Statement of Management Responsibility

Guardian Group Trust Limited is licensed under the Financial Institutions Act, 2008 (the Act), which requires its management to prepare financial statements annually that presents fairly, in all material respects, the Company's affairs as at the end of the financial year and operating results for the year. The Act also requires management to establish and maintain an adequate internal control structure and procedures for financial reporting, to safeguard the assets of the Company as well as ensure compliance with the Act and any regulations made thereunder and any guidelines issued by the Central Bank in accordance with the Act.

Management accepts responsibility for the annual financial statements, which are prepared in accordance with International Financial Reporting Standards. It also accepts responsibility for the accounting records and internal controls that ensures that the financial statements are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

As at 31 December 2016, the Company's internal control mechanisms have been assessed by management as being effective. In management's opinion, the financial statements presents fairly, in all material respects, the Company's affairs and operating results.

In addition, nothing has come to the attention of management to indicate that the Company will not remain a going concern for at least the next twelve months from the date of this statement.

Managing Director
6 March 2017

Chief Accountant
6 March 2017

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF GUARDIAN GROUP TRUST LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Guardian Group Trust Limited ("the Company"), which comprise the statement of financial position as at 31 December 2016, and the statements of comprehensive income, changes in equity 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 Company as at 31 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 Company 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.

Responsibilities of Management and the Audit, Compliance and Risk Committee 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The Audit, Compliance and Risk Committee is responsible for overseeing the Company's financial reporting process.

Auditor's 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 skepticism 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 Company'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 Company'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 Company 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 Audit, Compliance and Risk Committee 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.

Ernst & Young

Port of Spain,
TRINIDAD
6 March 2017

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2016

	Notes	2016 $	2015 $
Assets			
Equipment	4	447,081	477,151
Investments at fair value through profit or loss	5	53,691,197	41,006,058
Loans and advances	6	7,140,494	6,740,632
Deferred tax asset	7	4,265,662	3,847,698
Taxation recoverable		3,132,857	2,128,145
Receivables and prepayments	8	2,284,109	2,585,201
Cash and cash equivalents	9	3,914,022	29,934,374
Total assets		74,875,422	86,719,259
Shareholders' equity			
Share capital	10	27,022,520	27,022,520
Statutory reserve	11	14,830,106	14,297,907
Retained earnings		5,667,686	19,012,579
Total shareholders' equity		47,520,312	60,333,006
Liabilities			
Short-term borrowings	12	16,434,600	14,158,947
Post-retirement medical benefit obligation	13	519,580	246,835
Pension plan liabilities	14	3,211,380	3,984,719
Payables and accruals	15	7,189,550	7,995,752
Total liabilities		27,355,110	26,386,253
Total shareholders' equity and liabilities		74,875,422	86,719,259

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

On 6 March 2017, the Board of Directors of Guardian Group Trust Limited authorised these financial statements for issue.

Director

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 $	2015 $
Asset administration fees	16	–	10,320,125
Management fees	17	13,630,980	21,656,114
Portfolio management fees		–	1,962,785
Other fees and commissions		1,505,433	87,489
Fee and commission income		15,136,413	34,026,513
Investment income	18	2,773,744	3,624,998
Interest expense	19	(310,303)	(218,872)
Realised gains on sale of investments		1,701,667	93,492
Unrealised losses on investments		(298,378)	(2,064,517)
Net foreign exchange gains	20	2,380,495	500,910
Net investment and other income		6,247,225	1,936,011
Net income		21,383,638	35,962,524
Management and operating expenses	21	(14,458,507)	(26,975,794)
Profit before taxation		6,925,131	8,986,730
Taxation	23	(1,603,140)	(1,903,710)
Profit after taxation		5,321,991	7,083,020
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial (losses)/gains on post-retirement medical benefit obligation	13	(247,782)	411,721
Remeasurement of pension plan liabilities	14	1,106,552	1,806,958
Income tax relating to components of other comprehensive income	7	19,121	(554,728)
Other comprehensive income for the year, net of tax		877,891	1,663,951
Total comprehensive income for the year		6,199,882	8,746,971

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital $	Statutory reserve $	Retained earnings $	Total shareholders' equity $
Year ended 31 December 2016				
Balance at beginning of year	27,022,520	14,297,907	19,012,579	60,333,006
Total comprehensive income	–	–	6,199,882	6,199,882
Dividend paid	–	–	(19,012,576)	(19,012,576)
Transfer to statutory reserve	–	532,199	(532,199)	–
Balance at end of year	27,022,520	14,830,106	5,667,686	47,520,312
Year ended 31 December 2015				
Balance at beginning of year	27,022,520	13,589,605	84,873,910	125,486,035
Total comprehensive income	–	–	8,746,971	8,746,971
Dividend paid	–	–	(73,900,000)	(73,900,000)
Transfer to statutory reserve	–	708,302	(708,302)	–
Balance at end of year	27,022,520	14,297,907	19,012,579	60,333,006

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 $	2015 $
Cash flows from operating activities		
Profit before taxation	6,925,131	8,986,730
Adjustments for:		
Exchange adjustment	1,134,801	464,882
Realised gains on sale of investments	(1,701,667)	(93,492)
Unrealised losses on investments	298,378	2,064,517
Net foreign exchange gains	(2,380,495)	(500,910)
Net post-employment obligations	358,177	128,969
Depreciation	163,714	200,148
Adjustments for specific items included on the accrual basis:		
Interest expense	310,303	218,872
Investment income	(2,773,744)	(3,624,998)
Interest received	2,640,050	4,322,516
Operating profits before changes in operating assets/liabilities	4,974,648	12,167,234
Purchase of investments	(20,742,393)	(9,450,552)
Proceeds on sale of investments	10,949,644	51,322,689
Net (increase)/decrease in loans and advances	(403,529)	6,021,348
Net movement in related parties	(622,419)	2,377,980
Net (increase)/decrease in sundry debtors and prepayments	(432,396)	1,744,157
Net increase in other liabilities	549,705	320,311
Cash (used in)/provided by operating activities	(5,726,740)	64,503,167
Interest paid	(248,212)	(162,322)
Taxation paid	(3,006,695)	(3,873,469)
Net cash (used in)/provided by operating activities	(8,981,647)	60,467,376
Cash flows from investing activities		
Purchase of equipment	(133,644)	(13,676)
Net cash used in investing activities	(133,644)	(13,676)
Cash flows from financing activities		
Dividend paid	(19,012,576)	(73,900,000)
Proceeds from short-term borrowings	14,108,722	10,931,202
Repayments of short-term borrowings	(12,001,207)	(6,233,478)
Net cash used in financing activities	(16,905,061)	(69,202,276)
Net decrease in cash and cash equivalents	(26,020,352)	(8,748,576)
Cash and cash equivalents at beginning of year	29,934,374	38,682,950
Cash and cash equivalents at end of year	3,914,022	29,934,374

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. Incorporation and activities

Guardian Group Trust Limited (herein referred to as GGTL or the Company) was incorporated in the Republic of Trinidad and Tobago on 6 July 2000. It is engaged in trust and administrative services. The Company is a wholly owned subsidiary of Guardian Holdings Limited, a company incorporated in the Republic of Trinidad and Tobago.

