23-SEP- 10988

Grant Thornton

MURPHY CLARKE FINANCIAL LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2023

MURPHY CLARKE FINANCIAL LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Contents **Page**

Murphy Clarke

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Murphy Clarke Financial Limited ("the Group"), which comprise the consolidated statement of financial position as at June 30, 2023, the consolidated statement of income, the consolidated statement of changes in equity and cash flows for the year then ended, and significant accounting policies and other explanatory information;

- Ensuring that the Group keeps proper accounting records;

- Selecting appropriate accounting policies and applying them in a consistent manner;

- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of Group operational efficiencies;

- Ensuring that the system of internal control operated effectively during the reporting period;

- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and

- Using reasonable and prudent judgement in the determination of estimates.

In preparing these consolidated financial statements, management utilised the International Financial Reporting Standard as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances. Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying consolidated financial statements have been authorised for issue, if later. Management affirms that it has carried out its responsibilities as outlined above.

Leslie Clarke Managing Director September 27, 2023	Fareesha Majid Senior Manager – Asset Management September 27, 2023

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Independent Auditors' Report

To the Board of Directors of Murphy Clarke Financial Limited

Opinion

We have audited the consolidated financial statements of Murphy Clarke Financial Limited ("the Group"), which comprise the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at June 30, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the 'International Ethics Standards Board for Accountants' Code of Ethics of Professional Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Trinidad and Tobago, and we have fulfilled our ethical responsibilities in accordance with these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. Key audit matters are selected from matters communicated with those charged with governance. There are no key audit matters to communicate with those charged with governance.

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue the auditors' 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 consolidated 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 consolidated 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 Group'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 Group's ability to continue as a going concern.

- If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Group or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Giles Leung.

Grant Thornton

Grant Thornton
ORBIT Solutions
Port of Spain
Trinidad
September 27, 2023

MURPHY CLARKE FINANCIAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Notes	2023 $	2022 $
ASSETS			
Cash and cash equivalents	9	91,306,275	67,764,142
Financial assets	7	91,549,901	99,894,358
Accounts receivable	8	25,371,327	25,607,578
Due from related parties	17	5,991,108	6,573,697
Property, plant and equipment	5	1,574,052	1,245,436
Investment properties	6	34,610,000	34,610,000
Other assets		652,101	652,101
Taxation recoverable		1,192,581	672,549
Deferred tax asset	13	2,308,425	3,973,831
TOTAL ASSETS		**254,555,770**	**240,993,692**
EQUITY AND LIABILITIES			
Equity			
Stated capital	10	19,200,000	20,000,000
Accumulated losses		(1,439,787)	(2,749,061)
		17,760,213	17,250,939
Liabilities			
Financial liabilities	11	134,280,497	145,498,378
Client deposits	12	92,913,857	73,156,292
Other liabilities	14	7,296,510	3,395,714
Taxation payable		2,304,693	1,692,369
		236,795,557	223,742,753
TOTAL EQUITY AND LIABILITIES		**254,555,770**	**240,993,692**

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

On September 27, 2023 the Board of Directors of Murphy Clarke Financial Limited authorized these consolidated financial statements for issue.

Director:

Director: Faresha Hajid

MURPHY CLARKE FINANCIAL LIMITED
CONSOLIDATED STATEMENT OF COMPEHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Notes	2023 $	2022 $
INCOME			
Interest income		6,923,555	5,737,346
Interest expense		(5,565,993)	(3,980,605)
Net interest income		1,357,562	1,756,741
Brokerage fees		5,065,449	5,554,900
Management fee		5,398,959	4,054,798
Other income		375,968	341,116
Dividend income		1,072,608	322,797
Rental income		2,170,337	2,027,421
Gain on disposal of investment		2,044,858	2,643,911
Net gain from financial assets at fair value through profit or loss		5,109,119	-
Gain on foreign currency translations		2,818,983	3,329,030
		25,413,843	20,030,714
EXPENSES			
Net loss from financial assets at fair value through profit or loss		-	(19,657,726)
Employee costs	**15**	(5,339,565)	(4,781,204)
Administrative expenses	**19**	(7,453,425)	(6,544,271)
		(12,792,990)	(30,983,201)
Profit/(loss) before taxation		**12,620,853**	**(10,952,487)**
Taxation	**13**	(3,059,299)	4,570,869
Total comprehensive profit/(loss) for the year		**9,561,554**	**(6,381,618)**

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

MURPHY CLARKE FINANCIAL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Stated capital $	Accumulated losses $	Total $
Balance as at July 1, 2022	20,000,000	(2,749,061)	17,250,939
Repurchase of Shares	(800,000)	(3,850,740)	(4,650,740)
Dividends	-	(4,401,540)	(4,401,540)
Total comprehensive profit for the year	-	9,561,554	9,561,554
Balance as at June 30, 2023	**19,200,000**	**(1,439,787)**	**17,760,213**
Balance as at July 1, 2021	20,000,000	4,034,658	24,034,658
Dividends	-	(402,101)	(402,101)
Total comprehensive loss for the year	-	(6,381,618)	(6,381,618)
Balance as at June 30, 2022	**20,000,000**	**(2,749,061)**	**17,250,939**

