National Housing Trust

NHT AND YOU

BUILDING COMMUNITIES TOGETHER

Annual Report and Financial Statements 2021-2022

National Housing Trust

VISION

The NHT will be ranked among the leading housing finance institutions in the world, renowned for customer service and contribution to national development.

MISSION

Improving the quality of life of Jamaicans by facilitating home ownership and community development, particularly among lower income contributors, while ensuring prudent financial management.

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CORE VALUES

INNOVATION:	To constantly challenge ourselves to identify new approaches to meet the needs of our customers, stakeholders and the organization.
EXCELLENCE:	To apply exceptional knowledge, understanding and creative thinking in our analyses, processes and decision making.
PROFESSIONALISM:	To adhere to a set of principles comprising both formally agreed upon codes of conduct and informal expectations of colleagues, customers and society.
ACCOUNTABILITY:	To meet our commitments and accept responsibility for our actions and decisions.
CARING:	To treat all persons fairly and with respect.
INTEGRITY:	To employ the highest ethical standards, demonstrating honesty, sincerity and fairness in every action or decision.
TEAMWORK:	To work collaboratively to achieve the organisation's goals, using individual skills, providing feedback and treating each colleague with respect.

LETTER TO THE PRIME MINISTER

July 29, 2022

The Most Hon. Andrew Holness, ON, PC, MP
Prime Minister
Jamaica House
Hope Road
Kingston 6

Dear Prime Minister,

In accordance with Paragraph 6 of the First Schedule, referred to in Section 3 of the National Housing Trust Act 1979, I have the pleasure to present the NHT report for the year ended March 31, 2022, and a copy of its Statement of Accounts at March 31, 2022, duly certified by the Auditors.

Yours respectfully,

Lennox Channer
Chairman

7 YEAR STATISTICAL SUMMARY

Year Ended March 31,	2022 $'000	2021 $'000	2020 $'000	2019 $'000	2018 $'000	2017 $'000	2016 $'000
Total Assets	328,317,628	310,529,511	301,771,168	283,847,100	275,535,254	254,462,806	236,965,897
Inventories	38,003,224	34,428,814	25,513,803	16,819,342	11,911,675	8,403,520	6,988,501
Loans Receivable	256,697,930	238,500,659	248,769,632	231,301,002	222,052,812	206,056,713	192,964,602
Refundable Contributions	136,808,623	126,244,906	117,547,009	107,965,077	99,168,539	91,251,418	87,816,287
Accumulated Profit	158,656,299	153,975,141	159,183,416	151,210,484	147,361,777	137,930,098	127,552,754
Results From Operations							
Total Income	35,171,646	29,110,180	34,792,966	36,358,162	32,005,523	33,803,379	27,127,142
Operating Expenditure	9,748,429	10,704,759	9,411,673	8,505,103	7,284,503	6,526,598	5,638,683
Net Profit/(loss) After Taxation	20,547,610	6,905,964	18,620,782	23,747,627	20,951,054	24,173,070	18,119,330
Financial Ratios							
Average Interest on Loans	3.4%	3.8%	4.4%	4.8%	4.8%	4.9%	5.1%
Yield on Investments %	5.6%	4.5%	7.1%	5.6%	6.4%	6.6%	7.1%
Efficiency Ratio %	159.7%	168.7%	105.4%	87.3%	68.7%	69.6%	61.5%
Return on Capital	12.0%	3.9%	11.2%	14.6%	13.2%	16.5%	13.7%
Return on Assets	6.4%	2.3%	6.4%	8.5%	7.9%	9.8%	8.2%
Other Information							
Annual Housing Expenditure	46,514,443	48,069,340	41,574,028	37,514,043	28,426,546	22,392,706	17,899,900
Contributions Received	41,570,512	34,312,008	38,424,471	37,411,244	31,545,284	30,333,895	24,585,409
Contributions Refunded (Cash)	6,763,704	6,457,645	6,486,084	6,175,922	5,514,115	5,268,297	5,090,898
Number of Mortgages Since Inception	221,404	214,077	207,036	199,782	192,544	186,210	180,646
Number of Individual Benefits Since Inception	232,884	225,557	218,516	211,262	204,024	197,690	192,126

BOARD OF DIRECTORS

Mr. Lennox Channer (Jr.), Chairman, is the Group Vice President of Accounting and Administration at Jamaica Broilers Group Limited. He has also served in senior management positions at NCB, Digicel and Caribbean Bottlers (Jamaica) Limited. He is a Fellow of both the Association of Chartered Certified Accountants and the Institute of Chartered Accountants of Jamaica.

Mr. Channer is the former Chairman of NHT's Audit Committee and former member of JAMPRO's Finance and Procurement Sub-Committee. He is currently, one of the NHT's representatives on the Board of Harmonization Limited.

A Munro College old boy, Mr. Channer was a 2002 Fulbright Scholar. He holds a BSC. in Actuarial Sciences from the UWI and an MSC. in Decision and Information Sciences from the University of Florida.

He was appointed Chairman of the National Housing Trust in August 2018.

Martin Miller was appointed Managing Director of the National Housing Trust in October 2016, after acting in the position since August 2013. Before his appointment he served the Trust as Senior General Manager, Finance. He has been with the Trust since 1984 and has progressed through a variety of positions including that of Assistant General Manager, Treasury Management; General Manager, Finance and Accounting; as well as Chief Financial Officer to his present position.

In addition to his present role of Managing Director, Mr. Miller is one of the NHT's representatives on the Board of Harmonization Limited. A Certified Accountant by profession, Mr. Miller holds an MBA from the University of Manchester and Wales.

Doran Dixon, J.P. has over 35 years' experience in Teacher education and previously served as Principal Lecturer and Vice Principal at the Mico University College. He is a Justice of the Peace for Kingston and a sitting Lay Magistrate. This two-time President of the Jamaica Teachers Association (JTA) is also a Certified Mediator at the Resident Magistrate Court.

Mr. Dixon is now the Assistant Secretary General for Property and Business Services at the JTA, and is a member of the National Council on Education. He is a former member of the Teacher Services Commission.

Director Dixon is the Chairman of the Customer Relations Committee of the Board.

Ms. Merle Donaldson holds an MBA in International Business, a B.Sc in Chemistry and Management from the University of the West Indies and a Postgraduate Diploma in Education and Training from the Vocational Training and Development Institute. She has also completed a Certificate in Board Directorship through the Commonwealth Association for Corporate Governance/Private Sector Organisation of Jamaica Training Programme.

Ms. Donaldson has over twenty-five years of experience in both the public and private sectors. In addition to her current role as the Chief of Staff at the Office of the Prime Minister, she has served in various capacities at the Ministry of Education, Bureau of Standards Jamaica and Ernst and Young Caribbean in the areas of research, business development, project management, quality systems and conformity assessments.

She also serves on the Boards of the Planning Institute of Jamaica and the CHASE Fund.

Senator Kavan Gayle, C.D. Senator Kavan Gayle serves as an Executive of the Bustamante Industrial Trade Union (BITU) and was elected as President of the Union in 2007. An Executive Member of a global trade union called Union Network International, he was appointed to the Senate in 2012. Senator Gayle is also a board member of the Heart Trust NSTA and the Overseas Examination Commission.

Director Gayle is Chairman of the HRM and Information Technology Committee of the Board.

Mr. O'Neil Wilton Grant serves as a President of the Jamaica Civil Service Association. Additionally, he is the 2nd Vice President of the Jamaica Cooperative Credit Union League, Chairman of the First Heritage Cooperative (FHC) Credit Union, Chairman of the FHC Foundation and Director of the FHC Investments Limited. He also serves a Vice President of Jamaica Confederation of Trade Unions.

In the past, Mr. Grant has served as Honourary Treasurer at Jamaica Civil Service Association and Vice President of the Caribbean Public Services Association.

Director Grant is Chairman of the Finance and Technical Committee of the Board.

Mrs. Nesta-Claire Smith Hunter has served as an Attorney-at-Law for over 28 years and is currently a Partner in the Ernest A. Smith and Company Law Firm.

Mrs. Hunter specializes in Litigation-civil and family matters at the Supreme Court and Court of Appeal as well as Legal Conveyancing.

She holds directorships in the following organisations: National Insurance Fund; NIF Resort Management Company Limited; Cleveland Resort Management Company Limited; Vaz Preparatory School; Chairman - Passport, Immigration & Citizenship Agency (PICA); Chairman/Sponsor Trustee - NHT Staff Pension Plan, she also serves as Chairman of the Marcus Garvey Technical High School.

Director Smith Hunter is Chairman of the Corporate Governance Committee of the Board.

Mr. Rohan James is a Police Corporal with over twenty-five years of illustrious service. He is an advocate of professional policing and police welfare. He is strident and fearless in pursuit of human rights. A team player and family man, he is a Christian with sound values and principles.

He has training in industrial relations and is a trained paralegal.

Granville Valentine, D.D., J.P. is a Trade Unionist and Industrial Relations Consultant who has seen meteoric growth in the labour movement. He currently serves as the General Secretary for the National Workers Union and has served the union for the past 23 years.

Mr. Valentine's expertise in his field has led to him being asked to serve in various capacities in recent years, including membership on the Labour Advisory Council; on the Labour Market Reform Committee; and also on the Board and Management Committee of the Canadian Work Programme. He currently serves on the Public Sector Monitoring Committee and is also a member of the Public Sector/Jamaica Confederation of Trade Unions Negotiating Committee.

Mr. Valentine is a former Vice President of the Jamaica Confederation of Trade Unions.

Ms. Hope Wint Ms. Hope Wint is a Risk Management professional with over 26 years' experience in the financial services sector and is the Executive Director of the Prime Contact Secretariat at the Bank of Jamaica. She is a certified ISO31000 Lead Risk Manager; a designated Certified Financial Analyst (CFA); a Financial Risk Manager (FRM); and a member of the Association of Certified Anti-Money Laundering Specialists (ACAMS). She is also a Jamaica Stock Exchange (JSE) Mentor for the Junior Market where she advises on the adequacy of procedures, systems and controls for financial reporting, corporate governance, timely disclosures of information to the market, and general compliance to listed company requirements.

Ms. Wint honed her career in developing and managing risk, compliance and internal control frameworks to mitigate operational, financial and business risks and improving organisational transparency. She has held leadership and membership roles on various private and public sector Boards, Audit and Technical Risk Committees. She is currently the Chairman of the Jamaica Information Service (JIS) Audit Committee; a Board Member and Treasurer of the CFA Society Jamaica; and a Board Member and Investment Committee Member of the Munro and Dickenson Trust.

