BUILDING FOR THE FUTURE

TBLA

2016
ANNUAL REPORT

Board of Directors

Mr. Terence Boswell Inniss
PRESIDENT

Ms. Bliss Seepersad
VICE PRESIDENT

Mr. John B.C. Martin
DIRECTOR

Mr. Percy Farrell
DIRECTOR

Ms. Joanne Prosper
DIRECTOR

Mr. Leslie Clarke
DIRECTOR

Mr. Stephen Allum Poon
DIRECTOR

Mr. Mark Farrell
DIRECTOR

Ms. Jo-Anne Julien
DIRECTOR / EX OFFICIO COUNSEL

Mr. Leslie Nelson
CEO/SECRETARY

Vision Statement

To be a strong, dynamic organisation, providing easy access to home mortgage financing, and maintaining and enhancing our customer service, thereby ensuring customer loyalty.

Mission Statement

To enable you to own, renovate or improve your existing property, by providing easy access to mortgage financing.

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Customer Care

At TBLA, we care about the total customer experience you receive.

We provide personalized attention and quick processing times when conducting business.

Visit the TBLA for the service you deserve.

http://www.tblamortgages.com

TBLA

Notice of Meeting

126th ANNUAL MEETING

Notice is hereby given that the One Hundred and Twenty Sixth Annual Meeting of The Trinidad Building and Loan Association will be held at Radisson Hotel Trinidad, Calypso Lounge, Wrightson Road, Port-of-Spain on **Thursday 6th April, 2017 at 5:00 p.m.** for the following purposes:-

Namely:

1. To receive and consider the Financial Statements and the General Statement of the Affairs of the Association under the Building Societies Act, Ch.33:04 for the year ended December 31, 2016 and the reports of the Directors and Auditors thereon.

2. To elect Directors.

3. To elect a President and Vice-President.

4. To appoint auditors for the ensuring year at a fee to be fixed by the Board.

5. That with effect from April 1st, 2017, the remuneration paid to directors of the Trinidad Building and Loan Association shall be fixed to an aggregate as determined by the members of the General Meeting.

6. To transact such other ordinary business of the Association as may directly arise out of the consideration of the Annual Report.

Messrs. John Martin and Percy Farrell - directors who retire by rotation under Rule 4.2, being eligible, offer themselves for re-election. No other nominations have been received for the posts of Directors.

A vacancy arose with the death of Mr. Keith Ortiz in September 2015 and the Board of Directors in accordance with rule 4.10 appointed Mr. Mark Farrell a Director in June 2016 until this Annual Meeting.

In accordance with Rule 4.6, a nomination has been received for Mr. Mark Farrell to be elected as a Director. No other nominations have being received for the vacant post of Director.

A bonafide member can attend and vote at the meeting is entitled, subjected to Rule 9.8 of the Rules of the Association, to appoint a proxy to attend and vote in his stead. A proxy must also be a member of the Association.

The Association's 2016 Annual Report can be collected at the Association's office or downloaded online from the Association's website at www.tblamortgages.com.

BY ORDER OF THE BOARD

Leslie Nelson

Leslie Nelson
SECRETARY

Corporate Information

Directors	Yr. of Appt		Yr. of Election
Mr. Terence Boswell Inniss - President	June	1992	2016
Ms. Bliss Seepersad - Vice President	September	2008	2016
Mr. J.B.C. Martin C.A., F.C.A.	June	1974	2014
Ms. Jo-Anne Julien – Counsel	July	2001	(Ex-Officio)
Mr. Percy Farrell	February	1996	2014
Mr. Leslie Clarke	September	2013	2014
Ms. Joanne Prosper	April	2011	2015
Mr. Stephen Allum-Poon	July	2014	2015
Mr. Mark Farrell	June	2016	-

CHIEF EXECUTIVE OFFICER/ SECRETARY
Mr. Leslie Nelson FCMA, CA, MBA, FLMI

REGISTERED OFFICE
The Trinidad Building and Loan Association
89 Queen Street
Port-of-Spain
Trinidad and Tobago, W.I.
Phone: (868) 623-1501/ 4 Fax: (868) 627-0675
Website: info@tblamortgages.com
Email: info@tblamortgages.com
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Phone (868) 628-9255

ATTORNEYS-AT-LAW
Wheeler & Co.
22-24 St. Vincent Street
Port-of-Spain
Trinidad & Tobago, W.I.
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Maurice Valere
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Trinidad & Tobago, W.I.
Phone: (868) 625-1339

BANKERS
RBC Royal Bank Limited
Independence Square
Port of Spain
Trinidad & Tobago, W.I.
Phone (868) 625-7288

AUDITORS
PKF
90 Edward Street
Port of Spain
Trinidad & Tobago, W.I.
Phone: (868) 624-4569

Directors' Report

Your Directors have the honour to present to their Annual Report as well as the Financial Statements and Report of the Auditors for the year 2016.

Revenue and Appropriation Account

	2016	2015
Revenue	5,733,377	4,743,797
Expenditure	3,867,035	3,238,237
Operating Surplus for the year	1,866,342	1,505,560
Impairment of investment income		
Net Surplus for the year	1,866,342	1,505,560
Appropriation to Dividend	(559,903)	(444,788)
The following dividends were declared:		
Interim dividends of 2.5% at 30th June (2015: 2.5%)	(323,134)	(267,537)
Final dividends of 2.5% at 31st December (2015: 3.0%)	(360,629)	(303,188)
	(683,763)	(570,725)
Balance After Appropriation and Dividends	622,676	490,047
To which was added the balance of Revenue to/ Reserve		
brought forward	23,674,772	23,204,582
Transfer from Dividend Reserve		
Borrower's paid up shares adjustment	(48,690)	(19,857)
Retained Earnings carried forward	24,248,758	23,674,772

Directors' Report (cont'd)

Subscription Shares

In 2016, the Subscription Share portfolio increased from $12,999,074 to $ 15,488,516 or 19.2%. During 2016 202 shares were sold when compared to 1076 in 2015. Also in 2016, subscription share to the value of $ 59,829 matured. Total shares to the value of $ 422,713 were repaid in 2016, of which the amount of $ 79,591.00 was attributable to matured shares from the current and previous periods.

Savings Portfolio

At the end of 2016, this portfolio amounted to $ 6,150,728 compared with $ 5,355,503 in 2015 and increase of 14.8%

Special (Fixed) Deposit

Special Deposits as at 31st December 2016 was $12,867,755 increase of $ 796,383 or 6.6%

Mortgage Loan

The mortgage portfolio was $59M at December 31st 2016. New Loans disbursed in 2016 amounted to $12.1M However there were early repayments of $ .37M in 2016.

Interest Income

There was an increase interest income from 4.05M in 2015 to 4.94M in 2016. This was as a result of an increase on the mortgage portfolio interest, a net increase on the investment portfolio and a marginal increase on the share loan portfolio.