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

MURPHY CLARKE FINANCIAL LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	2023 $	2022 $
Cash flows from operating activities		
(Loss)/profit before taxation	12,620,853	(10,952,487)
Non-cash adjustments		
Depreciation	434,200	360,691
Loss on disposal of property, plant and equipment	(1,191)	782
Net gain from financial assets at fair value through profit or loss	(5,109,119)	19,657,726
Interest income	(6,923,555)	(5,737,346)
Interest expense	5,565,993	3,980,605
	6,587,181	(7,309,971)
Net changes in working capital		
Increase in accounts receivable	850,545	(17,895,008)
Change in client deposits	19,757,565	5,101,327
Change in other liabilities	(182,943)	(2,499,775)
Change in due from related parties	582,589	689,837
	27,594,937	(7,293,648)
Taxation refund		366,283
Taxation paid	(1,301,465)	(154,871)
Net cash used in operating activities	26,293,473	(7,082,236)
Cash flows from investing activities		
Proceeds from disposal	4,817	-
Acquisition of property, plant and equipment	(766,442)	(319,812)
Increase in other assets	-	(32,002)
Net movement in financial assets	13,453,576	(31,001,690)
Interest paid	(5,482,394)	(3,949,898)
Interest received	6,309,260	5,507,932
Net cash used in investing activities	13,518,817	(29,795,470)
Cash flows from financing activities		
Stated Capital	(4,650,740)	-
Dividends paid	(401,540)	(402,101)
Increase in financial liabilities	(11,217,877)	27,223,872
Net cash generated from financing activities	(16,270,157)	26,821,771
Decrease in cash and cash equivalents for the year	23,542,133	(10,055,935)
Cash and cash equivalents at beginning of the year	67,764,142	77,820,077
Cash and cash equivalents at end of year	**91,306,275**	**67,764,142**

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

1. General information

Murphy Clarke Financial Limited ("the Company") is incorporated in the Republic of Trinidad and Tobago. The address of the Company's registered office is #15 Wainwright Street, St Clair, Port of Spain. The consolidated financial statements comprise the Company and its subsidiaries Stone Services Limited, Murphy Clarke Financial Limited St. Lucia, Trinity Scott Limited and Coastal Winds Limited ("the Group").

The Company is a private independently owned wealth management business, operating under a broker/dealer license, offering a full range of investment management services and providing avenues to invest in a number of products and services.

Stone Services Limited, Coastal Winds Limited and Trinity Scott Limited are real estate management companies.

Murphy Clarke Financial Limited St. Lucia has not commenced operations.

Company	Country of Incorporation	Percentage Owned	
		2023	2022
Stone Services Limited	Trinidad and Tobago	100%	100%
Coastal Winds Limited	Trinidad and Tobago	100%	100%
Murphy Clarke Financial	St Lucia		
(St. Lucia) Limited		100%	100%
Trinity Scott Limited	Trinidad and Tobago	100%	100%

2. Basis of preparation

(a) Basis of accounting

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

(b) Basis of measurement

These consolidated financial statements are prepared on the historical cost basis, except for financial assets and investment properties at fair value through profit or loss.

(c) Functional and reporting currency

These consolidated financial statements are presented in Trinidad and Tobago dollars which is the Group's functional currency.

2. Basis of preparation (continued)

(d) Use of estimates and judgements

The preparation of these consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods affected. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

Note 4(a)(ii)	-	Determination of control over investees.
Note 4(k)	-	Leases: whether an arrangement contains a lease.
Note 4(k)	-	Lease classification.

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending June 30, 2023 is included in the following notes:

Note 4(l)	-	Recognition of deferred tax assets: availability of future taxable profits against which tax losses carried forward and can be used.
Note 4(c) and (p)	-	Determination of the fair value of financial instruments.

3. Changes in accounting policy

a) New, revised and amended standards or interpretations not yet effective

There were no new, revised and amended standards or interpretations implemented during the reporting period for the Group.

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements.

4. Significant accounting policies

The Group has consistently applied the accounting policies as set out below to all periods presented in these consolidated financial statements.

a) *Basis of consolidation*

The consolidated financial statements of the Group include the assets and liabilities and results of operations of the Parent company and its subsidiaries after elimination of inter-company transactions and balances.

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date – that is, when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase (negative goodwill) is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if they are related to the issue of debt or equity securities.

(ii) Subsidiaries

Subsidiaries are investees controlled by the Group. The Group 'controls' an investee when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) *Foreign currency*

Transactions denominated in foreign currencies are translated into the respective functional currency at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences 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 profit or loss.

4. Significant accounting policies (continued)

c) Financial instruments

(i) Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(ii) Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified as:

- fair value through profit or loss (FVTPL).

The classification is determined by both:

- the Group's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, other income, except for impairment of trade receivables which is presented within expense.

(iii) Financial assets at fair value through profit or loss

This category includes financial assets held for trading or financial assets designated at fair value through profit or loss. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so, designated by management.

Financial assets that are held within a different business model other than 'hold to collect' or' hold to collect and sell' are categorized at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains and losses recognized in profit and loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

4. Significant accounting policies (continued)

c) *Financial instruments (continued)*

(iv) Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

(v) Financial liabilities

The Group's financial liabilities includes the margin facility, Real Asset Structured Products (RASP), certificates of investments, client deposits and other liabilities measured at amortised cost or fair value through profit or loss.

d) *Property, plant and equipment*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the diminishing balance basis over the estimated useful lives of each item of equipment at the following rates:

Leasehold improvements	10%
Furniture and fittings	20 - 25%
Office equipment	25 - 33.33%
Motor vehicles	25%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

4. Significant accounting policies (continued)

e) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. The loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

f) Investment property

Investment property is property held to earn rental income, held for capital appreciation or for both. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that as previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

The Group's policy is to perform a reevaluation of the investment properties once every three years.

g) Other assets

Other assets are measured at cost.

h) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at banks and other short-term highly liquid investments with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at cost in the consolidated statement of financial position.

i) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of finance cost is recognised as finance cost.

