year		**123,882**	110,721
Other Comprehensive Income:			
Amounts that may be transferred to Profit or Loss in the future:			
Revaluation of Available-for-Sale financial assets	15	**(3,332)**	293,768
Exchange differences on translating foreign operations	15	**(48,297)**	(29,889)
Amounts that will never be transferred to Profit or Loss in the future:			
Re-measurements of Pension and Other Post-Retirement liabilities	11	**(6,818)**	(7,129)
Other Comprehensive (Loss)/Income for the year		**(58,447)**	256,750
Total Comprehensive Income for the year		**65,435**	367,471

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER, 2013
(Expressed in Trinidad and Tobago dollars)

	Statutory Reserves $ '000	Revaluation Reserve $ '000	Retained Income $ '000	Total $ '000
Balance as at 1 January 2013	**5,050**	**253,438**	**832,186**	**1,090,674**
Total Comprehensive Income for the year	–	(58,447)	123,882	65,435
Balance as at 31 December, 2013	**5,050**	**194,991**	**956,068**	**1,156,109**
Balance as at 1 January 2012	**5,050**	**(3,312)**	**721,465**	**723,203**
Total Comprehensive Income for the year	–	256,750	110,721	367,471
Balance as at 31 December, 2012 (Restated)	**5,050**	**253,438**	**832,186**	**1,090,674**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER, 2013
(Expressed in Trinidad and Tobago dollars)

	31-Dec-13 $ '000	Restated 31-Dec-12 $ '000
OPERATING ACTIVITIES		
Net Income before Taxation	**128,382**	117,941
Adjustment to reconcile net income to net cash and cash equivalents from operating activities:		
Net Income attributable to non-group interests	**220,128**	302,452
Depreciation and Amortisation	**25,111**	20,571
Impairment loss non-financial assets	**7,339**	5,085
Impairment financial assets	**165,419**	334,624
Loss on sale of Property, Plant and Equipment	**103**	362
Gain – Discontinued Operations	**6,190**	(26)
	552,672	781,009
Movements in Working Capital		
Decrease in Receivables	**66,130**	224,224
Increase in Prepayments and Other Assets	**(807)**	(4,562)
Decrease in Accounts Payable and Liabilities	**(3,700)**	(51,720)
Taxation paid	**(10,374)**	(6,938)
(Decrease)/Increase in Sinking Fund Liability	**(13,587)**	5,782
Decrease in Distribution Liability	**(46,308)**	(27,912)
Decrease in Guarantee Pricing Liability	**(11,794)**	(27,884)
Decrease in Pension and Other Post-Retirement Liabilities	**(1,049)**	(1,361)
Net cash (used in)/ flow from operating activities of discontinued operations	**(976)**	4,245
Net Cash Flow From Operating Activities	**530,207**	894,883
INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	**(7,315)**	(3,547)
Proceeds from Disposal of Property, Plant and Equipment	**723**	171
Purchase of Intangible Assets	**(617)**	(679)
Purchase of Investment Securities	**(9,333,831)**	(7,471,733)
Proceeds from Disposal of Investments	**7,409,929**	10,951,912
Net cash flow from/(used in) investing activities of discontinued operations	**67,595**	(2,472)
Net Cash (Used In)/Flow From Investing Activities	**(1,863,516)**	3,473,652
FINANCING ACTIVITIES		
Subscriptions from non-group interests	**3,792,352**	4,147,425
Redemptions by non-group interests	**(4,724,061)**	(3,238,758)
Financial Instruments	**(403,617)**	(318,520)
Distribution Payments to non-group interests	**(198,624)**	(258,859)
Interest Earned on Reserve Assets	**933**	903
Guarantee Reserve Payment by Investment Funds	**(1,000)**	(11,000)
Net cash used in financing activities of discontinued operations	**(71,824)**	(10,639)
Net Cash (Used In)/Flow From Financing Activities	**(1,605,841)**	310,552
Translation Adjustment	**5,125**	318
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(2,934,025)**	4,679,405
Cash and Cash Equivalents at beginning of year	**7,309,235**	2,629,830
Cash and Cash Equivalents at end of year	**4,375,210**	7,309,235

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2013
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 twelve (12) entities during 2013. Prior to the adoption of IFRS 10 on 1 January 2013, the Corporation controlled eight (8) entities. The additional entities controlled during 2013 were the four (4) locally domiciled funds sponsored by the Corporation namely: the Growth and Income Fund (G&IF), the TT Dollar Income Fund (TTDIF), the Universal Retirement Fund (URF) and the US Dollar Income Fund (USDIF).

It should be noted that on 28 October 2013, Unit Trust Corporation (Cayman) SPC Limited, a subsidiary of the Corporation, decided to close the five (5) funds under its management. The assets of the funds were liquidated and investors' units redeemed by 29 November 2013 – the date on which the funds were officially closed. At 31 December 2013, the company was inactive.

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.

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 judgements, estimates and assumptions. Management reviews these judgements, estimates and underlying assumptions on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Management has exercised significant judgement 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 unitholders in the Growth and Income Fund; and

(c) the fair value of financial assets categorised as Level 3. (See Note 2f.)

Management also exercised significant judgement in determining that it is a principal and not an agent of the locally domiciled funds for purposes of IFRS 10 – Consolidated Financial Statements. (See Note 2c).

b) Changes in Accounting Policies

i. ***Treatment of Growth and Income Fund Guarantee Payments.*** The Corporation has historically funded shortfalls of the Guarantee Reserve Fund, established under section 26(1) of the Act, by making transfers from its Retained Earnings to the Guarantee Reserve Fund. In keeping with best practice, management has discontinued that practice and instead has:

(i) recognised payments made by the Corporation to the Guarantee Reserve Fund in the Consolidated Statement of Profit or Loss; and

2) Significant Accounting Policies (continued)

b) Changes in Accounting Policies (continued)

(ii) recognised a provision with respect to the Guarantee Pricing Liability in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets.

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

The Group adopted the following improvements to IFRS and amendments to IFRSs on 1 January 2013:

- ***IFRS 10 – Consolidated Financial Statements:*** IFRS 10 establishes control as the sole basis for consolidation of the financial position and results of an entity with a parent entity. IFRS 10 provides a more robust definition of control than its predecessor, International Accounting Standard (IAS) 27.

  On adopting IFRS 10, the Corporation determined that it was a principal of, and for IFRS 10 purposes, controlled the four (4) locally domiciled funds. Consequently, the said funds have been consolidated with the other entities within the Group. The financial statements, including the comparative data, have been restated and re-formatted to reflect the re-classification of the line items. See Notes 2c and 31.

- ***Amendments to IFRS 10 and IFRS 12 with respect to Investment Entities:*** the Corporation early adopted the IFRS 10 and IFRS 12 amendments with respect to Investment Entities. The amendments define Investment Entities and their treatment in Financial Statements. Early adoption had no impact on these financial statements.

- ***IFRS 11 – Joint Arrangements:*** IFRS 11 provides guidance with respect to the classification and treatment of Joint Arrangements in financial statements. The Corporation was not party to any joint arrangement during the years presented. Adoption of IFRS 11 did not impact these financial statements.

- ***IFRS 12 – Disclosure of Interests in Other Entities:*** IFRS 12 requires an entity to disclose information that enables users of financial statements to evaluate:

  i. The nature of, and risks associated with, its interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities; and

  ii. The effect of those interests on its financial position, financial performance and cash flows.

  The Corporation had no joint arrangements, associates or unconsolidated structured entities during the years presented. Financial information with respect to significant entities within the Group, is provided in Notes 34 to 39 of these financial statements.

- ***Amendments to the transitional Guidance of IFRS 10, IFRS 11 and IFRS 12:*** The amendments clarify the transitional guidance for IFRS 10, IFRS 11 and IFRS 12. Significantly, the Guidance stipulates that where an entity adopts IFRS 10 on 1 January 2013, the date of initial application is 1 January 2013 and not 1 January 2012 so that re-statement of the 2012 financial statements rather than the 2011 financials is required.

  The Group has restated its Statements of Consolidated Financial Position as at 31 December 2012 and 2011.

- ***IAS 27 – Separate Financial Statements as revised in 2011:*** The revised standard sets out the requirements for separate financial statements. Adoption of the revised standard had no impact on these financial statements.

- ***IAS 28 – Investments in Associates and Joint Ventures as revised in 2011:*** The revisions to IAS 28 prescribe the use of the equity method to account for investments in joint ventures. The Group was not involved in any joint ventures during the financial years presented. Adoption of the amendment had no impact on these financial statements.

- ***IFRS 13 – Fair Value Measurement:*** IFRS 13 has been established as the single source of guidance for fair value measurements and disclosures. The disclosures with respect to fair value have been enhanced in accordance with the new stipulations.

- ***IFRS 1 – Government Loans:*** This amendment to IFRS 1 provides relief to first-time adopters of IFRSs. Adoption of the amendment had no impact on these financial statements.

2) Significant Accounting Policies (continued)

b) Changes in Accounting Policies – new accounting standards adopted (continued)

- ***IFRS 7 – Disclosures – Offsetting Financial Assets and Financial Liabilities:*** The amendments to IFRS 7 require entities (which meet certain criteria prescribed in IAS 32) to disclose information about rights of off-set and related arrangements for financial instruments under an enforceable master netting agreement or similar arrangement. Adoption of this amendment had no impact on the financial statements.

- ***IAS 16 – Property, Plant and Equipment:*** The amendments clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in IAS 16. In all other circumstances the said items should be classified as inventory. Adoption of the amendment had no impact on the financial statements.

- ***IAS 32 – Financial Instruments: Presentation:*** The amendments clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity instrument transaction should be accounted for in accordance with IAS 12 – Income Taxes. Adoption of the amendment had no impact on the financial statements.

- ***International Financial Reporting Interpretations Committee (IFRIC) 20 – Stripping Costs in the Production Phase of a Surface Mine:*** This interpretation applies to waste removal costs incurred in surface mining activity during the production phase and is not relevant to the Group at present.

iii. 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 2013. 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, which introduces new requirements for classifying and measuring financial assets, will eventually replace IAS 39 – Financial Instruments: Recognition and Measurement. Mandatory application of IFRS 9 was postponed initially from 1 January 2013 to 1 January, 2015. In November 2013 the International Accounting Standards Board, on completing the Hedge Accounting phase of the IFRS 9 project, signaled that the date for mandatory implementation of IFRS 9 will be announced closer to the completion of the entire IFRS 9 project.

- ***IAS 32 amendment:*** The amendment clarifies the meaning of certain terms with respect to the qualifying criteria for off-setting financial assets and liabilities. Application is mandatory from 1 January 2014.

- ***IFRIC Interpretation 21 – Levies:*** This Interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets – was issued in May 2013 and is mandatory for annual periods beginning on or after 1 January 2014. The Interpretation provides guidance on the recognition of an entity's liability to pay Government levies.

c) Basis of Consolidation

On adoption of IFRS 10 on 1 January 2013, 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 for IFRS purposes. Accordingly the locally domiciled funds have been consolidated in these 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. Specifically, income and expenses of an entity acquired or disposed of 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.

2) Significant Accounting Policies (continued)

c) Basis of Consolidation (continued)

The line item 'Net assets attributable to non-group unitholders' 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 recognised 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 consolidated 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.

d) Revised presentation of the Consolidated Financial Statements

Consolidation of the locally domiciled funds in accordance with IFRS 10 required reformatting of the Group's Consolidated Financial Statements. In particular:

i. The format of the Consolidated Statement of Financial Position has been amended by:

(a) dis-aggregating Investment Funds and consolidating the assets and liabilities of the Investment Funds within the following line items: Cash and cash equivalents, Investment Securities, Receivables, Accounts Payable and Short-term Liabilities and Other Liabilities (See Note 31). Prior to these Consolidated Financial Statements, the Funds' assets and liabilities were summarised, and reported as Investment Funds on the Statement of Financial Position;

(b) re-classifying capital – which represents the Initial Capital of the Growth and Income Fund and Unit Capital of the TT Dollar Income Fund, the Universal Retirement Fund and the US Dollar Income Fund – as Net assets attributable to non-group unitholders; and

(c) elimination of the Fund Reserves from the face of the Consolidated Statement of Financial Position.

ii. The format of the Consolidated Statement of Profit or Loss has been amended by removing the analysis of the Funds' distributions;

iii. The format of the Consolidated Statement of Changes in Equity has been amended by eliminating the Fund Reserve Transactions, and

iv. The Consolidated Statement of Cash Flows now includes the cash flows of the locally domiciled funds.

e) Investment Securities

The Group recognises financial assets and liabilities when it becomes party to the contractual obligations of the instrument. The Group derecognises 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 derecognised 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-realised gains and losses from changes in the fair value of investments classified as available-for-sale are recognised 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 amortised 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 amortised cost, using the effective interest method. The effective interest method is a mechanism for computing and allocating interest income. 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 amortised cost of loans and receivables where necessary.

