



**PKF**

Chartered Accountants  
& Business Advisors

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PKF LIMITED

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2023**



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Chartered Accountants  
& Business Advisors

PKF LIMITED

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

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### 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, 2023 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 utilized 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 authorized for issue, if later.

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

  
\_\_\_\_\_  
Signed:

Date: 09<sup>th</sup> April, 2024

  
\_\_\_\_\_  
Signed:

Date: 09<sup>th</sup> April, 2024



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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 31 December 2023 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 material 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 31 December 2023 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 2023 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.

PKF Limited is a member PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

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Directors: Renée-Lisa Philip Mark K. Superville Jenine Felician-Romain Darcel Corbin



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## INDEPENDENT AUDITORS' REPORT (Cont'd)

### 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.

### 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.



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## INDEPENDENT AUDITORS' REPORT (Cont'd)

### Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- 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 communicate 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.

### Report on Other Legal and Regulatory Requirements

In accordance with Section 45(2) of the Building Societies Act Chapter 33:04, we

- i verified that the accompanying financial statements are correct, duly vouched, and in accordance with law.
- ii inspected
  - the mortgage deeds and other securities belonging to the society; or
  - copies thereof certified correct by the Attorney-at-Law who prepared the same and the Registrar General's receipts for their registration, where such mortgage deeds or securities have been registered with the Registrar General.
- iii state one hundred and seventy-three (173) as the number of properties with respect to which we have certified in accordance with paragraph (ii), that we inspected the mortgage deeds and other securities or copies thereof.


Barataria  
TRINIDAD  
9 April 2024


## THE TRINIDAD BUILDING AND LOAN ASSOCIATION

## STATEMENT OF FINANCIAL POSITION

	<u>Notes</u>	31 December	
		<u>2023</u> (\$)	<u>2022</u> (\$)
<b>Assets:</b>			
Cash and cash equivalents	5	10,148,082	9,702,227
Accounts receivable and prepayments	6	1,151,516	1,335,491
Investments	7	<u>6,798,187</u>	<u>9,203,895</u>
		18,097,785	20,241,613
Mortgages	8	67,944,550	67,191,837
Land loans	9	6,603,278	6,385,049
Fixed assets	10	10,133,043	11,143,085
Right of use of assets	11	<u>29,774</u>	<u>-</u>
Total Assets		<u>102,808,430</u>	<u>104,961,584</u>
<b>Liabilities:</b>			
Accounts payable and accruals	12	4,627,436	4,433,657
Lease liability	11	25,446	-
Depositors	13	20,726,935	19,472,843
Unpaid matured shares	14	1,514,293	1,176,402
Members/Shareholders	15	16,363,761	19,452,557
Loan payable	16	<u>5,000,000</u>	<u>5,000,000</u>
Total Liabilities		<u>48,257,871</u>	<u>49,535,459</u>
Net Assets		<u>54,550,559</u>	<u>55,426,125</u>
<b>Financed by:</b>			
Dividend reserve		5,633,402	6,276,948
Capital reserve		7,570,752	8,570,752
Investment remeasurement reserve		54,210	(478,402)
Revenue reserve		27,658,237	27,422,869
Special reserve fund		<u>13,633,958</u>	<u>13,633,958</u>
Total Funds		<u>54,550,559</u>	<u>55,426,125</u>

These financial statements were approved by the Board of Directors and authorised for issue on 9 April 2024 and signed on their behalf by

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary

(The accompanying notes form part of these financial statements)

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**  
**STATEMENT OF COMPREHENSIVE INCOME**

	<u>Notes</u>	31 December	
		<u>2023</u> (\$)	<u>2022</u> (\$)
Interest earned	17	5,534,927	5,423,678
Other income	18	<u>617,977</u>	<u>706,924</u>
Total income		<u>6,152,904</u>	<u>6,130,602</u>
Interest paid	19	590,689	569,873
Other expenditure	20	<u>4,385,375</u>	<u>4,111,492</u>
Total expenditure		<u>4,976,064</u>	<u>4,681,365</u>
Net surplus for the year		1,176,840	1,449,237
Other Comprehensive Income:			
<u>Items that will not be reclassified subsequently to profit and loss</u>			
Net fair value gain/(loss) on financial assets classified as fair value through other comprehensive income		<u>532,612</u>	<u>(900,001)</u>
<b>Total comprehensive income for the year</b>		<b><u>1,709,452</u></b>	<b><u>549,236</u></b>

(The accompanying notes form part of these financial statements)



**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**  
**STATEMENT OF CHANGES IN FUNDS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	<u>Dividend Reserve</u> (\$)	<u>Capital Reserve</u> (\$)	<u>Investment Remeasurement Reserve</u> (\$)	<u>Revenue Reserve</u> (\$)	<u>Special Reserve Fund</u> (\$)
Balance, 1 January 2022	5,964,260	8,570,752	421,599	27,133,022	13,633,958
Total comprehensive income for the year	-	-	(900,001)	1,449,237	-
Dividend Reserve Additions	434,771	-	-	(434,771)	-
Reserve Adjustment	(122,083)	-	-	122,083	-
Interim dividend June: 2.0%	-	-	-	(381,240)	-
Final dividend December: 2.5%	<u>-</u>	<u>-</u>	<u>-</u>	<u>(465,462)</u>	<u>-</u>
Balance, 31 December 2022	<u><u>6,276,948</u></u>	<u><u>8,570,752</u></u>	<u><u>(478,402)</u></u>	<u><u>27,422,869</u></u>	<u><u>13,633,958</u></u>
Balance, 1 January 2023	6,276,948	8,570,752	(478,402)	27,422,869	13,633,958
Total comprehensive income for the year	-	-	532,612	1,176,840	-
Revaluation of Building	-	(1,000,000)	-	-	-
Dividend Reserve Additions	353,052	-	-	(353,052)	-
Reserve Adjustment	(996,598)	-	-	996,598	-
Interim dividend June: 2.5%	-	-	-	(411,919)	-
Special Approved Dividend	-	-	-	(785,847)	-
Final dividend December: 2.5%	<u>-</u>	<u>-</u>	<u>-</u>	<u>(387,252)</u>	<u>-</u>
Balance, 31 December 2023	<u><u>5,633,402</u></u>	<u><u>7,570,752</u></u>	<u><u>54,210</u></u>	<u><u>27,658,237</u></u>	<u><u>13,633,958</u></u>