With effect from July 1, 2015, acting on the prior advice of the Central Bank of Trinidad and Tobago, the business activities of Guardian Asset Management Limited ("GAM") were restructured by means of the separation of its trustee and administrative businesses from its asset management activities. This change saw the transfer of the asset management division's net assets and operations to Guardian Asset Management and Investment Services Limited ("GAMISL"), another wholly owned subsidiary within the Guardian Holdings Group.

Consequent upon the transfer of the asset management operations an evaluation was performed on the level of capital required to conduct prudently the activities of the company while maintaining and exceeding the minimum regulatory capital adequacy standards. This review facilitated a special dividend payment of $68.5M to the parent company which was in turn used to increase the capitalization of the new asset management company, GAMISL. After this special dividend payment the capital adequacy of the company remained well above the minimum standard of 8% as mandated in the Financial Institutions Act 2008 (FIA).

The disposal of the asset management operations of the Company resulted in the transfer of approximately 75% of the company's employees to Guardian Asset Management and Investment Services Limited.

The address of the Company's registered office is 1 Guardian Drive, Westmoorings S.E., Trinidad and Tobago.

2. Significant accounting policies

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

(a) New standards and amendments/revisions to published standards and interpretations effective in 2016

The following amendments to published standards are mandatory for the Company's accounting periods beginning on or after 1 January 2016:

IAS 1 – Amendments – Disclosure Initiative

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1.
- That specific line items in the statement(s) of income and other comprehensive income and the statement of financial position may be disaggregated.
- That entities have flexibility as to the order in which they present the notes to financial statements.
- That the share of other comprehensive income arising from investments accounted for under the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments give guidance on what additional subtotals are acceptable and how they are presented in the statement(s) of income and other comprehensive income and the statement of financial position.

The Company concluded that no changes are required to the presentation of its financial statements.

IAS 16 and IAS 38 – Amendments – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The Company does not use revenue-based depreciation and amortisation methods; therefore, these amendments have no impact on the Company's financial position or performance.

IFRS 10, IFRS 12 and IAS 28 – Amendments – Investment Entities: Applying the Consolidation Exception

The amendments to IFRS 10 Consolidated Financial Statements clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity. Furthermore, the amendments to IFRS 10 clarify that an investment entity should consolidate a subsidiary, which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.

The amendments to IAS 28 Investments in Associates and Joint Ventures align the exemptions from applying the equity method to the amendments to IFRS 10 and allow a non-investment entity investor, when applying the equity method, to retain the fair value through profit or loss measurement applied by an investment entity associate or joint venture to its interest in subsidiaries.

The amendments clarify that an investment entity that measures all its subsidiaries at fair value should provide the disclosures required in IFRS 12 Disclosure of Interest in Other Entities.

These amendments have no impact on the Company's financial statements as the Company does not have any intermediate parent companies or associates that qualify as an investment entity.

Annual Improvements to IFRSs 2012 – 2014 Cycle

(i) IFRS 7 Financial Instruments: Disclosures

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required.

The amendment also clarifies that the additional disclosures required by Disclosure: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) are not specifically required for inclusion in condensed interim financial statements for all interim periods; however, they are required if the general requirements of IAS 34 Interim Financial Reporting require their inclusion.

The amendments have no impact on the Company's financial position or performance.

(ii) IAS 19 Employee Benefits

The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used.

The amendment has no impact on the Company as the Company is already compliant with the amendment.

(iii) IAS 34 Interim Financial Reporting

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

No changes to the Company's interim reporting formats are considered necessary.

(b) New standards and amendments/revisions to published standards and interpretations effective in 2016 but not applicable to the Company

The following new IFRS standard and amendments that have been issued do not apply to the activities of the Company:

- IAS 16 and IAS 41 - Amendments - Agriculture: Bearer Plants
- IAS 27 - Amendments - Equity Method in Separate Financial Statements
- IFRS 11 - Amendments - Accounting for Acquisitions of Interests in Joint Operations
- IFRS 14 - Regulatory Deferral Accounts
- Annual Improvements to IFRSs 2012 - 2014 Cycle:
- IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations

(c) New interpretations and revised or amended standards that are not yet effective and have not been early adopted by the Company

The following is a list of new IFRS standards and amendments issued that are not yet effective and have not been early adopted by the Company as at 31 December 2016. The Company has not yet assessed the impact of these new standards and amendments, but if applicable, the Company intends to adopt these standards/amendments when they become effective. For those which became effective 1 January 2017, the company is currently evaluating the impact of adopting the amendments, but does not anticipate they would have a material impact on its financial statements.

- IAS 7 - Amendments - Disclosure Initiative - Effective 1 January 2017
- IAS 12 - Amendments - Recognition of Deferred Tax Assets for Unrealised Losses - Effective 1 January 2017
- IFRS 2 - Amendments - Classification and Measurement of Share-based Payment Transactions - Effective 1 January 2018
- IFRS 4 - Amendments - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Effective 1 January 2018
- IFRS 9 Financial Instruments - Effective 1 January 2018
- IFRS 10 and IAS 28 - Amendments - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - In December 2015, the IASB deferred the effective date of the amendments until such time it has finalised any amendments that results from its research project on the equity method of accounting
- IFRS 15 Revenue from Contracts with Customers - Effective 1 January 2018
- IFRS 16 Leases - Effective 1 January 2019

(d) Foreign currency translation

Functional and presentation currency
The financial statements are presented in Trinidad and Tobago dollars, which is the Company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional/presentation currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of comprehensive income.

(e) Cash and cash equivalents

Cash amounts represent cash on hand, cash in transit and demand deposits. Cash equivalents are primarily short-term highly liquid investments with original purchased maturities of 90 days or less.

(f) Financial assets

Initial recognition and subsequent measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss and loans and receivables. The Company determines the classification of its financial assets at initial recognition. The classification depends on the purpose for which the investments were acquired or originated. The Company does not have any financial assets that are classified as available-for-sale, held-to-maturity or any derivatives.

Financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the settlement date.

The Company's financial assets include cash, deposits with financial institutions, interest receivable, equity securities, debentures and corporate bonds and loans and receivables.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held-for-trading and those designated at fair value through profit or loss at inception. Investments typically bought with the intention to sell in the near future are classified as held-for-trading. For investments designated as at fair value through profit or loss, the following criteria must be met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on a different basis; or

- The assets and liabilities are part of a group of financial assets, financial liabilities or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

These investments are initially recorded at fair value. Subsequent to initial recognition, these investments are remeasured at fair value. Fair value adjustments and realised gain and loss are recognised in the statement of comprehensive income.

Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are included in the cost of the investment. After initial measurement, loans and advances are measured at amortised cost, using the effective interest rate method. Gains and losses are recognised in the statement of comprehensive income when the investments are derecognised or impaired, as well as through the amortisation process.

Fair value of financial assets

The fair value of quoted investments (primarily equity securities) is based on current bid prices at the statement of financial position date. If the market for a financial asset is not active (primarily government securities, debentures and corporate bonds), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis making maximum use of market inputs and relying as little as possible on entity-specific inputs.

If the fair value of unquoted equities cannot be measured reliably, these financial assets are measured at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

Derecognition of financial assets

A financial asset (or when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement.
- The Company has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risk and rewards of the asset, or
  - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchase, except that, in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(g) Impairment of financial assets

If there is objective evidence that an impairment loss on assets carried at amortised cost (loans and advances) has been incurred, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the loss is recorded in the statement of comprehensive income.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed 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. The impairment assessment is performed at each statement of financial position date.

If in a subsequent period, the amount of the impairment loss decreased and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(h) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

(h) Fair value measurement (Continued)

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured and disclosed in the financial statements are categorized within the fair value hierarchy, described in detailed in Note 26.5.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(i) Equipment

Equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Furniture and equipment	-	10% per annum
Motor vehicles	-	20% per annum
Computer equipment and software	-	33% per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income.

(j) Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

(k) Repurchase agreements

Securities sold under agreements to repurchase at a specified future date are not derecognised from the statement of financial position as the Company retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognised in the statement of financial position as an asset with a corresponding obligation to return it, including accrued interest as a liability within short-term borrowings, reflecting the transaction's economic substance as a loan to the Company. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of agreement using the effective interest method. When the counterparty has the right to sell or repledge the securities, the Company reclassifies those securities in its statement of financial position to financial assets held for trading pledged as collateral.

(l) Provisions

Provisions are recognised when the Company 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.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(m) Taxation

Tax on the profit or loss for the year comprises current tax and the change in deferred tax. Current tax comprises tax payable calculated on the basis of the taxable income for the year using the prevailing tax rate and any adjustment of tax payable for previous years.

Deferred tax is provided, using the liability method, on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes, except differences relating to the initial recognition of assets or liabilities, which affect neither accounting nor taxable profit. Deferred tax assets are taxes recoverable in future periods in respect of deductible temporary differences and tax losses carried forward. Net deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The principal temporary differences arise from tax losses, accelerated tax depreciation, investments at fair value through profit or loss and short-term borrowings.

(n) Employee benefits

(i) Pension plans

The Company's employees are participants in the Guardian Defined Benefit Pension Plan and Guardian Defined Contribution Plan, the assets of which are held in separate trustee administered funds. The Guardian Defined Benefit Pension Plan is currently non-contributory for employees.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to the employee service in the current or prior periods.

The asset or liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs.

For defined benefit plans, the pension accounting costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the income statement so as to spread the regular cost over the service lives of employees in accordance with the advice of a qualified actuary, who carries out full valuations of the plans every three years. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of government securities, which have terms to maturity approximating the terms of the related liability. Remeasurements of the net defined benefit liability, which comprise of actuarial gains and losses and the return on plan assets (excluding interest), are recognized immediately through other comprehensive income in the statement of comprehensive income.

The Company's contributions to the defined contribution pension plans are charged to the income statement in the year to which they relate.

The defined benefit plan mainly exposes the Company to actuarial risks such as investment risk, interest rate risk and longevity risks.

(ii) Share-based compensation

The Guardian Holdings Group operates an equity-settled share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount is expensed over the vesting period and is determined by reference to the fair value of the options granted. At each statement of financial position date, the entity revises its estimates of the number of options that are expected to become exercisable and reused. It recognizes the impact of the revision of original estimates, if any, in the statement of comprehensive income, and a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised.

(iii) Post-retirement medical benefit obligations

The Company provides post-retirement medical benefits to its permanent employees who retire from active service, their spouses and their dependents. The entitlement to these benefits is based on the employee remaining in service up to retirement age or leaving service due to ill health. The expected costs of these benefits are accrued over the period of employment, using a methodology similar to that for defined benefit plans. All actuarial gains and losses are recognised immediately through other comprehensive income in the statement of comprehensive income.

Third party qualified actuaries carry out a valuation of these obligations.

(o) Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.

(p) Investment income

Interest income is recognised in the statement of comprehensive income using the effective interest method. Dividends on equity instruments are recognised in the statement of comprehensive income when the entity's right to receive payment is established. Realised and unrealised investment gains and losses are recognised through the statement of comprehensive income in the period in which they arise.

(q) Management fees and commission income

Management fees and commissions are recognised on an accrual basis when the service has been provided. Management fees and commissions arising from negotiating, or participating in the negotiation of, a transaction for a third party are recognised on completion of the underlying transaction. Portfolio, asset management fees and other management advisory and service fees are recognised based on the applicable service contracts over the period the service is provided.

(r) Interest expense

Interest expense is recognised in the statement of comprehensive income using the effective interest method.

(s) Fiduciary activities

The Company acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Company.

(t) Affiliated companies

Affiliated companies include other Subsidiaries of the Guardian Holdings Group and managed funds in which group companies have substantial interest or control.

(u) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Board of Directors.

(v) Comparative information

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

3. Critical accounting estimates and judgements

The Company makes estimates and assumptions that may affect the reported amounts of assets and liabilities during the succeeding financial year. Estimates and judgements 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.

3. Critical accounting estimates and judgements (Continued)

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.

a) Fair valuation of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using an internally developed bond valuation model. Assumptions used in this model are validated and periodically reviewed internally by qualified personnel. Where applicable, data is calibrated to ensure that outputs reflect actual data and comparative market prices. Changes in assumptions used in valuations could affect reported fair value of investment securities. Key assumptions are based on current market yields as at 31 December 2016; the yields on debt instruments not traded on an active market approximated to their coupon rates. The carrying value of these investments amounted to TT$31,104,117 (2015: TT$27,646,737). If the yields had increased/decreased by 1% with all other variables held constant, profit for the year would have been TT$2,163,210 (2015: TT$1,743,577) higher/lower.

b) Impairment losses on financial assets

The Company reviews its asset portfolios to assess impairment on a periodic basis. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Company makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from the underlying portfolios. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience. As at 31 December 2016, gross financial assets totalled $321,822 (2015: $321,822) against which impairment allowances of $26,931 (2015: $26,931) has been made. The net carrying value of these assets is $294,891 (2015: $294,891).

c) Income taxes

Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will affect the income tax and deferred tax provisions in the period in which such determination is made.

d) Post-employment benefits

In conducting valuation exercises to measure the effect of all post-employment benefit plans, the Company's third-party actuaries use judgement and assumptions in determining discount rates, salary increases, pension increases and health care costs. These assumptions are detailed in Notes 13 and 14.