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

2) Significant Accounting Policies (continued)

f) 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 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 recognised 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 categorised 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.
- ***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.

g) Impairment of Financial Assets

Assets carried at amortised cost

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

i. there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event'); and

ii. the impact on the future cash flows as a result of the loss event can be reliably estimated.

2) Significant Accounting Policies (continued)

g) Impairment of Financial Assets (continued)

The criteria used by the Group to determine whether an impairment loss should be recognised include evidence that:–

(a) the issuer, or obligor, is in significant financial difficulty;

(b) 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;

(c) 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;

(d) it is probable that the borrower will enter bankruptcy or other financial re-organisation;

(e) an active market for the financial asset has disappeared because of financial difficulties; or

(f) 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:–

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 amortised cost, the Group measures the amount of the loss as the difference between the assets' carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised 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 determined 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 recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised 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 amortised 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 a significant or 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 loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is moved from equity and recognised in the Consolidated Statement of Profit or Loss.

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

h) 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 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.

2) Significant Accounting Policies (continued)

i) 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 recognised 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 recognised in the Consolidated Statement of Profit or Loss.

Freehold land is not depreciated. Leasehold land is capitalised and amortised over the term of the lease.

Depreciation on other assets, except for motor vehicles, is calculated using the straight-line method to allocate their cost over their estimated useful lives as follows:

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.

j) Intangible Assets

Acquired computer software and licenses are the only Intangible Assets recognised by the Group in these financial statements. Computer software and licenses are capitalised on the basis of the costs incurred to acquire and bring the specific software into operation. The costs are recognised 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 amortised on a straight line basis over the estimated useful life of the asset. With effect from 1 January 2013, the maximum useful life of Group Intangible Assets was reduced from 10 years to 5 years.

As a result of the reduction in the maximum estimated useful life of Intangible Assets, additional amortisation charges of approximately $6.5 million were recognised in the 2013 Consolidated Statement of Profit or Loss.

Costs associated with maintaining computer software are expensed as incurred.

k) Impairment of Non-Financial Assets

Assets that are subject to amortisation 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 recognised in the Consolidated Statement of Profit or Loss.

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

l) Foreign Currency Translation

The Group's functional 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 recognised in the Consolidated Statement of Profit or Loss.

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency. All resulting exchange differences are recognised in the Consolidated Statement of Comprehensive Income.

2) Significant Accounting Policies (continued)

m) Employee Benefits

i. Short-term benefits

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

ii. Pension obligations

Group contributions to retirement benefit plans are recognised 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 11). 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 unrecognised 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 recognised 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.

n) 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 investments with original maturities of ninety days or less and bank overdrafts.

o) Provisions

Provisions are recognised 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 has been reliably estimated. Provisions are not recognised for future operating losses.

p) 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 within the Group.

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

q) Borrowings

Borrowings are recognised initially at fair value, and are subsequently stated at amortised cost. The Corporation does not borrow to finance the acquisition, construction or production of qualifying assets.

r) 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.

s) Separate Funds Under Management

The assets and liabilities pertaining to pension and other funds, which are managed 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, 2013 is $535 million (2012: $650 million).

2) **Significant Accounting Policies (continued)**

t) **Taxation**

The Corporation is exempt from Corporation Tax; however, it is subject to the Green Fund Levy. Corporation tax is payable on profits realised by the subsidiaries and is recognised as an expense in the period in which profits arise.

Taxes are based on the applicable tax laws in each jurisdiction. The tax effects of taxation losses available for carrying forward, are recognised as an asset when it is probable that future taxable profits will be available against which the losses can be utilised.

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 Consolidated 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 realised or the deferred corporation tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

u) **Comparative Information**

Certain changes in presentation have been made in these financial statements. These changes resulted in alteration of the operating results of the previous financial year. The changes are outlined in Note 2c above.

3) **Cash and Cash Equivalents**

Cash and cash equivalents are analysed below:

	2013 $'000	2012 $'000	2011 $'000
Corporation	**625,947**	639,211	336,610
Locally domiciled funds	**3,737,875**	6,655,504	2,270,636
Foreign funds	**555**	5,763	14,891
Other Group entities	**10,833**	8,757	7,693
	4,375,210	7,309,235	2,629,830

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.

	2013 $'000	2012 $'000	2011 $'000
Held-to-maturity investments carried at amortised cost:			
Bonds	**5,974,864**	5,622,751	4,860,023
Equity	**29,540**	28,827	57,521
Short-term Investments	**2,254,429**	2,156,759	5,056,256
	8,258,833	7,808,337	9,973,800
Available-for-sale assets carried at fair value:			
Bonds	**5,194,765**	4,237,732	5,384,175
Equity	**3,452,336**	2,783,570	2,481,736
Mutual Funds	**78**	33,297	109,148
Short-term Investments	**120,045**	70,974	13,026
	8,767,224	7,125,573	7,988,085
Total Investment Securities	**17,026,057**	14,933,910	17,961,885

(a) **The fair value of Investment Securities carried at amortised cost.**

The fair value of Investment Securities carried at amortised cost is provided below.

	2013 Carrying Value $'M	2013 Fair Value $'M
Bonds	**5,974.9**	**6,565.9**
Equity	**29.5**	**29.5**
Short-term Investments	**2,254.4**	**2,254.4**
	8,258.8	**8,849.8**

4) **Investment Securities (continued)**

(b) **The fair value hierarchy for Investment Securities as at 31 December 2013**

The fair value of the Group's investment securities are analysed by the fair valuation hierarchy below:

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 amortised cost:				
Bonds	222,999	9,298	5,742,567	5,974,864
Equity	–	–	29,540	29,540
Short-term Investments	2,254,429	–	–	2,254,429
	2,477,428	9,298	5,772,107	8,258,833
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**	**8,770,369**	**17,026,057**

(c) **Transfers between Fair Value Hierarchy levels.**

IFRS 13 – Fair Value Measurement was implemented on 1 January 2013. There were no transfers between the hierarchy levels during 2013.

(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 summarised below.

Held-to-maturity Bonds:

The bonds classified as held-to-maturity are carried at amortised 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 amortised 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.

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 held-to-maturity bonds is provided at Note 4 (a) above.

4) **Investment Securities (continued)**

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

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 recognised for these securities in 2013. 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 are valued based on the average of quotations received for the security at the reporting date.

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

	Level 3 fair value 2013	Valuation Technique used	Significant unobservable inputs	Possible shift in inputs +/–	Change in valuation +/–
Held-to-maturity investments carried at amortised cost:	**$'M**				**$'M**
Bonds	5,742.6	Yield Curve/ Net Present Value	Bond yields and risk premia	+1% -1%	-188.6 +205.7
Equity	29.5	Not applicable	Not applicable	Not applicable	Not applicable
Sub-total	**5,772.1**				
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	244.0	Average of broker and other quotations	Not applicable	Not applicable	Not applicable
Sub-total	**2,998.3**				
TOTAL	**8,770.4**				

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

	Carrying Value Level 3 Securities 1/1/2013 $'M	Purchases/ Capitalised Interest $'M	Sales/ Repayments/ Maturities $'M	Net Gains/ Losses recognised in Profit or Loss $'M	UnRealised/ Gains Losses recognised in Other Comprehensive Income $'M	Carrying Values Level 3 valuation 31/12/2013 $'M	Fair Values $'M
Held-to-maturity assets carried at amortised cost:							
Bonds	**5,607.3**	2,204.6	(2,106.2)	36.9	–	**5,742.6**	6,330.9
Equity	**28.8**	–	–	0.7	–	**29.5**	29.5
	5,636.1	2,204.6	(2,106.2)	37.6	–	**5,772.1**	6,360.4
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
	3,600.8	225.4	(778.6)	–	(49.3)	**2,998.3**	2,998.3
TOTAL	**9,236.9**	2,430.0	(2,884.8)	37.6	(49.3)	**8,770.4**	9,358.7

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., 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/Amortisation	(22)	(2,808)	(5,399)	(551)	(4,699)	(996)	**(14,475)**
Closing Net Book Value	**16,118**	**107,035**	**18,526**	**1,584**	**15,852**	**5,158**	**164,273**
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	**16,118**	**107,035**	**18,526**	**1,584**	**15,852**	**5,158**	**164,273**

5) **Property, Plant and Equipment (continued)**

	Land $'000	Building $'000	Office Improvement $'000	Motor Vehicles $'000	Office & Computer Equipment $'000	Office Furniture $'000	Total $'000
Year ended 31 Dec., 2012							
Opening Net Book Value	**16,161**	**112,652**	**25,646**	**3,367**	**21,111**	**5,385**	**184,322**
Acquisitions	–	–	840	–	2,359	348	**3,547**
Re-classifications	–	–	(12)	–	14	(2)	–
Disposals	–	–	(151)	(163)	(215)	(3)	**(532)**
Depreciation/Amortisation	(21)	(2,809)	(4,923)	(806)	(5,564)	(954)	**(15,077)**
Closing Net Book Value	**16,140**	**109,843**	**21,400**	**2,398**	**17,705**	**4,774**	**172,260**
As at 31 Dec., 2012							
Cost	16,569	139,427	46,565	6,258	61,423	20,928	**291,170**
Accumulated Depreciation/Impairment charges	(429)	(29,584)	(25,165)	(3,860)	(43,718)	(16,154)	**(118,910)**
Net Book Value	**16,140**	**109,843**	**21,400**	**2,398**	**17,705**	**4,774**	**172,260**
Year ended 31 Dec., 2011							
Opening Net Book Value	**16,183**	**115,461**	**25,215**	**3,880**	**19,518**	**5,969**	**186,226**
Acquisitions	–	–	4,553	790	7,486	365	**13,194**
Re-classifications	–	–	(30)	–	(99)	129	–
Disposals	–	–	(2)	(330)	(205)	(35)	**(572)**
Depreciation/Amortisation	(22)	(2,809)	(4,090)	(973)	(5,589)	(1,043)	**(14,526)**
Closing Net Book Value	**16,161**	**112,652**	**25,646**	**3,367**	**21,111**	**5,385**	**184,322**
As at 31 Dec., 2011							
Cost	16,569	139,427	46,668	6,658	64,266	19,085	**292,673**
Accumulated Depreciation/Impairment charges	(408)	(26,775)	(21,022)	(3,291)	(43,155)	(13,700)	**(108,351)**
Net Book Value	**16,161**	**112,652**	**25,646**	**3,367**	**21,111**	**5,385**	**184,322**

Land

Land includes leasehold land of $2.2 million (2012 $2.2 million) and freehold land of $14.4 million (2012: $14.4 million).

Fair Value Land and Buildings

The fair value of Land and Buildings was estimated at $191.5 million at 31 December, 2013 (2012: $187.5 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 2013 $'M	Valuation Level
Leasehold Land	2.2	17.0	31 Dec 2013	17.0	Level 1
Freehold Land	14.4	46.0	31 Dec 2011	46.0	Level 2
Building	70.9	77.0	31 Dec 2013	77.0	Level 1
Buildings	68.5	51.5	31 Dec 2011	51.5	Level 2
Total	**156.0**	**191.5**		**191.5**	

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**

	2013 $'000	2012 $'000	2011 $'000
Year ended 31 December			
Opening Net Book Value	**16,015**	20,829	25,499
Acquisitions	**617**	679	1,340
Disposals	**–**	–	–
Amortisation Adjustment	**(6,496)**	–	–
Amortisation	**(4,140)**	(5,493)	(6,010)
Closing Net Book Value	**5,996**	16,015	20,829
As at 31 December			
Cost	**50,608**	49,991	49,311
Accumulated Amortisation	**(44,612)**	(33,976)	(28,482)
Net Book Value	**5,996**	16,015	20,829

The amortisation adjustment of $6.5 million above is the result of the change in the maximum estimated useful life of the Group's computer software licenses from ten (10) years to five (5) years. This change of accounting estimate will reduce future annual amortisation charges.

7) **Financial Instruments**

	Term	**2013 $'000**	2012 $'000	2011 $'000
Fixed-term Funding	Less than 1 year	**1,174,898**	1,577,918	1,721,375
Guaranteed Investment Certificate	Less than 1 year	**–**	–	174,511
Long-term Bonds	10 years	**646**	1,243	1,795
Total		**1,175,544**	1,579,161	1,897,681

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.