Total Asset

Assets increased by 6.1% from $ 82.7M in 2015 to an amount of $ 87.84M as at the end of 31 December 2016.

Net Income

In 2016 an interim dividend of 2.5% was paid and credited to share accounts at 30th June 2016, while a final dividend of 2.5% was paid and credited on 31 December 2016. Total dividend paid for the year 2016 was therefore 5%.

Group Health and Accident Insurance Plan

This plan which was established in 1966 is operated on a 60% (company): 40% (employee) contributory basis for the benefit of the staff and to which the sum of $26,659 was contributed by the Association during this year (2015:26,743)

Auditors

Messrs. PKF, the Auditors of the Association, whose term of office has come to a close and being eligible, have offered themselves for re-appointment.

President's Report 2016

Global and National Prospective

The global economic performance for 2016 as in 2015 continued to be sluggish with growth being maintained at 3.1%. The IMF is projecting an increase in market activity from 2017, however they remain guarded in giving projections due to the uncertainty of the policy of the new United States of America administration can affect the global community.

The advanced economies saw a varied response to market forces, the United States saw increased activity towards the end of the year after a weak first half. The other European nations output were below potential.

The emerging market and developing countries were even more diverse in its results, with tourist based economies estimated to increase to 2.2% in 2016, up from 1.2% in 2015. Economies of commodity exporters saw contradicting results as they made a fall to 0.6% in 2016 as opposed to 0.9% in 2015.

The Trinidad and Tobago economy's performance was weak both in the energy and non-energy sectors with oil prices averaging US$42.78 in 2016, lower when compared to 2015's prices of US$56.49.

Industry Review and Outlook

The plans of the Government of the Republic of Trinidad and Tobago to focus domestic investment on housing, road construction, agriculture, tourism and forestry have not materialised as they continue to manage the economy with a large recurrent expenditure, job losses and foreign exchange challenges.

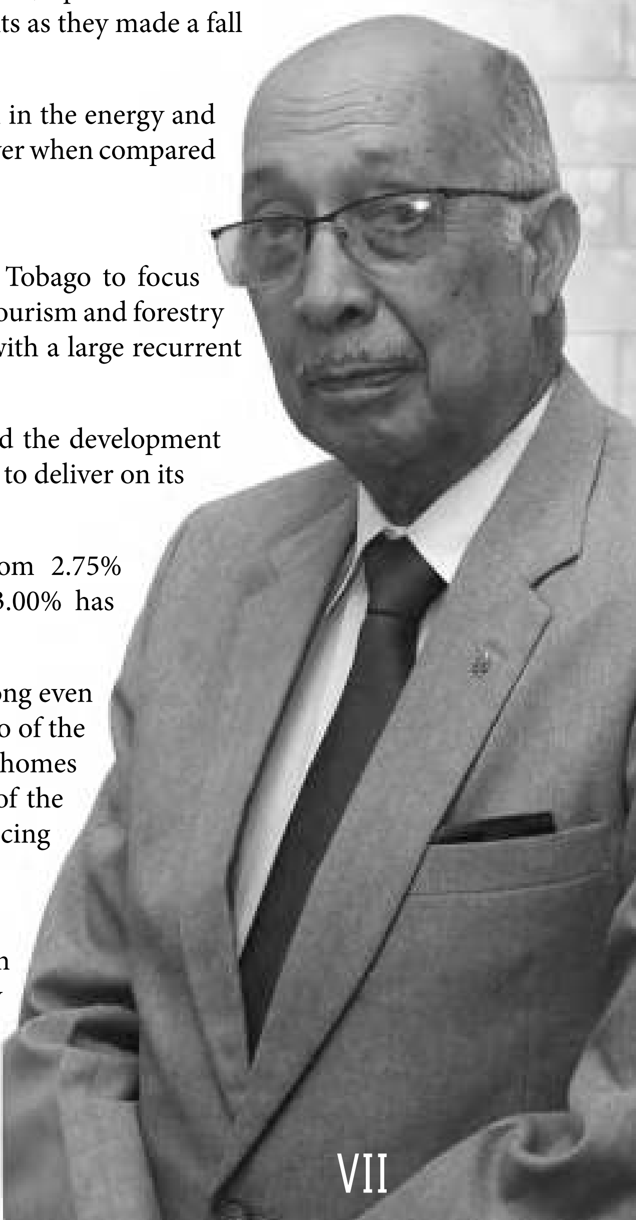
The Government of Trinidad and Tobago however has continued the development of its Rent-to-own programme, partnering with the private sector to deliver on its promise of 2,500 new housing units.

The Mortgage Market Reference Rate (MMRR) increased from 2.75% in December 2015 to 3.00% in December 2016. The rate of 3.00% has maintained up to March 2017.

The mortgage industry in Trinidad and Tobago has remained strong even with the challenges in the macro economy. The mortgage portfolio of the Association continues to grow year on year and as the demand for homes continues to be high it provides reassurance to all stakeholders of the Association's ability to remain relevant to the mortgage financing landscape.

Result Analysis and Outlook

The Association's net assets increased by 2.00% from $48.7M in 2015 to $49.8M in 2016 while members shareholding increased by 19.00% from $13.0M to $15.5M in 2016.



President's Report (cont'd)

The Deposit portfolio increased by 9.00% from $17.4M in 2015 to $19.0M in 2016 and reflects the third year of growth. This was as a result of continuing with the campaign from 2014 to attract new fixed deposits. The Association will continue with this strategy in 2017.

In 2016 the Association did not incur the costs associated with the positions of Accountant, Internal Auditor and Mortgage Manager which contributed to the improved results for that year.

However, in February 2017 the Association recruited a Qualified Accountant after having this position vacant for an extended period of time. The Internal Auditor and Mortgage Manager positions which remain vacant at the date of this report will also be filled in 2017 in keeping with the development of the Association.

The Association has advertised a Request for Proposal (RFP) in February 2017 for the provision of new software and related infrastructure. The procurement of new software is expected to improve the efficiency of the Association and provide a better service to our many loyal customers.

The Association celebrated 125 years of service to the nation in 2016. It is the longest standing Building Society in Trinidad and Tobago. TBLA has been providing mortgage financing and investments since 1891 and it takes this mandate seriously. In spite of the recession, loss of jobs and higher food prices the Association continues to assist families with their dream of home ownership and building a better future for their loved ones.

Acknowledgement
Mr. Mark Farrell a Designated Member of the Royal Institute of Chartered Surveyors joined the Board of the Association in June 2016 and brings to the Association a wealth of experience in the housing market. He is Chairman of G.A.Farrell & Associates, Chartered Valuation Surveyors, Real Estate and Property Consultants. We welcome him to our family of the Trinidad Building and Loan Association and look forward to his valuable contribution to the continued growth of the Association.