4. Equipment

	Furniture and equipment $	Computer equipment/ software $	Work in progress $	Total $
Year ended 31 December 2016				
At beginning of year	275,599	201,552	–	477,151
Additions	4,351	24,765	104,528	133,644
Depreciation charge	(62,743)	(100,971)	–	(163,714)
At end of year	217,207	125,346	104,528	447,081
At 31 December 2016				
Cost	830,850	1,518,681	104,528	2,454,059
Accumulated depreciation	(613,643)	(1,393,335)	–	(2,006,978)
Net book value	217,207	125,346	104,528	447,081
Year ended 31 December 2015				
At beginning of year	327,015	336,608	–	663,623
Additions	13,676	–	–	13,676
Depreciation charge	(65,092)	(135,056)	–	(200,148)
At end of year	275,599	201,552	–	477,151
At 31 December 2015				
Cost	826,499	1,493,916	–	2,320,415
Accumulated depreciation	(550,900)	(1,292,364)	–	(1,843,264)
Net book value	275,599	201,552	–	477,151

5. Investments at fair value through profit or loss

	2016 $	2015 $
Government bonds	18,420,774	18,962,519
Corporate bonds	23,271,850	13,993,500
Mutual funds	8,312,244	6,801,858
Deposits	3,459,986	–
Equities	226,343	1,248,181
	53,691,197	41,006,058
Principal	53,033,935	40,486,157
Accrued interest	657,262	519,901
	53,691,197	41,006,058
Non-current	39,687,208	28,866,639
Current	13,346,727	11,619,518
	53,033,935	40,486,157

5. Investments at fair value through profit or loss (Continued)

The movements in investments may be summarised as follows:

	2016 $	2015 $
At beginning of year	40,486,157	84,273,434
Additions	20,742,393	9,450,552
Disposals (sales and redemptions)	(9,148,751)	(51,325,447)
Fair value net losses	(298,378)	(2,064,517)
Exchange adjustments	1,252,514	152,135
At end of the year	53,033,935	40,486,157

The carrying amount of financial assets above that was pledged as collateral for short-term borrowings is $17,420,882 (2015: $15,943,448).

6. Loans and advances

	2016 $	2015 $
Mortgage loans and other advances	7,105,593	6,702,064
Less: provision for impairment	(26,931)	(26,931)
	7,078,662	6,675,133
Accrued interest	61,832	65,499
	7,140,494	6,740,632
Non-current	5,180,787	4,678,009
Current	1,897,875	1,997,124
	7,078,662	6,675,133

7. Deferred tax asset

	2016 $	2015 $
At the beginning of the year	3,847,698	4,610,578
Credit/(charge) for the year (Note 23)	398,843	(208,152)
Remeasurement of employment benefits	19,121	(554,728)
At the end of the year	4,265,662	3,847,698

The deferred tax asset is attributable to the following:

	2015 $	(Charge)/ credit to income statement $	Other $	2016 $
Accelerated tax depreciation	27,745	(6,786)	–	20,959
Investments at fair value through profit or loss	2,761,536	284,165	–	3,045,701
Short-term borrowings	527	31,920	–	32,447
Pension plan liability	996,180	83,303	(68,803)	1,010,680
Post retirement medical benefit obligation	61,710	6,241	87,924	155,875
	3,847,698	398,843	19,121	4,265,662

	2014 $	(Charge)/ credit to income statement $	Other $	2015 $
Accelerated tax depreciation	33,707	(5,962)	–	27,745
Investments at fair value through profit or loss	3,000,934	(239,398)	–	2,761,536
Short-term borrowings	(4,438)	4,965	–	527
Pension plan liability	1,423,149	24,829	(451,798)	996,180
Post retirement medical benefit obligation	157,226	7,414	(102,930)	61,710
	4,610,578	(208,152)	(554,728)	3,847,698

8. Receivables and prepayments

	2016 $	2015 $
Amounts due from related parties (Note 27)	1,158,740	1,892,228
Sundry debtors	695,621	260,069
Amounts due on investments	310,092	–
Prepayments	119,656	432,904
	2,284,109	2,585,201

9. Cash and cash equivalents

	2016	2015
Cash on hand and amounts due from other financial institutions	3,914,022	29,934,374

10. Share capital

	2016	2015
Authorised		
An unlimited number of ordinary shares of no par value		
Issued and fully paid 22,000,000 ordinary shares of no par value	25,000,000	25,000,000

10. Share capital (Continued)

	Number of shares	Share capital $	Share option plan $	Total $
As at 1 January 2016	22,000,000	25,000,000	2,022,520	27,022,520
Executive share option plan:				
- value of services provided	–	–	–	–
- value of lapsed options	–	–	–	–
As at 31 December 2016	22,000,000	25,000,000	2,022,520	27,022,520
As at 1 January 2015	22,000,000	25,000,000	2,022,520	27,022,520
Executive share option plan:				
- value of services provided	–	–	–	–
- value of lapsed options	–	–	–	–
As at 31 December 2015	22,000,000	25,000,000	2,022,520	27,022,520

Performance share option plan

The Guardian Holdings Group operates a Stock Option Plan for its Executives. A total of 33,890,023 shares have been allocated to this plan since inception inclusive of bonus issues and stock dividends. Increases were approved at the Annual Meeting in 1999, 2004 and in 2011.

The movement in the number of share options outstanding for the year is as follows:

	2016 Average exercise price $	2016 Options	2015 Average exercise price $	2015 Options
At beginning of year	18.00	1,042,461	18.00	1,042,461
Granted	–	–	–	–
Lapses	–	–	–	–
At end of year	18.00	1,042,461	18.00	1,042,461

The exercise price of the options granted up to 2008 is equal to the average market price of the shares on the three dealing days preceding the date of the grant.

The exercise price of the options granted from 2011 is the greater of $18.00 and the adjusted reference price. The vesting period is two years. Options are exercisable starting two years from the grant date up to the eighth anniversary of the date of grant. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Expiry date	Exercise price	Number of shares 2016	2015
25 September 2021	$18.00	580,866	580,866
12 April 2022	$18.00	461,595	461,595
		1,042,461	1,042,461

11. Statutory reserve

The Financial Institutions Act, 2008 requires a financial institution in Trinidad and Tobago to transfer annually a minimum of 10% of its profit after taxation to a reserve fund until the balance on this reserve is not less than the paid up capital of the institution.

12. Short-term borrowings

		2016 $	2015 $
Repurchase agreements	(i)	16,231,134	14,017,572
		16,231,134	14,017,572
Accrued interest		203,466	141,375
		16,434,600	14,158,947

(i) Repurchase agreements are due within 12 months. Interest rates are fixed throughout the term of the instruments and range from 1.98% to 2.2% (2015: 1.75% to 1.9%). These borrowings are fully secured by investments.

The Company has not had any defaults of principal, interest or redemption amounts during the period on its short-term borrowings (2015: Nil).