	2013 $'000	2012 $'000	2011 $'000
Net Income before taxation	**128,382**	117,941	30,100
Less: Income taxed at 0%	**(123,164)**	(113,196)	(26,478)
Net Income subject to tax	**5,218**	4,745	3,622
Corporation Tax at 25% for local subsidiaries	**1,305**	1,060	905
Corporation Tax for foreign subsidiaries	**–**	871	232
Withholding Tax	**8,562**	4,397	4,153
Business Levy payments	**87**	118	23
Green Fund Levy payments	**420**	492	489
Tax charge	**10,374**	6,938	5,802

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:

	2013 $'000	2012 $'000	2011 $'000
Tax losses carried forward	**(1,434)**	(2,269)	(2,768)
Accelerated tax depreciation	**6,947**	6,478	5,917
Net deferred liability	**5,513**	4,209	3,149

The movements in deferred tax assets and liabilities during the years presented follow:

Deferred Tax Liability	**Accelerated Tax Depreciation $'000**
Balance at 1 January 2011	5,253
Charged to the Consolidated Statement of Profit or Loss 2011	664
Balance at 31 December 2011	5,917
Charged to the Consolidated Statement of Profit or Loss 2012	561
Balance as at 31 December 2012	**6,478**
Charged to the Consolidated Statement of Profit or Loss 2013	**469**
Balance as at 31 December 2013	**6,947**

Deferred Tax Asset	**Tax Losses $'000**
Balance at 1 January 2011	(3,009)
Charged to the Consolidated Statement of Profit or Loss 2011	241
Balance at 31 December 2011	(2,768)
Charged to the Consolidated Statement of Profit or Loss 2012	499
Balance as at 31 December 2012	**(2,269)**
Charged to the Consolidated Statement of Profit or Loss 2013	835
Balance as at 31 December 2013	**(1,434)**

10) **Sinking Fund Liability**

The Corporation was contractually obligated to generate minimum returns on two (2) sinking funds under management at the beginning of 2013. The sinking funds were closed by the counterparties and the Group's liabilities to the counter-parties were settled during 2013.

11) **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.

11) **Pension and Other Post-Retirement Benefits (continued)**

(a) **Pension benefits (continued)**

i. Changes in the present value of the defined benefit obligations follow:

	2013 $'000	2012 $'000	2011 $'000
Opening present value of defined benefit obligation	**136,298**	109,100	92,068
Current service costs	**8,081**	7,865	7,123
Plan participant contributions	**3,524**	3,595	3,435
Interest cost	**13,137**	8,693	8,761
Actuarial (gains)/losses on obligation	**(1,429)**	10,618	(273)
Benefit and expenses paid	**(5,720)**	(3,573)	(2,014)
Closing present value of defined benefit obligation	**153,891**	136,298	109,100

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

	2013 $'000	2012 $'000	2011 $'000
Opening fair value of Plan assets	**131,652**	113,801	94,538
Expected return on Plan assets	**13,370**	9,022	8,934
Actuarial loss on Plan assets	**(924)**	(1,259)	(711)
Employer contributions for current service	**9,866**	10,066	9,619
Plan participant contributions for current service	**3,524**	3,595	3,435
Benefits and expenses paid	**(5,720)**	(3,573)	(2,014)
Closing fair value of Plan assets	**151,768**	131,652	113,801

iii. The amounts recognised in the Consolidated Statement of Financial Position follow:

	2013 $'000	2012 $'000	2011 $'000
Present value of the defined benefit obligation	**(153,891)**	(136,298)	(109,100)
Fair value of Plan assets	**151,768**	131,652	113,801
Sub-total	**(2,123)**	(4,646)	4,701
Un-recognized asset due to limit in IAS 19:64 (b)	–	–	(4,701)
Liability recognised in the Consolidated Statement of Financial Position	**(2,123)**	(4,646)	–

iv. The amounts recognised in the Consolidated Statement of Profit or Loss follows:

	2013 $'000	2012 $'000
Current service costs	**8,081**	7,865
Net interest costs	**(232)**	(329)
Total recognised in Staff Costs	**7,849**	7,536

v. The amounts recognised in the Consolidated Statement of Comprehensive Income follow:

	2013 $'000	2012 $'000
Actuarial Losses	**(1,429)**	(11,877)
IAS 19: 64 (b) limit	**924**	4,701
	(505)	(7,176)

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

	2013 %	2012 %	2011 %
Universal Retirement Fund	**73.0**	75.0	76.0
TT$ Income Fund	**27.0**	25.0	24.0

vii. The actual return on Plan assets follow:

	2013 $'000	2012 $'000	2011 $'000
Actual return	**12,446**	7,763	8,223

11) Pension and Other Post-Retirement Benefits (continued)

(a) Pension benefits (continued)

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 follow:

	2013	2012	2011
	%	%	%
Discount rate at 31 December	**5.0**	5.0	7.0
Expected return on Plan assets	**5.0**	5.0	7.0
Future salary increases	**5.0**	5.0	6.5

ix. The Group expects to contribute $10.4 million to the plan in 2014.

(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.

i. The changes in the present value of the Defined Benefit Obligation follows:

	2013	2012	2011
	$'000	$'000	$'000
Present value of the defined benefit obligations of the Group Life Scheme			
Opening present value of defined benefit obligations	**1,398**	992	919
Current service costs	**94**	61	52
Interest costs	**74**	73	67
Actuarial Loss/(Gains) on obligations	**34**	302	(22)
Benefit paid	**(25)**	(30)	(24)
Closing present value of defined benefit obligations	**1,575**	1,398	992

ii. The changes in the fair value of Plan assets follow:

	2013	2012	2011
	$'000	$'000	$'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	**25**	30	24
Plan participant contributions for current service	–	–	–
Benefits paid	**(25)**	(30)	(24)
Closing fair value of Plan assets	–	–	–

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

	2013	2012	2011
	$'000	$'000	$'000
Present value of the Defined Benefit Obligation	**1,575**	1,398,	992
Fair value of Plan assets	–	–	–
	1,575	1,398	992
Unrecognized assets due to limit in IAS 19:64 (b)	–	–	–
Unrecognized Actuarial Gain/(Loss)	–	–	–
Liability recognized in the Consolidated Statement of Financial Position	**1,575**	1,398	992

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

	2013	2012	2011
	$'000	$'000	$'000
Current service cost	**94**	61	52
Net interest cost	**74**	73	67
Expense recognized in the Consolidated Statement of Profit or Loss	**168**	134	119

11) Pension and Other Post-Retirement Benefits (continued)

(b) Group Life Benefits (continued)

v. The amounts recognized in the Consolidated Statement of Comprehensive Income follow:

	2013	2012	2011
	$'000	$'000	$'000
Experience Losses/(Gains) – Demographic	34	5	(22)
Experience Losses/(Gains) – Financial	–	297	–
Re-measurement Losses/(Gains) – Demographic	–	–	–
Re-measurement Losses/(Gains) – Financial	–	–	–
Total Actuarial Losses/(Gains) recognized in the Consolidated Statement of Comprehensive Income	**34**	302	(22)

(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 follows:

	2013	2012	2011
	$'000	$'000	$'000
Present value of the defined benefit obligations of the Medical Benefit Scheme			
Opening present value of defined benefit obligation	**8,313**	7,406	6,580
Current service costs	**652**	593	551
Interest cost	**445**	557	497
Actuarial losses	**13**	(159)	(167)
Benefit paid	**(124)**	(85)	(55)
Closing present value of defined benefit obligation	**9,299**	8,312	7,406

ii. The changes in the fair value of Plan assets follow:

	2013	2012	2011
	$'000	$'000	$'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	**124**	85	55
Plan participant contributions for current service	–	–	–
Benefits paid	**(124)**	(85)	(55)
Closing fair value of Plan assets	–	–	–

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

	2013	2012	2011
	$'000	$'000	$'000
Present value of the Defined Benefit Obligation	**9,299**	8,313	7,406
Fair value of Plan assets	–	–	–
	9,299	8,313	7,406
Unrecognized assets due to limit in IAS 19:64 (b)	–	–	–
Unrecognized Actuarial Gain/(Loss)	–	–	–
Liability recognized in the Consolidated Statement of Financial Position	**9,299**	8,313	7,406

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

	2013	2012	2011
	$'000	$'000	$'000
Current service cost	**652**	593	551
Net interest cost	**445**	557	497
Expense recognized in the Consolidated Statement of Profit or Loss	**1,097**	1,150	1,048

11) **Pension and Other Post-Retirement Benefits (continued)**

(c) **Medical Benefits (continued)**

v. The amounts recognized in the Consolidated Statement of Comprehensive Income follow:

	2013	2012	2011
	$'000	$'000	$'000
Experience Losses/(Gains) – Demographic	**13**	(159)	(168)
Experience Losses/(Gains) – Financial	**–**	–	–
Re-measurement Losses/(Gains) – Demographic	**–**	–	–
Re-measurement Losses/(Gains) – Financial	**–**	–	–
Total Actuarial Losses/(Gains) recognized in the Consolidated Statement of Comprehensive Income	**13**	(159)	(168)

In addition to the pension benefit actuarial assumptions at 11 (a) (viii) above, the Medical Benefit Scheme benefit obligation calculation assumes that long term health costs will increase by 3% (2012: 3%; 2011: 5%).

A summary of the post retirement liabilities follows:

	2013	2012	2011
	$'000	$'000	$'000
Pension liability (see Note 11 (a) (iii) above)	**2,123**	4,646	–
Group Life liability (see Note 11 (b) (iii) above)	**1,575**	1,398	992
Medical Benefit liability (see Note 11(c) (iii) above)	**9,299**	8,312	7,406
Total	**12,997**	14,356	8,398

12) **Guarantee Pricing Liability**

The Growth and Income Fund (G&IF) guarantees that all unitholders 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 results 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.

Prior to 2013, the Guarantee Reserve Fund shortfalls were funded by transfers from the Corporation's Retained Earnings. During 2013, the Corporation, in keeping with best practice, changed its accounting policy and created a provision based on its best estimate of the Guarantee Pricing Liability at 31 December 2013 (see Note 2 (b) (i)).

The change in accounting policy required re-statement of the Consolidated Statement of Financial Position at 31 December 2011 and all the primary financial statements for 2012. (See Note 31.)

In estimating its total Guarantee Pricing Liability at December 2013, the Corporation:

i. used historical data to develop scenarios of the possible future paths of the unit prices of the Growth and Income Fund 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 2013 ($50.4 million) and the offer price at 31 December 2013;

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.

12) **Guarantee Pricing Liability (continue)**

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 actual claims against the liability at December 2013 may vary significantly from the Corporation's best estimate due to material variances in the foregoing assumptions.

The Guarantee Pricing Liability for the years 2011 and 2012 was computed in a similar manner.

13) **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 the North American Fund. The units issued by each of the foregoing Funds may be redeemed by unitholders of the Funds at any time. Each Fund is primarily responsible for redemption of its units 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 unitholders is provided below.

	2013	**2012**	**2011**
	$'000	**$'000**	**$'000**
Initial Capital Growth and Income Fund	4,766	4,766	4,766
Unit Capital Growth and Income Fund	4,433,321	3,743,679	3,315,429
Unit Capital TT$ Income Fund	10,662,594	11,203,766	10,602,655
Unit Capital Universal Retirement Fund	257,348	212,709	186,917
Unit Capital US$ Income Fund	3,900,078	4,578,223	4,166,057
Sub-total locally domiciled funds	**19,258,107**	**19,743,143**	**18,275,824**
Unit Trust Corporation (Cayman) SPC Limited	5,989	41,135	56,547
North American Fund	50,227	47,003	46,781
Sub-total corporate bodies	**56,216**	**88,138**	**103,328**
Net assets attributable to non-group interests	**19,314,323**	**19,831,281**	**18,379,152**

ANALYSIS OF NET ASSETS ATTRIBUTABLE TO NON-GROUP INTERESTS	**2013**	**2012**	**2011**
	$'000	**$'000**	**$'000**
Cash and cash equivalents	3,737,884	6,660,727	2,284,987
Receivables	331,203	804,239	1,033,661
Investment Securities	15,570,862	13,050,860	15,891,897
Total assets	19,639,949	20,515,826	19,210,545
Less: Liabilities	(156,364)	(507,958)	(670,312)
Less: Group holdings in UTC (Cayman) SPC and North American Fund	(169,262)	(176,587)	(161,081)
Net Assets attributable to non-group interests	**19,314,323**	**19,831,281**	**18,379,152**

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, 2013 was $4.8 million (2012: $4.8 million; 2011 $4.8 million).

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 35-38.

Unit Trust Corporation (Cayman) SPC Limited discontinued operations on 29 November 2013 (see Note 27). Summarised information for the North American Fund is provided in Note 39.

14) **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.

15) **Revaluation Reserve**

The Revaluation Reserve reflects un-realised 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.

16) 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 2013, the Corporation transferred income in the amount of $2.65 million to the Growth and Income Fund (2012: $178 million to the US$ Income Fund).

17) Net Investment Income – Group Operations

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

	2013	2012
Net Investment Income	**$'000**	$'000
Interest and Other Fee Income	**732,020**	867,198
Interest Expense and Other Charges	**(44,984)**	(51,132)
Total	**687,036**	816,066

18) Realised Gains Re-classified From Equity

Un-realised gains in the amount of $392 million were recognised 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-realised gains in equity is re-classified to the Consolidated Statement of Profit or Loss. The total un-Realised gains re-classified from equity to the Consolidated Statement of Profit or Loss was $55 million (2012: $155 million).