4. Significant accounting policies (continued)

j) Revenue recognition

(i) Interest income

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial assets or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability and is not revised subsequently. When calculating the effective interest rate, the Group estimates the future cash flows considering all contractual terms of the financial instrument, but not the future credit losses.

The calculation of the effective interest rate includes all fees paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

Interest income is recognised on an accrual basis in the period in which it is due and in accordance with the underlying loan contract terms and conditions except for loans classified as impaired or for loans classified as non-accrual when in management's judgment there was a deterioration in credit quality that if continued would lead to impairment.

Interest income is shown net of the interest expense incurred on managed funds.

Other income is accounted for on the accrual basis.

ii) Net gain from investments at fair value through profit or loss

Net gain from investments at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences, but excludes interest and dividend income, and dividend expense on securities sold short.

iii) Fees and commissions

Fees and commissions that are material to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commissions are recognised in income when a binding obligation has been established. Where such obligations continue, income is recognised over the duration of the facility.

iv) Rental income

Rental income is recognised on the accrual basis.

4. Significant accounting policies (continued)

k) Leased assets

The Group is a party to lease contracts for:
Buildings: Office Space
Equipment: Bloomberg

(i) The Group as a Lessee

The Group has elected to apply the IFRS 16 exemption to all its short-term leases (up to 12 months) which do not contain a purchase option and therefore the lease payments associated with these leases have been recognised and expensed on a straight-line basis over the lease term.

(ii) The Group as a lessor

The Group also earns rental income from leases of its investment properties (See note 7). Rental income is recognised on a straight-line basis over the term of the lease.

l) Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or subsequently enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or subsequently enacted at the reporting date.

Deferred tax asset and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and the current tax assets, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

m) Fiduciary activities

The Group acts in fiduciary capacities that result in the holding or placing of assets on behalf of individuals and institutions. These assets and income arising thereon are excluded from these financial statements as they are not assets or revenue of the Group.

4. Significant accounting policies (continued)

n) Dividends

Dividends are recognized as a liability in the consolidated financial statements in the period in which the dividends are approved by the Board of Directors.

o) Comparative information

Certain changes in the presentation have been made regarding these consolidated financial statements. These changes had no effect on the operating results or profit after tax on the Group for the previous year.

p) Use of critical estimates and judgements

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Management team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 6 – Investment properties
Note 7 and 18 – Financial instruments

5. Property, plant and equipment

	Building improvements $	Furniture, fittings and office equipment $	Motor vehicles $	Total $
Year ended June 30, 2023				
Cost				
Balance as at July 1, 2022	211,811	2,379,883	336,214	2,927,908
Additions for the year	-	418,412	348,030	766,442
Disposals	-	(10,522)	-	(10,522)
Balance at June 30, 2023	211,811	2,787,773	684,244	3,683,828
Accumulated depreciation				
Balance at July 1, 2022	75,737	1,309,749	296,986	1,682,472
Charge for the year	13,607	338,280	82,313	434,200
Disposals	-	(6,896)	-	(6,896)
Balance at June 30, 2023	89,344	1,641,133	379,299	2,109,776
Net book value	**122,467**	**1,146,640**	**304,945**	**1,574,052**
Year ended June 30, 2022				
Cost				
Balance as at July 1, 2021	211,811	2,121,093	336,214	2,669,118
Additions for the year	-	319,812	-	319,812
Disposals	-	(61,023)	-	(61,023)
Balance at June 30, 2022	211,811	2,379,882	336,214	2,927,907
Accumulated depreciation				
Balance at July 1, 2021	60,619	1,037,493	283,909	1,382,021
Charge for the year	15,118	332,496	13,077	360,691
Disposals	-	(60,241)	-	(60,241)
Balance at June 30, 2022	75,737	1,309,748	296,986	1,682,471
Net book value	**136,074**	**1,070,134**	**39,228**	**1,245,436**

6. Investment properties

	2023 $	2022 $
Balance as at July 1	34,610,000	34,610,000
Additions		-
Change in fair value	-	-
Balance as at June 30	**34,610,000**	**34,610,000**

The fair value of the Group's main property assets is estimated based on appraisals performed by independent, professionally qualified property valuers. The significant inputs and assumptions are developed in close consultation with management. The appraisal was carried out using a market approach.

7. Financial assets

	2023 $	2022 $
Non-pledged financial assets at fair value through profit or loss	91,192,651	80,764,048
Non-pledged financial assets at amortized cost	-	1,348,080
Pledged financial assets at amortized cost	95,000	95,000
Pledged financial assets designated as at fair value	262,250	17,687,230
	91,549,901	**99,894,358**

This balance is unsecured, non-interest bearing and repayable when finances permit.

8. Accounts receivable

	2023 $	2022 $
Accrued interest	2,144,810	1,530,516
Other client receivables	21,143,916	22,214,508
Other receivables	2,082,601	1,862,554
	25,371,327	**25,607,578**

The other client receivables balance of $20,862,285 (2022: $21,979,090) is due from two related entities. The amount represents a fully collateralized margin facility extended to the companies whose directors are key management personnel.