(The accompanying notes form part of these financial statements)

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**STATEMENT OF CASH FLOWS**

	<b>31 December</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
	(\$)	(\$)
<b>Cash flows from operating activities:</b>		
Net surplus for the year	1,176,840	1,449,237
Expected credit loss on financial assets - mortgages	208,340	(363,223)
Expected credit loss on financial assets - investments	525	-
Depreciation – lease assets	2,091	-
Interest portion of lease liability	442	-
Depreciation – fixed assets	<u>131,152</u>	<u>153,756</u>
Operating profit before changes in operating assets	1,519,390	1,239,770
Net change in accounts receivable and prepayments	183,975	254,423
Net change in accounts payable and accruals	<u>193,779</u>	<u>320,022</u>
Net cash provided by operating activities	<u>1,897,144</u>	<u>1,814,215</u>
<b>Cash flows from investment activities:</b>		
Net change in land loans	(218,229)	836,817
Net change in investments	2,937,795	1,706,281
Net change in mortgages from members	(961,053)	1,096,685
Lease assets additions	(31,865)	-
Fixed assets additions	<u>(121,110)</u>	<u>(53,369)</u>
Net cash provided by investing activities	<u>1,605,538</u>	<u>3,586,414</u>
<b>Cash flows from financing activities:</b>		
Net change in depositors	1,254,092	(1,476,317)
Net change in members' balances	337,891	621,064
Net change in amounts due to shareholders	(3,088,796)	(1,917,784)
Net change in lease liabilities	25,004	-
Dividends paid	<u>(1,585,018)</u>	<u>(846,702)</u>
Net cash used in financing activities	<u>(3,056,827)</u>	<u>(3,619,739)</u>
Net change in cash and cash equivalents	445,855	1,780,890
Cash and cash equivalents, beginning of the year	<u>9,702,227</u>	<u>7,921,337</u>
Cash and cash equivalents, end of the year	<u><b>10,148,082</b></u>	<u><b>9,702,227</b></u>

(The accompanying notes form part of these financial statements)

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2023****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 Janelle Commissioning Street, Port of Spain.

**2. Summary of Material 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 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 applied the following standard that has been issued and effective as they do apply to the activities of the Association:

**IAS 1 - Presentation of Financial Statements –**

Amendments regarding the disclosure of accounting policies (effective for accounting periods beginning on or after 1 January 2023). The Association is now required to disclose its accounting policy information instead of its accounting policies. The amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial. The amendments also indicates that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**2. Summary of Material 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 but are not yet effective as they:

- do not apply to the activities of the Association;
- have no material impact on its financial statements; or
- have not been early adopted by the entity.

IFRS 4	Insurance Contracts - Amendments regarding IFRS 17 and the extension of the temporary exemption from applying IFRS 9 (effective for accounting periods beginning on or after 1 January 2023).
IFRS 16	Leases - Amendments clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale (effective for accounting periods beginning on or after 1 January 2024).
IFRS 17	Insurance Contracts (effective for accounting periods beginning on or after 1 January 2023).
IAS 1	Presentation of Financial Statements - Amendments regarding non-current liabilities with covenants (effective for accounting periods beginning on or after 1 January 2024).
IAS 7	Statement of Cash Flows – Amendments to address disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk (effective for accounting periods beginning on or after 1 January 2024).
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates (effective for accounting periods beginning on or after 1 January 2023).
IAS 12	Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations (effective for accounting periods beginning on or after 1 January 2023).
IAS 12	Income Taxes – Amendments to introduce an exception to the requirements in the standard that an entity does not recognise and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes (effective for accountability periods beginning on or after 1 January 2023).
IAS 21	Effects of Changes in Foreign Exchange rates – Amendments to lack of exchangeability. (effective for accountability periods beginning on or after 1 January 2023).

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**2. Summary of Material Accounting Policies (Cont'd):**

**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% to 33 1/3%	Machines	- 10%
Office furniture	- 15%		

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.

**(e) Financial Leases -**

A lease is the right to control the use of an identified asset for a period of time in exchange for consideration. If a lease exists, a lease liability is determined by discounting the lease payments using the interest rate inherent in the lease or the Company's incremental borrowing rate. The lease liability is subsequently affected by interest on the lease, lease payments made and remeasurement on account of changes in the lease payment.

A right of use asset (RoUA) is determined at the amount equivalent to the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs and any asset dismantling costs, if such a liability exists. The entity uses the cost model where the right of use asset will be subsequently depreciated in accordance with IAS 16.

The RoUA is depreciated over the life of the lease.

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2023****2. Summary of Material Accounting Policies (Cont'd):****f) Financial Instruments -**

All recognised financial assets that are within the scope of International Financial Reporting Standard (IFRS) 9 are required to be subsequently measured at amortised cost or fair value on the basis of:

- (i) the entity's business model for managing the financial assets; and
- (ii) the contractual cash flow characteristics of the financial assets.

The Association reassess its business models each reporting period to determine whether they have changed. No such changes have been identified for the current year.

Principal is the fair value of the financial asset at initial recognition. Interest is consideration for the time value of money and for credit and other risks associated with the principal outstanding. Interest also has a profit margin element.

**Initial measurement**

All financial instruments are initially measured at the fair value of consideration given or received.

The Association measures fair values in accordance with IFRS 13, which defines fair value as 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. The Association uses a fair value hierarchy that categorises valuation techniques into three levels:

- (i) Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Assets and liabilities are classified as Level 1 if their value is observable in an active market. The use of observable market prices and model inputs, when available, reduces the need for management judgement and estimation, as well as the uncertainty related with the estimated fair value.
- (ii) Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability.
- (iii) Level 3 inputs are unobservable inputs. Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data.