13. Post-retirement medical benefit obligations

	2016 $	2015 $
Present value of obligation	519,580	246,835
The amount recognized in the income statement is made up of as follows:		
Interest costs	12,963	12,000
Service costs	12,000	17,655
	24,963	29,655

13. Post-retirement medical benefit obligations (continued)

	2016 $	2015 $
The amount recognized in other comprehensive income is made up as follows:		
Actuarial gains and losses	(247,782)	24,510
Other – effect of restructure (Note 1)	–	387,211
	(247,782)	411,721
The movement in the present value of obligation is as follows:		
Balance at beginning of year	246,835	628,901
Current service costs	12,000	17,655
Interest costs	12,963	12,000
Actuarial gains and losses	247,782	(24,510)
Other – effect of restructure (Note 1)	–	(387,211)
Balance at end of year	519,580	246,835

The principal actuarial assumptions used were:	2016	2015
Discount rate	5.80%	5.00%
Future premium increases	5.00%	3.00%
Mortality	GAM 94	GAM 94

No expected contributions are to be paid in the upcoming financial year.

A quantitative sensitivity analysis for significant assumptions as at 31 December is shown below:

	Impact on the plan obligation Increase	Decrease
1% increase/decrease in medical cost trend rate	169,000	(123,000)
1% increase/decrease in discount rate	(122,000)	170,000

14. Pension plan liabilities

	2016 $	2015 $
Fair value of plan assets	17,431,198	16,551,615
Less: Present value of obligation to plan members	(20,642,578)	(20,536,334)
Value of obligation	(3,211,380)	(3,984,719)
The amount recognized in the income statement is made up as follows:		
Net interest expense	214,094	211,800
Current service costs	782,914	1,054,000
Net loss for the year (Note 22)	997,008	1,265,800
The remeasurement of pension plan obligations in other comprehensive income is made up as follows:		
Actuarial gains and losses arising during the period:		
From changes in financial assumptions	1,822,000	1,006,000
From experience adjustments	(715,448)	(750,000)
Other – effect of restructure (Note 1)	–	1,550,958
	1,106,552	1,806,958

The movement in the fair value of the pension plan assets is as follows:

	2016 $	2015 $
Balance at beginning of year	16,551,615	21,204,125
Interest income	847,196	759,000
Employer contributions	663,795	1,166,490
Employee contributions	–	3,000
Benefit payments	(76,399)	(60,000)
Other – effect of restructure (Note 1)	–	(6,145,000)
	17,986,207	16,927,615
Actuarial loss arising from experience adjustments	(555,009)	(376,000)
Balance at end of year	17,431,198	16,551,615

The movement in the present value of obligation is as follows:

	2016 $	2015 $
Balance at beginning of year	20,536,334	26,896,487
Current service costs	782,914	1,054,000
Interest costs	1,061,290	970,847
Contributions by plan participants	–	3,000
Benefit payments	(76,399)	(60,000)
Actuarial loss/(gain) arising from changes in:		
- financial assumptions	(1,822,000)	(1,006,000)
- experience adjustment	160,439	374,000
Other – effect of restructure (Note 1)	–	(7,696,000)
Balance at end of year	20,642,578	20,536,334

14. Pension plan liabilities (Continued)

The principal actuarial assumptions used for accounting purposes were as follows:

	2016	2015
Discount rate	5.80%	5.00%
Future salary increases	4.00%	3.00%
Post-retirement mortality	GAM 94	GAM 94
Pre-retirement mortality	GAM 94	GAM 94
Withdrawal from service	Yes	Yes
Future pension increases	3.5%	3.5%
Proportion of employees opting for early retirement	None	None
Life expectation of pensioners at the age of 65 - male	18.3	18.3
Life expectation of pensioners at the age of 65 - female	21.8	21.8

	2016 $	2016 %	2015 $	2015 %
Quoted investments				
Equity securities	6,712,190	39	6,630,483	40
Government securities	4,573,717	26	4,797,744	29
Corporate bonds	2,462,904	14	2,064,771	12
Property	800,531	5	768,946	5
Other	2,881,856	16	2,289,671	14
	17,431,198	100	16,551,615	100

The actual return on plan assets was $291,973 (2015: $381,000).

Expected contributions to pension plans for the year ending 31 December 2017 are $659,807.

A quantitative sensitivity analysis for significant assumptions as at 31 December is shown below:

	Impact on the net defined benefit obligation Increase	Decrease
1% increase/decrease in discount rate	(3,792,000)	4,948,000
1% increase/decrease in future salary increase	1,875,000	(1,672,000)
1% increase/decrease in future pension increases	2,411,000	(2,034,000)
Life expectancy increase/decrease by 1 year - male	517,000	(533,000)
Life expectancy increase/decrease by 1 year - female	107,000	(112,000)

The weighted average duration of the defined benefit plan obligation as at 31 December 2016 ranges from 14.6 years to 16.1 years (2015: 15.2 years to 16.3 years).

	2016 $	2015 $
15. Payables and accruals		
Amounts due to related parties (Note 27)	580,419	1,936,326
Accrued expenses	5,731,761	4,353,493
Other payables	877,370	1,705,933
	7,189,550	7,995,752
16. Asset administration fees		
Investment management fees charged to affiliated companies	–	10,320,125
17. Management fees		
Guardian Asset Management Mutual Funds	10,255,155	19,307,053
Praetorian Property Mutual Fund	640,901	1,213,125
Affiliated companies	2,734,924	1,135,936
	13,630,980	21,656,114
18. Investment income		
Investments at fair value through profit or loss – interest and dividend income	2,190,263	3,611,481
Loans and advances – interest income	581,167	1,682
Cash and cash equivalents – interest income	2,314	11,835
	2,773,744	3,624,998
19. Interest expense		
Short-term borrowings	310,303	218,872

	2016 $	2015 $
20. Net foreign exchange gains/(losses)		
Realised foreign exchange gains/(losses) - investments	99,225	(96,249)
Realised foreign exchange gains - other	1,134,801	464,882
Unrealised foreign exchange gains - investments	1,252,514	152,135
Unrealised foreign exchange losses - other	(106,045)	(19,858)
	2,380,495	500,910

21. Management and operating expenses

	2016 $	2015 $
Staff costs (Note 22)	10,324,519	14,657,870
Technical fees	1,324,924	5,090,768
Administrative and other expenses	1,835,822	4,002,677
Marketing costs	206,704	1,624,965
Other fees	400,324	1,181,866
Directors' fees	202,500	217,500
Depreciation	163,714	200,148
	14,458,507	26,975,794
22. Staff costs		
Salaries and benefits	9,132,225	12,964,663
Post-retirement medical benefits (Note 13)	24,963	29,655
Pension costs (Note 14)	997,008	1,265,800
National Insurance	170,323	397,752
	10,324,519	14,657,870
Average number of employees during the year	17	42
23. Taxation		
Corporation tax	1,934,494	1,658,705
Business and green fund levies	67,489	36,853
Deferred tax (Note 7)	(398,843)	208,152
	1,603,140	1,903,710

The tax on profit differs from the theoretical amount that would arise using the basic rate of tax as follows:

	2016 $	2015 $
Profit before taxation	6,925,131	8,986,730
Tax calculated at 25%	1,731,283	2,246,683
Income not subject to tax	(8,205)	(66,876)
Expenses not deductible for tax	260,186	5,589
Business and green fund levies	67,489	36,853
Other adjustments	(447,613)	(318,539)
	1,603,140	1,903,710
24. Dividends		
Dividends accounted for as an appropriation of retained earnings are as follows:		
Final 2015 – 86 cents (Final 2014 - 25 cents)	19,012,576	5,400,000
Special interim 2015 - $3.11 (Note 1)	–	68,500,000
	19,012,576	73,900,000

25. Assets under management

There are assets under management that are not beneficially owned by the Company but which are managed by the Company on behalf of investors and are not included on the Statement of Financial Position.