19) Impairment

Two (2) of the locally domiciled funds did not impair certain equity investments in their portfolios in periods prior to 2013. In accordance with International Accounting Standards 8 – Accounting Policies, Changes in Accounting Estimates and Errors – these have been corrected retrospectively in 2011 ($86.0 million) and 2012 ($20.3 million). Accordingly, the Consolidated Financial Statements for 2011 and 2012 have been restated. A summary of the impairment charges for 2013 and the revised impairment charges for the years 2011 and 2012 follows.

Entity	**2013**	**2012**	**2011**
	$'000	**$'000**	**$'000**
Growth and Income Fund	80,952	39,183	80,597
TT$ Income Fund	12,216	79,434	–
Universal Retirement Fund	2,387	4,830	5,383
US$ Income Fund	33,443	211,017	–
Sub-total	**128,998**	**334,464**	**85,980**
Corporation	36,421	160	–
Total	**165,419**	**334,624**	**85,980**

A significant portion of the impairment charges recognised represents amounts previously recognised as un-realised 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 analysed to show those amounts that affected the carrying value of the assets.

	2013	**2012**	**2011**
	$'000	**$'000**	**$'000**
Impairments which reduced the carrying value of assets	96,486	296,272	–
Impairments which did not impact the carrying value of assets	68,933	38,352	85,980
Total	**165,419**	**334,624**	**85,980**

The impairment charges are analysed by IAS 39 classification below.

	2013	**2012**	**2011**
	$'000	**$'000**	**$'000**
Available-for-sale	116,884	38,352	85,980
Held-to-maturity	48,535	296,272	–
Total	**165,419**	**334,624**	**85,980**

The carrying value of the assets impaired and the fair value of collateral held are provided below.

	2013	**2012**	**2011**
	$'000	**$'000**	**$'000**
Carrying value of impaired investments	222,427	359,025	303,190
Fair value of collateral held for impaired investments	–	–	–

20) Administrative Expenses

Administrative expenses comprised:

	2013	2012
	$'000	$'000
Audit fees	**668**	763
Bank charges	**2,033**	2,062
Building maintenance	**5,304**	4,522
Directors' fees	**1,762**	1,686
General administration	**43,238**	45,214
Insurance	**2,341**	2,410
Impairment– non-financial assets	**7,339**	5,085
Marketing and advertising	**9,148**	12,640
Professional services	**12,382**	30,359
Rental of premises	**6,205**	5,702
Security	**12,478**	12,639
Staff costs (Note 25)	**109,496**	100,052
Total	**212,394**	**223,134**

21) Finance Charges

	2013	2012
	$'000	$'000
Long-term bonds (Note 7)	**73**	119

22) 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 1.53% (2012: 1.6%).

Management charge is eliminated on consolidation. Management charge eliminated for the years ended 31 December 2013 and 31 December 2012 follows:

	2013	2012
	$'000	$'000
Growth and Income Fund	**81,209**	72,687
TT$ Income Fund	**159,028**	200,257
Universal Retirement Fund	**4,787**	4,128
US$ Income Fund	**36,734**	30,323
Total	**281,758**	307,395

22) Management Charge

In addition to the management charge of $281.8 million, the Group earned a management charge of $3.0 million (2012: $2.6 million) from its foreign investment portfolios and other funds under management. Management Charge from third-party funds under management is recognised in the Consolidated Statement of Profit or Loss.

23) 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 unitholders/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	**2013**	**2012**	**2011**
	$'000	**$'000**	**$'000**
Cash and Cash Equivalents (see Note 3)	4,375,210	7,309,235	2,629,830
Restricted Cash and Cash Equivalents	(3,738,430)	(6,661,267)	(2,285,527)
Available to Group without restriction	636,780	647,968	344,303

Particulars	**2013**	**2012**	**2011**
	$'000	**$'000**	**$'000**
Receivables	170,374	236,665	466,202
Restricted Receivables	(159,575)	(175,448)	(443,430)
Available to Group without restriction	10,799	61,217	22,772

Particulars	**2013**	**2012**	**2011**
	$'000	**$'000**	**$'000**
Investment Securities (see Note 4)	17,026,057	14,933,910	17,961,885
Restricted Investment Securities	(15,622,604)	(13,101,052)	(15,376,447)
Available to Group without restriction	1,403,453	1,832,858	2,585,438

24) Foreign Exchange Gains/(Losses)

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

	2013	2012
	$'000	$'000
Foreign exchange gains	**1,988**	1,618

25) **Staff Costs**

	2013 $'000	2012 $'000
Salaries and benefits	**97,737**	89,052
Pension costs	**7,849**	7,536
National insurance	**3,910**	3,464
Total	**109,496**	100,052
Number of employees	**497**	495

26) **Distributions**

	2013 $'000	2012 $'000
Growth and Income Fund	**31,259**	73,758
TT$ Income Fund	**125,206**	143,848
US$ Income Fund	**42,159**	41,253
Total	**198,624**	258,859

(a) **Growth and Income Fund**

The Growth and Income Fund paid $31.3 million to its unitholders in respect of its June 2013 and December 2013 distributions (2012: $73.8 million). Included in the $31.3 million referred to, are distributions to Initial Capital Contributors of $0.1 million (2012: $0.3 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, 2013 for distribution in the quarter ending 28 February, 2014 amounted to $13.7 million (2012: $12.6 million).

(c) **US$ Income Fund**

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

27) **Discontinued Operations**

Unit Trust Corporation (Cayman) SPC Limited

On 28 October 2013, the Board of Unit Trust Corporation (Cayman) SPC Limited, a subsidiary of the Corporation, decided to close the five (5) funds under its management. The assets of the funds were liquidated and investors' units redeemed by 29 November 2013 when the funds were officially closed. At 31 December 2013, the company was inactive.

Financial information for the Unit Trust Corporation (Cayman) SPC Limited (after eliminations for the financial years ended 31 December 2013 and 31 December 2012) is presented below.

Year	2013 $'000	2012 $'000
Total Revenues and other income	**9,880**	1,521
Expenses	**(2,004)**	(1,454)
Profit before interest and taxation	**7,876**	67
Taxes	**(240)**	(349)
Discontinued operations – UTC (Cayman) SPC Limited	**7,636**	(282)

A summary of the cash flows of Unit Trust Corporation (Cayman) SPC Limited is provided below:

Year	2013 $'000	2012 $'000
Net cash (used in)/provided by operating activities	**(976)**	4,245
Net cash provided by/(used in) investing activities	**67,595**	(2,472)
Net cash used in financing activities	**(71,824)**	(10,639)

Merchant Banking Department

An issue arose during 2013 with respect to the interpretation of certain clauses of the Sales Agreement governing the 2011 disposal of the Merchant Bank Portfolio. The issue was resolved and the Corporation agreed to absorb one-off costs in the amount of $1.762 million.

Summary	2013 $'000	2012 $'000
Gain/(Loss) on disposal – UTC (Cayman) SPC Limited	**7,636**	(282)
2011 Disposal expenses – Merchant Bank Portfolio	**(1,762)**	–
Total Discontinued Operations	**5,874**	**(282)**

28) **Financial Risk Management**

The Group's Collective Investment Schemes and proprietary investment activities expose it to a variety of financial risks, including security price risk, interest rate risk (fair value and cash flow), foreign exchange rate risk, credit risk and liquidity risk.

The Group's overall risk management programme seeks to minimize the potentially adverse effects which the unpredictability of the financial markets could have on the Group's financial performance.

28) **Financial Risk Management (continued)**

The Board of Directors of the Trinidad and Tobago Unit Trust Corporation has overall responsibility for the management of the financial, operational and business risks. The Board is critically assisted in this regard by its Audit, Risk & Compliance Committee (ARCC). The ARCC meets quarterly in order to:

i. ensure that the overall risk profile and policy environment of the Corporation is consistent with its strategic objectives;

ii. oversee/review the key internal control systems affecting the Corporation's significant operating activities, and

iii. consider the specific risk issues highlighted by the Management Risk Committee, which is a management committee comprising the Corporation's executive leadership and chaired by the Executive Director.

The Management Risk Committee is supported in its deliberations by the Risk Management Department led by the Vice President – Risk. The Risk Management Department facilitates risk management policy setting, scenario and stress testing and risk exposure monitoring across all business and operating activities.

The Risk Management Department, in consultation with relevant line management, may also make recommendations for the management and mitigation of financial and other risks. The Risk Management Department is directed by and reports to the ARCC.

In addition, the Investment Committee of the Board approves each Collective Investment Scheme's investment policy statement which takes into account risk management considerations for the investment portfolios.

The financial risk management disclosures which follow focus on the investment activities of the Corporation's Collective Investment Scheme products (the Growth & Income Fund, the TT$ Income Fund, the US$ Income Fund, the Universal Retirement Fund and the UTC North American Fund), as well as the Corporation's investment activities.

Strategy in using financial instruments

Financial risks arise from the acquisition of various classes of financial instruments including equity and debt instruments (traded and non-traded). With regard to the Collective Investment Schemes, the Corporation's practice is to acquire financial assets that provide consistent risk-adjusted returns relative to the specific investment objectives of the individual portfolios. In general, the investment activities of the Funds involve taking long positions in securities with a focus on medium term performance as opposed to short-term gains-taking. The Collective Investment Schemes neither use leverage nor sell securities short and have no financial liabilities arising out of their investment activities.

In respect of its Treasury function, the Corporation's strategy focuses on cash management while earning intermediation income via the interest spread of its financial assets over its associated funding instruments.

Equity price risk

The Group may acquire equity instruments that are exposed to fluctuations in market value. These exposures create equity price risk for the portfolios and may contribute to substantial volatility in the value of the portfolios' net assets. This risk is managed via careful asset allocation and security selection within specified limits.

Key influences on the asset allocation decision include domestic as well as global economic and financial market trends. In the case of equity, the security selection decision is typically influenced by consideration of fundamental and technical valuation factors as well as by the instrument's historical price sensitivity to the stock market, otherwise known as its beta. The amount of a particular security eventually acquired takes into account the need to maintain appropriate levels of diversification at the overall portfolio level.

The equity price risk exposure of the portfolios is monitored and measured via categorisation of the stocks by their beta. Stocks that have a beta of 1 would change by approximately 1% for every 1% move in the overall stock market. By contrast, a stock with a beta of 0.5 would change by approximately 0.5% for every 1% change in the market while a stock with a beta of 1.5 would change by approximately 1.5% for every 1% change in the market.

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

The categorisation of the Group's equity holdings is provided below both in dollar terms and as a percentage of total equity holdings of the Group:

28) Financial Risk Management (continued)

Equity price risk (continued)

	Lower than market	Comparable to market	Higher than market
	$'000	**$'000**	**$'000**
At 31 December, 2013	**1,915,048**	**1,074,526**	**428,817**
	56.0%	***31.4%***	***12.5%***
At 31 December, 2012	1,464,405	919,487	350,140
	53.6%	33.6%	12.8%

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, 2013 and 31 December, 2012 with all other variables held constant.

	31 December, 2013	31 December, 2012
TTSE Composite Index	**65.9 million**	76.1 million
S&P 500 Composite Index	**63.1 million**	42.9 million

Interest rate risk

The Group's holdings of listed and unlisted debt instruments are exposed to movements in market rates of interest. In general, rising interest rates expose the portfolios to deterioration in net assets arising out of lower carrying values for bonds (fair value interest rate risk). Conversely, falling interest rates can expose the portfolios to potential diminution in earnings on variable rate instruments (cash flow interest rate risk).

Given the general offsetting effect of exposures to fair value interest rate risk and cash flow interest rate risk, the overall interest rate risk is managed by making judicious adjustments of the overall weighted average term to maturity (i.e. duration) based on the relevant economic and financial market outlook. Management monitors the duration of the portfolios by segregating the fixed income securities by the earlier of contractual maturity or interest rate reset dates that are less than or equal to one year, greater than one year but less than five years, and greater than or equal to five years. The degree of interest rate sensitivity in the overall portfolio is then reflected by the relative proportions in the given maturity terms/ interest rate reset frequencies.

As at 31 December, 2013, the Group's TT dollar denominated fixed income positions were primarily categorised as held to maturity and as a consequence changes in long-term TT dollar interest rates would not have materially affected the Group's net income or net worth given that this category of financial asset is always carried at amortised cost in accordance with IFRS.

On the other hand, a number of US dollar denominated fixed income positions held by the local TT domiciled Funds are categorised as available for sale and as such changes in long term US dollar interest rates would affect the net assets attributable to non-group unitholders given that this category of financial asset is always carried at fair value in accordance with IFRS.

In addition, the North American Fund's US dollar denominated fixed income position is exclusively categorised as available-for-sale and as a consequence changes in US dollar interest rates would have materially affected the net assets of the portfolio given that this category of financial asset is always carried at fair value in accordance with IFRS.

The Corporation's proprietary interest bearing asset and liability positions are exposed to movements in market rates of interest.