Director Wint is Chairman of the Audit Committee of the Board.

SENIOR EXECUTIVE MANAGEMENT TEAM

Mr. Martin Miller
Managing Director

Mr. Donald Moore
Senior General Manager
Construction & Development

Dr. Lanie-Marie Oakley-Williams
Senior General Manager
Customer Relations

Mr. Neil Miller
Senior General Manager
Corporate Services

Mr. Dwight Ebanks
Senior General Manager, Finance

Mr. Gladstone Johnson
General Manager,
Contribution Management

Dr. Suzanne Wynter
General Manager
Loan Management

Mrs. Joyce Simms-Wilson
General Manager, Marketing &
Communication

Mrs. Judith Larmond-Henry
General Counsel &
Company Secretary

Mrs. Lisa Myrie Davis
Chief Internal Auditor

Mr. Leighton Palmer
Chief Information Officer

Mr. Errol Holmes
General Manager, Business
Process Optimisation

CHAIRMAN AND MANAGING DIRECTOR'S REPORT

Fellow Contributors,

This year our beloved homeland, Jamaica, will celebrate 60 years as an independent nation. Indeed, we have achieved much, and have served as nation builders in many regards. Since our independence, meaningful and monumental change has come to our society through the creation of institutions that better serve the needs of all Jamaicans. The National Housing Trust, created in 1976, is one such institution.

Throughout our 46 years of existence, the NHT has expanded the ways we serve you, our contributors, by increasing the availability of housing and making mortgage financing more dynamic and accessible to meet your housing needs. Since 1976, the NHT has provided over 254,000 mortgage benefits (inclusive of Joint Financed loans).

This 60th year of independence presents us with an opportunity to reflect on our past achievements, assess present challenges and chart the way forward for the NHT. In doing so we will seize the opportunity to develop strategies to move the NHT forward, as we seek to promote greater efficiency in the Jamaican housing sector.

In the 2020/2021 financial year, the NHT marginally missed its five-year goal of 23,000 housing starts (actual starts totalled 21,773) —a target which was set in the 2016/2017 financial year. The issues surrounding the onset of the COVID-19 pandemic formed the root of several adjustments that the NHT had to make to its housing programme.

The year just ended proved to be positive as, despite the challenges brought on by the pandemic, which caused disruptions in the construction industry, our performance in housing completions rebounded. Improvements were also seen in collections from contributors, on trend with improvements in the national employment rate compared to the prior year.

The NHT remains steadfast in our commitment to make your homeownership aspirations a reality. We have continued to target the increased deployment of financial resources toward creating and financing housing solutions for our contributors. At the end of the 2021/2022 financial year, 90% of the Trust's total assets were invested in housing. This is consistent with our plans to ramp up the number of new housing solutions in line with the government's target of 70,000 housing starts by 2025/2026.

In an effort to provide relief and improve access to housing for all our contributors, the following initiatives were launched by the NHT during 2021-2022:

Relief for Unemployed Contributors

As part of the COVID-19 relief effort, contributors who have been unemployed for twelve months or more were allowed access to their contributions refund one year in advance. The initiative started in July 2021 and will expire in July 2022.

Employer Arrears Amnesty Programme

Given the difficulties endured by many this year, the NHT's contribution amnesty program was introduced to provide some relief to employers. Employers who met certain criteria were eligible for interest waivers of up to 100% on their outstanding 3% contributions for applications submitted between July and December 2021.

NHT "Own Boss" Campaign

In line with our goal to help as many Jamaicans as possible achieve their dream of homeownership, the Trust launched the "Own Boss" campaign in June 2021. The campaign, which lasted for six weeks, targeted self-employed individuals to encourage them to register with the NHT to access a range of benefits available to NHT contributors. The "Own Boss" campaign was run digitally on the Trust's social media platforms using a mix of infographics and instructional videos to explain essential aspects of the self-employment registration procedure. The content was mostly aimed at individuals between the ages of 18 and 35.

PERFORMANCE REVIEW

Financial Management

Total Assets

At the end of the 2021/2022 financial year, total assets amounted to $328.3B, representing growth of 5.7% over 2020/2021. Loans receivable totalled $256.7B and accounted for 78.2% of total assets. This asset class recorded an increase of 7.6% over the previous year, mainly bolstered by an 8.8% increase in loans to beneficiaries selected by the Trust moving from $232.9B in 2021 to $253.5B at the end of March 2022.

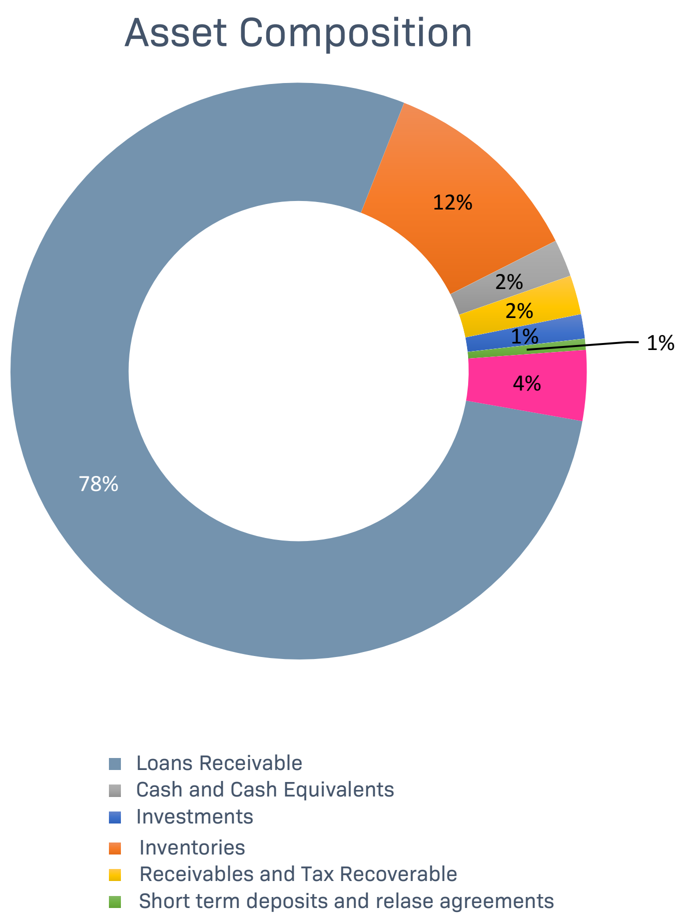
In keeping with the growth in investment in housing, inventories increased to $38B up from $34.4B at the end of the 2020/2021 financial year. Housing under construction, which accounts for 76% of inventories, was valued at $28.7B or $3.9B more than the last financial year. The value of housing units completed but not yet sold declined by 6%, moving from $2.7B in 2021 to $2.6B in 2022.

Receivables and Tax Recoverable together accounted for approximately 4% of total assets. Receivables and prepayments registered a 34.2% decline moving from $11.0B in 2020/2021 to $7.2B this year. The most significant change since the prior year was that an amount of $4.7B, which was recoverable for the sale of a part of the Joint Finance Mortgage Portfolio, was received during the financial year under review. Project mobilization receivable for the Guaranteed

1 According to STATIN, in January 2022, 57,800 more persons were employed than in January 2021.

Purchase Programme accounted for 56.6% of receivables and prepayments for 2021/2022. There was a 1.5% increase in the amount of tax recoverable, bringing the total to $7.4B at the end of March 2022. This amount represents recoverable withholding tax deducted at source from investment income.

Investment securities increased by 4.0% in 2021/2022 amounting to $4.5B, up from $4.3B in 2020/21, while short term deposits & resale agreements registered a decline of 28.0% ending the year at $2.06B.



Income and Expenditure

Total income increased by 20.9% to $35.2B, up from $29.1B in 2020/2021. Non-refundable employers' contributions, which is 70.4% of the total income, increased by 22.7%, mainly due to the receipt of GOJ arrears totalling $3.1B. This amount represents payments for years 5 and 6 and outstanding balance from year 4 of the Memorandum of Understanding. Interest revenue, which accounted for 26% of total income, increased by $1.1B amounting to $9.1B. The major contributor to this growth in interest income, was the growth in loans receivable which totalled $8.6B, compared to $8.3B in the prior year. Interest on investments rose by 22.1% to $0.55B due to a slight increase in investment securities.

Approximately $1.2B was earned from gains on foreign exchange, fair value gains on investment securities, gains on projects and, miscellaneous income (comprising penalty income, debt management fees, peril and life insurance administrative fees).

In 2021/2022, the Trust saw a significant reduction in its expenditure for the year, which amounted to $14.8B down from $22.6B in 2020/2021. This 34.4% drop in expenditure was largely due to a decline in loss on partial disposal of the Joint Finance Mortgage Portfolio amounting to $2.5B compared to $12.4B last year as less sales were executed during the year. This year, operating expenses account for the largest share of expenditure (65.7%) totalling $9.8B or 9% less than the previous year.

Employee costs accounted for approximately 76% of operating expenses. For the year under review, employee costs moved from $8.5B in 2020/2021 to $7.5B, a 13% decline. The contraction was mainly due to a reduction in the pension and health expense resulting from the valuation of the March 2022 Staff Pension Plan and Post Retirement Medical Plan.

OPERATIONAL REVIEW

Key Performance Areas

- **Contributions Collections**

  Contributions collected surpassed the 2021/2022 target of $38.6B by 8.0%, amounting to a total of $41.6B. This amount represents an approximate 21.2% or $7.3B increase over the sums collected in 2020/2021. This significant improvement over last year's performance is reflective of more favourable employment conditions[1] and increased efforts to improve contributor compliance. Additional payments from public and private sector entities as a result of wage increases, retroactive payments and bonus/incentive payments as well as the payment of arrears from micro, small and medium sized employers also contributed to the increase in contributions collected.

- **Mortgage Collection**

  The organisation collected $23B in loan repayments, $2.3B more than budgeted and also $1.9B more than the previous year. The increase in sums collected is the result of timely receipt and posting of salary deductions and improved compliance of mortgagors owing to improved debt management techniques.