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2023****2. Summary of Material Accounting Policies (Cont'd):****f) Financial Instruments (cont'd) -****Subsequent measurement**

Those financial assets such as members' loans and receivables, which are held within a business model with the sole objective of collecting contractual cash flows which comprise principal and interest only, are subsequently measured at amortised cost. Gains/losses arising on remeasurement of such financial assets are recognised in profit or loss as movements in Expected Credit Loss. When a financial asset measured at amortised cost is derecognised, the gain/loss is reflected in profit or loss.

Those financial assets such as bonds, which are held within a business model with the objectives of (i) collecting contractual cash flows which comprise principal and interest only, as well as (ii) selling the financial assets, are subsequently measured at Fair Value Through Other Comprehensive Income (FVTOCI). Gains/losses arising on remeasurement of such financial assets are recognised in OCI as *'Items that may be reclassified subsequently to P&L'* and are called *'Net FV gain/(loss) on financial assets classified as at FVOCI'*.

All other financial assets are subsequently measured at Fair Value Through Profit and Loss (FVTPL), except for equity investments, which the Association has opted, irrevocably, to measure at FVTOCI. Gains/losses arising on remeasurement of such financial assets are recognised in profit or loss as *'Net FV gain/(loss) on financial assets classified at FVTPL'*. When a financial asset measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss.

Gains/losses arising on remeasurement of equity investments, which the Association has opted, irrevocably, to measure at FVTOCI, are recognised in OCI as *'Items that may not be reclassified subsequently to P&L'* and are called *'Net FV gain/(loss) on equity financial assets classified as at FVOCI'*. When an equity investment measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but instead, transferred within equity.

**Reclassification**

If the business model under which the Association holds financial assets changes, the financial assets affected are reclassified accordingly from the first day of the first reporting period following the change in business model. Equity instruments which the Association opted to treat at FVTOCI cannot be reclassified.

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**2. Summary of Material Accounting Policies (Cont'd):**

**f) Financial Instruments (cont'd) -**

**Impairment**

Financial assets are amortised costs are impaired at one of two levels:

- (i) Twelve-month Expected credit loss (ECL) - These are losses that result from default events that are possible within twelve months after the reporting date. Such financial assets are at 'Stage 1'.
- (ii) Lifetime ECL - These are losses that result from all possible default events over the life of the financial instrument. Such financial assets are at 'Stage 2' or 'Stage 3'.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the twelve-month ECL.

ECL is a probability-weighted estimate of the present value of credit losses, measured as the present value of the difference between (i) the cash flows due to the Association under contract; and (ii) the cash flows that the Association expects to receive, discounted at the asset's effective interest rate.

**Performing financial assets – Stage 1**

For performing assets and those expected to perform normally, the loss allowance is the 12-month expected credit loss and is done immediately at initial recognition of asset.

**Significant increase in credit risk – Stage 2**

When an asset becomes 30 days past due, the Association considers that a significant increase in credit risk has occurred and the asset is deemed to be at Stage 2 and the loss allowance is measured as the lifetime ECL.

**Credit-impaired financial assets – Stage 3**

A financial asset is 'credit-impaired' when events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about one or more of the following events:

- (i) significant financial difficulty of the borrower or issuer;
- (ii) a breach of contract such as a default or past due event;
- (iii) granted to the borrower of a concession that the lender would not otherwise consider;



**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**2. Summary of Material Accounting Policies (Cont'd):**

**f) Financial Instruments (cont'd) -**

**Credit-impaired financial assets – Stage 3 (cont'd)**

- (iv) the disappearance of an active market for a security because of financial difficulties; or
- (v) the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

The Association assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date. There is a rebuttable presumption that financial assets that are in defaulted for more than ninety (90) days are credit impaired. The Association also considers a financial asset to be credit impaired if the borrower is unlikely to pay its credit obligation. To determine this, the Association takes into account both qualitative indicators such as unemployment, bankruptcy, divorce or death and quantitative indicators, such as overdue status. The Association used its historical experience and forward-looking information that is available without undue cost or effort. If there has been a significant increase in credit risk the Association will measure the loss allowance based on lifetime rather than twelve-month ECL.

The Society's financial assets at amortised cost include the cash and cash equivalents, trade and other receivables, investments and Mortgages and land loans.

**Modification and Derecognition of Financial Assets**

The Association renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. This occurs particularly where, although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened. The revised terms usually include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan and /or a reduction in the amount of cash flows due. When a financial asset is modified, the Association assesses whether this modification results in derecognition of the original loan, such as when the renegotiation gives rise to substantially different terms.

In the case where the financial asset is derecognised, the new financial asset will have a loss allowance measured based on twelve-month ECL. If, however, there remains a high risk of default under the renegotiated terms, the loss allowance will be measured based on lifetime ECL.

When the modification does not result in derecognition, the Association will measure loss allowance at an amount equal to lifetime ECL.

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2023****2. Summary of Material Accounting Policies (Cont'd):****f) Financial Instruments (cont'd) -****Measurement of ECL**

The key inputs used for measuring ECL are:

- (i) probability of default (PD);
- (ii) loss given default (LGD); and
- (iii) exposure at default (EAD).

The Association measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The Association's financial instruments are grouped on the basis of shared risk characteristics, such as:

- (i) credit risk grade;
- (ii) collateral type;
- (iii) date of initial recognition;
- (iv) remaining term to maturity;
- (v) industry;
- (vi) geographic location of the borrower;
- (vii) income bracket of the borrower; and
- (viii) the value of collateral relative to the financial asset.

The groupings are reviewed on a regular basis to ensure that each grouping is comprised of homogenous exposures.

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**2. Summary of Material Accounting Policies (Cont'd):**

**f) Financial Instruments (cont'd) -**

**Measurement of ECL (cont'd)**

An analysis of the Association's credit risk exposure without taking into account the effects of collateral is provided in the following tables. The amounts in the table represent gross carrying amounts.