I also wish to thank my other fellow members of the Board, Management, Staff and Shareholders for their contribution to the continued success of the Association in 2016.

Terence Boswell Inniss
President

PKF
Chartered Accountants
& Business Advisors

THE TRINIDAD BUILDING & LOAN ASSOCIATION
Housing Finance Institution Since 1891
Thrift and Home Ownership

Financial Statements

31 DECEMBER 2016

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TBLA

THE TRINIDAD BUILDING & LOAN ASSOCIATION
Housing Finance Institution Since 1891
Thrift and Home Ownership

The Trinidad Building and Loan Association

Statement of Management Responsibilities

Management is responsible for the following:

preparing and fairly presenting the accompanying financial statements of The Trinidad Building and Loan Association, which comprise the statement of financial position as at 31 December, 2016 the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;

- ensuring that the company keeps proper accounting records;
- selecting appropriate accounting policies and applying them in a consistent manner;
- implementing, monitoring and evaluating the system of internal control that assures security of the company's assets, detection/prevention of fraud, and the achievement of company operational efficiencies;
- ensuring that the system of internal control operated effectively during the reporting period;
- producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

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

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

Signed	Signed
22 March, 2017	22 March, 2017
Date	Date

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Independent Auditors' Report

The Members
The Trinidad Building and Loan Association

Opinion

We have audited the financial statements of The Trinidad Building and Loan Association, which comprise the statement of financial position as at 31st December 2016, and the statements of comprehensive income, changes in funds and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Trinidad Building and Loan Association as at 31st December 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of The Trinidad Building and Loan Association in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information included in the Association's 2016 Annual Report

Management is responsible for the other information. Other information consists of the information included in the Annual Report, other than the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we concluded that there is a material misstatement of this other information, we are required to communicate the matter to the Board of Directors.

Responsibilities of Management and the Board of Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the association's financial reporting process.

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Partners Renée-Lisa Philip Mark K. Superville

Independent Auditors' Report (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PKF

Port of Spain,
TRINIDAD
22 March 2017

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Chartered Accountants
& Business Advisors

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Statement of Financial Position

Assets:	**Notes**	**31 December 2016**	**2015**
Cash and cash equivalents	5	$ 6,005,377	$ 13,158,077
Accounts receivable and prepayments	6	1,374,157	460,077
Investments	7	9,920,452	7,345,951
		17,299,986	20,964,105
Mortgages	8	56,197,046	48,969,834
Land loans	9	3,425,858	1,814,714
Fixed assets	10	10,918,453	10,982,038
Total Assets		87,841,343	82,730,691
Liabilities:			
Accounts payable and accruals	11	3,063,111	3,207,766
Depositors	12	19,018,483	17,426,875
Unpaid matured shares	13	422,713	442,475
Members/Shareholders	14	15,488,516	12,999,074
Total Liabilities		37,992,823	34,076,190
Net Assets		**$ 49,848,520**	**$ 48,654,501**
Financed by:			
Dividend Reserve		$ 3,377,258	$ 2,768,665
Capital Reserve		8,570,752	8,570,752
Investment Remeasurement Reserve		17,794	6,354
Revenue Reserve		24,248,758	23,674,772
Special Reserve Fund		13,633,958	13,633,958
Total Funds		**$ 49,848,520**	**$ 48,654,501**

These financial statements were approved by the Board of Directors and authorized for issue on 22nd March 2017 and signed on their behalf by

Terence Boswell Inniss: President

Leslie Nelson: Secretary

(The accompanying notes form part of these financial statements)

Statement of Comprehensive Income

	Notes	31 December 2016	31 December 2015
Interest earned	15	$ 4,937,394	$ 4,046,073
Other income	16	795,983	697,724
Total income		5,733,377	4,743,797
Interest paid	17	284,185	186,349
Other expenditure	18	3,582,850	3,051,888
Total expenditure		3,867,035	3,238,237
Net surplus for the year		1,866,342	1,505,560
Other Comprehensive Income:			
Items that may be reclassified subsequently to profit and loss			
Unrealised gain/(loss) on available-for-sale financial assets		11,440	(1,192)
Total comprehensive income for the year		**$ 1,877,782**	**$ 1,504,368**

(The accompanying notes form part of these financial statements)

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Statement of Changes In Funds

FOR THE YEAR ENDED 31 DECEMBER 2016

	Dividend Reserve	Capital Reserve	Investment Remeasurment Reserve	Revenue Reserve	Special Reserve Fund
Balance as at 1 January 2015	$ 2,304,020	$ 8,570,752	$ 7,546	$ 23,204,582	$ 13,633,958
Net surplus for the year				1,505,560	
Investment Re-measurement Reserve Adjustment			(1,192)		
Dividend Reserve					
Addition	444,788			(444,788)	
Addition	19,857			(19,857)	
Interim dividend June : 2.5%				(267,537)	
Final dividend December: 2.5%	-	-	-	(303,188)	-
Balance as at 31 December 2015	**$ 2,768,665**	**$ 8,570,752**	**$ 6,354**	**$ 23,674,772**	**$ 13,633,958**
Balance as at 1 January 2016	$ 2,768,665	$ 8,570,752	$ 6,354	$ 23,674,772	$ 13,633,958
Net surplus for the year				1,866,342	
Investment Re-measurement Reserve Adjustment			11,440		
Dividend Reserve					
Addition	559,903			(559,903)	
Addition	48,690			(48,690)	
Interim dividend June : 2.5%				(323,134)	
Final dividend December: 2.5%	-	-	-	(360,629)	-
Balance as at 31 December 2016	**$ 3,377,258**	**$ 8,570,752**	**$ 17,794**	**$ 24,248,758**	**$ 13,633,958**

(The accompanying notes form part of these financial statements)

Statement of Cash Flows

	31 December	
	2016	**2015**
Cash flows from operating activities:		
Net surplus for the year	$ 1,866,342	$ 1,505,560
Bad debts written off	267,646	7,497
Depreciation	92,930	101,474
Operating profit before changes in operating assets	2,226,918	1,614,531
Net change in accounts receivable and prepayments	(914,080)	113,095
Net change in accounts payable and accruals	(144,655)	401,430
Net cash provided by operating activities	1,168,183	2,129,056
Cash flows from investment activities:		
Net change in land loans	(1,611,144)	(326,279)
Net change in investments	(2,563,061)	(1,538,784)
Net change in mortgages from members	(7,494,858)	(6,971,363)
Proceeds from disposal of fixed assets	-	-
Fixed assets purchased	(29,345)	(142,983)
Net cash used in investing activities	(11,698,408)	(8,979,409)
Cash flows from financing activities:		
Net change in depositors	1,591,608	7,680,151
Net change in members' balances	(19,762)	79,284
Net change in amounts due to shareholders	2,489,442	2,585,899
Dividends paid	(683,763)	(570,725)
Net cash provided by financing activities	3,377,525	9,774,609
Net change in cash and cash equivalents	(7,152,700)	2,924,256
Cash and cash equivalents at the beginning of the year	13,158,077	10,233,821
Cash and cash equivalents at the end of the year	**$ 6,005,377**	**$ 13,158,077**

(The accompanying notes form part of these financial statements)

PKF
Chartered Accountants
& Business Advisors

TBLA

31 DECEMBER 2016

1. **Registration and Principal Activity:**

The Association is registered in the Republic of Trinidad and Tobago under the Building Societies Act Ch. 33:04 to make advances to members to acquire or to make improvements to freehold or leasehold estates, out of the funds of the Association by way of mortgage upon the security of such unencumbered estates. The address of its registered office is 89 Queen Street, Port of Spain.