	2016 $	2015 $
Mutual funds		
- Praetorian Property Mutual Fund	158,436,220	178,754,535
- Guardian Asset Management Mutual Funds (Note 25.1)	1,336,930,370	1,356,974,274
Total assets under management	1,495,366,590	1,535,728,809

25.1 Guardian Asset Management Mutual Funds

	2016	2015
TT Monthly Income Fund	629,453,994	634,152,239
US Monthly Income Fund	574,287,826	585,700,991
Pan Caribbean Balanced Fund	18,332,288	19,491,255
North American Equity Fund	20,818,088	18,409,330
European Equity Fund	12,504,410	12,501,872
Asia Pacific Rim Equity Fund	11,558,536	11,316,399
Bric Equity Fund	17,973,383	18,854,426
Aggressive Fund	15,790,820	19,477,268
Moderate Fund	8,254,651	8,160,717
Conservative Fund	6,559,740	6,386,610
Global Bond Fund	6,918,084	8,161,043
New Economy Fund	9,248,798	9,090,787
Emerging Markets Bond Fund	5,229,752	5,271,337
	1,336,930,370	1,356,974,274

26. Financial risk management

The Company is exposed to financial risk through its financial assets and financial liabilities. The Company's principal financial liability is short-term borrowings. The main purpose of these financial liabilities is to raise finances for the Company's investing opportunities. The Company has loans and advances, other receivables, and cash and cash equivalents that arrive directly from its operations. The Company also holds investments at fair value through profit and loss.

26. Financial risk management (continued)

The components of financial risk that the Company is exposed to are market risk, credit risk and liquidity risk. These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

Risk management is carried out by a Risk Management Committee under policies approved by the board of directors. The Board provides principles for overall risk management, supported by policies covering specific areas such as foreign exchange risk, interest rate risk and credit risk.

26.1 Credit risk

a) Definition

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

b) Management of risk

The Company minimises its credit risk by limiting its investments primarily to counterparties to Government, major banks and financial institutions and secured corporate issues.

c) Maximum exposure to credit risk before collateral held or other credit enhancements

The following table shows assets bearing credit risk for the Company:

	2016 $	2015 $
Debt securities	45,152,610	32,956,019
Mutual funds	8,312,244	6,801,858
Loans and advances	7,140,494	6,740,632
Cash and cash equivalents	3,914,022	29,934,374
Other assets	2,164,453	2,152,297
	66,683,823	78,585,180

Debt securities comprise of sovereign debt and corporate debt. Sovereign debt is secured by the relevant Government Guarantee, whilst Corporate Debt is generally supported by a charge over the fixed and floating assets of the corporate entity. Balances held with other financial institutions are secured by deposit insurance and amounts due from individual clients are backed by a legal charge over the client's portfolios and real estate where applicable.

d) Analysis of financial assets

	Neither past due nor impaired $	Past due but not impaired $	Impaired $	Total $
Year ended 31 December 2016				
Debt securities	45,152,610	–	–	45,152,610
Mutual funds	8,312,244	–	–	8,312,244
Loans and advances	6,845,603	–	294,891	7,140,494
Cash and cash equivalents	3,914,022	–	–	3,914,022
Other assets	2,164,453	–	–	2,164,453
	66,388,932	–	294,891	66,683,823

	Neither past due nor impaired $	Past due but not impaired $	Impaired $	Total $
Year ended 31 December 2015				
Debt securities	32,956,019	–	–	32,956,019
Mutual funds	6,801,858	–	–	6,801,858
Loans and advances	6,445,741	–	294,891	6,740,632
Cash and cash equivalents	29,934,374	–	–	29,934,374
Other assets	2,152,297	–	–	2,152,297
	78,290,289	–	294,891	78,585,180

(i) Financial assets neither past due nor impaired

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings if available or to a rating assigned by the investment manager using an approach consistent with that used by Standard & Poor's. The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Standard & Poor's issued credit rating.

AA
An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment is very strong.

A
An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

BBB
An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

Below BBB
Obligations rated 'Below BBB' are regarded as having significant speculative characteristics. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

Not rated
This indicates that there is insufficient information on which to base a rating. This classification includes obligations due from related parties, individuals and short-term securities. These balances are current and are regularly monitored for impairment.

	AA $	A $	BBB $	Below BBB $	Not rated $	Total $
Year ended 31 December 2016						
Debt securities	–	8,478,640	17,638,178	19,035,792	–	45,152,610
Mutual funds	–	–	8,312,244	–	–	8,312,244
Loans and advances	–	–	–	–	6,845,603	6,845,603
Cash and cash equivalents	127,532	–	725,393	3,061,097	–	3,914,022
Other assets	–	–	–	–	2,164,453	2,164,453
	127,532	8,478,640	26,675,815	22,096,889	9,010,056	66,388,932

	A $	BBB $	Below BBB $	Not rated $	Total $
Year ended 31 December 2015					
Debt securities	15,465,994	9,563,120	7,926,905	–	32,956,019
Mutual funds	–	5,312,150	–	1,489,708	6,801,858
Loans and advances	–	–	–	6,445,741	6,445,741
Cash and cash equivalents	490,411	4,891,574	24,552,389	–	29,934,374
Other assets	–	–	–	2,152,297	2,152,297
	15,956,405	19,766,844	32,479,294	10,087,746	78,290,289

(ii) Financial assets that are impaired

	Carrying value		Fair value of collateral held	
	2016 $	2015 $	2016 $	2015 $
Other loans and receivables	294,891	294,891	294,891	294,891

There were no unrealised losses recognised in the income statement for impaired investment securities in 2016 and 2015.

e) Concentration of risks of financial assets with credit risk exposure

The following table breaks down the Company's main credit risk exposure at their carrying amounts, as categorised by the industry sectors of counterparties:

	Financial institutions $	Public sector $	Other industries $	Individuals $	Total $
At 31 December 2016					
Debt securities	20,340,744	18,420,774	6,391,092	–	45,152,610
Mutual funds	8,312,244	–	–	–	8,312,244
Other loans and receivables	–	–	5,344,277	1,796,217	7,140,494
Cash and cash equivalents	3,914,022	–	–	–	3,914,022
Other assets	1,468,832	–	695,621	–	2,164,453
	34,035,842	18,420,774	12,430,990	1,796,217	66,683,823

	Financial institutions $	Public sector $	Other industries $	Individuals $	Total $
At 31 December 2015					
Debt securities	5,483,659	18,962,519	8,509,841	–	32,956,019
Mutual funds	6,801,858	–	–	–	6,801,858
Other loans and receivables	–	–	5,507,657	1,232,975	6,740,632
Cash and cash equivalents	29,934,374	–	–	–	29,934,374
Other assets	1,892,228	–	158,239	101,830	2,152,297
	44,112,119	18,962,519	14,175,737	1,334,805	78,585,180

26.2 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk, each of which are considered below.