<b>Loans</b>	<b>Stage 1 12 mth ECL (\$)</b>	<b>Stage 2 Lifetime ECL (\$)</b>	<b>Stage 3 Lifetime ECL (\$)</b>	<b>Total (\$)</b>
Low risk	62,830,252	-	-	62,830,252
Medium Risk	-	-	-	-
Substandard	-	-	1,177,845	1,177,845
Doubtful	-	-	816,407	816,407
Impaired	-	365,178	10,432,467	10,797,645
<b>Total gross carrying amount</b>	<b><u>62,830,252</u></b>	<b><u>365,178</u></b>	<b><u>12,426,719</u></b>	<b><u>75,622,149</u></b>

The table below analyses the movement of the loss allowance on loans to members at amortised cost during the year.

	<b>Stage 1 (\$)</b>	<b>Stage 2 (\$)</b>	<b>Stage 3 (\$)</b>	<b>Total (\$)</b>
Loss allowance, beginning of year	12,173	0	853,809	865,982
Increase due to changes in credit risk	6,102	12,675	189,563	208,340
Write-offs	-	-	-	-
Loss allowance on derecognised loans	-	-	-	-
<b>Loss allowance, end of year</b>	<b><u>18,275</u></b>	<b><u>12,675</u></b>	<b><u>1,043,372</u></b>	<b><u>1,074,322</u></b>

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**2. Summary of Material Accounting Policies (Cont'd):**

**f) Financial Instruments (cont'd) -**

**Collateral held as security**

The Association holds the following types of collateral to mitigate credit risk associated with financial assets:

General loans	Shares in the Association
Mortgage lending *	Deed of Mortgage on property

\*The Association holds properties as collateral for the mortgage loans it grants to its members. The value of the collateral for mortgage loans is typically based on the collateral value at origination, updated based on changes in property prices. For credit-impaired loans, the value of collateral is based on the most recent appraisals.

**Assets obtained by taking possession of collateral**

The Association obtained the following assets during the year by taking possession of collateral held as security against loans held at the year end. The Association's policy is to realise collateral on a timely basis.

Shares	-
Property	2,150,000
Motor Vehicles	<u>-</u>
 Total assets obtained by taking possession of collateral	 <u>2,150,000</u>

**Write-off**

Loans and receivables are written off when the Association has no reasonable expectations of recovering the financial asset, for example, when the Association determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay. A write-off constitutes a derecognition event. Subsequent recoveries resulting from the Association's enforcement activities will result in gains.

**Financial liabilities**

Since the Association does not trade in financial liabilities, and since there are no measurement or recognition inconsistencies, all financial liabilities are initially measured at fair value, net of transaction costs and subsequently, at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount on initial recognition. Financial liabilities recognised at amortised cost are not reclassified.

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2023****2. Summary of Material Accounting Policies (Cont'd):****g) 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.

**h) 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.

**i) 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 dated 20 September 2022, which was carried out as at 31 December 2021, revealed that the value of the assets exceeded the liabilities by **\$22,106,000**.

**j) 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. Non-performing loans are amounts for which interest no longer continues to be accrued and taken into income on an ongoing basis because there is doubt as to the recoverability of the loans. Income from non-performing loans is taken into income on a cash basis after 3 months, but only after prior specific provisions for losses have been made.
- (b)** Other income is dealt with on the receipts basis.

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

## THE TRINIDAD BUILDING AND LOAN ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Summary of Material 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 income 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:

	2023	
	<u>Carrying Value</u> (\$)	<u>Fair Value</u> (\$)
<b>Financial Assets</b>		
Cash and cash equivalents	10,148,082	10,148,082
Accounts receivable and prepayments	1,151,516	1,151,516
Investments	6,798,187	6,798,187
Mortgages and land loans	74,547,828	74,547,828
<b>Financial Liabilities</b>		
Accounts payable and accruals	4,627,436	4,627,436
Depositors	20,726,935	20,726,935
Members/Shareholders	16,363,761	16,363,761
Lease liability	25,446	25,446

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**3. Financial Risk Management:**

**Financial risk factors (Cont'd)**

	2022	
	<u>Carrying Value</u>	<u>Fair Value</u>
	(\$)	(\$)
<b>Financial Assets</b>		
Cash and cash equivalents	9,702,227	9,702,227
Accounts receivable and prepayments	1,335,491	1,335,491
Investments	9,203,895	9,203,895
Mortgages and land loans	73,576,886	73,576,886
<b>Financial Liabilities</b>		
Accounts payable and accruals	4,433,657	4,433,657
Depositors	19,472,843	19,472,843
Members/Shareholders	19,452,557	19,452,557

**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 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 deposits and members' shares.

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**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.

		<b>2023</b>					
	<b>Effective Rate</b>	<b>Up to 1 year (\$)</b>	<b>1 to 5 years (\$)</b>	<b>Over 5 years (\$)</b>	<b>Non-Interest Bearing (\$)</b>	<b>Total (\$)</b>	
<b>Financial Assets</b>							
Cash and cash equivalents	0.00-1.61%	10,148,082	-	-	-	10,148,082	
Accounts receivable and prepayments	0.0%	-	-	-	1,151,516	1,151,516	
Investments	1.50-6.55%	2,837,334	3,960,853	-	-	6,798,187	
Mortgages and land loans	5.00-12.50%	<u>62,611</u>	<u>4,867,782</u>	<u>69,617,435</u>	-	<u>74,547,828</u>	
		<u><b>13,048,027</b></u>	<u><b>8,828,635</b></u>	<u><b>69,617,435</b></u>	<u><b>1,151,516</b></u>	<u><b>92,645,613</b></u>	
<b>Financial Liabilities</b>							
Accounts payable and accruals	0.25-4.25%	-	-	-	4,627,436	4,627,436	
Depositors	0.25-3.50%	20,726,935	-	-	-	20,726,935	
Members/Shareholders	5.00%	<u>52,885</u>	<u>95,678</u>	<u>16,215,198</u>	-	<u>16,363,761</u>	
		<u><b>20,779,820</b></u>	<u><b>95,678</b></u>	<u><b>16,215,198</b></u>	<u><b>4,627,436</b></u>	<u><b>41,718,132</b></u>	
		<b>2022</b>					
	<b>Effective Rate</b>	<b>Up to 1 year (\$)</b>	<b>1 to 5 years (\$)</b>	<b>Over 5 years (\$)</b>	<b>Non-Interest Bearing (\$)</b>	<b>Total (\$)</b>	
<b>Financial Assets</b>							
Cash and cash equivalents	0.00-1.61%	9,702,227	-	-	-	9,702,227	
Accounts receivable and prepayments	0.0%	-	-	-	1,335,491	1,335,491	
Investments	1.50-6.55%	5,243,122	3,960,773	-	-	9,203,895	
Mortgages and land loans	5.00-12.50%	<u>1,248,312</u>	<u>5,442,403</u>	<u>66,886,171</u>	-	<u>73,576,886</u>	
		<u><b>16,193,661</b></u>	<u><b>9,403,176</b></u>	<u><b>66,886,171</b></u>	<u><b>1,335,491</b></u>	<u><b>93,818,499</b></u>	
<b>Financial Liabilities</b>							
Accounts payable and accruals	0.25-3.50%	-	-	-	4,433,657	4,433,657	
Depositors	0.25-3.50%	19,472,843	-	-	-	19,472,843	
Members/Shareholders	4.50%	<u>75,699</u>	<u>525,341</u>	<u>18,851,517</u>	-	<u>19,452,557</u>	
		<u><b>19,548,542</b></u>	<u><b>525,341</b></u>	<u><b>18,851,517</b></u>	<u><b>4,433,657</b></u>	<u><b>43,359,057</b></u>	