2. **Statement of Accounting Policies:**

a) Basis of financial statements preparation -

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), and are stated in Trinidad and Tobago dollars rounded to the nearest dollar. These financial statements are stated on the historical cost basis, except for the measurement at fair value of available-for-sale investments and certain other financial instruments.

b) Use of estimates -

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Association's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

c) New Accounting Standards and Interpretations -

i) The Association has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective as they either do not apply to the activities of the Association or have no material impact on its financial statements, except for IFRS 9 Financial Instruments:

IFRS 1 First-time Adoption of International Financial Reporting Standards - Amendments resulting from Annual Improvements 2014-2016 Cycle removing short-term exemptions (effective for annual periods beginning on or after 1 January 2018).

IFRS 2 Share-Based Payments - Amendments to clarify the classification and measurement of share-based payment transactions (effective for annual periods beginning on or after 1 January 2018).

31 DECEMBER 2016

2. Significant Accounting Policies (Cont'd):

c) New Accounting Standards and Interpretations (cont'd) -

IFRS 4	Insurance Contracts - Amendments regarding the interaction of IFRS 4 and IFRS 9 (using deferral approach - effective for accounting periods beginning on or after 1 January 2018).
IFRS 9	Financial Instruments - Finalised version incorporating requirements fro classification and measurement, impairment, general hedge accounting and derecognition (effective for accounting periods beginning on or after 1 January 2018).
IFRS 12	Disclosure of Interest in Other Entities - Amendments resulting from Annual Improvements 2014 - 2016 Cycle (clarifying scope) (effective for accounting periods beginning on or after 1 January 2016).
IFRS 15	Revenue from Contracts with Customers - Amendments to defer the effective date to 1 January 2018 (effective for accounting periods beginning on or after 1 January 2018).
IFRS 15	Revenue from Contracts with Customers - Clarification to IFRS 15 (effective for accounting periods beginning on or after 1 January 2018).
IFRS 16	Leases (effective for accounting periods beginning on or after 1 January 2019).
IAS 7	Statement of Cash Flows - Amendments resulting from disclosure initiative (effective for accounting periods beginning on or after 1 January 2017).
IAS 12	Income Taxes - Amendments resulting from recognition of deferred tax assets for unrealised losses (effective for accounting periods beginning on or after 1 January 2017).
IAS 28	Investment in Associates - Amendments resulting from Annual Improvements 2014 - 2016 Cycle (clarifying certain fair value measurements) (effective for accounting periods beginning on or after 1 January 2018).
IAS 40	Investment Property - Amendments to clarify transfers of property to, or from, investment property (effective for accounting periods beginning on or after 1 January 2018).
IFRIC 22	Foreign Currency Transactions and Advance Consideration (Annual periods beginning on or after 1 January 2018).

31 DECEMBER 2016

2. Significant Accounting Policies (Cont'd):

c) New Accounting Standards and Interpretations (cont'd)

ii) The Association has not applied the following standards, revised standards and interpretations that have been issued because they do not apply to the activities of the Association:

IFRS 5	Non-Current Assets held for Sale and Discontinued Operations - Amendments resulting from September 2014 Annual Improvements to IFRSs (effective for accounting periods beginning on or after 1 January 2018).
IFRS 10	Consolidated Financial Statements - Amendments regarding the application of consolidation exceptions (effective for accounting periods beginning on or after 1 January 2016).
IFRS 11	Joint Arrangements - Amendments regarding the accounting for acquisitions of an interest in a joint operation (effective for accounting periods beginning on or after 1 January 2016).
IFRS 12	Disclosure of Interest in Other Entities - Amendments regarding the application of consolidation exception (effective for accounting periods beginning on or after 1 January 2016).
IFRS 14	Regulatory Deferral Accounts (effective for accounting periods beginning on or after 1 January 2016).
IAS 16	Property, Plant and Equipment - Amendments bringing bearer plants into the scope of IAS 16 (effective for accounting periods beginning on or after 1 January 2016).
IAS 27	Separate Financial Statements - Amendments reinstalling the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements (effective for accounting periods beginning on or after 1 January 2016).
IAS 28	Investment in Associates - Amendments regarding the application of consolidation exception (effective for accounting periods beginning on or after 1 January 2016).
IAS 34	Interim Financial Reporting - Amendments resulting from September 2014 Annual Improvements to IFRSs (effective for accounting periods beginning on or after 1 January 2016).
IAS 38	Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective for accounting periods beginning on or after 1 January 2016).

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2. Significant Accounting Policies (Cont'd):

c) New Accounting Standards and Interpretations (cont'd)

IAS 41	Agriculture - Amendments bringing bearer plants into the scope of IAS 16 (effective for accounting periods beginning on or after 1 January 2016).

d) Fixed assets -

Fixed assets are stated at historical cost, and except for freehold buildings, are depreciated on the straight-line basis at rates estimated to write off the assets over their respective useful lives.

The following rates are considered appropriate to write-off the assets over their estimated useful lives:

Office equipment and fittings	-	20%
Motor vehicles	-	25%
Computer equipment	-	20% - 33 1/3%
Machines	-	10%
Office furniture	-	5%

Increases in the carrying amount arising on revaluation of land and buildings are credited to Capital Revaluation Reserve in Members' Equity. Decreases that offset previous increases of the same asset are charged against reserves directly in equity; all other decreases are charged to the Statement of Comprehensive Income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the Statement of Comprehensive Income and depreciation based on the asset's original cost is transferred from the Capital Revaluation Reserve to the Revenue Reserve. When revalued assets are sold, the amounts included in the Capital Revaluation Reserve are transferred to the Revenue Reserve.

The assets' residual values and useful lives are reviewed at each reporting date, and adjusted as appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the "Gain/Loss on Disposal" account in the Statement of Comprehensive Income.

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2. Statement of Accounting Policies (Cont'd):

e) Income and expenditure -

(i) Income items are dealt with as follows:

(a) Mortgage interest, investments, bank deposits and savings revenues are dealt with on the accruals basis.
(b) Other income is dealt with on the receipts basis.