A surplus of interest bearing assets in relation to interest bearing liabilities exposes intermediation earnings to declines in market interest rates. Conversely, a deficit of interest bearing assets in relation to interest bearing liabilities exposes intermediation earnings to increases in market interest rates.

In general, the Corporation focuses on controlling the rate re-pricing mis-match between its proprietary assets and liabilities so as to maintain a stable, consistent spread over its cost of funds. This is achieved by maintaining a reasonably substantial variable rate asset portfolio, by active management of the maturity profile of funding instruments and by holding a minimum level of readily tradable assets.

The interest rate re-pricing exposures (as defined by the earlier of the contractual maturity or interest fixing date for each instrument) of Group's assets and liabilities are provided below as at 31 December, 2013 and 31 December, 2012:

28) Financial Risk Management (continued)
Interest rate risk (continued)

	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					
Assets					
Cash & Cash Equivalents	4,321,067	–	–	–	**4,321,067**
Money Market Instruments	1,481,345	–	–	–	**1,481,345**
Fixed Income Securities	2,112,613	1,282,550	1,781,090	–	**5,176,253**
Equities & Mutual Funds	112,894	14,011	15,112	2,014	**144,031**
Other Assets	468,104	–	–	–	**468,104**
Liabilities					
Financial Instruments	(1,174,898)	–	–	–	**(1,174,898)**
Other Liabilities	(133,789)	–	–	–	**(133,789)**
Net assets attributable to Unitholders	–	–	–	(17,579,017)	**(17,579,017)**
Rate Re-pricing Position	**7,187,336**	**1,296,561**	**1,796,202**	**(17,577,003)**	**(7,296,904)**

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000	Non-Interest Bearing $'000	Total $'000
At 31 December, 2012					
Assets					
Cash & Cash Equivalents	9,550,865	–	–	–	9,550,865
Money Market Instruments	2,156,765	–	–	–	2,156,765
Fixed Income Securities	4,228,153	1,956,390	3,417,597	–	9,602,140
Equities & Mutual Funds	225,719	1,353	34,905	391,782	653,759
Liabilities					
Financial Instruments	(1,577,918)	–	(2,459)	–	(1,580,377)
Other Liabilities	(443,692)	(7,886)	–	–	(451,578)
Net assets attributable to Unitholders	–	–	–	(18,499,810)	(18,499,810)
Rate Re-pricing Position	**14,139,892**	**1,949,857**	**3,450,043**	**(18,108,028)**	**(1,431,764)**

Given the above rate re-pricing profile, a change in long-term US interest rates, with all other variables held constant, by 1% increase and decrease as at 31 December, 2013 and 31 December, 2012 would have had the following estimated impact on the net assets attributable to unitholders:

	31 December, 2013	31 December, 2012
100 basis point increase	**($35.59 million)**	($42.39 million)
100 basis point decrease	**$37.45 million**	$41.82 million

Further, a change in short term market rates of interest of 1% effective from 31 December, 2013 would have modified net interest income of the proprietary net assets over the coming twelve months by an estimated TT$2.2 million (2012: TT$1.8 million) with all other variables held constant.

Exchange rate risk

The value of the net assets of the portfolios may fluctuate with changes in foreign exchange rates. As a consequence, the value of the net assets and/or earnings of the TT$ denominated portfolios could increase or decrease in value due to exchange rate fluctuations of individual currencies relative to the TT dollar. This risk is managed by restricting non-TT dollar holdings in the individual Funds to an appropriate proportion of net assets. The primary foreign exchange exposure in the Investment Funds is to the US$/TT$ exchange rate given the negligible holdings of other currencies in the portfolios.

The material foreign currency assets and liabilities of the Group as at 31 December, 2013 and 31 December, 2012 are provided below.

28) Financial Risk Management (continued)
Exchange rate risk (continued)

	At 31 December, 2013 US$ (Presented in TT$) $'000	At 31 December, 2013 Other $'000	At 31 December, 2012 US$ (Presented in TT$) $'000	At 31 December, 2012 Other $'000
Assets				
Cash & Cash Equivalents	1,033,928	–	2,608,593	–
Money Market Instruments	671,827	–	1,046,303	–
Fixed Income Securities	5,112,574	–	941,637	–
Equities & Mutual Funds	1,628,993	–	1,482,623	14,668
Liabilities				
Financial Instruments	(801,539)	–	(912,678)	–
Other liabilities	–	–	(13,587)	–
Net assets attributable to Unitholders	(3,858,329)	–	(4,504,255)	–
Total	**3,787,455**	**–**	**648,636**	**14,668**

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, 2013 and 31 December, 2012 as follows:

	2013 $'000	2012 $'000
Change in net assets	37,875	6,486

Credit risk

The Group's holdings of debt instruments expose it to the risk that issuers or counterparties may default on their financial obligations, that is, fail to make full timely payments of scheduled interest and/or principal sums. Default risk has the potential to lower net asset value or fund earnings in the event that part or all of the scheduled cash flows become uncollectible after being past due for an extended period of time. This risk of loss may be tempered by the availability of realizable collateral that enhances the potential recovery value on the debt instrument.

Default risk is managed at the outset by subjecting all issuers/counterparties to a robust credit risk assessment process that results in the assignment of a credit score or rating. The acquisition or retention of a debt issue is subject to the credit rating limits and constraints contained in each member of the Group's investment policy statement, and any other relevant factors. It is the Corporation's policy that a credit rating review of each issuer/counterparty be performed at least annually.

The overall Group exposure to default risk is measured by monitoring the relative credit quality of the issuers making up the fixed income portfolio. Issuers/counterparties that are rated at least BBB- equivalent by international credit rating agencies or that have an internally determined credit score consistent with such a credit rating are deemed to have a high credit quality. Issuers/counterparties that are rated CCC equivalent and below by international agencies or have an internally determined score consistent with such a rating or that are past due or otherwise distressed or that are exposed to considerable short-term economic/industry/project risk are all deemed low credit quality. All other issuers/counterparties are considered to be of moderate credit quality.

The internal credit quality rating is mapped to comparable external rating grades as per the following table:

Agency	High		Moderate		Low
S&P	AAA AA+ AA AA- A+ A A	BBB+ BBB BBB-	BB+ BB BB-	B+ B B-	CCC+ and below
Moody's	Aaa Aa1 Aa2 Aa3 A1 A2 A3	Baa1 Baa2 Baa3	Ba1 Ba2 Ba3	B1 B2 B3	Caa1 and below
Fitch	AAA AA+ AA AA- A+ A A-	BBB+ BBB BBB-	BB+ BB BB-	B+ B B-	CCC and below
CariCris	AAA AA+ AA AA- A+ A A-	BBB+ BBB BBB-	BB+ BB BB-	B+ B B-	C+ and below

The credit quality of the Group's fixed income portfolio is given below:

	High $'000	Moderate $'000	Low $'000	Total $'000
At 31 December, 2013				
Cash & Cash Equivalents	3,737,875	–	–	3,737,875
Debt instruments – traded	3,528,228	183,060	101,389	3,812,677
Debt instruments – non-traded	6,914,652	1,094,458	317,200	8,326,310
	14,180,755	**1,277,518**	**418,589**	**15,876,862**
At 31 December, 2012				
Cash & Cash Equivalents	9,035,320	–	–	9,035,320
Debt instruments – traded	1,737,193	106,905	6,369	1,850,467
Debt instruments – non-traded	5,605,803	112,018	420,318	6,138,139
	16,378,316	**218,923**	**426,687**	**17,023,926**

28) Financial Risk Management (continued)

Credit risk (continued)

During the course of its proprietary investment activities, the Corporation may incur credit exposures through its fixed income securities and cash holdings.

Except for a single instrument with a carrying value of approximately $6.7 million, which has been deemed to be of low credit quality, substantially all of the Corporation's fixed income exposures, totalling roughly $1.4 billion as at 31 December 2013, were with issuers/counterparties of a high credit quality – i.e. rated at least BBB- equivalent by international credit rating agencies or having an internally determined credit score consistent with such a credit rating.

Past due, impaired or other distressed investments held by the Group are monitored by management and reported to the Management Risk Committee, the Investment Committee and the Board. The carrying values of assets past due but not impaired at the 2013 and 2012 year ends for the Group are as follows:

Days past due as at	1-30 days $'000	31-90 days $'000	91-180 days $'000	Over180 days $'000
31 December, 2013	–	–	–	–
31 December, 2012	–	–	–	54,122

Impaired assets

Impairment charges are computed in accordance with IFRS and the Group's accounting policies. In summary, an asset is considered impaired where there is no longer reasonable assurance of collection (within the contractually established timeframe) of the full amount of principal and interest due to deterioration in the credit quality of the counterparty or any other factor which may affect contractual performance. In other words, an asset is impaired if its estimated recoverable amount is less than its carrying amount.

The Corporation's accounting policies require review for impairment of all financial assets at each reporting period or more regularly when individual circumstances require. The assessment includes a review of the collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that financial asset.

During the course of 2013 and 2012, the impairment charges recognised are summarised in the following table.

	2013 $'000	2012 $'000
Impairment	165,419	334,624

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet payment obligations associated with its financial liabilities when they fall due. The Corporation's treasury management activities include: (i) daily monitoring of future cash flow requirements; (ii) maintenance of a portfolio of investments that can be easily liquidated as protection against any unforeseen interruptions to cash flow, and (iii) management of the concentration and profile of debt maturities.

Units in the Growth & Income Fund, the TT$ Income Fund and the US$ Income Fund are redeemable upon demand by investors. This is also true of the fund products issued by the North American Fund. Consequently, these Funds are exposed to daily unit redemptions. The Funds mitigate this risk by maintaining adequate portfolio liquidity through appropriate cash, near cash and other short-term investments. Given the tradable nature of a substantial proportion of the Fund portfolios, this risk is not deemed significant.

The following table presents cash flows payable by the Group for financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000
At 31 December, 2013			
Sinking Fund Liabilities	–	–	–
Financial Instruments	1,174,898	–	–
Net assets attributable to unitholders	14,596,760	–	–
Total	**15,771,658**	**–**	**–**

	Less than 1 year $'000	Between 1 and 5 years $'000	Over5 years $'000
At 31 December, 2012			
Sinking Fund Liabilities	5,701	7,866	–
Financial Instruments	1,577,918	–	2,459
Net assets attributable to unitholders	15,771,659	–	–
Total	**17,355,278**	**7,866**	**2,459**

29) 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	90%	31 May, 2007	Delaware, USA
UTC North American Fund Inc.	71%	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

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% of the 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.

30) 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.

30) Related-party Transactions (continued)

Balances and transactions between the Corporation and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

	2013 $'000	2012 $'000
Loans		
Key management personnel of the Group	**2,159**	2,027
Represented by:		
Balance at beginning of year	2,027	957
Loans advanced during year	1,250	1,626
Loan repayments received during year	(1,118)	(556)
Interest Income during year	96	50
Interest received during year	(96)	(50)
Balance at end of year	2,159	2,027
Key Management compensation		
Salaries and other short-term benefits	20,500	17,583
Consultancy fees		
Consultancy fees to directors	1,286	1,527
Deposits held by directors and key management personnel	8,224	6,869
Sale of assets to a director	168	–

31) Re-statements and Re-classifications

(i) Summary of adjustments to the 2012 Consolidated Statement of Financial Position

Impact on Assets and Liabilities	Previously Reported $'000	IFRS 10 adjustments $'000	Recognition of Liability $'000	Impairment $'000	As Restated $'000
Investment Funds	19,568,046	(19,568,046)	–	–	–
Cash and cash equivalents	615,584	6,693,651	–	–	7,309,235
Receivables	245,295	(8,630)	–	–	236,665
Prepayments and other assets	23,653	–	–	–	23,653
Investment securities	2,145,254	12,788,656	–	–	14,933,910
Property, plant and equipment	172,260	–	–	–	172,260
Intangible assets	16,015	–	–	–	16,015
Accounts payable & short-term liabilities	(248,370)	206,368	–	–	(42,002)
Other liabilities	(10,033)	(16,162)	–	–	(26,195)
Financial instruments	(1,580,377)	1,216	–	–	(1,579,161)
Distribution payable	–	(73,436)	–	–	(73,436)
Deferred income tax liability	(4,209)	–	–	–	(4,209)
Sinking fund liability	(13,587)	–	–	–	(13,587)
Pension and other post-retirement liabilities	(4,646)	–	(9,710)	–	(14,356)
Guarantee pricing liability	–	–	(16,837)	–	(16,837)
Net assets attributable to non-group unitholders	–	(19,831,281)	–	–	(19,831,281)
	20,924,885	**(19,807,664)**	**(26,547)**	**–**	**1,090,674**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Initial capital	(4,766)	4,766	–	–	–
Unit capital	(19,563,280)	19,563,280	–	–	–
Fund reserves	(151,480)	151,480	–	–	–
Statutory reserves	(5,050)	–	–	–	(5,050)
Revaluation reserves	(253,391)	–	(47)	–	(253,438)
Retained income	(858,780)	–	26,594	–	(832,186)
Non-controlling interest	(88,138)	88,138	–	–	–
Total	**(20,924,885)**	**19,807,664**	**26,547**	**–**	**(1,090,674)**