- **Loans Created**

  A total of 9,248 mortgage loans were granted to contributors between April 2021 and March 2022, roughly 6% more than targeted. Similarly, total loans disbursed in 2021/2022 increased by 6% when compared to last year. Main mortgage loans accounted for the vast majority (79%) of the loans disbursed for the year (7,327) with a value of approximately $32.3B. The Open Market and House Lot benefit types continued to exceed target, accounting for approximately 56% of the main mortgage loans written, and around 55% of the total number of loans written over the period.

LOANS CREATED (APRIL 2021 – MARCH 2022)

BENEFIT TYPE	ACTUAL
Build on Own Land	495
Construction Loan	924
Home Improvement	118
Fifteen Plus loans	175
Ten Plus loans	528
House Lot	1,383
Open Market Loan	2,713
Scheme Unit	850
Serviced Lot	141
SUBTOTAL	**7,327**
Solar Water Heater	101
JFMP	1,820
TOTAL	**9,248**

[1] According to STATIN, in January 2022, 57,800 more persons were employed than in January 2021.

- **Housing Starts and Completions**

Housing Starts

With the deferral of:

i) two (2) major projects amounting to 3,920 solutions due to protracted negotiations and,

ii) nine (9) small to medium sized projects amounting to just over 2,200 solutions due to a range of issues with external stakeholders

housing starts exceeded the revised target set for 2021/2022 by 6% totalling 1,608 housing solutions, this number represented a near 7.8% decline from the previous year which recorded 1,744 housing starts. Housing Starts comprised construction on one housing development and 1,464 individual projects (Build on Own Land, Construction Loan etc.) this year.

HOUSING STARTS APRIL 2021 – MARCH 2022

BENEFIT TYPE	LOCATION	ACTUAL
INDIVIDUAL BENEFITS LOAN		
Build on Own Land (BOL)		352
Construction Loan (CL)		678
Home Improvement (HI)		434
NHT DEVELOPED PROJECTS		
Irwin	St. James	144
TOTAL		**1,608**

Housing Completions

Despite some restrictive measures brought on by the pandemic, more houses were completed for 2021/2022 (2,667) than the previous year (2,444). Individual beneficiary construction projects increased by 8.1% amounting to 1,235 completions. As with the previous year, Individual beneficiary construction projects accounted for just under half (46.3%) of all housing completions. NHT projects inclusive of Joint Ventures, the Labour and Small Materials Programme, and the Community Renewal Programme delivered 897 solutions; 33.6% of the total number of housing solutions completed throughout the year.

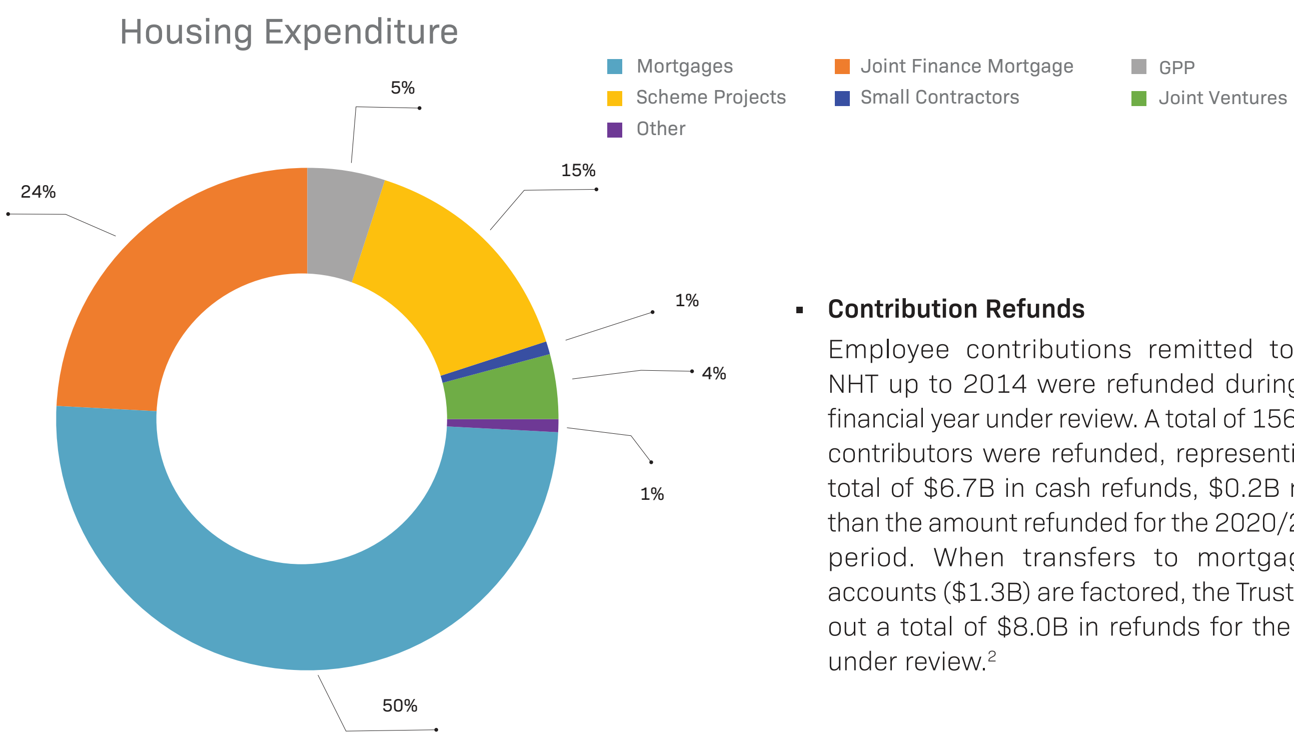
Housing Completions April 2021 – March 2022

BENEFIT TYPE	LOCATION	ACTUAL
INDIVIDUAL BENEFITS LOANS		
Build on Own Land	Island-wide	278
Construction Loan	Island-wide	565
Home Owners' Loan	Island-wide	392
NHT DEVELOPED		
Ruthven	St. Andrew	86
Twickenham 4	St. Catherine	110
JOINT VENTURE PROJECTS		
Estuary 1	St. James	263
Estuary 2	St. James	340
GPP PROJECTS		
Roseneath	St. Catherine	18
Brompton	St. Elizabeth	38
Silversun	St. Catherine	230
Savannah	Westmoreland	14
LABOUR AND SMALL MATERIALS PROGRAMME		
Cashew Grove		4
Monymusk Phase 2	Clarendon	20
Hummingbird Phase 1		42
COMMUNITY RENEWAL PROGRAMME		
Majesty Gardens	Kingston	32
INTERIM FINANCED PROJECTS		
Winchester	Hanover	163
Seascape		72
TOTAL		**2,667**

OTHER OPERATIONAL AREAS

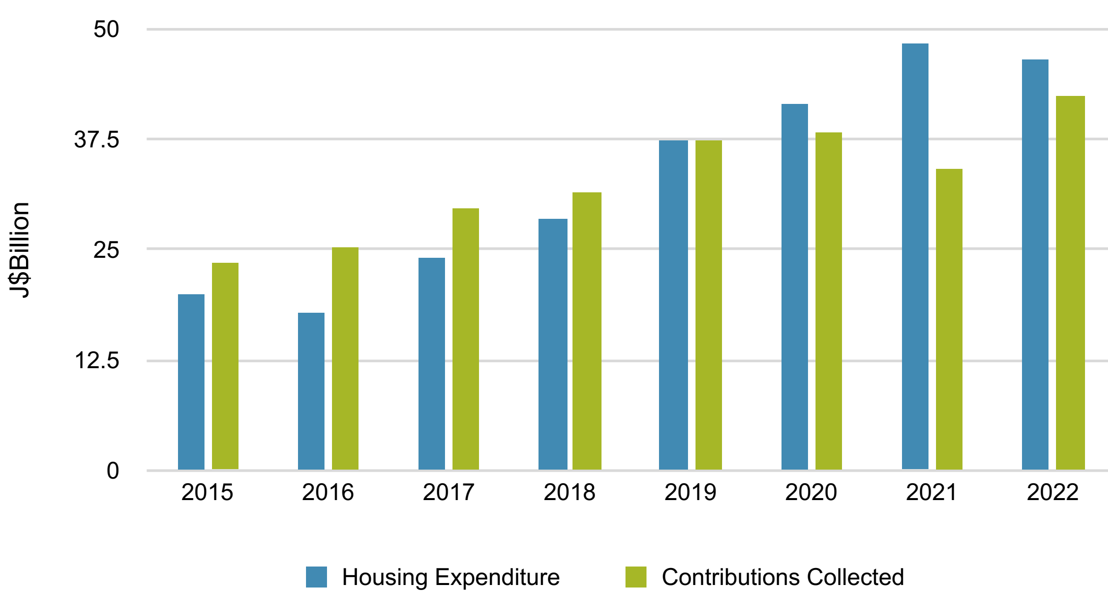
- **Housing Expenditure**

  Housing expenditure for the year totalled $46.5B. This amount is $1.6B or 3.2% less than the figure expended for the previous financial year. As is customary, loans to contributors (Individual benefits and the Joint Finance Mortgage Programme) account for the largest portion (74.2%) of housing expenditure. The sum of $34.5B expended on mortgages represents an almost 6.2% increase over the fiscal year 2020/2021. However, the $11.9B used to finance construction activities and acquire land was 23.2% lower than the previous year.



- **Contribution Refunds**

  Employee contributions remitted to the NHT up to 2014 were refunded during the financial year under review. A total of 156,255 contributors were refunded, representing a total of $6.7B in cash refunds, $0.2B more than the amount refunded for the 2020/2021 period. When transfers to mortgagors' accounts ($1.3B) are factored, the Trust paid out a total of $8.0B in refunds for the year under review.[2]



[2] Based on NHT's policy, if a contributor has an existing NHT mortgage, refund payments are made directly to the loan account rather than to the contributor.

SPECIAL PROJECTS

In 2016, the NHT commenced a series of special projects in support of national development. These initiatives are aimed at creating safe and secure environments for Jamaicans of all ages and include constructing and refurbishing police stations, upgrade of NHT and Ministry of Housing schemes, refurbishing of infirmaries and hospitals. Now in its sixth year, the Trust has spent a total of $2.16B on the programme.

Construction and Refurbishing of Police Stations

The sum of $118.2M was expended in 2021/2022 on the construction and rehabilitation of 12 police stations across the island. This expenditure facilitated the completion of the Port Antonio and Buff Bay stations in Portland, as well as the Olympic Gardens and the Special Operations Unit (Mobile Reserve) in Kingston and St. Andrew. Projects to upgrade police stations in Frome, Little London, Lacovia, Anchovy, and Stony Hill are currently in the procurement stage.