(ii) Expenditure items are dealt with on the accruals basis.

f) Investments -

The Association has classified all investments into the following categories:

Available for sale

These securities are intended to be held for an indefinite period of time but may be sold in response to the needs for liquidity or changes in interest rates, exchange rates or equity prices. After initial recognition, available-for-sale investments are measured at fair value with unrealised gains or losses recognised in the Investment Re-measurement Reserve.

For actively traded investments, fair value is determined by reference to the Stock Exchange quoted market prices at the reporting date, adjusted for transaction costs necessary to realise the investment. For investments where there is no quoted market price, the carrying value is deemed to approximate fair value.

Held to maturity

These are securities which are held with the positive intention of holding them to maturity and are stated at amortized cost less provisions made for any permanent diminution in value. Amortised cost is calculated by taking into account any premium or discounts on acquisition over the period of maturity using the effective interest rate method.

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2. Statement of Accounting Policies (Cont'd):

g) Financial instruments -

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

Financial assets and financial liabilities are recognised on the Association's Statement of Financial Position when the Association becomes a party to the contractual provisions of the instrument.

Financial assets

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date that is the date on which the Association commits itself to purchase or sell an asset. A regular way purchase and sale of financial assets is a purchase or sale of an asset under a contract whose terms require delivery of the asset within the timeframe established generally by regulation or convention in the marketplace concerned.

When financial assets are recognised initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the asset.

Financial assets are derecognised when the contractual rights to receive the cash flows expire or where the risks and rewards of ownership of the assets have been transferred.

Impairment of financial assets

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

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

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

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2. Significant Accounting Policies (Cont'd):

g) Financial instruments (cont'd) -

Impairment of financial assets (cont'd)

i) Significant financial difficulty of the issuer or obligor.

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

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

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

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

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

i) Financial assets measured at amortised cost

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

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

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2. Significant Accounting Policies (Cont'd):

g) Financial instruments (cont'd) -

Impairment of financial assets (cont'd)

ii) Financial assets measured at cost

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

Financial liabilities

When financial liabilities are recognised initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the liability. Financial liabilities are re-measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when they are extinguished that is when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognised in the Statement of Comprehensive Income.

Cash and cash equivalents

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

Trade receivables

Trade receivables are measured at cost. Appropriate allowances for estimated irrecoverable amounts are recognised in Statement of Comprehensive Income when there is objective evidence that the asset is impaired.

Mortgage loans

Mortgage loans are stated at principal amounts outstanding net of allowances for loan losses. Specific provisions are made for potential losses on non-performing loans on the basis of net realisable value. Periodic portfolio reviews are conducted during the course of each year to determine the adequacy of the provision.

Loans are secured by various forms of collateral, including charges over tangible assets, certificates of deposit, and assignment of funds held with other financial institutions.

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2. Significant Accounting Policies (Cont'd):

g) Financial instruments (cont'd) -

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Members' deposits

Members' deposits are stated at the principal amounts invested by members together with any capitalised interest. Members' deposits bear interest at rates that are not significantly different from current market rates.

Members' shares

Members' shares are classified as liabilities and stated at fair value.

h) Dividends payable to members -

Dividends are computed on the basis of the average value of shares held throughout the year, the average being determined on the basis of the value of shares held at the end of each month. Dividends that are proposed and declared after the reporting date are not shown as a liability in accordance with IAS 10 but are disclosed as a note to the financial statements.

i) Provisions -

Provisions are recognised when the Association has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

j) Retirement benefit plan -

The Association operates a defined benefit plan covering substantially all eligible employees of the Association. The fund of this plan is administered by three trustees and is separate from the Association's assets. Contributions to the plan are based upon the triennial actuarial valuation and are charged against profits on the accruals basis. The last actuarial valuation of the Plan, which was carried out as at 31st December 2015, revealed that the value of the assets exceeded the liabilities by **$17,800,000**. The next actuarial valuation is due 31st December 2018.

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2. Significant Accounting Policies (Cont'd):

k) Taxation -

The Association's net income and gross receipts are exempted from Corporation Tax and Business Levy under Sections 6(1)(J) and 3A(2)(c) of the Corporation Tax Act (Ch. 75:02 of the laws of Trinidad and Tobago).

l) Comparative information -

Where necessary, comparative data has been adjusted to conform with changes in presentation in the current year.

3. Financial Risk Management:

Financial risk factors

The Association's activities are primarily related to the use of financial instruments. The Association accepts funds from members and earns interest by investing in equity investments, government securities and on-lending to members at higher interest rates.

Financial Instruments

The following table summarizes the carrying amounts and fair values of the Association's financial assets and liabilities:

	2016	
	Carrying Value	Fair Value
Financial Assets		
Cash and cash equivalents	$ 6,005,377	$ 6,005,377
Accounts receivable and prepayments	1,374,157	1,374,157
Investments	9,920,452	9,920,452
Mortgages	56,197,046	56,197,046
Financial Liabilities		
Depositors	19,018,483	19,018,483
Members/Shareholders	15,488,516	15,488,516
Accounts payable and accruals	3,063,111	3,063,111

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3. Financial Risk Management (Cont'd):

	2015 Carrying Value	2015 Fair Value
Financial Assets		
Cash and cash equivalents	$ 13,158,077	$ 13,158,077
Accounts receivable and prepayments	460,077	460,077
Investments	7,345,951	7,345,951
Mortgages	48,969,834	48,969,834
Financial Liabilities		
Depositors	17,426,875	17,426,875
Members/Shareholders	12,999,074	12,999,074
Accounts payable and accruals	3,207,766	3,207,766

a) Interest rate risk -

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

The Association is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including investments in bonds, loans, customer deposits and other funding instruments.

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

i) Bonds

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

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

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

ii) Mortgage Loans

The Association grants mortgage loans on an adjustable rate basis of a long term nature. These are funded mainly from members' deposits and shares.