9. Cash and cash equivalents

	2023 $	2022 $
Cash in hand	315,663	217,882
Cash at bank:		
Local bank accounts	36,232,310	23,506,840
Foreign broker accounts	54,758,302	44,039,420
	91,306,275	**67,764,142**

10. Stated capital

	2023 $	2022 $
Authorised capital		
Unlimited number of ordinary shares of no par value		
10,000 preference shares of no par value		
Issued and fully paid		
9,200,000 ordinary shares of no par value	9,200,000	10,000,000
10,000 preference shares of no par value	10,000,000	10,000,000
	19,200,000	**20,000,000**

Repurchase of shares

The Company agreed to repurchase 800,000 shares owned by one of the shareholders for a total amount of $4,650,740 effective March 31, 2023. The excess of the purchase price over par value of the shares was taken to equity.

The Company's preference shares were issued in June 2017 and are cumulative perpetual shares, however, there is a call option at the end of three years whereby the company can redeem or roll forward. The Company has elected not to exercise the call option on the preference shares. As a result, the securities have been rolled forward for a second time for another three-year period (2023-2026). Dividends have been paid up at a rate of 4% annually. Dividends have been paid up at a rate of 4% annually.

11. Financial liabilities

	2023 $	2022 $
Current	92,794,553	103,076,630
Non-current	41,485,944	42,421,748
	134,280,497	**145,498,378**
Represented by:		
Margin facility	24,604,569	48,069,470
Real Asset Structured Products	40,203,301	41,010,860
Loans	1,410,884	1,532,883
Certificate of Investments	68,061,743	54,885,165
	134,280,497	**145,498,378**
Fair value of collateral provided in respect of financial liabilities	**122,295,026**	**134,976,804**

11. Financial liabilities (continued)

Margin facility

The margin facility is from Morgan Stanley and has no fixed terms of repayment. The proceeds of the facility were used to purchase bonds and equities held at the same financial institution. The margin fee is calculated at a rate of one-month SOFR plus variable rate adjustment plus 1.5%, which equated to approximately 6.6681 % (2022: 3.0677%). The facility is secured by the investments which were acquired.

Real Asset Structured Products

Real Asset Structured Products (RASP) represent investments in real assets, namely real estate holdings. The weighted average interest rate offered to clients was 2.835% (2022: 2.731%) with an average life of the investment being three (3) years. The RASP structure is an unsolicited private placement of funds to clients that fit into the Company's family office structure.

Loans

Loans represent a promissory note with Scotiabank Trinidad and Tobago Limited. The note bears a fixed interest rate of 5% and has a 120-month term to maturity. The note is secured by a personal guarantee, by one of the shareholders of Murphy Clarke Financial Limited amounting to TTD$1,575,000. Additionally, USD$250,000 is held as collateral in a USD savings account at Scotiabank Trinidad and Tobago Limited.

Certificate of Investments

Certificate of investments represent fixed income securities sold to the investor at a specified fixed rate which range between 1% and 6% and the term which range between 1 year and 7 years.

12. Client deposits

	2023 $	2022 $
Other deposits	89,821,756	66,644,947
Other deposits unsubscribed	3,092,101	6,511,345
	92,913,857	**73,156,292**
Fair value of collateral provided in respect of client deposits	**112,893,136**	**99,951,097**

(i) Other deposits represent funds received from clients which have not been allocated to a product type.

(ii) Other deposits unsubscribed represent funds received from clients to be invested in the purchase of investments and is to be allocated to Clients by the first financial quarter.

13. Taxation

	2023 $	2022 $
(i) Income tax recognised in profit or loss		
Corporation tax	1,334,093	1,309,897
Green fund levy	59,803	54,962
Deferred tax	1,665,403	(5,717,937)
Under provision	-	(217,791)
	3,059,299	**(4,570,869)**

13. Taxation (continued)

(ii) Reconciliation of effective tax rate

	2023 $	2022 $
Loss/profit before taxation	12,620,853	(10,952,487)
Corporation tax at statutory rate of – 30%	3,786,256	(3,285,746)
Tax effect on non-deductible expenses	(781,077)	(1,007,245)
Tax effect of deductible allowances	(62,138)	(115,049)
Green fund levy	59,803	54,962
Under provision	-	(217,791)
Other	56,455	-
	3,059,299	**(4,570,869)**

(iii) Movement in the deferred tax (asset)/ liability

The movement in deferred tax is attributable to property, plant and equipment and financial assets.

	2023 $	2022 $
Deferred tax asset		
The components of deferred tax are as follows:		
Property, plant and equipment		
At the beginning of the year	3,973,831	738,614
Deferred tax benefit/(charge)	(1,665,403)	3,235,217
At the end of the year	**2,308,425**	**3,973,831**
Deferred tax liability		
The components of deferred tax are as follows:		
Financial assets		
At the beginning of the year		2,482,720
Deferred tax charge	-	(2,482,720)
At the end of the year	-	-

14. Other liabilities

	2023 $	2022 $
Interest payable	897,804	814,178
Bonus accrual	1,000,000	1,000,000
Dividend payable	4,000,000	232,000
Other payables	1,398,706	1,349,536
	7,296,510	**3,395,714**

15. Employee costs

	2023 $	2022 $
Salaries	3,351,760	2,716,249
National Insurance	244,392	197,916
Bonus	1,036,122	1,209,485
Medical expense	87,796	61,714
Allowances	88,000	158,130
Commissions	531,495	437,710
	5,339,565	**4,781,204**

16. Leases

The expense relating to lease payments are as follows:

Short-term leases	195,905	193,856
Leases of low value assets	38,475	38,475
	234,380	**232,331**

Short term leases relate to the rental of equipment, payments of which are expensed to profit and loss on a straight-line basis over the term of the lease.