Community Renewal

For the 2021/2022 period, ten (10) communities were identified for upgrade works which are currently at various stages of completion. Of the ten (10) communities that benefitted from this programme, eight (8) were in the parishes of Kingston and St. Andrew – Metcalfe Street (Denham Town), Majesty Gardens Phase 1A, Maxfield Park, Rasta City, White Wing (Olympic Way), Java, Belrock and Monaltrie. The other two (2) communities are located in the parishes of Clarendon and St. Mary. An estimated $157.7M was spent on the Community Renewal Programme for 2021/2022.

Renovation of Infirmaries and Hospitals

In 2021/2022, two (2) infirmaries and one (1) hospital were earmarked for refurbishing. Infirmaries in Manchester and Westmoreland were completed during the period. Meanwhile, the Parent Overnight Suite at the Bustamante Hospital for Children is currently under construction. Under this sub-programme, a total of $18.2M was spent in 2021/2022.

NHT Scheme Upgrade

During 2021/2022, thirty-two (32) projects were undertaken in several NHT schemes across ten (10) parishes, and are at varying stages of completion. Twelve (12) of those projects were completed during the period. Approximately $486.1M was spent on scheme upgrades this year – approximately $238M more than that spent in the previous year.

Research and Development

A total of $46.9M was spent on Research and Development projects in 2021/2022. Under this programme, an LED Lighting and Occupancy Sensors project at NHT's Head Office was completed. In addition, a pre-processing bamboo facility in Peckham, Clarendon, has been commissioned, to provide materials for NHT's research into bamboo's inclusion in the NHT's goal for more affordable housing construction.

SOCIAL DEVELOPMENT PROGRAMMES

Through the work of its Social Development Department, NHT continues not only to provide housing solutions but also to support the development of healthy and sustainable communities. This is done in conjunction with the residents of NHT Schemes through the following programmes and areas of focus.

Preparation for Home Ownership

Prior to handover of housing solutions, beneficiaries are introduced to best practices of community development, community safety and security, covenants and relevant legislation, roles and responsibilities of residents, mortgage management and community maintenance. During the year, the Trust held online workshops to help prepare over 200 new beneficiaries from Twickenham Glades, Silver Sun, Wind Crest Hill (St. Catherine), Estuary (St. James), and Monymusk Country Estates (Clarendon), for homeownership. Support was provided by partners within the NHT and external government agencies including Municipal Corporations, the Community Safety and Security Division of the Jamaica Constabulary Force (JCF), and the National Solid Waste Management Authority (NSWMA). These sessions highlighted and explored the responsibilities of new homeownership and the importance of community development. Beneficiaries were also sensitized on matters of community safety and security, covenants and relevant legislation, mortgage management, and waste management.

Community Based Organisation Strengthening

Work continued in assisting communities to establish and strengthen the governance structures in Strata and non-Strata residencies. Nine (9) new NHT communities were engaged through leadership workshops aimed at improving governance and management processes and practices in the Community Based Organizations. Additionally, six (6) communities were engaged in the process of registration with the Department of Cooperatives and Friendly Societies, as part of the thrust to position them to be able to access grant funding, and establish economic and social ventures. Knowledge sharing and networking continued through the meetings of the Parish Schemes Associations as communities met to share and exchange ideas, processes and practices to improve their individual and collective approaches at the community levels.

Environmental Initiatives

Working with the theme of "Stay Home, Stay Safe this Labour Day, Clean Up Your Space", the NHT spearheaded an environmental initiative focused on cleaning community green spaces. Twenty-six (26) NHT communities and environmental clubs across the island participated in the activities. Additionally, approximately forty-nine (49) young environment club members from Kingston were engaged in the planting of trees donated by the Forestry Department to enhance green spaces in their respective communities.

In March 2022 a Home & Community Garden competition was launched with thirty-eight (38) communities across the island participating. The competition aims to increase families' involvement in food security through backyard/containerized gardening.

Sport for Community Development.

Despite the limitations brought on by COVID-19 risk-management measures, the annual summer sports programme was successfully held online in August 2021. The programme aims to use sporting activities to engender the skills set needed for youths to actively participate in community development. Though online, the programme saw the participation of youths from various communities including St. James, Clarendon, & Kingston. Approximately 57 new and returning, young persons competed for prizes in online chess competitions.

ACHIEVEMENTS

ISO 9001:2015

In line with the commitment to achieve a high level of customer satisfaction in all departments, the Customer Relations Management (CRM) Division initiated the process to obtain ISO 9001:2015 certification. The process included live workshops raising awareness among staff, ambassador check-in sessions, and ISO 9001:2015 auditor trainings. The division successfully completed the Stage1 and Stage 2 audit, and in March 2022, was recommended for full certification by the National Certification Body of Jamaica.

Even as this significant milestone for the division and organisation as a whole is celebrated, the hard work continues. In the upcoming year, focus will be placed on the maintenance of the Quality Management System (QMs), sensitisation sessions, and an upcoming surveillance audit in February 2023.

THE YEAR AHEAD

In the 2022/2023 financial year, the NHT will roll out new measures and policies that will fortify the organisation's ability to fulfill its strategic objectives, to the benefit of its contributors. Some of these measures include:

Review of Interest Rates

Currently, the interest rate for each applicant is decided based on income at the time of application and is applied over the life of the loan. However, as the circumstances of mortgagors change, their new incomes may place them in a higher or lower income band, lessening or increasing the need for an interest rate subsidy.

Hence, as of July 2022, all loans may be subject to a periodic review to determine whether the level of subsidy given at the opening of the loan is still required or whether a greater or lesser subsidy is needed.

Revised Policy on Subsidies

Currently, NHT's subsidies are applied to benefits by one or more of three general criteria: a) interest rate subsidies for special groups; b) interest rate subsidies based on income; and c) price subsidies applied to the selling price of a housing solution within a development. However, effective July 2022, income will be the sole determinant of whether a subsidy is applied.

Disability Grant

The Disability Grant was introduced in July 2017, under the programme, NHT mortgagors with disabilities or who reside with and care for a family member with a disability are eligible for a grant of up to $150,000 to be used to retrofit or upgrade the dwelling to make it suitable to serve their needs.

Effective July 2022, the NHT will double the Disability Grant and allocate up to $300,000 per individual up to a maximum of two (2) persons living with disabilities per household.

Provision for Three Applicants per Housing Solution

The NHT will allow up to three (3) contributors to apply for a two-bedroom or larger unit to better improve affordability. This policy position ensures that more persons, particularly family members, can access housing. A key provision of this policy is that proof must be established that the applicants are bona fide family members, and have demonstrable kinship ties (for example, wives, husbands (including common law), children and siblings). This policy will take effect in July 2022.

New Financing Framework

The new framework is an arrangement with Bank of Jamaica (BOJ)-regulated partner mortgage lending institutions to fund full mortgage disbursements, up to $6.5 million, to NHT contributors. The disbursement, including the NHT's portion, will be fully financed by the partner institution. The NHT will then pay directly to the partner institution the difference between the interest rate charged by the institution and the prospective mortgagor's applicable interest rate for the NHT loan. This arrangement will take effect from October 2022.

For 2022/2023, the NHT will continue striving to make your homeownership dreams a reality. We endeavor to generate more units at affordable prices for our contributors while also creating new ways to enhance the customer experience. Through innovative design and alternative financing arrangements, our housing programme will be bolstered to increase access to affordable housing, as we work towards better serving you in the upcoming year.

Regards,

Lennox Channer – Chairman

Martin Miller – Managing Director

CORPORATE GOVERNANCE

The Board of the National Housing Trust is committed to transparency and a strong sense of fiduciary and social responsibility. The organization is governed by the NHT Act of 1979; and, in the main, is guided by the Corporate Governance Framework for Public Bodies (CGFPB); the Public Bodies Management and Accountability Act (PBMA); the Financial Administrative and Audit Act; and the Ministry of Finance Circulars. The Prime Minister, who is the portfolio minister for the organization, spearheads the appointment of the Board, which is done every three years, or as dictated by other exigencies. The current Board will commence its second year in the 2022/2023 period.

COMPOSITION OF THE BOARD

The composition of the Board ranges from nine (9) to seventeen (17) members, inclusive of a Chairman. For the financial year, the Board had ten (10) directors, inclusive of the Managing Director and the Chairman appointed in July 2018. The names and accompanying biographies are shown elsewhere in this report. There are five (5) sub-committees of the Board, as shown in the following table:

SUB-COMMITTEES OF THE NHT BOARD OF DIRECTORS

Sub-Committee	Major Responsibilities	Meeting Frequency
Audit Committee Chaired by: Ms. Hope Wint	• Assesses the adequacy and scope of arrangements for the internal and external audit of the accounts of the NHT; • Examines the reports of internal and external auditors in relation to such accounts; • Ascertains what action has been taken in respect of recommendations contained in such reports.	**Quarterly**
Customer Relations Committee Chaired by: Mr. Doran Evan Dixon, J.P.	• Reviews and recommends requests from contributors for variations to policies to support their acquisition of housing solutions. • Accepts and makes recommendations to the Board regarding any issues emanating from such policies and strategies which have been implemented or proposed by the Customer Relations Management Division (CRM), through NHT's Leadership Team. • Reviews requests for "write off" of receivables of loan balances and requests for loan accounts to be placed in "charge off". • Promotes the development of housing communities through monitoring the provision of support services.	**Monthly**
Finance and Technical Committee Chaired by: Mr. O'niel Wilton Grant	• Examines in-depth, as appropriate, in association with other Committees, the sources and uses of funds to improve the efficiency and effectiveness of the provision of housing solutions and the long-term viability of the NHT; • Acts in an advisory capacity to the Board of Directors on the overall financial condition of the NHT; • Reviews the short term and long term financing arrangements of the NHT; • Formulates strategies for improving the NHT's financial position that will facilitate the maximization of revenue inflows; • Reviews the annual Budgets of the NHT; • Monitors to ensure compliance with and adherence to the Corporate Plan; • Ensures that there is full compliance and adherence with the "Government of Jamaica's" ("GOJ") Procurement Guidelines and Policies in observance of sound business practices on a fair, competitive and transparent basis. • Leads the strategic direction of the NHT in the management of material business risks; • Direct and oversee the establishment and implementation of an enterprise risk management framework; • Reviews the effectiveness of the risk management framework in identifying and managing risks and controlling internal processes;	**Monthly**
Corporate Governance Committee Chaired by: Mrs. Nesta-Claire Smith Hunter	• Ensures that the NHT operates within the framework of good corporate governance in keeping with the requirements of the Corporate Governance Framework for Public Bodies (CGFPB) and the Public Bodies Management and Accountability (PBMA) Act. • Provides guidance to the Board on matters relating to corporate governance in general including but not limited to the stewardship role of the Board in respect of the management of the Trust.	**Quarterly**
HRM and Information Technology Committee Chaired by: Senator Kavan Gayle, C.D.	• Provides guidance to the Board and contributes to strategic policy deliberations, thereby ensuring the optimization of NHT's human capital; • Guides and supports Human Resource policy formulation, implementation and evaluation in general, including but not limited to the provisions of the Human Resource Strategic Plan. The Plan constitutes a framework for the Committee's deliberations and includes policies and strategies relating to recruitment, selection, training and development of employees of the NHT; • Reviews, evaluates and recommends strategies for the technological direction of the NHT.	**Bi-Monthly**

