

Caribbean Stockbrokers Limited

Financial Statements

30 June 2023

(Expressed in Trinidad and Tobago Dollars)



Caribbean Stockbrokers Limited
Financial Statements
(Expressed in Trinidad and Tobago Dollars)

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Caribbean Stockbrokers Limited
Directors Report
for the Year Ended 30 June 2023

Your directors present this report on the company for the financial year ended 30 June 2023.

Directors and Secretary

The names of the directors in office at any time during or since the end of the year are:

Mr Shamshad Ali [Director]

Mrs Fariel Ali-Kangaloo [Director]

Mr Harold Alleyne [Chief Executive Officer and Corporate Secretary]

Operating Results

The company incurred a loss after taxation for the financial year of \$235,047 [2022 profit \$690,953]. In 2023, there was an unrealised loss on security investments of \$2,950,468. [2022: unrealised loss of \$941,357].

Principal Activities

The principal activities of the company during the financial year were the trading in stocks, shares and other securities.

No significant change in these activities occurred during the year.

After Balance Sheet Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected, or may significantly affect, the operations of the company or the results of those operations of the company in future financial years.

Likely developments in the operations of the company, and the expected results of those operations in future financial years, have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Dividends

Dividends paid or declared since the start of the financial year are as follows:

- a) there were no dividends paid during the year.

- b) there were no dividends or distributions recommended or declared for payment to members during the year that have not been paid or credited to the members throughout the year.

Share Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Auditors

A resolution to re-appoint the Auditors, Alan Ramoutar & Co will be proposed at the Annual General Meeting.

Proceedings on Behalf of The Company

No person has applied for leave of Court to bring proceedings on behalf of the company, or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

BY ORDER OF THE BOARD

Secretary



Dated this 28th day of August 2023

**CHARTERED ACCOUNTANTS
ICATT REGISTERED FIRM**

Independent Auditor's Report

To The Members Caribbean Stockbrokers Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of Caribbean Stockbrokers Limited as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 30 June 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

**CHARTERED ACCOUNTANTS
ICATT REGISTERED FIRM****Other information**

Management is responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements and our auditor's report thereon.

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 identified above 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS for SMEs, 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.

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.

**CHARTERED ACCOUNTANTS
ICATT REGISTERED FIRM**

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 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 those charged with governance 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.



**Alan Ramoutar & Co
Chartered Accountants**

San Fernando

28 August 2023



**CHARTERED ACCOUNTANTS
ICATT REGISTERED FIRM
INDEPENDENT AUDITOR'S REPORT**

To the Board of **THE TRINIDAD AND TOBAGO STOCK EXCHANGE LIMITED**

Our opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of Caribbean Stockbrokers Limited as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 30 June 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in whose hands it may come save where expressly agreed by our prior consent in writing. In our opinion, according to the best of our information and explanations given to us:

- (1) Every Director was in compliance with the provisions of the Securities Industries Act, 2012, concerning directors' shareholdings and subordinated loans; and
- (2) The business of the company has been conducted in accordance with the provisions of the Securities Industries Act, 2012 and the rules and regulations of The Trinidad and Tobago Stock Exchange Limited and the Statements of Financial Position and Comprehensive Income are true and fair statements of the business of the company in respect of the financial year ended June 30, 2023.


Alan Ramoutar & Co.
CHARTERED ACCOUNTANTS

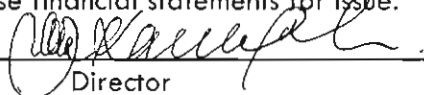


Caribbean Stockbrokers Limited
Statement of Financial Position as at 30 June 2023
(Expressed in Trinidad and Tobago Dollars)