(ii) Summary of adjustments to the 2012 Consolidated Statement of Profit or Loss

	Previously Reported $'000	IFRS 10 adjustments $'000	Recognition of Liability $'000	Impairment /Discontinued Operations $'000	As Restated $'000
INCOME					
Investment Income –					
Growth & Income	235,015	(112)	–	–	234,903
TT$ Income Fund	440,894	(5)	–	–	440,889
Universal Retirement Fund	12,136	–	–	–	12,136
US$ Income Fund	126,949	(28,589)	–	–	98,360
Net Investment Income – Group operations	31,299	–	–	(1,521)	29,778
Realised Gains re-classified from equity	154,989	–	–	–	154,989
Initial Charge	8,818	–	–	–	8,818
Other Income	23,720		–	949	24,669
TOTAL INCOME	**1,033,820**	**(28,706)**	**–**	**(572)**	**1,004,542**
EXPENSES					
Commissions	(17,368)	–	–	–	(17,368)
Impairment	(314,322)	–	–	(20,302)	(334,624)
Administrative	(222,471)	–	(1,169)	506	(223,134)
Depreciation and amortisation	(20,571)	–	–	–	(20,571)
Sinking fund expense	(5,782)	–	–	–	(5,782)
TOTAL EXPENSES	**(580,514)**	**–**	**(1,169)**	**(19,796)**	**(601,479)**
Sub-total	**453,306**	**(28,706)**	**(1,169)**	**(20,368)**	**403,063**
Finance Charge	(235)	116	–	–	(119)
Guarantee pricing – net expenditure	–	–	17,449	–	17,449
Net income attributable to non-group unitholders	–	(302,452)	–	–	(302,452)
Undistributed income at start of year	7,443	(7,443)	–	–	–
Distributions	(258,859)	258,859	–	–	–
Transfer to reserves	(76,729)	76,729	–	–	–
Income capitalised	(5,883)	5,883	–	–	–
Undistributed income	(13,522)	13,522	–	–	–
NET INCOME BEFORE TAXATION	**105,521**	**16,508**	**16,280**	**(20,368)**	**117,941**
Taxation	(7,287)	–	–	349	(6,938)
Discontinued operations	–	–	–	(282)	(282)
Net income attributable to non-controlling interests	(3,792)	3,792	–	–	–
NET INCOME FOR THE YEAR	**94,442**	**20,300**	**16,280**	**(20,301)**	**110,721**

31) **Re-statements and Re-classifications (continued)**

(iii) Summary of adjustments to the 2011 Consolidated Statement of Financial Position

	Previously Reported	IFRS 10 adjustments	Recognition of Liabilities	Impairment Financial Assets	As Restated
Impact on Assets and Liabilities	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Investment funds	18,144,849	(18,144,849)	–	–	–
Cash and cash equivalents	308,035	2,321,795	–	–	2,629,830
Receivables	152,504	313,698	–	–	466,202
Prepayments and other assets	24,177	–	–	–	24,177
Investment securities	2,882,455	15,079,430	–	–	17,961,885
Property, plant and equipment	184,322	–	–	–	184,322
Intangible assets	20,829	–	–	–	20,829
Accounts payable & short-term liabilities	(66,167)	(123)	–	–	(66,290)
Other liabilities	(39,690)	(15,808)	–	–	(55,498)
Financial instruments	(2,462,426)	564,745	–	–	(1,897,681)
Distribution payable	–	(101,348)	–	–	(101,348)
Deferred income tax liability	(3,149)	–	–	–	(3,149)
Sinking fund liability	(7,805)	–	–	–	(7,805)
Pension and other post-retirement liabilities	–	–	(8,398)	–	(8,398)
Guarantee pricing liability	–	–	(44,721)	–	(44,721)
Net assets attributable to non-group unitholders	–	(18,379,152)	–	–	(18,379,152)
	19,137,934	**(18,361,612)**	**(53,119)**	**–**	**723,203**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Initial capital	(4,766)	4,766	–	–	–
Unit capital	(18,140,083)	18,140,083	–	–	–
Fund reserves	(113,436)	113,436	–	–	–
Statutory reserves	(5,050)	–	–	–	(5,050)
Revaluation reserves	3,502	–	(190)	–	3,312
Retained income	(774,773)	–	53,308	–	(721,465)
Non-controlling interest	(103,328)	103,328	–	–	–
Total	**(19,137,934)**	**18,361,613**	**53,118**	**–**	**(723,203)**

(iv) Impact on cash flows for the year ended 31 December, 2012 on the application of IFRS10

	Previously Reported $'000	IFRS 10 adjustments $'000	As Restated $'000
Net cash flow from operating activities	155,330	739,553	894,883
Net cash flow from investing activities	978,072	2,495,580	3,473,652
Net cash (used in)/ flow from financing activities	(825,853)	1,136,405	310,552
Net cash inflow	**307,549**	**4,371,538**	**4,679,087**

32) **Commitments**

At 31 December, 2013, the Group had contractual obligations for capital contributions under two contracts. Under the first contract there was a capital commitment of $13.4 million payable over the next five (5) years (2012: $13.4 million). Under the second contract there was a contractual obligation in the amount of $20.5 million (2012: $20.5 million).

33) **Contingent Liabilities**

(a) At 31 December, 2013, there were no legal proceedings outstanding against the Group and as such no provisions were required. The claim which was instituted against the Corporation in 2011 with respect to the Dellis Cay Project was dismissed during 2013.

(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 2013, 2012 and 2011 is provided in the table below:

Year	**2013 $'M**	**2012 $'M**	**2011 $'M**
Total Guarantee Pricing Liability	50.4	168.4	447.2
Less: Provision (see Note 12)	(5.0)	(16.8)	(44.7)
Contingent liability	**45.4**	**151.6**	**402.5**

34) **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.

	2013 $'000	2012 $'000	2011 $'000
Growth and Income Fund	4,520,770	3,870,392	3,438,025
TT$ Income Fund	10,835,646	11,394,623	10,981,397
Universal Retirement Fund	262,045	214,872	187,163
US$ Income Fund	3,931,856	4,701,947	4,315,717
Total assets	**19,550,317**	**20,181,834**	**18,922,302**

The summarised financial information in Notes 35-38 discloses the Corporation's interests in the funds and the arrangements that may require the Corporation to provide financial support to the funds.

35) **Summarised Financial Information – Growth and Income Fund**

The Table below summarizes Financial Information for the Growth and Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2013, 2012 and 2011.

	2013 $'000	**Restated 2012 $'000**	**Restated 2011 $'000**
Cash and cash equivalents	403,163	528,529	420,768
Receivables	58,696	47,281	31,640
Investment Securities (see Tables below)	4,058,911	3,294,582	2,985,617
Total assets	**4,520,770**	**3,870,392**	**3,438,025**
Liabilities	82,683	121,947	117,831
Equity	4,438,087	3,748,445	3,320,194
Total liabilities and equity	**4,520,770**	**3,870,392**	**3,438,025**
Investment income	193,433	235,014	176,437
Net income available for distribution	23,193	116,464	25,317
Distribution	(31,259)	(73,758)	(88,896)
Allocations to reserves (see paragraphs below)	(1,000)	(54,000)	(11,000)
Other comprehensive income for the year	444,602	196,262	275,690
Total comprehensive income for the year	**435,536**	**184,968**	**201,112**
Net cash flow from operating activities	53,466	144,123	313,460
Net cash flow used in investing activities	(400,677)	(151,887)	(206,975)
Net cash flow from/(used in) financing activities	221,847	115,525	(13,464)
Net change in cash flows for the year	**(125,366)**	**107,761**	**93,021**

35) **Summarised 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.

	2013 $'000	2012 $'000	2011 $'000
Government Securities	720,527	643,042	507,915
Corporate Securities	236,142	195,940	135,966
Equity (Local and Foreign)	3,072,263	2,455,600	2,272,089
Short-term investments	29,979	–	69,647
Total	**4,058,911**	**3,294,582**	**2,985,617**

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

	2013 $'000	2012 $'000	2011 $'000
Available-for-sale assets	3,072,263	2,537,062	2,353,365
Held to maturity	986,648	757,520	632,252
Total	**4,058,911**	**3,294,582**	**2,985,617**

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 2013 the Growth and Income Fund made allocations in the amount of $1.0 million to the Guarantee Reserve. Calls totalling $7.6 million were made on the Reserve, of which the Corporation met $6.6 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 12).

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.

Growth and Income Fund Primary Reserve	**2013 $'000**	2012 $'000	2011 $'000
Fund reserve as at 1 January	**–**	10,000	–
Allocation to reserve (Growth and Income Fund)	**1,000**	1,000	11,000
Call on reserve	**(7,634)**	(21,435)	(27,371)
Allocation to reserve (Corporation)	**6,634**	10,435	26,371
Guarantee Reserve as at 31 December	**–**	**–**	**10,000**

Growth and Income Fund Secondary Reserve Facility	**2013 $'000**	2012 $'000	2011 $'000
Fund reserve as at 1 January	**53,000**	–	–
Allocation to reserve (Growth and Income Fund)	**–**	53,000	–
Call on Reserve	**(53,000)**	–	–
Secondary Reserve as at 31 December	**–**	53,000	–
Total Growth and Income Fund Reserves as at 31 December	**–**	**53,000**	**–**

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

During 2013 the Corporation transferred $2.65 million (2012: Nil; 2011: Nil) to the Growth and Income Fund to support the December 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 consolidated financial statements.

36) **Summarised Financial Information – TT$ Income Fund**

The Table below summarizes Financial Information for the TT$ Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2013, 2012 and 2011.

	2013 TT$'000	Restated 2012 TT$'000	Restated 2011 TT$'000
Cash and cash equivalents	2,815,569	5,071,626	1,374,500
Receivables	294,932	261,904	627,210
Investment Securities (see Tables below)	7,725,145	6,060,393	8,979,687
Total assets	**10,835,646**	**11,393,923**	**10,981,397**
Liabilities	173,052	190,156	378,742
Equity	10,662,594	11,203,767	10,602,655
Total liabilities and equity	**10,836,646**	**11,393,923**	**10,981,397**
Investment Income	311,825	440,895	360,604
Net income available for distribution	128,006	146,648	191,113
Distributions (see paragraphs below)	(125,206)	(143,848)	(188,313)
Allocations to Reserves	(2,800)	(2,800)	(2,800)
Other comprehensive income for the year	4,860	64,273	(27,859)
Total comprehensive income for the year	**4,860**	**64,273**	**(27,859)**
Net cash flow from operating activities	90,089	402,802	170,520
Net cash (used in)/ flow from investing activities	(1,679,264)	2,904,133	(2,135,129)
Net cash (used in)/ flow from financing activities	(666,882)	390,191	258,504
Net change in cash flows for the year	**(2,256,057)**	**3,697,126**	**(1,706,105)**

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

	2013 $'000	2012 $'000	2011 $'000
Government Securities	3,083,977	2,332,533	2,804,114
Corporate Securities	3,019,478	2,696,374	2,274,209
Short-term investments	1,621,690	1,031,486	3,901,363
Total	**7,725,145**	**6,060,393**	**8,979,687**

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

	2013 $'000	2012 $'000	2011 $'000
Available-for-sale assets	1,428,854	762,524	1,594,423
Held-to-maturity	6,296,291	5,297,869	7,385,263
Total	**7,725,145**	**6,060,393**	**8,979,687**

TT$ Income Fund Reserves

In accordance with the provisions of Section 13 of the TT$ Income Fund (Second Unit Scheme) Regulations issued under the Act, the Corporation established two reserves in respect of the TT$ 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 TT$ Income Fund.

TT$ Income Fund – Primary Reserve	**2013 $'000**	2012 $'000	2011 $'000
Fund reserve as at 1 January	**35,582**	32,450	29,260
Allocation to primary reserve	**2,800**	2,800	2,800
Interest earned on the reserve	**316**	332	390
Primary Reserve as at 31 December	**38,698**	35,582	32,450

TT$ Income Fund – Secondary Reserve	**2013 $'000**	2012 $'000	2011 $'000
Fund reserve as at 1 January	**3,546**	3,511	3,498
Interest earned on the reserve	**30**	35	13
Secondary Reserve as at 31 December	**3,576**	3,546	3,511
Total TT$ Income Fund Reserves as at 31 December	**42,274**	39,128	35,961

36) Summarised 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 2013.

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

37) Summarised 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 2013, 2012 and 2011.