OPERATION OF THE BOARD

The regular schedule for Board meetings is once per month but may be exceeded or reduced based on eventualities. These, along with sub-committee meetings are held at NHT's Head Office, located at 4 Park Boulevard, Kingston 5. The Committees review matters submitted by Management for consideration and make recommendations to the Board. The Board reserves the right to accept/reject the recommendations of the Committees. Attendance is registered by the physical presence of Directors or by their communication via teleconferencing. The record for the 2021/22 period shows a total of fourteen (14) Board meetings held with attendance as shown in the table:

BOARD ATTENDANCE

Chairman/ Director	Number of Meetings Attended
Mr. Lennox Channer	13
Mr. Martin Miller	13
Mr. Doran Dixon	14
Ms. Merle Donaldson	11
Senator Kavan Gayle	12
Mr. O'Neil Grant	14
Mrs. Nesta-Claire Smith Hunter	13
Mr. Rohan James	14
Mr. Granville Valentine	11
Ms. Hope Wint	13

INTERNAL AUDIT

The Internal Audit Department provides independent and objective oversight that adds value to and improves the organization's operations. Using a systematic and disciplined approach, the Department monitors the organization's compliance with legislation; adherence to policies and procedures and operational guidelines, and goal accomplishment against standards. The unit also ensures that controls are tested for robustness; financial requirements and guidelines are maintained, and risks are adequately identified and managed. Internal Audit is guided by the International Standards for the Professional Practice of Internal Auditing (IPPF). Administratively, the unit reports to the Managing Director, while functionally, the Audit Sub- Committee of the Board oversees its performance.

RISK MANAGEMENT

The organization's risks are managed by the Corporate Risk and Insurance Management Unit which guides the process of risk identification through to risk mitigation. The tools that support this process are: (1) the Risk Management Policy; (2) NHT's Business Risk Review Manual; and (3) NHT's Risk Reference Guide. The major outputs of the process are the (1) Annual Corporate Risk Profile; (2) the Annual Operational Risk Plans; (3) the Process Risk Assessments; and (4) the Project Risk Assessments.

EXTERNAL AUDIT

External Auditors provide another means of independent and objective evaluation of the organization's operations, helping to ensure its integrity and financial prudence. They receive direct oversight from the Audit Sub-Committee, which reviews and makes recommendations for their appointment. At the end of 2020, Pricewaterhouse Coopers was appointed Auditor for a period of three years. The number of sub-committee meetings varies across the different committees. Attendance during the year was as follows:

SUB-COMMITTEE MEETING ATTENDANCE

Directors	Audit Committee (4)	Customer Relations Committee (9)	Finance & Technical Committee (15)	Corporate Governance Committee (3)	HRM & Information Technology (8)	JFMP*** Disposal Committee (4)
Mr. Lennox Channer (Chairman)						4/4
Mr. Doran Evan Dixon, J.P.	4/4	9/9*		3/3		
Ms. Merle Donaldson				3/3	3/8	
Senator Kavan Gayle, C.D.	2/4		11/15		8/8*	
Mr. O'Neil Grant			15/15*	3/3		4/4*
Mr. Martin Miller	4/4**	8/9	15/15	3/3	8/8	4/4
Mrs. Nesta-Claire Smith Hunter		6/9	14/15	3/3*		
Mr. Rohan James	4/4				8/8	
Mr. Granville Valentine C.D., J.P.	2/4	8/9	14/15		6/8	
Ms. Hope Wint	4/4*	6/9			8/8	
Mr. Ricardo Case (co-opted)					5/8	
Ms. Nyree Coke (co-opted)		5/9				
Mr. Peter Jervis (co-opted)			10/15			
Mr. Gary-Vaughn White (co-opted)			7/15			

* Denotes Chairman.

** Non-Member, but in attendance.

*** The JFMP Disposal Committee is a special committee of the Board which meets for the purpose of reviewing and approving proposals for disposing of portions of JFMP receivables.

PICTORIAL HIGHLIGHT

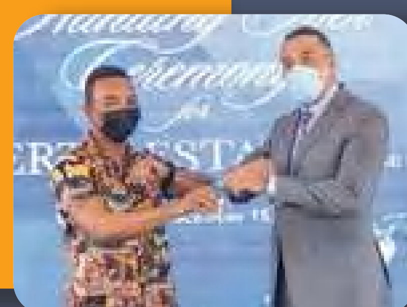
PERTH 1A: HANDING OVER CEREMONY

A total of one hundred and twelve (112) housing solutions were handed over to beneficiaries at Perth Estate Phase 1A in Mandeville, Manchester on December, 2021. The development comprises 30 two-bedroom units and 82 serviced lots have been developed by the National Housing Trust (NHT) during this phase of the project.

Joining the Prime Minister and Minister with portfolio responsibility for the NHT, The Most Honorable Andrew Holness for the ceremonial ribbon-cutting are from left: Horace Haighs, beneficiary at Perth Estate Phase 1A.; Minister of Housing, Urban Renewal and Climate Change, Hon. Pearnel Charles Jr.; NHT Board Chairman Lennox Channer; Member of Parliament for Manchester Central, Rhoda Moy Crawford, and NHT Managing Director, Martin Miller.

Prime Minister, The Hon. Andrew Holness is seen touring one of the units at Perth Estate Phase 1A.

Prime Minister, The Hon. Andrew Holness hands over the keys to a cheerful beneficiary for his new home.



Prime Minister, the Most Hon. Andrew Holness (2nd right, front row), celebrates with new homeowners who are gleefully waving the keys demonstrating possession of their new homes.

Twickenham Glades: Handing Over Ceremony

Handover ceremony for 110 single-storey two-bedroom duplex units, which were developed by the NHT at Twickenham Glades, St. Catherine, on Wednesday, December 1, 2021. Twickenham Glades boast a diversity of beneficiaries, including public-sector workers for whom the NHT reserves houses in its schemes; persons with disabilities, who get preferential access to housing; and young people in the 19-35 age group.

Prime Minister, the Most Hon. Andrew Holness hands over the keys to an elated beneficiary for her new home.

Prime Minister, the Most Hon. Andrew Holness (second left), and Minister of Housing, Urban Renewal and Climate Change, Hon. Pearnel Charles Jr. (left), plant trees at the newly opened Twickenham Glades housing development in St. Catherine. Looking on are (from left) Twickenham Glades homeowner, Dwight Bailey; Board member of the National Housing Trust (NHT), Nesta-Claire Hunter; and Member of Parliament for St. Catherine Eastern, where the development is located, Denise Daley.

The beneficiaries of Twickenham Glades cheerfully pose with the Prime Minister, Hon. Andrew Holness as they wave their keys to their brand new homes.

HOUSES UNDER CONSTRUCTION

Snapshots of some NHT schemes under construction.

Estuary 2, St. James

Catherine Estate, St. Catherine

Monymusk 2, Clarendon

Brompton Manor, St. Elizabeth

Roseneath Park, St. Catherine

Savannah, Westmoreland

OPEN HOUSES

Estuary 1, St. James

Industry Cove, Hanover

NHT IN THE COMMUNITY

Andrew Coley, President of the Angels Grove Citizens Association and Music for Social Transformation teacher, conducts rehearsal will children form the community.

Students of the Music for Social Transformation class at Majesty Gardens participates in class.

Wendy-Jo Williams (in blue), Social Development Manager, and Delroy Plummer, Social Development Officer meet with residents (background) of Masemure Flats, Westmoreland to discuss issues affecting the community.

Dale Bent (back to the camera), Social Development Officer conducts a sensitization session with new residents of Brompton Manor.

DIRECTORS' REPORT

1. Statement of Profit or Loss and Other Comprehensive Income for Year Ended March 31, 2022

	2022 $'000	2021 $'000
Non-refundable employers' contributions	24,769,044	20,193,771
Interest revenue:		
Loans	8,599,885	8,276,529
Investment securities	546,570	447,616
	9,146,455	8,724,145
Bonus on employees' contributions	(1,979,705)	(1,816,826)
Net interest revenue	7,166,750	6,907,319
Fair value gains on investment securities (net)	141,676	105,128
Loss on disposal investment securities (net)	-	(727,727)
Dividends from equity investments	12,543	10,891
Gains on sale of housing solutions (net of allowance for impairment)	329,198	367,304
Foreign exchange gain (net)	128,739	133,062
Miscellaneous income	643,991	303,606
	8,422,897	7,099,583
	33,191,941	27,293,354
Operating expenses	9,748,429	10,704,759
Decrease in allowance for expected credit losses (net)	(872,079)	(3,380,053)
Special subsidies and grants	1,392,330	927,953
Government levies	61,688	57,549
Loss on partial disposal of the Joint Finance Mortgage Programme receivables	2,494,743	12,415,358
Share of losses of associate	22,766	60,154
	12,847,877	20,785,720
Profit Before Taxation	20,344,064	6,507,634
Taxation credit	203,546	398,330
Profit for the Year	20,547,610	6,905,964
Other comprehensive (loss)/income:		
Items that will not be reclassified to profit or loss:		
Remeasurements of post-employment benefit obligations	(14,416)	2,119,710
Deferred tax on remeasurements of post-employment benefit obligations	3,604	(529,927)
Changes in fair value of loan instruments designated at fair value through other comprehensive income	(3,488,730)	-
Deferred tax on changes in fair value of loan instruments	872,183	-
Other comprehensive income for the year, net of tax	(2,627,359)	1,589,783
Total Comprehensive Income for the year	17,920,251	8,495,747

2. The Board of Directors

Mr. Lennox Channer, Chairman
Mr. Martin Miller, Managing Director
Mr. Doran Evan Dixon, JP
Ms. Merle Donaldson
Mr. Rohan James
Senator Kavan Gayle, CD
Mr. O'Neil Wilton Grant
Mrs. Nesta-Claire Smith Hunter
Mr. Granville Valentine, CD, JP
Ms. Hope Wint

Co-opted Committee Members

Mr. Ricardo Case
Ms. Nyree Coke
Mr. Gary-Vaughn White
Mr. Peter Jervis

3. The Auditors

Effective December 20, 2020, Pricewaterhouse Coopers, were appointed auditors for a period of three years.