	Notes	30 June 2023 \$	30 June 2022 \$
Assets			
Non-Current			
Plant & Equipment	4	29,833	36,877
Financial Assets at Fair Value	5	41,490,123	42,755,554
		<u>41,519,956</u>	<u>42,792,431</u>
Current			
Trade and Other Receivables	6	12,402,252	20,169,799
Cash and Cash Equivalents		13,797,949	10,018,154
		<u>26,200,201</u>	<u>30,187,953</u>
Total Assets		<u>67,720,157</u>	<u>72,980,384</u>
Equity and Liabilities			
Stated Capital	7	5,000,000	5,000,000
Accumulated Reserves		48,909,401	49,144,448
Total Equity		<u>53,909,401</u>	<u>54,144,448</u>
Liabilities			
Non-Current			
Due to Clients and Member Firms	8	10,749,615	14,923,917
		<u>10,749,615</u>	<u>14,923,917</u>
Current			
Trade and Other Payables	9	3,061,141	3,912,019
		<u>3,061,141</u>	<u>3,912,019</u>
Total Liabilities		<u>13,810,756</u>	<u>18,835,936</u>
Total Equity and Liabilities		<u>67,720,157</u>	<u>72,980,384</u>

The notes on pages 10 to 16 form an integral part of these financial statements.

On 28 August 2023, the Board of Directors of Caribbean Stockbrokers Limited approved and authorised these financial statements for issue.


Director


Director

Caribbean Stockbrokers Limited**Statement of Comprehensive Income For The Year Ended 30 June 2023**

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
Revenue			
Commissions and Brokerage		5,560,845	5,748,874
Dividend Income		1,207,802	1,107,818
Interest Income		66,979	66,117
Gains/(Losses) on Security Investments		(2,950,468)	(941,357)
Gains/(Losses) on Currency Movements		(33,669)	(46,700)
		<u>3,851,489</u>	<u>5,934,752</u>
Cost and Expenses			
Administration Costs		(1,313,911)	(1,676,734)
Other Business Expenses		(2,131,520)	(3,345,913)
Operating Expenses		<u>(3,445,431)</u>	<u>(5,022,647)</u>
Net Profit Before Taxation		406,058	912,105
Taxation	10	<u>641,105</u>	<u>221,152</u>
Net (Loss)/Profit After Taxation		<u>(235,047)</u>	<u>690,953</u>

The notes on pages 10 to 16 form an integral part of these financial statements.

Caribbean Stockbrokers Limited
Statement of Changes in Equity
(Expressed in Trinidad and Tobago Dollars)

	Share Capital \$	Accumulated Reserves \$	Total \$
Balance as at 1 July 2021	5,000,000	48,453,495	53,453,495
Net profit after taxation	-	690,953	690,953
Balance as at 30 June 2022	<u>5,000,000</u>	<u>49,144,448</u>	<u>54,144,448</u>
Balance as at 1 July 2022	5,000,000	49,144,448	54,144,448
Net (loss) after taxation	-	(235,047)	(235,047)
Balance as at 30 June 2023	<u>5,000,000</u>	<u>48,909,401</u>	<u>53,909,401</u>

The notes on pages 10 to 16 form an integral part of these financial statements.

Caribbean Stockbrokers Limited
Statement of Cash Flows
(Expressed in Trinidad and Tobago Dollars)