Leases of low value asset relate to the rental of office space, payments of which are expensed to profit and loss on a straight-line basis over the term of the lease.

17. Related parties

(i) Identity of related parties

A party is related to the Group if:

a) The party is a subsidiary or an associate of the Group;

b) The party is, directly or indirectly, either under common control or subject to significant influence with the Group or has significant or joint control of the Group.

c) The party is a close family member of a person who is part of key management personnel or who controls the Group;

d) The party is controlled or significantly influenced by a member of key management personnel or by a person who controls the Group;

e) The party is a joint venture in which the Group is a venture partner;

f) The party is a member of a Group's or its parent's key management personnel;

g) The party is a post-employment benefit plan for the Group's employees.

h) The party, or any member of a group of which it is a part, provides key management personnel services to the Group.

(ii) Key management personnel

Key management personnel receive compensation in the form of short-term, employee benefits and post-employment benefits. Key management personnel received compensation of $1,451,400 (2022: $1,707,367) for the year. Total remuneration is included in staff costs.

(iii) Due from related parties

Due from related parties of $5,991,108 (2022: $6,573,697) represents a fully collateralized margin facility extended to staff members.

18. Financial risk management

Introduction and overview

The Group has exposure to the following risks from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. The Group's management of capital is presented in Note 20.

Risk management framework

The Group maintains positions in a variety of non-derivative financial instruments in accordance with its investment management strategy. The investment strategy is to invest in marketable, high quality securities as a basis for structuring fixed income instruments and other solutions for clients. The Group's investment portfolio comprises listed and unlisted equity and debt securities.

The Group's investment manager has been given a discretionary authority to manage the assets in line with the Group's investment objectives, compliance with the target asset allocations. The composition of the portfolio is monitored by the Board of Directors on a quarterly basis. In instances where the portfolio has diverged from target asset allocations, the Group's investment manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

(a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group, resulting in a financial loss to the Group. It arises principally from debt securities held and also from cash and cash equivalents and balances due from brokers. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

(i) Management of credit risk

The Group's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties meeting the credit standards set out in the Group's prospectus and by taking collateral.

Credit risk is monitored on a daily basis by the investment manager in accordance with policies and procedures in place. Exposure to credit risk is low as issues are mainly investments grade, rated A and above. The Group's credit risk is monitored on a quarterly basis by the Board of Directors. Where the credit risk is not in accordance with the investment policy or guidelines of the Group, the investment manager is obliged to rebalance the portfolio within 21 days of each determination that the portfolio is not in compliance with the stated investment parameters.

18. Financial risk management (continued)

(a) Credit risk (continued)

(ii) Exposure to credit risk

The Group's maximum credit risk exposure (without taking into account collateral and other credit enhancements) at the reporting date is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position.

(iii) Investment in debt securities

Credit risk arising on debt securities is mitigated by investing primarily in investment-grade rated instruments, primarily with credit ratings of at least "BB" or equivalent as determined by S&P, Moody's, Fitch or other recognised Credit Rating Agencies. The Investment Committee reviews a monthly rating update from the rating agency and rebalances the portfolio where necessary. The Group may also invest in unrated debt securities whereby the Investment Analyst assigns a credit rating to these securities.

At June 30, 2023 the Group had invested in debt securities with the following credit quality:

	2023	2022
Ratings:	%	%
A	2.40	3.11
BBB	13.01	27.71
BB	42.87	57.51
B	32.46	4.40
CCC	2.01	-
Not rated	7.25	7.27
Total	100.00	100.00

(iv) Cash and cash equivalents

The Group's cash and cash equivalents are held mainly with Scotia Bank Trinidad and Tobago Limited. The Chief Financial Officer monitors the financial position on a monthly basis.

18. Financial risk management (continued)

(a) *Credit risk (continued)*

(v) Concentration of credit risk

The Director – Financial Engineering reviews credit concentration of debt securities held based on counterparties, industries, currency and geographic location. As at the reporting date, the Group's debt securities exposures were concentrated in the following geographic locations:

	2023	2022
	%	%
Trinidad	44.51	23.72
Bermuda	5.76	6.46
UK	5.75	12.11
USA	31.16	38.50
Other	12.82	19.21
Total	**100.00**	**100.00**

In this portfolio of credit risk, there are issuer concentrations to an individual issuer or group of issuers. Investments exceeding 15% of net assets are comprised of Government of Trinidad and Tobago (GOTT) and Barclays.

(b) *Settlement risk*

The Group's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the majority of transactions, the Group mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval and limit monitoring processes described earlier.

(i) Past due and impaired assets

No financial assets carried at amortised cost were past due or impaired at June 30, 2023.

(c) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Group.

(i) Management of liquidity risk

The Group's policy approach to managing liquidity is to have sufficient liquidity to meet its liabilities, which risk damage to the Group's reputation. The Group's policy provides for the monthly evaluation of fixed income security obligation due and receivable. It is therefore exposed to the liquidity risk of meeting redemptions month over month on assets held.

18. Financial risk management (continued)

(c) Liquidity risk (continued)

(i) Management of liquidity risk (continued)

The Group's financial assets include unlisted equity investments which generally are illiquid. The Group's listed securities are considered to be readily realisable as they are actively traded on major Euro Bond Market, stock exchanges and on the NYSE.

The Group's liquidity risk is managed on a daily basis by the Senior Manager – Asset Management in accordance with policies and procedures in place.