**THE TRINIDAD BUILDING AND LOAN ASSOCIATION****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2023****3. Financial Risk Management (Cont'd):****b) Credit risk -**

Credit risk is the risk that a member will default on his contractual obligations resulting in financial loss to the Association. Credit risk mainly arises from loans, and because it represents the Association's main income generating activity, credit risk is the principal risk for the Association.

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.

**Credit risk management**

The Association's credit committee is responsible for managing the Association's credit risk by:

- (i) ensuring that the Association has appropriate credit risk practices, including an effective system of internal control, to consistently determine adequate allowances in accordance with the Association's policies and procedures, International Financial Reporting Standards and relevant supervisory guidance.
- (ii) identifying, assessing and measuring credit risk across the Association, from an individual financial instrument to the portfolio level.
- (iii) creating credit policies to protect the Association against the identified risks, including the obtaining collateral from borrowers, performing robust ongoing credit assessment of borrowers, and continually monitor exposures.

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

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

**b) Credit risk (cont'd) -**

**Credit risk management (cont'd)**

- (iv) ensuring that the Association has appropriate credit risk practices, including an effective system of internal control, to consistently determine adequate allowances in accordance with the Association's policies and procedures, International Financial Reporting Standards and relevant supervisory guidance.
- (v) identifying, assessing and measuring credit risk across the Association, from an individual financial instrument to the portfolio level.
- (vi) creating credit policies to protect the Association against the identified risks, including the obtaining collateral from borrowers, performing robust ongoing credit assessment of borrowers, and continually monitor exposures.
- (vii) as far as possible, limiting concentrations of exposure by type of loan, industry, credit rating, geographic location, etc.
- (viii) establishing a robust control mechanism for loan approval.
- (ix) categorising exposures according to the degree of risk of default.
- (x) developing and maintaining processes for measuring ECL.
- (xi) providing guidance to promote best practice in the management of risk.

The internal audit function performs regular audits making sure that the established controls and procedures are adequately designed and implemented.

**Significant increase in credit risk**

The Association presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than thirty (30) days past due, unless the Association has reasonable and supportable information that demonstrates otherwise. The Association has monitoring procedures to ensure that significant increase in credit risk is identified before default occurs.

**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 TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

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

**c) Liquidity risk (cont'd) -**

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 deposits and shares.

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

**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.

	<b>2023</b>			
	<u>Up to 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
	(\$)	(\$)	(\$)	(\$)
<b>Financial Assets</b>				
Cash and cash equivalents	10,148,082	-	-	10,148,082
Accounts receivable and prepayments	1,151,516	-	-	1,151,516
Investments	2,837,334	3,960,853	-	6,798,187
Mortgages and land loans	<u>62,611</u>	<u>4,867,782</u>	<u>69,617,435</u>	<u>74,547,828</u>
	<u><b>14,199,543</b></u>	<u><b>8,828,635</b></u>	<u><b>69,617,435</b></u>	<u><b>92,645,613</b></u>
<b>Financial Liabilities</b>				
Accounts payable and accruals	4,627,436	-	-	4,627,436
Depositors	20,726,935	-	-	20,726,935
Members/Shareholders	<u>52,885</u>	<u>95,678</u>	<u>16,215,198</u>	<u>16,363,761</u>
	<u><b>25,407,256</b></u>	<u><b>95,678</b></u>	<u><b>16,215,198</b></u>	<u><b>41,718,132</b></u>

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

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

**c) Liquidity risk (cont'd) -**

**ii) Liquidity gap (cont'd)**

	<b>2022</b>			
	<b><u>Up to 1 year</u></b>	<b><u>1 to 5 years</u></b>	<b><u>Over 5 years</u></b>	<b><u>Total</u></b>
	(\$)	(\$)	(\$)	(\$)
<b>Financial Assets</b>				
Cash and cash equivalents	9,702,227	-	-	9,702,227
Accounts receivable and prepayments	1,335,491	-	-	1,335,491
Investments	5,243,122	3,960,773	-	9,203,895
Mortgages and land loans	<u>1,248,312</u>	<u>5,442,403</u>	<u>66,886,171</u>	<u>73,576,886</u>
	<b><u>17,529,152</u></b>	<b><u>9,403,176</u></b>	<b><u>66,886,171</u></b>	<b><u>93,818,499</u></b>
<b>Financial Liabilities</b>				
Accounts payable and accruals	4,433,657	-	-	4,433,657
Depositors	19,472,843	-	-	19,472,843
Members/Shareholders	<u>75,699</u>	<u>525,341</u>	<u>18,851,517</u>	<u>19,452,557</u>
	<b><u>23,982,199</u></b>	<b><u>525,341</u></b>	<b><u>18,851,517</u></b>	<b><u>43,359,057</u></b>

**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.

## THE TRINIDAD BUILDING AND LOAN ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**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 Fair Value through Profit and Loss, Fair Value through Other Comprehensive Income or Amortised Cost.
- ii) Which depreciation method for fixed assets is used.
- iii) Which rates are used for fixed assets
- iv) Business model assessment:

The Association reassess its business models each reporting period to determine whether they continue to be appropriate and if there need to be a prospective change to the classification of financial assets. This assessment includes judgement regarding:

- how the performance of the assets is evaluated and measured; and
- the risks that affect the performance of the assets and how these risks are managed.