	2013 $'000	Restated 2012 $'000	Restated 2011 $'000
Cash and cash equivalents	17,801	20,444	14,187
Receivables	1,465	1,013	1,598
Investment Securities (see Tables below)	242,779	193,415	171,378
Total assets	**262,045**	**214,872**	**187,163**
Liabilities	4,697	2,164	245
Equity	257,348	212,708	186,918
Total liabilities and equity	**262,045**	**214,872**	**187,163**
Investment Income	16,245	12,135	8,291
Net income/(loss) for capitalisation	8,540	2,953	(908)
Other comprehensive income for the year	15,895	14,908	17,533
Total comprehensive income for the year	**24,435**	**17,861**	**16,625**
Net cash flow from operating activities	13,009	10,287	4,992
Net cash flow used in investing activities	(35,856)	(11,960)	(777)
Net cash flow from financing activities	20,205	7,930	7,396
Net change in cash flows for the year	**(2,642)**	**6,257**	**11,611**

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

	2013 $'000	2012 $'000	2011 $'000
Government Securities	33,596	24,161	20,886
Corporate Securities	35,539	22,843	35,906
Equity (local and foreign)	173,644	146,411	114,585
Total	**242,779**	**193,415**	**171,377**

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

	2013 $'000	2012 $'000	2011 $'000
Available-for-sale assets	199,562	146,411	114,585
Held-to-maturity	43,217	47,004	56,792
Total	**242,779**	**193,415**	**171,377**

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 2013.

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

38) Summarised 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 2013, 2012 and 2011.

38) Summarised Financial Information – US$ Income Fund (continued)

	2013 $'000	2012 $'000	2011 $'000
Cash and cash equivalents	501,343	1,034,905	461,180
Receivables	113,011	425,559	347,027
Investment Securities (see tables below)	3,317,502	3,241,482	3,507,510
Total assets	**3,931,856**	**4,701,947**	**4,315,717**
Liabilities	31,777	123,724	149,660
Equity	3,900,079	4,578,223	4,166,057
Total liabilities and equity	**3,931,856**	**4,701,947**	**4,315,717**
Investment Income	120,131	276,240	150,693
Net income available for distribution	48,672	32,593	87,326
Distributions (see paragraphs below)	(42,159)	(41,253)	(77,561)
Allocations to Reserves	(19,141)	(19,928)	(9,765)
Other comprehensive income for the year	(39,376)	251,300	(155,136)
Total comprehensive (loss)/ income for the year	**(52,004)**	**222,712**	**(155,136)**
Net cash flow from operating activities	303,928	139,247	156,164
Net cash (used in)/flow from investing activities	(135,831)	308,201	(172,212)
Net cash (used in)/flow from financing activities	(705,572)	126,065	(58,197)
Net change in cash flows for the year	**(537,475)**	**573,513**	**(74,245)**

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

	2013 $'000	2012 $'000	2011 $'000
Government Securities	360,426	318,728	231,155
Corporate Securities	2,354,316	1,886,214	1,649,416
Short-term investments	602,760	1,036,540	1,626,939
Total	**3,317,502**	**3,241,482**	**3,507,510**

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

	2013 $'000	2012 $'000	2011 $'000
Available-for-sale assets	2,364,024	1,688,008	2,053,124
Held-to-maturity	953,478	1,553,474	1,454,386
Total	**3,317,502**	**3,241,482**	**3,507,510**

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 the last quarter of 2012.

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.

US$ Income Fund – Primary Reserve	2013 $'000	2012 $'000	2011 $'000
Fund reserve as at 1 January	**38,186**	58,685	49,411
Allocation to primary reserve	**7,654**	7,623	7,620
Call on reserve	–	(28,588)	–
Interest earned on the reserve	**358**	466	1,654
Primary Reserve as at 31 December	**46,198**	38,186	58,685

US$ Income Fund – Secondary Reserve	2013 $'000	2012 $'000	2011 $'000
Fund reserve as at 1 January	**21,166**	8,790	6,624
Allocation to secondary reserve	**11,487**	12,306	2,145
Call on Reserves	**(12,628)**	–	–
Interest earned on the reserve	**228**	70	21
Secondary Reserve as at 31 December	**20,253**	21,166	8,790
Total US$ Income Fund Reserves as at 31 December	**66,451**	59,352	67,475

The Corporation transferred US$28 million to the US$ Income Fund in 2012 to support the December 2012 distribution of the Fund. The Corporation is the sponsor of the US$ Income Fund and is committed to supporting the Fund financially and otherwise as and when necessary.

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

39) Summarised Financial Information – North American Fund

The North American Fund is an investment company organised under Investment Act 1940 of the United States of America. It is controlled by the Corporation with significant shareholding by third parties. The Table below summarises Financial Information for the North American Fund (before inter-entity eliminations or consolidation adjustments) for the years 2013, 2012 and 2011.

	2013 TT$'000	2012 TT$'000	2011 TT$'000
Cash and cash equivalents	10	42	1
Receivables & Other Assets	463	858	7,815
Investment Securities (see Tables below)	226,526	197,226	190,587
Total assets	**226,999**	198,126	198,403
Liabilities	1,522	1,685	8,994
Equity	225,477	196,441	189,409
Total liabilities and equity	**226,999**	198,126	198,403
Investment Income/(Loss)	23,423	10,410	(1,848)
Net income	18,652	5,534	(6,650)
Distributions	11,690	993	1,469
Other comprehensive income for the year	10,102	5,985	(165)
Net cash flow from/(used in) operating activities	298	497	(6,419)
Net cash flow from investing activities	176	4,133	1,104
Net cash (used in)/flow from financing activities	(507)	(4,589)	3,910
Net change in cash flows for the year	**(33)**	41	(1,405)

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

	2013 $'000	2012 $'000	2011 $'000
Corporate Securities	26,932	37,679	33,992
Equity (Foreign)	185,328	152,975	143,837
Short-term investments	14,266	6,572	12,758
Total	**226,526**	197,226	190,587

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

	2013 $'000	2012 $'000	2011 $'000
Available-for-sale assets	226,526	197,226	190,587
Held to maturity	–	–	–
Total	**226,526**	197,226	190,587

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 2013.

40) Approval of the Financial Statements

These financial statements were approved by the Board of Directors and authorized for issue on 26 March, 2014.

Additional Information

GROWTH AND INCOME FUND (FIRST UNIT SCHEME)
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2013
Expressed in Trinidad and Tobago Dollars

ASSETS	31-Dec-13 $ '000	Restated 31-Dec-12 $ '000	Restated 31-Dec-11 $ '000
Investment Securities	**4,058,911**	3,294,582	2,985,617
Cash and Cash Equivalents	**403,163**	528,529	420,768
Receivables	**58,696**	47,281	31,640
TOTAL ASSETS	**4,520,770**	**3,870,392**	**3,438,025**
LIABILITIES			
Accounts Payable	48,255	87,525	102,078
Other Liabilities	34,428	34,422	15,753
TOTAL LIABILITIES	**82,683**	121,947	117,831
EQUITY			
Net Assets attributable to Unitholders	3,035,257	2,728,151	2,527,868
Fair Value Reserve	1,496,344	1,051,742	855,480
Fund Reserve	–	53,000	10,000
Retained Earnings	(93,514)	(84,448)	(73,154)
TOTAL EQUITY	**4,438,087**	3,748,445	3,320,194
TOTAL LIABILITIES AND EQUITY	**4,520,770**	3,870,392	3,438,025

GROWTH AND INCOME FUND (FIRST UNIT SCHEME)
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13 $ '000	Restated 31-Dec-12 $ '000
INVESTMENT INCOME		
Dividends	**113,507**	114,373
Interest	**54,411**	44,575
Realised Capital Gains	**25,515**	76,066
Total Investment Income	**193,433**	235,014
EXPENSES		
Management Charge	**(81,209)**	(72,687)
Impairment	**(80,951)**	(39,183)
Other Expenses	**(62)**	(2,518)
Total Expenses	**(162,222)**	(114,388)
Net Income Before Taxation	**31,211**	120,626
Withholding Taxes	**(8,018)**	(4,162)
Net Income Available For Distribution	**23,193**	116,464
Distribution Paid to Initial Contributors per unit	**(114)**	(286)
Distribution Paid to Unitholders per unit	**(31,145)**	(73,472)
Total Distribution	**(31,259)**	(73,758)
Undistributed (Loss)/Income Before Reserves	**(8,066)**	42,706
Allocation to Guarantee Reserve Fund	**(1,000)**	(1,000)
Allocation to Secondary Reserve Fund	–	(53,000)
UNDISTRIBUTED LOSS AT END OF YEAR	**(9,066)**	(11,294)

GROWTH AND INCOME FUND (FIRST UNIT SCHEME)
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13 $ '000	Restated 31-Dec-12 $ '000
Net Loss for the year	**(9,066)**	(11,294)
Other Comprehensive Income:		
Amounts that may be transferred to Profit or Loss in the future:		
Fair value gains arising during the year	**387,824**	232,585
Fair value gains transferred to income	**(24,173)**	(75,506)
Impairment losses transferred to income	**80,951**	39,183
Other Comprehensive Income for the year	**444,602**	196,262
Total Comprehensive Income for the year	**435,536**	184,968

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

GROWTH AND INCOME FUND (FIRST UNIT SCHEME)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER, 2013
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 2013	**2,728,151**	**1,051,742**	**53,000**	**(84,448)**	**3,748,445**
Other Comprehensive Income for the year	–	444,602	–	**(9,066)**	**435,536**
Subscriptions from unitholders	306,286	–	–	–	**306,286**
Fund reserve	53,000	–	(53,000)	–	–
Balance as at 31 December, 2013	**3,035,257**	**1,496,344**	**–**	**(93,514)**	**4,438,087**
Balance as at 1 January 2012	**2,527,868**	**855,480**	**10,000**	**(73,154)**	**3,320,194**
Other Comprehensive Income for the year	–	196,262	–	(11,294)	184,968
Subscriptions from unitholders	278,638	–	–	–	278,638
Redemptions to unitholders	(78,355)	–	–	–	(78,355)
Fund reserve	–	–	43,000	–	43,000
Balance as at 31 December, 2012 (Restated)	**2,728,151**	**1,051,742**	**53,000**	**(84,448)**	**3,748,445**

GROWTH AND INCOME FUND (FIRST UNIT SCHEME)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13 $ '000	Restated 31-Dec-12 $ '000
OPERATING ACTIVITIES		
Net Income before Taxation	**31,211**	120,626
Adjustment to reconcile net income to net cash and cash equivalents from operating activities:		
Impairment	**80,951**	39,183
Taxation Paid	**(8,018)**	(4,162)
	104,144	155,647
Movements in Working Capital		
Increase in Receivables	**(11,416)**	(15,640)
(Decrease)/ Increase in Accounts Payables	**(39,262)**	4,116
Net Cash Flow From Operating Activities	**53,466**	**144,123**
INVESTING ACTIVITIES		
Purchase of Investment Securities	**(1,005,356)**	(382,684)
Disposal of Investment Securities	**604,677**	230,797
Net Cash Used In Investing Activities	**(400,679)**	**(151,887)**
FINANCING ACTIVITIES		
Subscriptions from unitholders	**306,287**	278,638
Redemptions by unitholders	**(52,181)**	(78,355)
Distributions	**(31,259)**	(73,758)
Guarantee Reserve	**(1,000)**	(11,000)
Net Cash Flow From Financing Activities	**221,847**	**115,525**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(125,366)**	**107,761**
Cash and Cash Equivalents at beginning of year	**528,529**	420,768
Cash and Cash Equivalents at end of year	**403,163**	**528,529**

TT DOLLAR INCOME FUND
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13 $ '000	Restated 31-Dec-12 $ '000	Restated 31-Dec-11 $ '000
ASSETS			
Cash and Cash Equivalents	**2,815,569**	5,071,626	1,374,500
Receivables	**294,932**	261,904	627,210
Investment Securities	**7,725,145**	6,060,393	8,979,687
Total Assets	**10,835,646**	11,393,923	10,981,397
LIABILITIES			
Payables	**51,404**	72,527	44,950
Other Liabilities	**121,648**	117,629	333,792
Total Liabilities	**173,052**	190,156	378,742
EQUITY AND RESERVES			
Net Assets Attributable to Unitholders	**10,595,569**	11,144,748	10,611,076
Other Reserves	**9,918**	9,918	9,918
Fund Reserves	**42,274**	39,128	35,961
Fair Valuation Reserve	**14,833**	9,973	(54,300)
Total Equity and Reserves	**10,662,594**	**11,203,767**	**10,602,655**
TOTAL LIABILITIES, EQUITY AND RESERVES	**10,835,646**	**11,393,923**	**10,981,397**

TT DOLLAR INCOME FUND
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13 $ '000	Restated 31-Dec-12 $ '000
INCOME		
Interest Income	**303,167**	493,086
Realised Capital Losses	**–**	(63,623)
Net Foreign Exchange Gains/(Losses)	**1,089**	(931)
Other Income	**7,569**	12,363
Total Income	**311,825**	440,895
EXPENSES		
Management Charge	**(159,028)**	(200,257)
Impairment	**(12,215)**	(79,434)
Commissions	**(12,126)**	(12,798)
Other Expenses	**(450)**	(1,758)
Total Expenses	**(183,819)**	(294,247)
NET INCOME AVAILABLE FOR DISTRIBUTION	**128,006**	146,648
Distribution	**(119,732)**	(131,233)
Provision for Distribution	**(5,474)**	(12,615)
Total Distribution	**(125,206)**	(143,848)
UNDISTRIBUTED INCOME BEFORE TRANSFER TO RESERVES	**2,800**	**2,800**
Allocation to Primary Reserve	**(2,800)**	(2,800)
UNDISTRIBUTED INCOME FOR THE YEAR	**–**	–