26.2 Market risk management (continued)

a) Currency risk

i) Definition

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

ii) Management of risk

The Company's assets and liabilities are denominated in Trinidad and Tobago dollars and United States dollars. The strategy for dealing with currency risk is to offset as far as possible foreign currency liabilities with assets denominated in the same currency.

iii) Concentration of currency risk

The following table analyses the Company's exposure to currency risk of monetary assets and liabilities by currency:

	TT $	US $	GBP $	Total $
As at 31 December 2016				
Assets				
Cash and cash equivalents	805,310	3,099,933	8,779	3,914,022
Investment securities	21,686,078	32,005,119	–	53,691,197
Loans and advances	7,081,165	59,329	–	7,140,494
Other assets	1,215,550	673,073	275,830	2,164,453
Total assets	30,788,103	35,837,454	284,609	66,910,166
Liabilities				
Short-term borrowings	14,227,275	2,207,325	–	16,434,600
Other liabilities	1,457,789	–	–	1,457,789
Total liabilities	15,685,064	2,207,325	–	17,892,389
Net statement of financial position	15,103,039	33,630,129	284,609	

	TT $	US $	Total $
As at 31 December 2015			
Assets			
Cash and cash equivalents	2,131,937	27,802,437	29,934,374
Investment securities	24,636,490	16,369,568	41,006,058
Loans and advances	6,688,428	52,204	6,740,632
Other assets	1,657,520	494,777	2,152,297
Total assets	35,114,375	44,718,986	79,833,361
Liabilities			
Short-term borrowings	12,070,186	2,088,761	14,158,947
Other liabilities	1,936,326	1,705,933	3,642,259
Total liabilities	14,006,512	3,794,694	17,801,206
Net statement of financial position	21,107,863	40,924,292	

iv) Sensitivity analysis

As at 31 December 2016, if the Trinidad and Tobago dollar had weakened/strengthened by 1.1% (2015: 1.2%) against the United States dollar with all other variables held constant, post-tax profit for the year and net equity would have been TT$369,931 (2015: TT$368,319) higher/lower, mainly as a result of foreign exchange gains/losses on translation of United States dollar denominated investments at fair value through profit or loss and short-term borrowings.

b) Interest rate risk

i) Definition

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.

ii) Management of risk

The Company may be exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. Exposure is managed largely by the use of natural hedges that arise by matching interest sensitive assets with liabilities of a similar nature.

iii) Concentration of interest rate risk

The table below summarizes the Company's exposure to interest rate risks. Included in the table are the company's assets and liabilities at carrying amounts, categorized by the earlier of contractual re-pricing or maturity dates.

	Up to one year $	One to five years $	Over five years $	Total $
As at 31 December 2016				
Assets				
Cash and cash equivalents	3,914,022	–	–	3,914,022
Investment securities	14,003,990	20,400,811	19,060,053	53,464,854
Loans and advances	2,244,601	4,895,893	–	7,140,494
Other assets	2,164,453	–	–	2,164,453
Total assets	22,327,066	25,296,704	19,060,053	66,683,823
Liabilities				
Short-term borrowings	16,434,600	–	–	16,434,600
Other liabilities	1,457,789	–	–	1,457,789
Total liabilities	17,892,389	–	–	17,892,389
Interest sensitivity gap	4,434,677	25,296,704	19,060,053	

	Up to one year $	One to five years $	Over five years $	Total $
As at 31 December 2015				
Assets				
Cash and cash equivalents	29,934,374	–	–	29,934,374
Investment securities	10,387,206	8,995,731	20,374,940	39,757,877
Loans and advances	2,029,328	4,416,396	294,908	6,740,632
Other assets	2,152,297	–	–	2,152,297
Total assets	44,503,205	13,412,127	20,669,848	78,585,180
Liabilities				
Short-term borrowings	14,158,947	–	–	14,158,947
Other liabilities	3,642,259	–	–	3,642,259
Total liabilities	17,801,206	–	–	17,801,206
Interest sensitivity gap	26,701,999	13,412,127	20,669,848	

iv) Sensitivity analysis

As at 31 December 2016, if interest rates had been 1% higher/lower with all other variables held constant, post-tax profit for the year and net equity would have been $2,608,051 (2015: $1,781,137) lower/higher, mainly as a result of higher/lower unrealised losses/gains on fixed rate investments and interest expense on short-term borrowings.

c) Price risk

i) Definition

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or issuer, or factors affecting all similar financial instruments traded in the market.

ii) Management of risk

The Company has no significant exposure to price risk as its financial assets are substantially comprised of debt securities and deposits with financial institutions.

26.3 Liquidity risk

i) Definition

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

ii) Management of risk

The Company manages its liquidity risk by various asset/liability-matching techniques. Liquidity risk is further mitigated by the marketable nature of the Company's assets.

iii) Maturity analysis of financial assets and liabilities

The following table analyses the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at statement of financial position date to the contractual maturity date. The amounts disclosed in respect of financial liabilities are the contractual undiscounted cash flows.

26.3 Liquidity risk (Continued)

Contractual/expected undiscounted cash flows

As at 31 December 2016	Carrying amount $	Up to one year $	One to five years $	Over five years $	Total $
Liabilities					
Short-term borrowings	16,434,600	16,545,352	–	–	16,545,352
Other liabilities	1,457,789	1,457,789	–	–	1,457,789
Total	17,892,389	18,003,141	–	–	18,003,141
Total assets (maturity profile of assets)		22,327,066	25,296,704	19,060,053	66,683,823
As at 31 December 2015					
Liabilities					
Short-term borrowings	14,158,947	14,239,192	–	–	14,239,192
Other liabilities	3,642,259	3,642,259	–	–	3,642,259
Total	17,801,206	17,881,451	–	–	17,881,451
Total assets (maturity profile of assets)		44,503,205	13,412,127	20,669,848	78,585,180

26.4 Capital risk management

Shareholder's Equity comprise of Share Capital, Statutory Reserve and Retained Earnings.