4. The Employees

The Directors wish to thank the management and staff of the Trust for their hard work during fiscal year 2021/2022.

NATIONAL HOUSING TRUST

AUDITED FINANCIALS STATEMENTS

31 MARCH 2022

CONTENTS

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Independent auditor's report

To the Board of Directors of National Housing Trust

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of National Housing Trust (the Trust) as at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Trust's financial statements comprise:

- the statement of financial position as at 31 March 2022;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in accumulated fund for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 Trust in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
T: (876) 922 6230, F: 876) 922 7581, www.pwc.com/jm

Other information

Management is responsible for the other information. The other information comprises the National Housing Trust Annual Report (Annual Report) (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards 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 Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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.

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- 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 Trust'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 Trust'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 Trust 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.

PricewaterhouseCoopers

Chartered Accountants
Kingston, Jamaica
29 July 2022

NATIONAL HOUSING TRUST

STATEMENT OF FINANCIAL POSITION

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022 $'000	2021 $'000
Assets			
Cash and cash equivalents	6	6,872,454	6,944,867
Receivables and prepayments	7	7,221,301	10,977,617
Short term deposits and resale agreements	8	2,061,869	2,861,977
Investment securities	9	4,494,404	4,320,593
Taxation recoverable	27(a)	7,431,825	7,318,799
Loans receivable	10	256,697,930	238,500,659
Inventories	12	38,003,224	34,428,814
Intangible assets	13	1,256	2,655
Investments in associate	14	1,014,149	1,131,338
Employee benefits asset	15	1,736,960	2,166,979
Property, plant and equipment	16	1,844,047	1,875,213
Deferred tax asset	20	938,209	-
Total assets		328,317,628	310,529,511
Liabilities and Accumulated Fund			
Liabilities			
Payables and accruals	17	9,973,001	8,937,111
Provisions	18	224,394	250,511
Refundable contributions	19	136,808,623	126,244,906
Taxation payable	27(b)	6,472,138	6,472,138
Deferred tax liabilities	20	-	141,124
Employee benefits obligation	15	1,828,342	2,004,911
		155,306,498	144,050,701
Accumulated Fund			
Mortgage subsidy reserve	21	3,919,758	3,919,758
Peril reserve	22	4,573,494	4,335,963
Loan loss reserve	10(t), 23	5,861,579	4,247,948
Accumulated profit		158,656,299	153,975,141
		173,011,130	166,478,810
Total liabilities and accumulated fund		328,317,628	310,529,511

Approved for issue by the Board of Directors on July 28, 2022 and signed on its behalf by:

Lennox Channer Chairman   Martin Miller Managing Director

The accompanying notes on pages 37 to 140 form a integral part of these financial statements.

NATIONAL HOUSING TRUST

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022 $'000	2021 $'000
Non-refundable employers' contributions	2(c),28(f)	24,769,044	20,193,771
Interest revenue:			
Loans	28(a)	8,599,885	8,276,529
Investment securities	28(a)	546,570	447,616
		9,146,455	8,724,145
Bonus on employees' contributions	28(b)	(1,979,705)	(1,816,826)
Net interest revenue		7,166,750	6,907,319
Fair value gains on investment securities (net)	28(c)	141,676	105,128
Loss on disposal investment securities (net)	28(c)	-	(727,727)
Dividends from equity investments	28(a)	12,543	10,891
Gains on sale of housing solutions (net of allowance for impairment)	12(b)	329,198	367,304
Foreign exchange gain (net)		128,739	133,062
Miscellaneous income	25	643,991	303,606
		8,422,897	7,099,583
		33,191,941	27,293,354
Operating expenses	28(d)	9,748,429	10,704,759
Decrease in allowance for expected credit losses (net)	28(e)	(872,079)	(3,380,053)
Special subsidies and grants	26	1,392,330	927,953
Government levies		61,688	57,549
Loss on partial disposal of the Joint Finance Mortgage Programme receivables	10(k)(iii)	2,494,743	12,415,358
Share of losses of associate	14	22,766	60,154
		12,847,877	20,785,720
Profit Before Taxation		20,344,064	6,507,634
Taxation credit	27(c)	203,546	398,330
Profit for the Year		20,547,610	6,905,964
Other comprehensive (loss)/income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations	15	(14,416)	2,119,710
Deferred tax on remeasurements of post-employment benefit obligations	20	3,604	(529,927)
Items that may be subsequently reclassified to profit or loss:			
Changes in fair value of loan instruments designated at fair value through other comprehensive income		(3,488,730)	-
Deferred tax on changes in fair value of loan instruments	20	872,183	-
Other comprehensive income for the year, net of tax		(2,627,359)	1,589,783
Total Comprehensive Income for the year		17,920,251	8,495,747

The accompanying notes on pages 37 to 140 form a integral part of these financial statements.

NATIONAL HOUSING TRUST

STATEMENT OF CHANGES IN ACCUMULATED FUND

Year ended 31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Mortgage subsidy reserve	Peril reserve	Loan loss reserve	Accumulated profit	Total
		$'000	$'000	$'000	$'000	$'000
Balance at 1 April 2020		3,919,758	4,037,046	1,556,142	159,183,416	168,696,362
Total comprehensive income for the year						
Profit for the year		-	-	-	6,905,964	6,905,964
Other comprehensive income for the year		-	-	-	1,589,783	1,589,783
(FRAN) – National Debt Exchange	9 (iii)				686,701	686,701
Transfer to consolidated fund	24	-	-	-	(11,400,000)	(11,400,000)
Other Transfers	22,23	-	298,917	2,691,806	(2,990,723)	-
Balance at 31 March 2021		**3,919,758**	**4,335,963**	**4,247,948**	**153,975,141**	**166,478,810**
Total comprehensive income for the year						
Profit for the year		-	-	-	20,547,610	20,547,610
Other comprehensive income for the year		-	-	-	(2,627,359)	(2,627,359)
(FRAN) – National Debt Exchange	9 (iii)	-	-	-	12,069	12,069
Transfer to consolidated fund	24	-	-	-	(11,400,000)	(11,400,000)
Other Transfers	22,23	-	237,531	1,613,631	(1,851,162)	-
Balance at 31 March 2022		**3,919,758**	**4,573,494**	**5,861,579**	**158,656,299**	**173,011,130**

The accompanying notes on pages 37 to 140 form a integral part of these financial statements.

NATIONAL HOUSING TRUST

STATEMENT OF CASH FLOWS

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022 $'000	2021 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		20,547,610	6,905,964
Adjustments to profit for the year	36	(5,068,310)	3,150,523
		15,479,300	10,056,487
Changes in operating assets and liabilities:			
Receivables and prepayments		3,614,591	(21,785)
Loans receivable, net of repayments and recoveries		(34,751,446)	(29,573,630)
Inventories (net)		(3,794,134)	(8,879,533)
Employers benefit contributions	15(d)	(280,083)	(269,201)
Taxation recoverable	27	(113,026)	(88,152)
Payables and accruals		1,035,890	1,414,288
Cash used in operations		(18,808,908)	(27,361,526)
Dividends received		12,543	10,891
Interest received		7,938,174	8,523,662
Contributions received from employees		16,801,468	14,118,237
Refund of employees' contributions		(6,704,637)	(6,457,645)
Proceeds from sale of loans receivable	10(k)(iii))	11,488,738	-
Cash used in operating activities		10,727,378	(11,166,381)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of resale agreements		(5,257,932)	(4,865,007)
Proceeds on encashment of resale agreements		6,106,443	2,820,679
Acquisition of investment securities		-	(569,230)
Proceeds on encashment of investment securities		14,400	4,527,562
Proceeds from sale of loans receivable	10(k)(iii))	-	26,182,185
Acquisition of intangible assets	13	-	(4,198)
Acquisition of property, plant and equipment	16	(182,797)	(284,879)
Investments in associate (net)	14	(84,308)	(72,121)
Cash provided by investing activities		595,806	27,734,991
CASH FLOWS FROM FINANCING ACTIVITY			
Transfer to consolidated fund	24	(11,400,000)	(11,400,000)
INCREASE IN CASH AND CASH EQUIVALENTS		(76,816)	5,168,610
OPENING CASH AND CASH EQUIVALENTS		6,938,763	1,752,405
Effect of foreign exchange rate changes		3,603	17,748
CLOSING CASH AND CASH EQUIVALENTS	6	6,865,550	6,938,763

The accompanying notes on pages 37 to 140 form a integral part of these financial statements.

NATIONAL HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENT

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

National Housing Trust (the Trust) was established in Jamaica in 1976 and became a body corporate under the National Housing Trust Act (the Act) in 1979. The Trust is domiciled in Jamaica and its registered office is at 4 Park Boulevard, Kingston 5.

The functions of the Trust are:

(a) To add to and improve the country's existing supply of housing by:

(i) promoting housing projects to such extent as may, from time to time, be approved by the Minister responsible for the Trust.

(ii) making loans available to contributors to assist in the purchase, building, maintenance, repair or improvement of houses; and

(iii) encouraging and stimulating improved methods of production of houses.

(b) To enhance the usefulness of the funds of the Trust by promoting greater efficiency in the housing sector.