TT DOLLAR INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13 $ '000	Restated 31-Dec-12 $ '000
UNDISTRIBUTED INCOME/(LOSS) FOR THE YEAR	–	–
Other Comprehensive Income:		
Amounts that may be transferred to Profit or Loss in the future:		
Fair value (losses)/gains arising during the year	**(176,249)**	244,999
Fair value gains/(losses) transferred to income	**193,324**	(101,292)
Impairment losses transferred to income	**(12,215)**	(79,434)
Other Comprehensive Income for the year	**4,860**	64,273
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**4,860**	64,273

TT DOLLAR INCOME FUND STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER, 2013
Expressed in Trinidad and Tobago Dollars

	Net Assets Attributable to Unitholders $'000	Other Reserves $'000	Retained Earnings $'000	Fair Value Reserve $'000	Fund Reserve $'000	Total $'000
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 by 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**
Balance as at 1 January 2012	**10,611,076**	**9,918**	**–**	**(54,300)**	**35,961**	**10,602,655**
Net Income Available for Distribution	–	–	146,648	–	–	146,648
Subscriptions from Unitholders	2,795,364	–	–	–	–	2,795,364
Redemptions by Unitholders	(2,261,692)	–	–	–	–	(2,261,692)
Distributions to Unitholders	–	–	(143,848)	–	–	(143,848)
Net Allocation to Reserves	–	–	(2,800)	–	3,167	367
Other Comprehensive Income for the year	–	–	–	64,273	–	64,273
Balance as at 31 December, 2012 (Restated)	**11,144,748**	**9,918**	**–**	**9,973**	**39,128**	**11,203,767**

TT DOLLAR INCOME FUND
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13 $ '000	Restated 31-Dec-12 $ '000
OPERATING ACTIVITIES		
Net Income	**128,006**	146,648
Adjustments to reconcile Net Investment Income to Net Cash Flow From Operating Activities:		
Impairment	**12,215**	79,434
	140,221	226,082
Movements in Working Capital		
(Increase)/Decrease in Receivables	**(33,028)**	365,306
Decrease in Payables	**(17,104)**	(188,586)
Net Cash Flow From Operating Activities	**90,089**	402,802
INVESTING ACTIVITIES		
Purchase of Investment Securities	**(6,596,279)**	(3,895,981)
Disposal of Investment Securities	**4,917,015**	6,800,114
Net Cash (Used In)/Flow From Investing Activities	**(1,679,264)**	2,904,133
FINANCING ACTIVITIES		
Subscriptions from Unitholders	**2,273,416**	2,795,364
Redemptions to Unitholders	**(2,815,438)**	(2,261,692)
Distribution to Unitholders	**(125,206)**	(143,848)
Interest earned on the Reserve	**346**	367
Net Cash (Used In)/ Flow From Financing Activities	**(666,882)**	390,191
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(2,256,057)**	3,697,126
Cash and Cash Equivalents at beginning of year	**5,071,626**	1,374,500
Cash and Cash Equivalents at end of year	**2,815,569**	5,071,626

UNIVERSAL RETIREMENT FUND
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13 $ '000	Restated 31-Dec-12 $ '000	Restated 31-Dec-11 $ '000
ASSETS			
Cash and Cash Equivalents	**17,801**	20,444	14,187
Receivables	**1,465**	1,013	1,598
Investment Securities	**242,779**	193,415	171,378
Total Assets	**262,045**	214,872	187,163
LIABILITIES			
Accounts Payable	**2,691**	2,162	197
Other Liabilities	**2,006**	2	48
Total Liabilities	**4,697**	2,164	245
EQUITY			
Net Assets attributable to Unitholders	**142,862**	122,656	114,726
Fair Value Reserve	**60,653**	44,758	29,851
Retained Earnings	**53,833**	45,294	42,341
Total Equity	**257,348**	212,708	186,918
Total Liabilities and Equity	**262,045**	214,872	187,163

UNIVERSAL RETIREMENT FUND
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13 $ '000	Restated 31-Dec-12 $ '000
INVESTMENT INCOME		
Dividends	**6,604**	6,549
Interest	**3,120**	6,338
Realised Capital Gains/(Loss)	**6,502**	(752)
Miscellaneous Income	**19**	–
Total Investment Income	**16,245**	12,135
EXPENSES		
Management Charge	**(4,788)**	(4,127)
Impairment	**(2,387)**	(4,830)
Other Expenses	**(4)**	(3)
Total Expenses	**(7,179)**	(8,960)
Net Income before Taxation	**9,066**	3,175
Withholding Tax	**(526)**	(222)
NET INCOME FOR CAPITALISATION	**8,540**	2,953

UNIVERSAL RETIREMENT FUND
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13 $ '000	Restated 31-Dec-12 $ '000
Net Income for the year	**8,540**	2,953
Other Comprehensive Income:		
Amounts that may be transferred to Profit or Loss in the future:		
Fair value gains arising during the year	**20,194**	9,448
Fair value (gains)/losses transferred to income	**(6,686)**	629
Impairment losses transferred to income	**2,387**	4,830
Other Comprehensive Income for the year	**15,895**	14,907
Total Comprehensive Income for the year	**24,435**	17,860

UNIVERSAL RETIREMENT FUND
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER, 2013
Expressed in Trinidad and Tobago Dollars

	Net Assets Attributable to Unitholders $'000	Fair Value Reserve $'000	Retained Earnings $'000	Total $'000
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**	**257,349**
Balance as at 1 January 2012	**114,726**	**29,851**	**42,341**	**186,918**
Total Comprehensive Income for the year	–	14,906	2,953	17,859
Subscriptions from unitholders	20,448	–	–	20,448
Redemptions to unitholders	(12,518)	–	–	(12,518)
Balance as at 31 December, 2012 (Restated)	**122,656**	**44,757**	**45,294**	**212,707**

UNIVERSAL RETIREMENT FUND
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13 $ '000	Restated 31-Dec-12 $ '000
OPERATING ACTIVITIES		
Net Investment Income	**9,066**	3,175
Adjustments to reconcile Net Investment Income to Net Cash Flow From Operating Activities:		
Impairment	**2,387**	4,830
Taxation Paid	**(526)**	(222)
	10,927	7,783
Movements in Working Capital		
(Increase)/Decrease in Receivables	**(453)**	585
Increase in Accounts Payable	**2,533**	1,919
Net Cash Flow From Operating Activities	**13,007**	10,287
INVESTING ACTIVITIES		
Purchase of Investment Securities	**(70,283)**	(55,784)
Disposal of Investment Securities	**34,427**	43,824
Net Cash Used In Investing Activities	**(35,856)**	(11,960)
FINANCING ACTIVITIES		
Subscriptions from unitholders	**38,603**	20,448
Redemptions to unitholders	**(18,397)**	(12,518)
Net Cash Flow From Financing Activities	**20,206**	7,930
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(2,643)**	6,257
Cash and Cash Equivalents at beginning of year	**20,444**	14,187
Cash and Cash Equivalents at end of year	**17,801**	20,444

US DOLLAR INCOME FUND
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13 $ '000	Restated 31-Dec-12 $ '000	Restated 31-Dec-11 $ '000
ASSETS			
Cash and Cash Equivalents	**501,343**	1,034,905	461,180
Receivables	**113,011**	425,560	347,027
Investment Securities	**3,317,502**	3,241,482	3,507,510
Total Assets	**3,931,856**	4,701,947	4,315,717
LIABILITIES			
Payables	**31,439**	25,519	56,841
Other Liabilities	**338**	98,205	92,819
Total Liabilities	**31,777**	123,724	149,660
EQUITY AND RESERVES			
Net Assets Attributable to unitholders	**3,858,329**	4,504,255	4,335,138
Other Reserves	**180**	179	179
Fair Valuation Reserve	**(24,881)**	14,437	(236,735)
Fund Reserves	**66,451**	59,352	67,475
Total Equity and Reserves	**3,900,079**	4,578,223	4,166,057
TOTAL LIABILITIES,EQUITY AND RESERVES	**3,931,856**	4,701,947	4,315,717

US DOLLAR INCOME FUND
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13 $'000	Restated 31-Dec-12 $'000
INCOME		
Interest Income	**113,889**	144,142
Realised Capital Losses	**–**	(51,360)
Other Income	**6,242**	183,458
Total Income	**120,131**	276,240
EXPENSES		
Management Charge	**(36,734)**	(30,323)
Impairment	**(33,443)**	(211,017)
Commissions	**(1,147)**	(1,293)
Other Expenses	**(135)**	(1,014)
Total Expenses	**(71,459)**	(243,647)
NET INCOME AVAILABLE FOR DISTRIBUTION	**48,672**	32,593
Distribution	**(42,159)**	(41,253)
Total Distribution	**(42,159)**	(41,253)
UNDISTRIBUTED INCOME/(LOSS) BEFORE TRANSFER TO RESERVES	**6,513**	(8,660)
Allocation to Primary Reserve	**(7,654)**	(7,623)
Allocation to Secondary Reserve	**(11,487)**	(12,305)
UNDISTRIBUTED LOSS FOR THE YEAR	**(12,628)**	(28,588)

US DOLLAR INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13 $ '000	Restated 31-Dec-12 $ '000
UNDISTRIBUTED LOSS FOR THE YEAR	**(12,628)**	(28,588)
Other Comprehensive Income:		
Amounts that may be transferred to Profit or Loss in the future:		
Fair value (losses)/gains arising during the year	**(69,897)**	20,693
Fair value (gains)/losses transferred to income	**(2,864)**	19,718
Impairment losses transferred to income	**33,443**	211,017
Exchange translation differences	**(58)**	(128)
Other Comprehensive (Loss)/Income for the year	**(39,376)**	251,300
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	**(52,004)**	222,712

US DOLLAR INCOME FUND
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13 $'000	Restated 31-Dec-12 $'000
OPERATING ACTIVITIES		
Net Income	**48,672**	32,593
Adjustments to reconcile Net Investment Income to Net Cash Flow From Operating Activities:		
Impairment	**33,443**	211,017
	82,115	243,610
Movements in Working Capital		
Decrease/(Increase) in Receivables	**314,256**	(78,347)
Decrease in Payables	**(92,443)**	(26,016)
Net Cash From Operating Activities	**303,928**	139,247
INVESTING ACTIVITIES		
Purchase of Investment Securities	**(1,612,032)**	(2,987,663)
Disposal of Investment Securities	**1,476,201**	3,295,864
Net Cash (Used In)/Flow From Investing Activities	**(135,831)**	308,201
FINANCING ACTIVITIES		
Subscriptions from unitholders	**1,174,047**	1,052,975
Redemptions to unitholders	**(1,838,046)**	(886,193)
Distribution to unitholders	**(42,159)**	(41,253)
Interest Earned on Fund Reserves	**586**	536
Net Cash (Used In)/Flow From Financing Activities	**(705,572)**	126,065
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(537,475)**	573,513
Cash and Cash Equivalents at beginning of year	**1,034,905**	461,180
Translation Differences on Fund Reserves	**(239)**	(36)
Translation Adjustment	**4,152**	248
Cash and Cash Equivalents at end of year	**501,343**	1,034,905

US DOLLAR INCOME FUND STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER, 2013
Expressed in Trinidad and Tobago Dollars

	Net Assets Attributable to Unitholders $'000	Other Reserves $'000	Retained Earnings $'000	Fair Value Reserve $'000	Fund Reserves $'000	Capital Reinstatement $'000	Total $'000
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**
Balance as at 1 January 2012	**4,335,138**	**179**	**–**	**(236,735)**	**67,475**	**–**	**4,166,057**
Net Income Available for Distribution	–	–	32,593	–	–	–	**32,593**
Exchange translation differences	2,335	–	–	(128)	–	–	**2,207**
Subscriptions from unitholders	1,052,975	–	–	–	–	–	**1,052,975**
Redemptions to unitholders	(886,193)	–	–	–	–	–	**(886,193)**
Distributions to unitholders	–	–	(41,253)	–	–	–	**(41,253)**
Capital Reinstatement	–	–	–	–	–	28,588	**28,588**
Net Allocation to Reserves	–	–	(19,928)	–	(8,123)	–	**(28,051)**
Other Comprehensive Income for the year	–	–	–	251,300	–	–	**251,300**
Balance as at 31 December, 2012 (Restated)	**4,504,255**	**179**	**(28,588)**	**14,437**	**59,352**	**28,588**	**4,578,223**