- v) Significant increase of credit risk:  
The Association computes twelve-month ECL for Stage 1 assets and lifetime ECL for Stage 2 or Stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Assessing whether there has been a significant increase in credit risk required judgement takes into account reasonable and supportable forward-looking information.
- vi) Establishing groups of assets with similar credit risk characteristics:  
When ECL is measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Association monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. Judgement is required in determining whether and when to move assets between portfolios.

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

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

vii) **Valuation models and assumptions used:**

The Association uses various valuation models and assumptions in measuring the fair value of financial assets, as well as in estimating ECL. Judgement is applied in identifying the most appropriate valuation model for each type of asset, as well as in determining the assumptions to be used for each model.

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) **Probability of default (PD)**

PD is an estimate of the likelihood of default over a given period of time, the calculation of which includes historical data, assumptions and expectations of future conditions. PD constitutes a key input in measuring ECL.

iii) **Loss Given Default (LGD)**

LGD is an estimate of the percentage loss arising on default, and is based on the difference between the contractual cash flows due and those that the Association would reasonably expect to receive, taking into account cash flows from collateral. It requires forecasting the future valuation of collateral taking into account sale discounts, the time and cost associated with realising collateral and seniority of claim. LGD is a key input in measuring ECL.

iv) **Fair value measurement and valuation process**

In estimating the fair value of a financial asset or a liability, the Association uses market-observable data to the extent it is available. Where such Level 1 inputs are not available, the Association uses valuation models to determine the fair value of its financial instruments.

v) **Exposure at Default (EAD)**

EAD is an estimate of the total loss incurred when a member defaults, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest. EAD is a key input in measuring ECL.

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

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

vi) 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	
	<u>2023</u> (\$)	<u>2022</u> (\$)
Cash on hand	40,000	40,000
First Citizens Bank Limited	1,173,285	1,166,504
RBTT Bank Limited	735,964	904,160
Trinidad and Tobago Unit Trust Corporation	6,113,524	6,032,146
First Citizens Bank Limited - Abercrombie Fund	500,970	-
Guardian Asset Management	<u>1,584,339</u>	<u>1,559,417</u>
	<u><b>10,148,082</b></u>	<u><b>9,702,227</b></u>

As at 31 December 2023, cash and cash equivalents comprise 10% (2023 – 9%) of total assets.

**6. Accounts Receivable and Prepayments:**

	31 December	
	<u>2023</u> (\$)	<u>2022</u> (\$)
Accrued commissions and interest on loans	254,195	1,034,590
Interest receivable	574,429	73,564
Staff loans	40,919	36,970
Prepayments	21,216	38,503
Judgement debtors	338,132	315,028
Other	<u>(77,375)</u>	<u>(163,164)</u>
	<u><b>1,151,516</b></u>	<u><b>1,335,491</b></u>

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**7. Investments:**

	31 December	
	<u>2023</u> (\$)	<u>2022</u> (\$)
<b>Financial assets at fair value through other comprehensive income –</b>		
ROYTRIN Income and Growth Fund	2,682,031	4,052,104
<b>Amortised Cost –</b>		
Caribbean Finance Company Ltd 4.25% - Maturity May '20	155,828	150,579
Government of Trinidad and Tobago Fixed Bond 5.95% - Maturity April '23	-	1,040,439
Government of Trinidad and Tobago Fixed Bond - Maturity April '28	1,980,494	1,976,557
NIPDEC TT\$750M Fixed Rate Bond 6.55% - Maturity April '30	2,030,912	2,034,769
<b>Allowance for expected credit loss -</b>	<u>(51,078)</u>	<u>(50,553)</u>
	<u><b>6,798,187</b></u>	<u><b>9,203,895</b></u>
<b>Allowance for expected credit loss -</b>		
Balance brought forward	50,553	50,553
Change in expected credit loss	<u>525</u>	<u>-</u>
Balance carried forward	<u><u>51,078</u></u>	<u><u>50,553</u></u>



**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**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).

	<b>31 December</b>	
	<u><b>2023</b></u> (\$)	<u><b>2022</b></u> (\$)
On 55 Mortgages where the debt does not exceed <b>\$10,000</b> (2022: 53)	101,415	86,754
On 15 Mortgages where the debt exceeds <b>\$10,000</b> and does not exceed <b>\$25,000</b> (2022: 14)	291,093	274,863
On 16 Mortgages where the debt exceeds <b>\$25,000</b> and does not exceed <b>\$50,000</b> (2022: 14)	575,745	525,987
On 11 Mortgages where the debt exceeds <b>\$50,000</b> and does not exceed <b>\$100,000</b> (2022: 19)	834,300	1,303,171
On 142 Mortgages where the debt exceeds <b>\$100,000</b> Section 45(1) (b) (2022: 142)	67,458,375	66,141,347
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 0 Mortgages (2022: 0)	-	-
Total Mortgages 239 (2022: 242)	69,260,928	68,332,122
Less: Accrued interest on demand loans	(242,056)	(274,303)
Allowance for Expected Credit Loss	<u>(1,074,322)</u>	<u>(865,982)</u>
	<u><b>67,944,550</b></u>	<u><b>67,191,837</b></u>
<b>Allowance for expected credit loss -</b>		
Balance brought forward	865,982	1,229,205
Change in expected credit loss	208,340	(363,223)
Bad debts written-off	-	-
Balance carried forward	<u><u>1,074,322</u></u>	<u><u>865,982</u></u>

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**8. Mortgages (Cont'd):**

The probabilities of various outcomes were taken into consideration in the estimations used to calculate the Expected Credit Loss (ECL) for 2022 and 2023. A major factor was the economic environment which was negatively impacted by low oil prices and the COVID-19 pandemic.