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3. **Financial Risk Management (Cont'd):**

a) **Interest rate risk (cont'd) -**

iii) Interest rate sensitivity analysis

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

2016

	Effective Rate	Up to 1 year	1 to 5 years	Over 5 years	Non-Interest Bearing	Total
Financial Assets						
Cash and cash equivalents	1.0%	$ 6,005,377	$ -	$ -	$ -	$ 6,005,377
Accounts receivable and prepayments	7.0%	195,135	-	-	1,179,022	1,374,157
Investments	7.0%	3,446,685	1,410,863	5,062,904	-	9,920,452
Mortgages	7.0%	312,032	4,952,985	50,932,029	-	56,197,046
		$ 9,959,229	**$ 6,363,848**	**$55,994,933**	**$ 1,179,022**	**$ 73,497,032**
Financial Liabilities						
Depositors	1.5%	$ 8,344,282	$10,253,433	$ 420,768	$ -	$ 19,018,483
Members/Shareholders	5.0%	152,017	6,134,600	9,201,899	-	15,488,516
Accounts payable and accruals	2.0%	245,138	-	-	2,817,973	3,063,111
		$ 8,741,437	**$16,388,033**	**$ 9,622,667**	**$ 2,817,973**	**$ 37,570,110**

2015

	Effective Rate	Up to 1 year	1 to 5 years	Over 5 years	Non-Interest Bearing	Total
Financial Assets						
Cash and cash equivalents	1.0%	$ 13,158,077	$ -	$ -	$ -	$ 13,158,077
Accounts receivable and prepayments	7.0%	136,130	-	-	323,947	460,077
Investments	7.0%	117,678	3,700,355	3,527,918	-	7,345,951
Mortgages	7.0%	895,511	5,535,872	42,538,451	-	48,969,834
		$ 14,307,396	**$ 9,236,227**	**$46,066,369**	**$ 323,947**	**$ 69,933,939**
Financial Liabilities						
Depositors	1.5%	$ 15,345,824	$ 1,660,283	$ 420,768	$ -	$ 17,426,875
Members/Shareholders	5.0%	75,000	5,950,000	6,974,074	-	12,999,074
Accounts payable and accruals	2.0%	145,520	-	-	3,062,246	3,207,766
		$ 15,566,344	**$ 7,610,283**	**$ 7,394,842**	**$ 3,062,246**	**$ 33,633,715**

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3. **Financial Risk Management (Cont'd):**

b) Credit risk -

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Association relies heavily on its Rules, which sets out in detail the current policies governing the lending function and provides a comprehensive framework for prudent risk management of the credit function. Adherence to these guidelines is expected to communicate the Association's lending philosophy; provide policy guidelines to team members involve in lending; establish minimum standards for credit analysis, documentation, decision making and post-disbursement administration; as well as create the foundation for a sound credit portfolio.

The Association's loan portfolio is managed and consistently monitored by the Credit Committee and is adequately secured by collateral and where necessary, provisions have been established for potential credit losses on delinquent accounts.

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

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

c) Liquidity risk -

Liquidity risk is the risk that arises when the maturity dates of assets and liabilities do not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Association has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

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

i) Risk management

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Association. The Association employs various asset/liability techniques to manage liquidity gaps. Liquidity gaps are mitigated by the marketable nature of a substantial segment of the Association's assets as well as generating sufficient cash from new and renewed members' deposits and shares.

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

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3. Financial Risk Management (Cont'd):

c) Liquidity risk (cont'd) -

ii) Liquidity gap

The Association's exposure to liquidity risk is summarized in the table below which analyses assets and liabilities based on the remaining period from the reporting date to the contractual maturity date.

2016

-

	Up to 1 year	1 to 5 years	Over 5 years	Total
Financial Assets				
Cash and cash equivalents	$ 6,005,377	$ -	$ -	$ 6,005,377
Accounts receivable and prepayments	1,374,157	-	-	1,374,157
Investments	3,446,685	1,410,863	5,062,904	9,920,452
Mortgages	312,032	4,952,985	50,932,029	56,197,046
	$ 11,138,251	**$ 6,363,848**	**$55,994,933**	**$ 73,497,032**
Financial Liabilities				
Depositors	$ 8,344,282	$10,253,433	$ 420,768	$ 19,018,483
Members/Shareholders	152,017	6,134,600	9,201,899	15,488,516
Accounts payable and accruals	3,063,111	-	-	3,063,111
	$ 11,559,410	**$16,388,033**	**$ 9,622,667**	**$ 37,570,110**

2015

-

	Up to 1 year	1 to 5 years	Over 5 years	Total
Financial Assets				
Cash and cash equivalents	$ 13,158,077	$ -	$ -	$ 13,158,077
Accounts receivable and prepayments	460,077	-	-	460,077
Investments	117,678	3,700,355	3,527,918	7,345,951
Mortgages	895,511	5,535,872	42,538,451	48,969,834
	$ 14,631,343	**$ 9,362,227**	**$46,066,369**	**$ 69,933,939**
Financial Liabilities				
Depositors	$ 15,345,824	$ 1,660,283	$ 420,768	$ 17,426,875
Members/Shareholders	75,000	5,950,000	6,974,074	12,999,074
Accounts payable and accruals	3,207,766	-	-	3,207,766
	$ 18,628,590	**$ 7,610,283**	**$ 7,394,842**	**$ 33,633,715**

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3. Financial Risk Management (Cont'd):

d) Reputation risk -

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

e) Operational risk -

Operational risk is the risk derived from deficiencies relating to the Association's information technology and control systems, as well as the risk of human error and natural disasters. The Association's systems are evaluated, maintained and upgraded continuously. Supervisory controls are installed to minimise human error. Additionally, staff is often rotated and trained on an on-going basis.

f) Compliance risk -

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Inspector of Financial Institutions at the Central Bank of Trinidad and Tobago, as well as by the monitoring controls applied by the Association. The Association has an Internal Audit Department which does routine reviews on compliance.

4. Critical Accounting Estimates and Judgments:

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

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

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

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

ii) Which depreciation method for fixed assets is used.

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4. **Critical Accounting Estimates and Judgments (Cont'd):**

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

i) Impairment of assets

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

ii) Plant and equipment

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of these assets.

5. **Cash and Cash Equivalents:**

	31 December 2016	31 December 2015
Cash on hand	$ 54,233	$ 42,882
RBTT Bank Limited	209,237	4,703,389
Trinidad and Tobago Unit Trust Corporation	3,973,760	7,911,806
Guardian Asset Management	1,768,147	500,000
	$ 6,005,377	**$ 13,158,077**

As at 31 December 2016, cash and cash equivalents comprise 6.8% (2015 - 16%) of total assets.