(c) In the exercise of its functions, the Trust shall have power:

I. to provide for:

(i) development projects undertaken by the Trust;

(ii) social services and physical infrastructure for communities developed under the projects;

II. to administer and invest the moneys of the Trust;

III. to enter into loan agreements with borrowers;

IV. to receive and administer funds entrusted to the Trust in accordance with the provisions of the Act;

V. to make refunds and grants to contributors or any category thereof, on such terms and conditions as may be prescribed;

VI. to re-finance from time to time, subject to such restrictions and conditions as may be prescribed, mortgages held by members of any prescribed category of contributors; and

VII. to do such other things as may be advantageous, necessary or expedient for or in connection with the proper performance of its functions under this Act.

National Housing Trust (Special Provisions) Act. 2013, 2017and 2020
In addition to the functions specified in (a) to (c) above, the Trust may provide financing up to a maximum annual amount of eleven billion, four hundred million dollars for the fiscal consolidation in respect of each financial year March 31, 2014 to March 31, 2026.

Financing provided may be by way of distribution, grant or otherwise as the Minister responsible for Finance may determine. This Act is currently in force until March 31, 2026.

2. Contributions and Benefits

(a) The Act requires certain employed persons and their employers, and self-employed persons to make contributions to the Trust.

(b) The benefits (as defined in the Act) in relation to contributions made by employed and self-employed persons are:

(i) loans for housing acquisition or improvement;
(ii) contribution refunds including bonuses awarded in the eighth year after the first contribution year and annually thereafter for each successive year in which contributions were made (see Note 19(a)); and
(iii) contribution refunds in the event of death, invalidity and other circumstances prescribed.

(c) Each year's contributions made by employers in respect of the period from inception to July 31, 1979 were refundable twenty-five years after the end of the year in which they were made. These amounts have been substantially repaid subject to contributors not being in default of any of the Trust's requirements. Contributions made by employers in respect of periods beginning on or after August 1, 1979 are not refundable and no bonuses are payable on such contributions.

3. Statement of Compliance and Basis of Preparation

(a) Statement of compliance

The Trust's financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the relevant requirements of the National Housing Trust Act.

(b) Basis of preparation

These financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair value. Employee benefit assets are measured at fair value and employee benefit liabilities are measured using the projected unit credit method, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Standards, interpretations and amendments to published standards effective in the current year

There were no new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year that is relevant to the Trust's operations.

3. Statement of Compliance and Basis of Preparation (Continued)

(b) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Trust

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are mandatory for the Trust's accounting periods beginning on or after 1 April 2022 or later periods but were not effective at the statement of financial position date. The Trust has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

Amendments to IAS 1, Presentation of financial statements' on classification of liabilities, (effective for annual periods beginning on or after 1 January 2024). These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

Amendment to IAS 12, deferred tax related to assets and liabilities arising from a single transaction, (effective for annual periods beginning on or after 1 January 2023). These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and de-ductable temporary differences.

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 (effective on or after 1 January 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, and IFRS 16 effective date for annual periods beginning on or after 1 January 2022.

These amendments are not expected to have any material impact on the financial statements of the Trust.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Trust

NATIONAL HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENT

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

4. Summary of Significant Accounting Policies

The principal accounting policies are set out below and have been consistently applied for all years presented, unless otherwise stated.

(a) Foreign currencies

Functional currency
The financial statements are presented in Jamaican dollars, the currency of the primary economic environment in which the Trust operates (its functional currency), expressed in thousands, except when otherwise stated.

Transactions in foreign currencies are recognised at the rates of exchange prevailing on the dates of those transactions. At each reporting date, monetary items denominated in foreign currencies are converted at the rates prevailing at that date.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example translation differences on nonmonetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and transaction differences on non monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

(b) Fair value measurement

The Trust measures certain financial instruments at fair value at the end of each reporting period.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

4. Summary of Significant Accounting Policies (Continued)

(b) Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

i. Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
ii. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
iii. Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The Trust's Board of Directors and management determine the policies and procedures for recurring fair value measurement.

At each reporting date, the Trust analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Trust's accounting policies.

For the purpose of fair value disclosures, the Trust has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(c) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial assets and financial liabilities are recognised on the Trust's statement of financial position when the Trust becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets and financial liabilities as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The fair values of the financial instruments are discussed in Note 32.

4. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

Financial assets

(i) Classification and measurement

The Trust's financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through profit or loss and fair value through other comprehensive income.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Trust's business model for managing them.

With the exception of receivables that do not contain a significant financing component or for which the Trust has applied the practical expedient, the Trust initially measures a financial asset at its fair value plus in the case of a financial assets not at fair value through profit or loss, transaction costs. Receivables that do not contain a significant financing component or for which the Trust has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Trust's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Trust commits to purchase or sell the asset.

For purposes of subsequent measurement, the Trust's financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss (FVTPL) (debt and equity instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) (debt instruments)

Financial assets at amortised cost (debt instruments)

The Trust measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment gains and losses, which are recognised in profit or loss when the asset is derecognised, modified or impaired.

4. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

Financial assets (continued)

(i) Classification and measurement (continued)

Financial assets at amortised cost (debt instruments) (continued)

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) throughout the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Trust's financial assets at amortised cost includes cash and cash equivalents, receivables, short-term deposits, resale agreements, certain investment securities and loans receivable.

Cash and cash equivalents
Cash comprises cash on hand and demand deposits. Cash equivalents comprise short-term highly liquid instruments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term commitments (these instruments include short-term deposits where the maturities do not exceed three months from the acquisition date). Cash and cash equivalents are measured at cost.

Resale agreements
Resale agreements are treated as collaterised financing transactions and are recorded at the amount at which the securities were acquired plus accrued interest. The difference between the purchase and resale price is treated as interest income and is accrued over the lives of the agreements using the effective interest method. Resale agreements with maturity at inception of less than three months are included in cash and cash equivalents.

Loans receivable
Loans are recognised when funds are advanced/disbursed to beneficiaries. They are initially recorded at fair value, which is the cash given to originate the loan, including any transaction costs, and subsequently measured at amortised cost using the effective interest method.

4. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

Financial assets (continued)

(i) Classification and measurement (continued)

FVTPL (debt and equity instruments)
Financial assets at FVTPL include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model. Debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investments which the Trust had not irrevocably elected to classify at FVTOCI. Dividends on listed equity investments are recognised in the statement of profit or loss when the right of payment has been established.

FVTOCI (debt instruments)
Financial assets that are held for collection of contractual cash flows and for selling the assets, where cash flows represent SPPI, and that are not designated at FVTPL, are measured at FVTOCI. Movement in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instruments carrying value, which are recognised in the income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity, through OCI, to profit or loss and recognised as part of net investment income. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) Impairment of financial assets measured at amortised cost and FVTOCI

IFRS 9 requires the recognition of expected credit losses ("ECL") on financial assets measured at amortised cost and FVTOCI and off-statement of financial position loan commitments and financial guarantees.

At initial recognition, an allowance (or provision in the case of some loan commitments and financial guarantees) is required for ECL resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) ('12-month ECL').

In the event of a significant increase in credit risk (SICR) an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL is recognised are considered to be 'stage 1'; financial assets which are considered to have experienced a SICR are in 'stage 2'; and financial assets for which there is objective evidence of impairment and are therefore considered to be in default or otherwise credit-impaired are in 'stage 3'.

4. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

Financial asset (continued)

(iii) Impairment of financial assets measured at amortised cost and FVTOCI (continued)

To determine whether the life-time credit risk has increased significantly since initial recognition, the Trust considers reasonable and supportable information that is available including information from the past and forward-looking information. Factors such as whether payments of principal and interest are in delinquency, an adverse change in the credit rating of the borrower and adverse changes in the borrower's industry and economic environment are considered in determining whether there has been a significant increase in the credit risk of the borrower.

Write-offs are made when all or part of a loan is deemed uncollectible or is forgiven. Write-offs are charged against previously established provisions for credit losses and reduces the principal amount of a loan.

Recoveries in part or in full of the amounts previously written-off are credited to the provision for credit losses in arriving at net profit or loss.

Measurement
ECLs are calculated by multiplying three main components, being the probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD"), discounted at the original effective interest rate. Management has calculated these inputs based on the historical experience of the portfolios adjusted for the current point in time. A simplified approach to calculating the ECL is applied to other receivables which do not contain a significant financing component. Generally, these receivables are due within 12 months unless there are extenuating circumstances. Under this approach, an estimate is made of the life-time ECL on initial recognition (i.e. Stage 3). For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

4. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

Financial assets (continued)

(ii) Impairment of financial assets measured at amortised cost and FVTOCI (continued)

The PD, LGD and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience, but given that IFRS 9 requirements have only just been applied, there has been little time available to make these comparisons. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions remain subject to review and refinement. This is particularly relevant for lifetime PDs, which have not been previously used in regulatory modelling and for the incorporation of 'downside scenarios' which have not generally been subject to experience gained through stress testing. The exercise of judgement in making estimations requires the use of assumptions which are highly subjective and sensitive to the risk factors, in particular to changes in economic and credit conditions across a large number of geographical areas. Many of the factors have a high degree of interdependency and there is no single factor to which loan impairment allowances as a whole are sensitive. Therefore, sensitivities are considered in relation to key portfolios which are particularly sensitive to a few factors and the results should not be further extrapolated.

The Trust replaced the theoretical form of the logistic regression model during the financial year ended March 2022 with a Cohort analysis in estimating its PDs for its retail mortgage portfolio.

The main difference between Stage 1 and Stage 2 ECLs is the respective PD horizon. Stage 1 estimates will use a maximum of a 12-month PD while Stage 2 estimates will use a lifetime PD, including the requirement to consider multiple forward-looking scenarios. Stage 3 estimates will continue to leverage existing processes for estimating losses on impaired loans, however, these processes will be updated to reflect the requirements of IFRS 9, including the requirement to consider multiple forward-looking scenarios. An ECL estimate will be produced for each individual exposure, including amounts which are subject to a more simplified model for estimating ECLs.

The measurement of ECLs for each stage and the assessment of SICR must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information will require significant judgment.

4. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

Financial assets (continued)

(ii) Impairment of financial assets measured at amortised cost and FVTOCI (continued)

For defaulted financial assets, based on management's assessment of the borrower, a specific provision of expected life-time losses which incorporates collateral recoveries, is calculated and recorded as the ECL. The resulting ECL is the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

Forward looking information
The estimation and application of forward-looking information will require significant judgment. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.