The Group's overall liquidity risk is monitored on a monthly basis by the Board of Directors. The Group's redemption policy only allows for redemption of shares to be determined at fair value price agreed amongst parties within 21 days. It is the Senior Asset Manager's policy to have liquid assets comprising cash and cash equivalents and bonds for which there is an active and liquid market equal to at least 120 percent of quarterly anticipated redemptions.

The Board of Directors is empowered to impose a redemption gate should redemption levels exceed 10 percent of the net assets value of the Group in any redemption period.

(ii) Maturity analysis of financial liabilities

The table below shows the undiscounted cash flows of the Group's financial liabilities, including estimated interest payments, on the basis of their earliest possible contractual maturity.

	Carrying amount $	Contractual cash flows $	Less than one month $	1 to 3 months $	3 months to 1 year $	More than 1 year $
June 30, 2023						
Margin facility	24,604,569	24,604,569	-	-	-	24,604,569
RASP deposits	40,203,301	40,203,301	-	-	-	40,203,301
Certificates of investments	68,061,743	68,061,743	17,786,400	4,487,757	45,787,586	-
Loan payable	1,410,884	1,410,884	-	31,463	96,778	1,282,643
Client deposits	92,913,857	92,913,857	92,913,857	-	-	-
Interest payable	897,804	2,721,893	440,131	316,181	1,868,861	96,719
Other payable	6,416,206	6,416,206	6,416,206	-	-	-
	234,508,364	**236,332,453**	**117,556,594**	**4,835,401**	**47,753,225**	**66,187,232**

18. Financial risk management (continued)

(c) *Liquidity risk* (continued)

(ii) *Maturity analysis of financial liabilities (continued)*

June 30, 2022	Carrying amount $	Contractual cash flows $	Less than one month $	1 to 3 months $	3 months to 1 year $	More than 1 year $
Margin facility	48,069,470	48,069,470	-	-	-	48,069,470
RASP deposits	41,010,860	41,010,860	-	-	-	41,010,860
Certificated of investments	54,885,165	54,885,161	10,745,509	6,645,421	37,494,231	-
Loan payable	1,532,883	1,532,883	-	29,931	92,067	1,410,884
Client deposits	73,156,292	73,156,292	73,156,292	-	-	-
Interest payable	814,178	3,177,664	300,031	317,910	2,174,115	385,608
Other payable	2,581,536	2,581,536	2,581,536	-	-	-
	222,050,384	224,413,866	86,783,368	6,993,262	39,760,413	90,876,822

The gross amounts include interest payable where applicable. The Group's expected cash flows on these instruments do not vary significantly from this analysis, except for net assets attributable to the holders of redeemable shares, which the Group has contractual obligations. Historical experience indicates that these bonds are held on a medium- or long-term basis.

(d) *Market risk*

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Group's income or the fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) *Management of market risk*

The Group's strategy for the management of market risk is driven by the Group's investment objective and investment strategy.

The Group's investment objective is to generate superior returns for the investors.

The Group's market risk is managed weekly but monitored on an ongoing basis by the Senior Manager – Asset Management in accordance with policies and procedures in place. The Group's market positions are monitored on a monthly basis by the Board of Directors.

(ii) *Exposure to interest rate risk*

The Group is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. In respect of the Group's interest-bearing financial instruments, the Group's policy is to transact in financial instruments that mature or re-price in the short term, i.e. no longer than 12 months. Accordingly, the Group would be subject to limited exposure to fair value or cash flow interest rate risk due to fluctuations in the prevailing levels of market interest rates.

A summary of the Group's interest rate gap position, categorized by the earlier of contractual re-pricing or maturity date, is as follows:

18. Financial risk management (continued)

(d) Market risk (continued)

(ii) Exposure to interest rate risk (continued)

	Less than one month $	1 to 3 months $	3 months to 1 year $	More than 1 year $	Total $
June 30, 2023					
Assets					
Cash and cash equivalents	91,306,275	-	-	-	91,306,275
Investment securities	-	-	-	91,549,901	91,549,901
	91,306,275	**-**	**-**	**91,549,901**	**182,856,176**
Liabilities					
Margin facility	-	-	-	24,604,569	24,604,569
Client deposits	92,913,857	-	-	-	92,913,857
RASP deposits	-	-	-	40,203,301	40,203,301
Loans payable	-	31,463	96,778	1,282,643	1,410,884
Certificate of investments	17,786,400	4,487,757	45,787,586	-	68,061,743
	110,700,257	4,519,220	45,884,364	66,090,513	227,194,354
Total interest sensitivity gap	**(19,393,982)**	**(4,519,220)**	**(45,884,364)**	**25,459,388**	**(44,338,178)**
June 30, 2022					
Assets					
Cash and cash equivalents	67,764,142	-	-	-	67,764,142
Investment securities	-	-	-	99,894,358	99,894,358
	67,764,142	**-**	**-**	**99,894,358**	**167,658,500**
Liabilities					
Margin facility	-	-	-	48,069,470	48,069,470
Client deposits	73,156,292	-	-	-	73,156,292
RASP deposits	-	-	-	41,010,860	41,010,860
Loans payable	-	29,931	92,067	1,410,885	1,532,883
Certificate of investments	10,745,509	6,645,421	37,494,232	-	54,885,162
	83,901,801	**6,675,352**	**37,586,299**	**90,491,215**	**218,654,667**
Total interest sensitivity gap	**(16,137,659)**	**(6,675,352)**	**(37,586,299)**	**9,403,143**	**(50,996,167)**

In order to manage interest rate risk, the Group aims to maintain a weighted average days to maturity, or contractual re-pricing date if earlier, for debt securities.