6. **Accounts Receivable and Prepayments:**

	31 December 2016	31 December 2015
Accrued commissions and interest on loans	$ 225,653	$ 136,607
Interest receivable	195,135	136,130
Staff loans	48,173	39,076
Prepayments	49,245	75,694
Judgement debtors	471,831	-
Other	384,120	72,570
	$ 1,374,157	**$ 460,077**

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7. Investments:

	31 December 2016	31 December 2015
Available -for-Sale –		
ROYTRIN Income and Growth Fund	$ 232,400	$ 220,960
Held-to-Maturity –		
Caribbean Finance Company Ltd 4% - Maturity 2017	119,678	119,678
WASA South Water Project:		
Guaranteed Redeemable Fixed Rate Bond 1st Tranche 10.5% – Maturity 2019	709,167	945,556
Guaranteed Redeemable Fixed Rate Bond 2nd Tranche 10.5% – Maturity 2019	351,955	469,273
Government of Trinidad and Tobago Redeemable Floating Rate Bond 10.87% - Maturity 2019	20,830	62,491
WASA – Government of Trinidad and Tobago $330M Redeemable Floating Rate Bond 9.0% - 11.5% - Maturity 2021	349,741	419,690
Government of Trinidad and Tobago Fixed Bond 5.95% - Maturity April 2023	1,050,779	1,052,189
Government of Trinidad and Tobago Fixed Bond - Maturity April 2028	1,954,600	-
NIPDEC TT$50M Fixed Rate Bond 6.55% - Maturity 2030	2,053,590	2,056,114
Caribbean Finance Company Ltd 4.25% - Maturity 2017	1,037,602	1,000,000
Caribbean Finance Company Ltd 4.25% - Maturity 2017	1,000,000	-
Caribbean Finance Company Ltd 4.25% - Maturity 2017	1,040,110	1,000,000
	$ 9,920,452	**$ 7,345,951**

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8. Mortgages:

Statement pursuant to section 45(1) of the Building Societies Act Ch. 33:04.

Mortgages on properties where the present debt does not exceed **$100,000** and the repayments are not upwards of 12 months in arrears and the property has not been upwards of 12 months in possession of the Association Section 45(1) (a).

	31 December **2016**	**2015**
On 87 Mortgages where the debt does not exceed **$10,000** (2015:68)	$ 455,032	$ 327,727
On 24 Mortgages where the debt exceeds **$10,000** and does not exceed **$25,000** (2015:27)	383,061	423,784
On 32 Mortgages where the debt exceeds **$25,000** and does not exceed **$50,000** (2015:19)	971,138	723,684
On 22 Mortgages where the debt exceeds **$50,000** and does not exceed **$100,000** (2015:18)	1,598,786	1,259,739
On 124 Mortgages where the debt exceeds **$100,000** Section 45(1) (b) (2015:68)	53,453,105	46,760,696
Mortgages on properties of which the repayments are upwards of 12 months in arrears and the property has been upwards of 12 months in possession of the Association Section 45(1) (b).		
On 2 Mortgages (2015:2)	292,943	692,612
Total Mortgages 291 (2015:202)	57,154,065	50,188,242
Less: Accrued interest on demand loans	(499,609)	(592,997)
Provision for doubtful loans – Principal	(457,410)	(625,411)
	$56,197,046	**$48,969,834**

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9. Land Loans:

	31 December 2016	31 December 2015
Balance brought forward	$ 1,814,714	$ 1,488,435
New loans during the year	1,935,154	726,763
Repayments during the year	(324,010)	(400,484)
Balance carried forward	**$ 3,425,858**	**$ 1,814,714**

10. Fixed Assets:

Cost	**Freehold Properties**	**Motor Vehicles**	**Office Equipment**	**Total**
Balance as at 1 January 2016	$ 10,623,432	$ 83,000	$ 1,609,921	$ 12,316,353
Additions	-		29,345	29,345
Balance as at 31 December 2016	10,623,432	83,000	1,639,266	12,345,698
Accumulated Depreciation				
Balance as at 1 January 2016	-	67,828	1,266,487	1,334,315
Charge for the year	-	15,171	77,759	92,930
Balance as at 31 December 2016	-	82,999	1,344,246	1,427,245
Net Book Value				
Balance as at 31 December 2016	**$ 10,623,432**	**$ 1**	**$ 295,020**	**$10,918,453**
Balance as at 31 December 2015	**$ 10,623,432**	**$ 15,172**	**$ 343,434**	**$10,982,038**

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10. Fixed Assets (Cont'd):

Cost	Freehold Properties	Motor Vehicles	Office Equipment	Total
Balance as at 1 January 2015	$ 10,558,732	$ 83,000	$ 1,531,638	$ 12,173,370
Additions	64,700		78,283	142,983
Balance as at 31 December 2015	10,623,432	83,000	1,609,921	12,316,353
Accumulated Depreciation				
Balance as at 1 January 2015	-	47,078	1,185,763	1,232,841
Charge for the year	-	20,750	80,724	101,474
Balance as at 31 December 2015	-	67,828	1,266,487	1,334,315
Net Book Value				
Balance as at 31 December 2015	**$ 10,623,432**	**$ 15,172**	**$ 343,434**	**$10,982,038**
Balance as at 31 December 2014	**$ 10,558,732**	**$ 35,922**	**$ 345,875**	**$10,940,529**

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11. Accounts Payable and Accruals:

	31 December 2016	31 December 2015
Trinidad and Tobago Housing Development Corporation	$ 691,924	$ 510,809
Mortgages approved and not disbursed	1,264,521	2,099,078
Other	1,106,666	597,879
	$ 3,063,111	**$ 3,207,766**

The Association acts as agent for the Trinidad and Tobago Housing Development Corporation (HDC) administering its mortgage loan portfolio, which amounts to approximately **$3,439,103** (2015**:$4,056,981**). The amount due to HDC represents receipts collected before deductions and charges.

12. Depositors:

	31 December 2016	31 December 2015
Special deposits	$ 12,867,755	$ 12,071,372
Savings deposits	6,150,728	5,355,503
	$ 19,018,483	**$ 17,426,875**

(i) As at 31 December 2016, total deposits to mortgage loans amount to 34% (2015: 35%).

(ii) As at 31 December 2016, deposits maturing in 2017 will amount to **$7,941,161** and deposits maturing after 31st December 2017 will amount to **$4,538,286** (2015:**$170,892**).

13. Unpaid Matured Shares:

	31 December 2016	31 December 2015
Amounts due for unpaid matured shares	**$ 422,713**	**$ 442,475**

31 DECEMBER 2016

14. Members/Shareholders:

		31 December 2016		2015
Balance at beginning of year		$12,999,074		$10,413,175
Share purchases less withdrawals and transfers		1,805,679		2,015,174
		14,804,753		12,428,349
Dividends paid				
- 30 June – 2.5% (2015:2.5%)	323,134		267,537	
- 31 December – 2.5% (2015:2.5%)	360,629	683,763	303,188	570,725
		$15,488,516		**$12,999,074**

Members'/Shareholders' share balances are represented by members' share purchases less withdrawals and transfers, and accumulated dividends. In accordance with International Financial Reporting Interpretation Committee (IFRIC) Interpretation #2, these redeemable shares have been treated as liabilities.