	Notes	Year Ended 30 June 2023 \$	Year Ended 30 June 2022 \$
Cash Flows From Operating Activities			
Net Profit before Taxation		406,058	912,105
Adjustments For:			
Depreciation		<u>9,944</u>	<u>12,292</u>
		416,002	924,397
Changes In Working Capital			
Increase in Trade and Other Receivables		7,767,547	25,097,456
Decrease in Trade and Other Payables		<u>(850,878)</u>	<u>(545,082)</u>
Cash Generated From Operating Activities		7,332,671	25,476,771
Change in Taxation		<u>641,105</u>	<u>221,152</u>
Net Cash (Used In) / Generated From Operating Activities		<u>6,691,566</u>	<u>25,255,619</u>
Investing Activities			
Purchase of Plant and Equipment	4	(2,900)	-
(Increase)/Decrease in Investment Value		1,265,431	914,658
Increase/(Decrease) in Clients' Funds		<u>(4,174,302)</u>	<u>(30,186,887)</u>
Net Cash Used in Investing Activities		<u>(2,911,771)</u>	<u>(29,272,229)</u>
Financing Activities			
Dividends Paid		-	-
Net Cash Generated from Financing Activities		<u>-</u>	<u>-</u>
Net Cash Increase During The Year		3,779,795	(4,016,610)
Cash And Cash Equivalents, Beginning Of Year		<u>10,018,154</u>	<u>14,034,764</u>
Cash And Cash Equivalents, End Of Year		<u>13,797,949</u>	<u>10,018,154</u>
Represented by Cash and Cash Equivalents		<u>13,797,949</u>	<u>10,018,154</u>

The notes on pages 10 to 16 form an integral part of these financial statements.

1 Incorporation And Principal Activities

Caribbean Stockbrokers Limited was incorporated in the Republic of Trinidad and Tobago and its principal activities are the provision of stockbrokerage services.

2 Summary of Significant Accounting Policies

2.1 Basis of Preparation

These financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards.

2.2 Foreign Currencies

a) Functional Currency

Items included in the financial statements of the company are measured using the currency of the primary statements economic environment in which the company operates ('the functional currency'). The financial are presented in Trinidad and Tobago dollars which is the company's functional currency.

b) Transaction and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the time of the transactions. Foreign exchange gains and losses resulting from the settlement of these 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.

2.3 Plant & Equipment

Plant & equipment is stated at cost less accumulated depreciation and any recognised impairment loss. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation on plant and equipment is provided on the reducing balance basis at the following rates which are considered appropriate to write off the assets over their estimated useful lives:

2.3 Plant & Equipment (Continued)

Computer equipment and software	25%
Office equipment	25%
Furniture and fixtures	25%
Motor vehicles	25%

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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.

2.4 Interest

Interest income and expense are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments receipts through the expected life of the financial asset or liability.

The calculation of the effective interest rate includes all fees and points paid or received that are an integral part of the effective interest rate.

2.5 Fees and Commission

Fees and commission income, including brokerage fees, and sales commission, are recognized as the related services are performed.

2.6 Trade Receivables

Trade receivables are recognised initially at the transaction price.

2.7 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within current liabilities on the statement of financial position.

2.8 Stated Capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

2.9 Payables

Payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2.10 Financial Instruments

Financial instruments carried on the statement of financial position include cash and bank balances, trade and other receivables, trade and other payables, related party balances and bank loans. The particular recognition methods adopted are disclosed in the individual policy statement associated with each item. The Company recognises a financial asset when it becomes a party to the contractual provisions of the instrument. The Company initially recognizes trade and other receivables on the date of the transaction. At initial recognition, the Company measures a financial asset at its fair value plus, in the case of financial asset not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction cost of a financial asset measured at fair value through profit or loss is recognized as profit or loss.

Financial assets measured at fair value through profit or loss

A financial asset measured at fair value through profit or loss is recognized initially at fair value and its transaction cost is recognized in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognized in profit or loss, and presented in "finance income" or "finance cost" in the statement of income for the reporting period in which it arises.

2.11 Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of returns, rebates and discounts. The Company recognises revenue when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the entity.