18. Financial risk management (continued)

(d) Market risk (continued)

(ii) Exposure to interest rate risk (continued)

The internal procedures require the Investment Analyst to manage interest rate risk on a weekly basis in accordance with policies and procedures in place. The Group's interest rate risk is monitored on a monthly basis by the Board of Directors. Where the interest rate risk is not in accordance with the investment policy or guidelines of the Group, the Investment Analyst is required to re-evaluate and consider options for re-allocation of the portfolio and seek concurrence from the Board of Directors.

The sensitivity analysis reflects how profit or loss and net assets attributable to holders of redeemable shares would have been affected by changes in the relevant risk variable that were reasonably possible at the end of the reporting period.

Management has determined that a fluctuation in interest rates of 400 basis points is reasonably possible, considering the economic environment in which the Group operates.

(iii) Exposure to currency risk

The Group invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency, primarily in US Dollars (USD), Brazilian Real (BRL), and Canadian Dollars (CAD). Consequently, the Group is exposed to risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value or future cash flows of that portion of the Group's financial assets or liabilities denominated in currencies other than the Trinidad and Tobago dollar (TTD).

The Group's policy with respect to managing its currency risk is to limit its total foreign currency exposure, excluding USD currency, to less than 50 percent of the Group's net assets, with no individual foreign currency exposure, excluding USD currency, being greater than 20 percent of the net assets.

The Group's currency risk is managed on a daily basis by the Senior Manager – Asset Management in accordance with policies and procedures in place. Since the TTD is considered to have a "managed float" against the USD, the risk of loss between the two currencies is considered minimal. Other currency risk is managed by daily monitoring of the foreign exchange market and benchmarked to our base currency (USD). The Group's currency positions and exposures are monitored on a monthly basis by the Board of Directors.

18. Financial risk management (continued)

(d) Market risk (continued)

(iii) Exposure to currency risk (continued)

At the reporting date the carrying value of the Group's investment securities held in individual foreign currencies expressed in TTD are as follows:

	USD	GBP	CAD	Euro	Total
	$	$	$	$	$
June 30, 2023					
Foreign assets	194,706,980	728,194	401,365	68,507	195,905,046
Foreign liabilities	(170,316,063)	(538,107)	(154,135)	-	(171,008,305)
Net assets	**24,390,917**	**190,087**	**247,230**	**68,507**	**24,896,741**

	USD	GBP	CAD	Euro	Total
	$	$	$	$	$
June 30, 2022					
Foreign assets	185,314,269	1,493,326	263,650	105,528	187,176,773
Foreign liabilities	(165,256,717)	(730,694)	(134,999)	32,664	(166,089,746)
Net assets	**20,057,552**	**762,632**	**128,651**	**138,192**	**21,087,027**

(iv) Exposure to other price risk

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

Price risk portfolio is managed by the Portfolio Manager and Investment Analyst by diversifying the portfolio. The Portfolio Manager further monitors concentration of risk based on counterparties and industries and geographical location.

The Group's policy for concentration of the investment portfolio profile sets limits as follows:

Country limits (excluding USD)	-	not exceeding 40%
Currency limits (excluding USD)	-	not exceeding 30%

18. Financial risk management (continued)

(d) Market risk (continued)

(iv) Exposure to other price risk (continued)

Where the price risk is not in accordance with the investment policy or guidelines of the Group, the Portfolio Manager is required to re-evaluate and consider options for re-allocation of the portfolio and seek concurrence from the Board of Directors.

The following table sets out concentration of the investment assets, excluding derivatives, held by the Group as at the reporting date:

	2023 %	2022 %
Percentage of total assets		
Government	4.75	4.96
Corporate	95.25	95.04
	100.00	**100.00**

There are concentrations of risk to issuers at June 30, 2023.

(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Group's activities with financial instruments either internally within the Group or externally at the Group's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior.

The Group's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risks identified;
- Contingency plans;
- Ethical and business standards; and
- Risk mitigation, including insurance if this is effective.

18. Financial risk management (continued)

(e) Operational risk (continued)

Substantially all of the foreign financial assets of the Group are held by Morgan Stanley, Oppenheimer and Stifel, Nicolaus & Company. The local financial assets are held by the Central Bank of Trinidad and Tobago and Scotiabank of Trinidad and Tobago Limited.

Bankruptcy or insolvency of the Group's custodian may cause the Group's rights with respect to the securities held by the custodian to be delayed or limited. The investment manager monitors credit ratings and capital adequacy of its custodian on a quarterly basis, and reviews the findings documented in the report on the internal controls annually.