15. Interest Earned:

		31 December 2016	2015
Mortgages (net)		$ 4,235,138	$ 3,432,856
Investments	- Long-term	586,449	492,897
	- Short-term	58,664	64,993
Share loans		57,143	55,327
		$ 4,937,394	**$ 4,046,073**

31 DECEMBER 2016

16. Other Income:

	31 December 2016	31 December 2015
Commission		
- NHA's assisted loans	$ 58,660	$ 57,401
- Insurance on TBLA's mortgages	18,631	9,132
- NHA's soft loans (interest)	2,129	2,125
	79,420	68,658
Rent	462,636	463,536
Interest on current account	553	1,866
Fees	114,575	117,752
Miscellaneous/other	138,799	45,912
	$ 795,983	**$ 697,724**

17. Interest Paid:

	Simple average 2016 %	Simple average 2015 %	31 December 2016	31 December 2015
Savings	0.5	0.5	$ 27,254	$ 25,082
Special deposits	2.0	2.0	245,138	158,616
Paid up shares	3.0	3.0	11,793	2,651
			$ 284,185	**$ 186,349**

31 DECEMBER 2016

18. Other Expenditure:

	31 December 2016		2015	
Staff remuneration	$1,265,373		$1,237,583	
National Insurance contributions	78,129		80,800	
Health Scheme contribution	26,638		26,610	
Pension Fund contribution	22,846		24,974	
Direct staff costs: 39% (2015:45%)		1,392,986		1,369,967
Staff expense and training	31,974		33,380	
Staff/Pensioners ex-gratia	3,000		3,000	
Staff uniforms	18,129		22,771	
Other staff costs: 1.5% (2015: 1.9%)		53,103		59,151
Total staff costs: 40% (2015:47%)		1,446,089		1,429,118
Management expenses **(Note 19)**	1,410,947		1,165,392	
Depreciation to furniture, equipment and motor vehicles	92,930		101,474	
Other operating expenses	74,671		77,225	
Audit fee	78,000		78,000	
Directors' fees	172,500		168,000	
Legal fees	15,200		10,653	
Bank interest and charges	24,867		14,529	
Bad debts written off	267,646		7,497	
		2,136,761		1,622,770
		$3,582,850		**$3,051,888**

31 DECEMBER 2016

19. Management Expenses:

	31 December 2016	31 December 2015
Telephone	$ 64,340	$ 50,692
Electricity	55,010	48,588
Professional services	190,944	150,382
Stamps, stationery and printing	17,761	25,803
Insurance - property	78,200	68,527
Property maintenance	232,597	164,875
Rates and taxes	12,422	10,009
Miscellaneous expenses	53,852	73,302
Insurance - equipment, burglaries, cash in transit, etc.	33,558	34,755
Advertising/Marketing/Promotion	202,915	225,987
Tea room expenses	21,533	19,023
Subscriptions and donations	18,285	25,181
Security guard cost	105,516	94,286
Transunion – Credit Investigation	14,351	21,918
Upkeep allowance	40,473	35,250
Computer software maintenance	129,213	111,414
Special events expenses	139,977	5,400
	$ 1,410,947	**$ 1,165,392**

20. Employees:

At 31 December 2016 the Association had in its employ a staff complements of 11 persons (2015:11).

21. Contingent Liabilities:

(i) Under the provisions of the Retrenchment and Severance Benefits Act 1985, an amount of approximately **$426,367** as at 31st December 2016 (2015: **$435,166**) would have been payable if the services of the employees of the Association were terminated. No provision is made for this contingent liability in these financial statements.

(ii) The Association has issued a 6.5% debenture with a face value of **$850,000** to its bankers as security for bank borrowings. This debenture is secured by a floating charge on all of the property of the Association both current and future.

31 DECEMBER 2016

22. Related Party Transactions:

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial decisions.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Association.

A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms at market rates.

Balances and transaction with related parties and key management personnel during the year were as follows:

	31 December	
	2016	**2015**
Assets		
Loans to key management personnel	$ 10,667	$ 16,244
Deposits and other liabilities		
Deposits held by directors and key management personnel	$ 372,251	$ 364,225
Shares held by directors and key management personnel	812,881	675,024
	$1,185,132	$1,039,249
Interest and other income		
Directors and key management personnel	$ 7,100	$ 6,143
Interest and other expenses		
Directors and key management personnel	$ 36,739	$ 31,894
Key management compensation		
Short-term benefits	$ 596,679	$ 606,844
Post employment benefits	9,726	11,440
	$ 606,405	$ 618,284

31 DECEMBER 2016

23. Fair Values:

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The existence of published price quotation in an active market is the best evidence of fair value. Where market prices are not available, fair values are estimated using various valuation techniques, including using recent arm's length market transactions between knowledgeable, willing parties, if available, current fair value of another financial instrument that is substantially the same and discounted cash flow analysis.

The following methods have been used to estimate the fair values of various classes of financial assets and liabilities:

a) Current assets and liabilities -

The carrying amounts of current assets and liabilities are a reasonable approximation of the fair values because of their short-term nature.

b) Members' loans -

Loans are net of specific provisions for losses. These assets result from transactions conducted under typical market conditions and their values are not adversely affected by unusual terms. The inherent rates of interest in the portfolio approximate market conditions and yield discounted cash flow values which are substantially in accordance with financial statement amounts.

c) Investments -

The fair values of investments are determined on the basis of market prices available at 31st December 2016.

d) Members' deposits -

Members' deposits bear interest at rates that are not significantly different from current rates and are assumed to have discounted cash flow values which approximate carrying values.

24. Capital Risk Management:

The Association manages its capital to ensure that it will be able to continue as a going concern while maximising the return to members, whilst providing value to its members by offering loan and savings facilities. The Association's overall strategy remains unchanged from previous years.

The capital structure of the Association consists of equity attributable to members, which comprises issued members shares and reserves.

31 DECEMBER 2016

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Highlights...

HAPPY MOTHER'S DAY - 2016.
Mrs. Ingrid Jordan-McIntosh, TBLA customer, was presented with a token of appreciation on Mother's Day from Petrina Copeland-James, Marketing Administrator-TBLA.

The membership at last year's AGM Meeting.

TBLA STAFF: From left - standing: Catherine Ramsaran, Kevin Carimbocas, Lucyann Henry, Leslie Nelson, Naresh Maharaj, Shivan Ramsubhag, Rochelle Smith, Annmarie John, Kevin Francis
From left -Sitting: Sandy Neemar, Petrina Copeland-James, Jennifer Phelps.

Testimonies from TBLA Subscription Shares customers

I feel privileged to be part of an organization that is caring, stable and strong. For an organization to be in existence this long (125)yrs it shows their financial strength and ability to withstand tough economic times. I am a very satisfied TBLA customer but my only regret is not being a member of this family earlier in my life.

Dilworth Campbell

TBLA is a caring, empathetic institution that seeks the customer interest. You feel as part of a family. Even with all the requirements for loans, staff always transact in a professional and humane manner. I wish the Association continued profitable growth and stability and I look forward to the creation of new products catering to the changing needs of the millennials.

Trevor Fung

TBLA's Board just before the unveiling of the 125th commemorative plaque at the Association's office on March 17, 2016.

TBLA

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