3 Significant Accounting Estimates, Judgements and Assumptions

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. Key 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) Income Taxes

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

Caribbean Stockbrokers Limited
Notes to the Financial Statements (Continued)
(Expressed in Trinidad and Tobago Dollars)

4 Plant & Equipment

	Computer Equipment and Software	Motor Vehicles	Furniture and Fixtures	Office Equipment	Total
	\$	\$	\$	\$	\$
Year Ended 30 June 2023					
Cost					
As at 01 July 2022	816,374	624,950	200,444	180,252	1,822,020
Additions	-	-	2,900	-	2,900
Disposals	-	-	-	-	-
As at 30 June 2023	<u>816,374</u>	<u>624,950</u>	<u>203,344</u>	<u>180,252</u>	<u>1,824,920</u>
Accumulated Depreciation					
As at 01 July 2022	(806,814)	(607,380)	(196,431)	(174,520)	(1,785,143)
Depreciation	(2,390)	(4,393)	(1,728)	(1,433)	(9,944)
As at 30 June 2023	<u>(809,204)</u>	<u>(611,773)</u>	<u>(198,159)</u>	<u>(175,953)</u>	<u>(1,795,087)</u>
Carrying Amount					
As at 01 July 2022	<u>9,560</u>	<u>17,570</u>	<u>4,013</u>	<u>5,732</u>	<u>36,877</u>
As at 30 June 2023	<u>7,170</u>	<u>13,178</u>	<u>5,185</u>	<u>4,299</u>	<u>29,833</u>

Caribbean Stockbrokers Limited**Notes to the Financial Statements (Continued)**

(Expressed in Trinidad and Tobago Dollars)

5 Financial Assets at Fair Value	2023	2022
	\$	\$
Fair Value		
Equity Securities	31,770,316	33,213,193
Money Market Securities	7,087,955	7,024,521
USD Savings	2,569,070	2,467,030
Debt Securities	62,782	50,810
Total financial assets at fair value through profit and loss	41,490,123	42,755,554
6 Trade and Other Receivables	2023	2022
	\$	\$
Clients and Member Firms	12,385,452	20,152,999
Prepayments	16,800	16,800
	12,402,252	20,169,799
7 Stated Capital	2023	2022
	\$	\$
Authorised An unlimited number of ordinary shares of no par value		
Issued and fully paid - 5,000,000 ordinary shares of no par value	5,000,000	5,000,000
8 Due to clients and member firms	2023	2022
	\$	\$
Securities	10,749,615	14,923,917
	10,749,615	14,923,917

These are amounts due to clients and member firms represent the sale of securities.

Caribbean Stockbrokers Limited
Notes to the Financial Statements (Continued)
(Expressed in Trinidad and Tobago Dollars)

	2023	2022
	\$	\$
9 Trade and Other Payables		
Trade payables	-	-
Other payables & accruals	3,061,141	3,912,019
	<u>3,061,141</u>	<u>3,912,019</u>

	2023	2022
	\$	\$
10 Taxation		
Taxation consists of the following:		
Current tax- Business Levy	-	-
Current tax- Corporation Tax	624,524	204,045
Current tax- Green Fund Charge	16,582	17,107
	<u>641,105</u>	<u>221,152</u>

11 Key Management Personnel

Key Management Personnel (KMP) are members of the leadership team who have the authority and responsibility for planning, directing and controlling the activities of Caribbean Stockbrokers Ltd either directly or indirectly. They include all Directors of the Board (executive and non-executive).

Key Management Personnel Compensation

Key Management Personnel (KMP) compensation is set out below.

	2023	2022
	Total	Total
	\$	\$
Short-term employee benefits	450,000	450,000
Post-employment benefits	462,500	443,750
Other long-term benefits	-	-
Termination benefits	-	-
Total	<u><u>912,500</u></u>	<u><u>893,750</u></u>

Caribbean Stockbrokers Limited

Notes to the Financial Statements (Continued)

(Expressed in Trinidad and Tobago Dollars)

11 Key Management Personnel (Continued)

Individual Directors' and Executives' compensation disclosures

Apart from the information disclosed in this note, no Director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end.

No individual KMP or related party holds a loan with the company (2021: nil)

No impairment losses have been recognised in relation to any loans made to KMP

(2021: nil) and no loans were advanced during the current year (2021: nil). Other than those items discussed above, there have been no other transactions between KMP and the Company.