The Company holds a licence under the Financial Institutions (Non-Banking) Act 2008 to carry on business of a financial nature and as such has to comply with the following capital requirements:

- The Company is required to have a minimum paid up share capital of TTD$15,000,000.
- The Company must transfer a minimum of 10% of its Profit After Taxation to the Statutory Reserve Fund until the balance on the Fund is not less than the paid up capital of the Institution.
- The Company's qualifying capital shall not be less than 8% of its risk adjusted assets. The Company has complied with these requirements.

The Company is also registered under the Securities Industries Act 2012 to carry on business as a broker-dealer, investment advisor and underwriter, and as such is required to have a minimum capital of TT$6,000,000 of which at least TT$3,000,000 shall be regulatory capital. The Company has complied with these requirements.

The Company meets its objectives for managing capital and ensures adherence to the requirements of Regulatory Authorities through continuous monitoring and awareness of the regulations and by ensuring that the relevant procedures and controls are in place within the Company's systems. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2016 and 2015.

26.5 Fair values of financial assets and liabilities

Financial assets and liabilities not carried at fair value include cash and cash equivalents, loans to customers, short-term borrowings and other financial assets and liabilities. The following are comments relevant to their fair value.

Cash and cash equivalents, short-term borrowings, other financial assets and liabilities

The carrying amounts are a reasonable estimate of fair values because of their short-term nature.

Loans and advances

These assets result from transactions conducted under typical market conditions and their values are not affected by unusual terms. The inherent rates of interest in the portfolio approximate market conditions and yield discounted cash flows, which are substantially consistent with their carrying values.

Classification - Fair values of financial instruments

The classification of financial instruments at fair value can be determined by reference to the source of inputs used to derive the fair value. The classification uses the following three-level hierarchy:

Level 1

Included in the Level 1 category are financial assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2

Included in the Level 2 category are financial assets and liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Company's own models whereby the majority of assumptions are market observable.

Level 3

Included in the Level 3 category are financial assets and liabilities that are not quoted as there are no active markets to determine a price. These financial instruments are held at cost, being the fair value of the consideration paid for the acquisition of the investment, and are regularly assessed for impairment.

The following table shows an analysis of financial instruments recorded at fair value by level of fair value hierarchy:

	Level 1 $	Level 2 $	Level 3 $	Total $
Year ended 31 December 2016				
Government bonds	–	18,099,813	–	18,099,813
Corporate bonds	5,802,587	17,252,159	–	23,054,746
Mutual funds	8,280,081	–	–	8,280,081
Equities	–	1,030	225,313	226,343
Accrued interest	117,182	453,044	–	570,226
	14,199,850	35,806,046	225,313	50,231,209

	Level 1 $	Level 2 $	Level 3 $	Total $
Year ended 31 December 2015				
Government bonds	–	18,598,720	–	18,598,720
Corporate bonds	1,757,366	12,090,682	–	13,848,048
Mutual funds	5,301,373	1,489,835	–	6,791,208
Equities	–	1,033,766	214,415	1,248,181
Accrued interest	66,167	453,734	–	519,901
	7,124,906	33,666,737	214,415	41,006,058

If prices of Level 3 equity securities had increased/decreased by 10% with all other variables held constant, profit for the year would have been $22,531 (2015: $21,442) higher/lower.

The following table presents the valuation techniques and key inputs that were used to determine the fair value of assets and liabilities categorised under Level 2 and Level 3 of the fair value hierarchy:

Financial assets at fair value through P&L:	Valuation technique	Range	Significant unobservable input
Government bonds Corporate bonds	DCF method	0.0% to 6.05%	Credit spread for non-performance risk
Equities	Held at cost	n/a	n/a

The Company does not regard that any reasonable change in the valuation assumptions of Level 3 assets and liabilities will have any significant impact on the financial statements.

Classification - Fair values of financial instruments

The following table shows a reconciliation of Level 3 financial instruments during the year.

	At 1 January 2016 $	Total gain/(loss) in income statement $	Sales/ maturities $	At 31 December 2016 $	Total gain/(loss) included in income statement for assets held as at 31 December 2016 $
Financial assets at fair value through profit or loss					
Equities	214,415	10,898	–	225,313	10,898

	At 1 January 2015 $	Total gain/(loss) in income statement $	Sales/ maturities $	At 31 December 2015 $	Total gain/(loss) included in income statement for assets held as at 31 December 2015 $
Financial assets at fair value through profit or loss					
Corporate bonds	464,417	1,581,377	(2,045,794)	–	–
Equities	362,435	(148,020)	–	214,415	(148,020)
	826,852	1,433,357	(2,045,794)	214,415	(148,020)

26.5 Fair values of financial assets and liabilities (Continued)

Gains or losses (realized and unrealized) for the period are presented in the income statement as follows:

	Realised gains $	Fair value losses $	Total $
Year ended 31 December 2016			
Total gains or losses included in the income statement for the period	–	10,898	10,898
Year ended 31 December 2015			
Total gains or losses included in the income statement for the period	1,581,377	(148,020)	1,433,357

27. 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 or operational decisions.

A number of transactions are entered into with related parties in the normal course of business. These transactions are carried out on commercial terms and conditions and at market rates. The following are details of related party transactions:

	2016 $	2015 $
i) Income		
Parent company		
- Interest income	28,793	87,407
Affiliated companies		
- Arrangement fees	492,248	–
- Asset administration fees	–	10,320,125
- Management fees	12,990,079	20,442,989
- Interest income	197,689	404,713
- Realised gains	999,030	–
	14,707,839	31,255,234
ii) Expenses		
Affiliated companies		
- Rental charges	193,791	708,657
- Technical fees	1,324,924	5,090,768
- Lease rentals	333,239	552,927
- Marketing costs	122,100	1,300,866
	1,974,054	7,653,218
iii) Key management compensation		
Salaries and other short-term benefits	3,809,735	3,994,470
Share based payments	2,886,161	418,973
Post-employment benefits	334,369	434,481
	7,030,265	4,847,924
iv) Investments at fair value through profit or loss		
- Parent company	402,500	421,583
- Affiliated companies	3,943,269	3,554,284
- Mutual funds	512,762	2,523,672
	4,858,531	6,499,539
v) Year-end balances		
Due from affiliated companies (Note 8)	1,158,740	1,892,228
Due to parent and affiliated companies (Note 15)		
- Parent company	861	55,318
- Affiliated companies	579,558	1,881,008
	580,419	1,936,326

These amounts are unsecured, non-interest bearing and have no fixed repayment term.

vi) Short term borrowings

	2016 $	2015 $
- Affiliated companies	7,291,597	2,568,147

28. Contingent liabilities

The Company is a defendant in a legal action arising out of its normal course of business. In the opinion of the directors, after taking appropriate legal advice, the action is not likely to succeed and accordingly no provision for any liability has been made in these financial statements.

29. Commitments

The future aggregate minimum lease payments under operating leases are as follows:

	2016 $	2015 $
Not later than one year	67,500	69,000

Rental expense under these leases amount to $162,600 for the year ended 31 December 2016 (2015: $165,600).