**9. Land Loans:**

	<b>31 December</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
	(\$)	(\$)
Balance brought forward	6,385,049	7,221,866
New loans during the year	218,229	-
Repayments during the year	<u>-</u>	<u>(836,817)</u>
Balance carried forward	<u><b>6,603,278</b></u>	<u><b>6,385,049</b></u>

**10. Fixed Assets:**

Cost	<b><u>Freehold Properties</u></b>	<b><u>Motor Vehicles</u></b>	<b><u>Office Equipment and Fittings</u></b>	<b><u>Total</u></b>
	(\$)	(\$)	(\$)	(\$)
Balance, 1 January 2023	10,400,000	166,278	2,793,709	13,359,987
Additions			121,110	121,110
Revaluation	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>
Balance, 31 December 2023	<u>9,400,000</u>	<u>166,278</u>	<u>2,914,819</u>	<u>12,481,097</u>
<b>Accumulated Depreciation</b>				
Balance, 1 January 2023	-	166,275	2,050,627	2,216,902
Charge for the year	<u>-</u>	<u>-</u>	<u>131,152</u>	<u>131,152</u>
Balance, 31 December 2023	<u>-</u>	<u>166,275</u>	<u>2,181,779</u>	<u>2,348,054</u>
<b>Net Book Value</b>				
Balance, 31 December 2023	<u><b>9,400,000</b></u>	<u><b>3</b></u>	<u><b>733,040</b></u>	<u><b>10,133,043</b></u>
Balance, 31 December 2022	<u><b>10,400,000</b></u>	<u><b>3</b></u>	<u><b>743,082</b></u>	<u><b>11,143,085</b></u>

## THE TRINIDAD BUILDING AND LOAN ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

10. Fixed Assets (Cont'd):

<b>Cost</b>	<b><u>Freehold Properties</u> (\$)</b>	<b><u>Motor Vehicles</u> (\$)</b>	<b><u>Office Equipment and Fittings</u> (\$)</b>	<b><u>Total</u> (\$)</b>
Balance, 1 January 2022	10,400,000	166,278	2,740,340	13,306,618
Additions	<u>-</u>	<u>-</u>	<u>53,369</u>	<u>53,369</u>
Balance, 31 December 2022	<u>10,400,000</u>	<u>166,278</u>	<u>2,793,709</u>	<u>13,359,987</u>
<b>Accumulated Depreciation</b>				
Balance, 1 January 2022	-	166,275	1,896,871	2,063,146
Charge for the year	<u>-</u>	<u>-</u>	<u>153,756</u>	<u>153,756</u>
Balance, 31 December 2022	<u>-</u>	<u>166,275</u>	<u>2,050,627</u>	<u>2,216,902</u>
<b>Net Book Value</b>				
Balance, 31 December 2022	<u><u>10,400,000</u></u>	<u><u>3</u></u>	<u><u>743,082</u></u>	<u><u>11,143,085</u></u>
Balance, 31 December 2021	<u><u>10,400,000</u></u>	<u><u>3</u></u>	<u><u>843,469</u></u>	<u><u>11,243,472</u></u>

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**11. Lease Assets/Liabilities:**

The Association has as a lessee lease contracts for office equipment. Other equipment generally have lease terms between 3 and 5 years. The Association's obligations under its leases are secured by the lessor's title to the leased assets. This lease contract is for 3 years.

**Right of Use Asset:**

	<b><u>Office Equipment and Fittings</u> (\$)</b>
<b>Cost</b>	
Balance, 1 January 2023	-
Renewals	-
Additions for the period	31,865
Disposals for the period	-
	<b><u>31,865</u></b>
<b>Accumulated Depreciation</b>	
Balance, 1 January 2023	-
Renewals	-
Charge for the year	2,091
Disposals for the year	-
	<b><u>2,091</u></b>
<b>Net Book Value</b>	
Balance, 31 December 2023	<b><u>29,774</u></b>
Balance, 31 December 2022	<b><u>-</u></b>
<b><u>Lease Liability:</u></b>	
Balance, 1 January 2023	-
Renewals	-
Additions	32,266
Disposals	-
Payments	(7,262)
Interest	442
	<b><u>25,446</u></b>
Balance, 31 December 2023	<b><u>25,446</u></b>

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**12. Accounts Payable and Accruals:**

	<b>31 December</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
	(\$)	(\$)
Trinidad and Tobago Housing Development Corporation	861,270	634,446
Accruals	765,274	905,368
Holding Accounts	939,493	919,175
Deposit clearing	1,295,182	1,294,626
Other	<u>766,217</u>	<u>680,042</u>
	<b><u>4,627,436</u></b>	<b><u>4,433,657</u></b>

The Association acts as agent for the Trinidad and Tobago Housing Development Corporation (HDC) administering its mortgage loan portfolio, which amounts to approximately **\$1,691,767** (2022: **\$1,767,692**). The amount due to HDC represents receipts collected before deductions and charges.

**13. Depositors:**

	<b>31 December</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
	(\$)	(\$)
Special deposits	13,312,290	12,674,406
Savings deposits	<u>7,414,645</u>	<u>6,798,437</u>
	<b><u>20,726,935</u></b>	<b><u>19,472,843</u></b>

(i) As at 31 December 2023, total deposits to mortgage loans amount to **30.4%** (2022: 29%).

(ii) As at 31 December 2023, deposits maturing in 2024 will amount to **11,069,416** and deposits maturing after 31 December 2024 will amount to **\$2,242,874** (2022: **\$7,097,448**).