(f) Financial instruments measured at fair value

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

(i) Fair value hierarchy

June 30, 2023

Non-pledged financial assets at fair value through profit or loss

	Level 1 $	Level 2 $	Level 3 $	Total $
Equity investments listed				
Auto manufacturing	4,228,985	-	-	4,228,985
Banking/financial services	5,126,974	-	-	5,126,974
Consumer Electronics/ Appliances	511,111	-	-	511,111
E-Commerce	52,541	-	-	52,541
Entertainment	399,084	-	-	399,084
Other	1,180,381	-	-	1,180,381
Technology	11,733,826	-	-	11,733,826
	23,232,902	-	-	**23,232,902**
Debt securities				
Banking/financial services	19,026,951	-	-	19,026,951
Entertainment	-	301,668	-	301,668
Industrial	5,972,606	-	-	5,972,606
Oil, gas and coal	13,834,957	-	-	13,834,957
Retail	6,428,897	-	-	6,428,897
State	4,279,242	-	-	4,279,242
Technology	17,153,564	-	-	17,153,564
Total	**66,696,217**	301,668	-	**66,997,885**

18. Financial risk management (continued)

(f) Financial instruments measured at fair value (continued)

(i) Fair value hierarchy (continued)

Pledged financial assets at fair value through profit or loss

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Equity investments listed				
Technology	262,704	-	-	262,704
Total	**262,704**	-	-	**262,704**

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

June 30, 2022

Non-pledged financial assets at fair value through profit or loss

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Equity investments listed				
Auto manufacturing	1,012,224	-	-	1,012,224
Banking/financial services	3,111,167	-	-	3,111,167
Consumer electronics/appliances	687,942	-	-	687,942
E-Commerce	42,954	-	-	42,954
Entertainment	394,633	-	-	394,633
Pharmaceutical	450,115	-	-	450,115
Other	1,414,853	-	-	1,414,853
Technology	8,947,286	-	-	8,947,286
	16,061,174	-	-	16,061,174
Debt securities				
Banking/financial services	26,281,779	-	-	26,281,779
Entertainment	-	301,668	-	301,668
Industrial	4,227,040	-	-	4,227,040
Oil, gas and coal	13,948,757	-	-	13,948,757
Other	6,140,071	-	-	6,140,071
Retail	2,402,430	-	-	2,402,430
State	4,895,995	-	-	4,895,995
Technology	5,948,871	-	-	5,948,871
	63,844,943	301,668	-	64,146,611
Total	**79,906,117**	**301,668**	-	**80,207,785**

18. Financial risk management (continued)

(f) Financial instruments measured at fair value (continued)

(i) Fair value hierarchy (continued)

Pledged financial assets at fair value through profit or loss

	Level 1 $	Level 2 $	Level 3 $	Total $
Equity investments listed				
Auto manufacturing	317,738	-	-	317,738
Banking/financial services	3,372,767	-	-	3,372,767
Entertainment	294,673	-	-	294,673
E-Commerce	94,441	-	-	94,441
Technology	12,246,238	-	-	12,246,238
	16,325,857	-	-	16,325,857
Debt securities				
Banking/financial services	1,361,372	-	-	1,361,372
Total	**17,687,229**	-	-	**17,687,229**

(g) Financial instruments not measured at fair value

The table below shows the financial assets and liabilities not measured at fair value and analyses them by level in the fair value hierarchy into which the fair value measurement is categorised. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Level 1 $	Level 2 $	Level 3 $	Fair value $	Total carrying amount $
June 30, 2023					
Liabilities					
Client deposits	92,913,857	-	-	92,913,857	92,913,857
Financial liabilities	134,280,497	-	-	134,280,497	134,280,497
	227,194,354	-	-	**227,044,354**	**227,194,354**
June 30, 2022					
Liabilities					
Client deposits	73,156,292	-	-	73,156,292	73,156,292
Financial liabilities	145,498,378	-	-	145,498,378	145,498,378
	218,654,670	-	-	**218,654,670**	**218,654,670**

18. Financial risk management (continued)

(g) *Financial instruments not measured at fair value (continued)*

The fair value of borrowings and payables under repurchase agreements is estimated using discounted cash flow techniques, applying the rates that are offered for borrowings and payables under repurchase agreements of similar maturities and terms.

19. Administrative expenses

	2023 $	2022 $
Advertising and promotions	233,268	107,329
Bank charges and interest	49,688	48,787
Brokerage fees	2,062	2,781
Business licenses and permits	44,899	40,000
Commissions expense	3,500	28,000
Computer and internet expenses	205,415	184,152
Courier and postage	18,120	18,482
Depreciation	434,200	360,691
Donations	11,450	5,538
Dues and subscriptions	20,488	22,723
Entertainment	187,981	83,993
Equipment lease	195,905	193,856
Insurance	320,878	305,079
Loss on disposal of property, plant and equipment	1,354	-
Miscellaneous expenses	108,070	12,132
Office expenses	148,488	141,077
Penalty and interest	11,000	4,463
Professional fees	1,580,616	836,148
Rent	38,475	38,475
Repairs and maintenance	578,091	598,912
Security	64,170	58,150
Telephone	43,838	47,085
Training	44,095	118,908
Transaction fees	2,718,269	3,066,823
Travel	193,041	87,186
Uniforms	477	-
Utilities	74,052	70,441
Website	109,474	63,060
Withholding tax	12,061	-
	7,453,425	6,544,271

20. Capital management

The Group is required by the Securities and Exchange Commission to maintain authorized and paid-up capital at a minimum amount of $5million in the form of management shares. The holders of management shares are entitled to a repayment of up to par value only upon the winding up of the Group in priority to ordinary redeemable shares. The Group is not subject to other externally imposed capital requirements.

21. Third party assets under management

Third party owned assets which are managed by the Group in a fiduciary capacity and therefore not included in these consolidated financial statements amounted to $714 million as at June 30, 2023 (2022: $563 million).

22. Coronavirus (Covid-19) impact

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to affect Trinidad and Tobago, the region and the world.

Management is uncertain of the effects of the global pandemic on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the Group's operations as at the date of these financial statements.

23. Events after the reporting date

There has been no occurrence of any adjusting or significant non-adjusting events between the June 30, 2023 reporting date and the date of authorization.