**14. Unpaid Matured Shares:**

	<b>31 December</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
	(\$)	(\$)
Amounts due for unpaid matured shares	<u>1,514,293</u>	<u>1,176,402</u>

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**15. Members/Shareholders:**

	31 December	
	<u>2023</u> (\$)	<u>2022</u> (\$)
Balance, beginning of year	19,452,557	20,486,886
Share purchases less withdrawals and transfers	<u>(4,673,814)</u>	<u>(1,881,031)</u>
	<u>14,778,743</u>	<u>18,605,855</u>
Dividends paid		
- 30 June – 2.5% (2022: 2.0%)	411,919	381,240
- 30 June - 5.0%	785,847	-
- 31 December – 2.5% (2022: 2.5%)	<u>387,252</u>	<u>465,462</u>
	<u>1,585,018</u>	<u>846,702</u>
Balance, end of year	<u><u>16,363,761</u></u>	<u><u>19,452,557</u></u>

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.

**16. Loan Payable:**

This represents a **\$5 million** loan facility granted to the Association by the National Insurance Board of Trinidad and Tobago on 22 September 2017 for the financing of the existing loan portfolio and is administered by the First Citizens Trustee Services Limited. The loan carried an interest rate of 3.5% accruing semi-annually on 4 April and 4 October. The loan matured on 4 October 2022.

The loan facility was renewed on 4 October 2023 at an interest rate of 4.25% accruing semi-annually on 4 April and 4 October and matures on 4 October 2027.

The facility is secured by a charge over the National Investment and Property Development Company 2030 bond, the Government of Trinidad and Tobago 2028 bond and TT\$1.5M security on Trinidad and Tobago Unit Trust Corporation Second Unit Scheme.

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**17. Interest Earned:**

	<b>31 December</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
	(\$)	(\$)
Mortgages (net)	5,043,206	4,926,558
Investments - Long-term	333,775	341,760
- Short-term	96,985	99,262
Share loans	<u>60,961</u>	<u>56,098</u>
	<b><u>5,534,927</u></b>	<b><u>5,423,678</u></b>

**18. Other Income:**

	<b>31 December</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
	(\$)	(\$)
Commission		
- NHA's assisted loans	21,000	31,500
Rent	416,231	417,808
Processing fees	87,214	70,486
Other fees	<u>93,532</u>	<u>187,130</u>
	<b><u>617,977</u></b>	<b><u>706,924</u></b>

**19. Interest Paid:**

	<b>Simple average</b>		<b>31 December</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
	%	%	(\$)	(\$)
Savings	0.5	0.5	32,793	33,585
Special deposits	1.0	1.0	286,339	346,473
Paid up shares	3.0	3.0	7,160	4,264
DSP	5.0	4.5	31,897	(3,821)
NIB loan	4.25	3.5	<u>232,500</u>	<u>189,372</u>
			<b><u>590,689</u></b>	<b><u>569,873</u></b>

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**20. Other Expenditure:**

	<b>31 December</b>	
	<b>2023</b>	<b>2022</b>
	(\$)	(\$)
Staff remuneration	1,656,647	1,823,046
National Insurance contributions	149,512	123,069
Health Scheme contribution	28,114	31,721
Pension Fund contribution	26,071	27,695
Direct staff costs: 42.4% (2022: 49%)	1,860,344	2,005,531
Staff vacation leave	28,979	(13,638)
Staff expense and training	54,761	74,410
Staff/Pensioners ex-gratia	-	-
Staff uniforms	22,800	18,800
Other staff costs: 2.4% (2022: 1.8%)	106,540	79,572
Total staff costs: 55.2% (2022: 49.2%)	1,966,884	2,085,103
Management expenses (Note 21)	1,292,762	1,734,297
Depreciation to furniture, equipment, motor vehicles and RoUA	133,243	153,756
Other operating expenses	247,956	58,259
Directors' fees	364,815	229,200
Legal and professional fees	161,504	204,737
Bank interest and charges	9,346	9,363
Expected credit loss	208,865	(363,223)
	2,418,491	2,026,389
	<b>4,385,375</b>	<b>4,111,492</b>



**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**21. Management Expenses:**

	31 December	
	<u>2023</u>	<u>2022</u>
	(\$)	
Telephone	70,272	77,069
Electricity	52,310	50,856
Professional services	224,760	224,759
Stamps, stationery and printing	18,253	71,320
Insurance - property	60,150	55,137
Property maintenance	149,500	482,233
Rates and taxes	24,756	22,500
Miscellaneous expenses	13,605	104,654
Insurance - equipment, burglaries, cash in transit, etc.	26,997	42,345
Advertising/marketing/promotion	248,607	217,593
Tea room expenses	23,093	23,834
Subscriptions and donations	35,168	28,576
Security guard cost	87,756	83,700
Transunion	12,364	12,103
Upkeep allowance	18,000	15,000
Travelling	174,452	171,391
Computer software maintenance	<u>52,719</u>	<u>51,227</u>
	<u><b>1,292,762</b></u>	<u><b>1,734,297</b></u>

**22. Employees:**

At 31 December 2023, the Association had in its employ a staff complement of 13 persons (2022: 12).

**23. Contingent Liabilities:**

Under the provisions of the Retrenchment and Severance Benefits Act 1985, an amount of approximately **\$1,084,805** as at 31 December 2023 (2022: **\$1,395,007**) 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.

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**24. 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:

	<b>31 December</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
	(\$)	(\$)
<b>Assets</b>		
Loans to key management personnel	-	4,150
<b>Deposits and other liabilities</b>		
Deposits held by directors and key management personnel	2,235,171	2,335,187
Shares held by directors and key management personnel	534,053	1,110,566
	2,769,224	3,445,753
<b>Interest and other income</b>		
Directors and key management personnel	90,114	60,248
<b>Interest and other expenses</b>		
Directors and key management personnel	62,369	53,893
<b>Key management compensation</b>		
Short-term benefits	914,380	1,024,858
Post employment benefits	-	-
	914,380	1,024,858

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2023****25. 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 31 December 2023.

**d) Deposits -**

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.

**26. 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.

**THE TRINIDAD BUILDING AND LOAN ASSOCIATION****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2023****27. Events After the Reporting Date:**

There were no events after the reporting period which were material to the financial statements and should have resulted in adjustments to the financial statements or disclosures when the financial statements were authorised for issue.