Each macroeconomic scenario used in the ECL calculation will have forecasts of the relevant macroeconomic variables – including, but not limited to, unemployment rates and gross domestic product, for a three-year period, subsequently reverting to long-run averages. The Trust's estimation of ECLs in Stage 1 and Stage 2 will be a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. The Trust's base case scenario will be based on macroeconomic forecasts where available. Upside and downside scenarios will be set relative to the Trust's base case scenario based on reasonably possible alternative macroeconomic conditions.

Scenario design, including the identification of additional downside scenarios will occur on at least an annual basis and more frequently if conditions warrant. Scenarios will be probability-weighted according to the Trust's best estimate of their relative likelihood based on historical frequency and current trends and conditions. Probability weights will be updated on a quarterly basis.

IFRS permits specific loan loss and general allowances based upon the Trust's actual credit loss experience. General provisions are calculated on a portfolio basis based on the Trust's actual write off experience over the last two years. Prudential allowances by management for loan loss requirements are maintained at the higher of 3% of:

(i) the total mortgage loans receivable, less loan financing to developers, and IFRS provision, and
(ii) the total arrears for over 90 days for which allowances are made (Note 10(s)).

The loan loss allowance that is in excess of IFRS requirements is treated as an appropriation of undistributed profit and included in a loan loss reserve (Note 23).

Financial assets measured at amortized cost recognise impairment gains and losses in the statement of profit and loss. When the asset is sold, the cumulative gain or loss is recognised to income. Interest income, dividend income and gains and losses arising from changes in fair value are included in income. Financial assets measured at FVTOCI recognise impairment gains and losses in other comprehensive income.

4. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

Financial assets (continued)

(ii) Impairment of financial assets measured at amortised cost and FVTOCI (continued)

Interest income is earned based on the effective interest rate based on the carrying amount before allowances. Interest earned on assets measured at fair value through profit and loss is recognised based on the effective interest rate. For assets that are credit-impaired when purchased or originated, the carrying amount after allowances for ECL is the basis for applying the effective interest rate.

(iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Trust's statement of financial position) when:

(a) The rights to receive cash flows from the asset have expired or;
(b) The Trust has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Trust has transferred substantially all the risks and rewards of the asset, or (ii) the Trust has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Trust has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Trust continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Trust also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Trust has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Trust could be required to repay.

4. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

Financial liabilities

Classification and measurement of financial liabilities

Financial liabilities are classified as financial liabilities at FVTPL and financial liabilities at amortised cost. Financial liabilities at amortised cost are initially measured at fair value net of transaction cost and are subsequently measured at amortised cost using the effective interest method, with interest expense recognized on the effective interest basis, except for short term liabilities when the recognition of interest would be immaterial. The Trust's financial liabilities at amortised cost comprise accounts payable and refundable contributions.

Derecognition of financial liabilities

The Trust derecognises financial liabilities when the Trust's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(a) Payables and accruals

These are measured at amortised cost.

(b) Refundable contributions

Contributions are recorded when received as this is considered the most practical method of dealing with such receipts given the difficulties in determining the number of employers, their outstanding contributions and the likelihood of collections.

Employee contributions (including self-employed persons) are refunded with bonus in accordance with the NHT Act as discussed in Note 2(b).

(d) Taxation

Income tax expense represents current and deferred tax.

Current tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax is based on taxable profit for the year. Taxable profit differs from 'profit before taxation' as reported in the statement of profit and loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Trust's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.
Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

4. Summary of Significant Accounting Policies (Continued)

(d) Taxation (continued)

Deferred tax
Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for taxable temporary differences. Deferred tax assets are generally recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in associates, except where the Trust is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profit against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Trust expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Trust offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

<u>Current and deferred tax for the period</u>
Current and deferred tax are recognised in income, except when it relates to items that are recognised in other comprehensive income, in which case the current and deferred tax are also recognised in other comprehensive income.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost comprises direct materials, direct labour costs and any other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale and is assigned to inventories held on an average cost basis. Any write down to net realisable value is recognised as an expense in the period in which the write- down or loss occurs. Any reversal up to the previous write-off is recognised in profit or loss in the period in which the reversal occurs.

4. Summary of Significant Accounting Policies (Continued)

(f) Intangible assets

Internally generated intangible assets and research and development expenditure
Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from the Trust's development (or from the development phase of an internal project) is recognised if all the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use;
- the intention to complete the intangible asset and use it;
- the ability to use the intangible asset;
- how the intangible asset will generate future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible assets during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible assets first meet the recognition criteria above.

Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is charged on the straight-line basis over the estimated useful lives of three (3) years of the intangible assets. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired separately:
Intangible assets acquired separately are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is determined on the same basis as for internally generated intangible assets. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of intangible assets:
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognised in profit or loss when the asset is derecognised

4. Summary of Significant Accounting Policies (Continued)

(g) Investments in associate

An associate is an entity over which the Trust has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is its power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

The Trust's investment in its associate is accounted for under the equity method.

Under the equity method, the investment in associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Trust's shares of net assets of the associate since the acquisition date.

The statement of profit or loss reflects the Trust's share of the results of operations of the associate. Any change in other comprehensive income (OCI) of these investments is presented as part of the Trust's OCI. In addition, where there is a change recognised in equity of the associate, the Trust recognises its share of any change, when applicable, in the statement of changes in equity. Unrealised gains or losses resulting from transactions between the Trust and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Trust's share of profit or loss of the associate is shown on the face of the statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests of the associate.

After application of the equity method, the Trust determines whether it is necessary to recognise an impairment loss on its investment in its associate. If at the end of the reporting period, there is objective evidence that the investment in the associate is impaired, the Trust calculates the amount of the impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss in the statement of profit or loss within 'Share of the profit/tosses of associate.'

Upon loss of significant influence over the associate, the Trust measures and recognises any retained investment at its fair value, any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(h) Employee benefits

Short-term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Trust has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliability.

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4. Summary of Significant Accounting Policies (Continued)

(h) Employee benefits (continued)

Defined benefit plan

The Trust has established a defined-benefit pension plan for its employees who have met certain minimum requirements. The plan's assets are separately held, and the plan is funded by employee contributions of 5% of pensionable salaries and employer contributions of 7.9% (2021: 7.9%). Employees have the option of contributing an additional 7.1% (2021: 7.1%).

The Trust's net asset in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of the plan assets.

The calculation of defined benefit obligations is performed annually by a qualified firm of actuaries using the projected unit credit method. When the calculation results in an asset for the Trust, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised in OCI. The Trust determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation/(asset) at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Trust recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other post-retirement obligations

The Trust provides medical benefits for its fulltime employees and pensioners retiring after May 1, 2007. The Trust pays the full cost of benefits for the pensioners. Benefits are paid for the life of the retiree and the employee pays the full cost of the retiree’s benefits. The plan is open to new members. The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation.

Termination obligations

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Trust recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve (12) months after the reporting date are discounted to present value.

4. Summary of Significant Accounting Policies (Continued)

(h) Employee benefits (continued)

Leave entitlements
Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave for services rendered by employees up to the reporting date and is classified as current or non-current based on when the payment is expected to be made.

(i) Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are recorded at historical cost, less any subsequent accumulated depreciation and any subsequent impairment losses.

Properties in the course of construction for administrative purposes are measured at cost less any recognised impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets commences when the assets are ready for their intended use.

Depreciation is recognised so as to write down the cost of assets (other than land, artwork and properties under construction) to their residual values over their estimated useful lives using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(j) Impairment of tangible and intangible assets

At the end of each reporting period, the Trust reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately as an expense.

NATIONAL HOUSING TRUST

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4. Summary of Significant Accounting Policies (Continued)

(j) Impairment of tangible and intangible assets (continued)

When an impairment loss subsequently reverses, the carrying amount of the asset (cash- generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately as income.

(k) Provisions

Provisions are recognised when the Trust has a present obligation (legal or constructive) as a result of a past event, it is probable that the Trust will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows if the effect of the time value of money is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Restructurings
A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with any ongoing activities of the Trust.

Litigations and claims
In the normal course of business, situations could arise where the Trust may be the defendant in certain litigation matters, claims and other legal proceedings. In such instances, provisions will be established for such matters where it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the obligation can be made. The Trust would remain contingently liable in respect of other litigation matters which are considered to be possible but not probable and thus would not make provisions in these financial statements in respect of those matters.

4. Summary of Significant Accounting Policies (Continued)

(l) Peril reserve

Transfers are made from the accumulated profit to the peril reserve up to the policy deductible limit to settle insurance claims by mortgage beneficiaries. Claims up to the policy deductible limit are charged to expenses when advised and based on prior claims experience.

(m) Related party

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24, Related Party Disclosures as the "reporting entity" in this case the Trust).

(a) A person or close member of that person's family is related to the Trust if that person:
- (i) has control or joint control over the Trust;
- (ii) has a significant influence over the Trust; or
- (iii) is a member of the key management personnel of the Trust or of a parent of the Trust.

(b) An entity is related to the Trust if any of the following conditions applies:
- (i) the entity and the Trust are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) the entity is an associate or a joint venture of the Trust (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) the entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit: of employees of either the Trust or an entity related to the Trust;
- (vi) the entity is controlled or jointly controlled by a person identified in (i);
- (vii) a person identified in (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
- (viii) the entity, or any member of a group of which it is a part, provides key management services to the Trust or the parent of the Trust.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. Transactions with related parties are accounted for in accordance with the normal policies of the Trust.

NATIONAL HOUSING TRUST
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4. Summary of Significant Accounting Policies (Continued)

(n) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Trust expects to be entitled in exchange for those goods or services. The Trust has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

Contributions
Employers' contributions which are non-refundable are recognised as received and are credited to revenue each year.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Trust and the amount of income can be measured reliably. Interest income is recognised on the accrual basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income
Dividend income from equity investments is recognised when the Trust's rights to receive payments have been established (provided that it is probable that the economic benefits will flow to the Trust and the amount of the income can be measured reliably).

Sale of inventory units
Revenue from the sale of inventory units is recognised when all the following conditions are satisfied:
- the Trust has transferred to the buyer the control of the units;
- the Trust retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the units transferred;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Trust;
- and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Gains/losses on sale of all units in a housing project are credited to/charged against the profit or loss in the year of occurrence.

Interest and penalties on contributions not paid
The Trust charges interest at the rate of 20% per annum on contributions not paid over on the due dates. A penalty of 5% or 500 basis points above the weighted average 6 months Treasury bill rate applicable to the auction last held prior to the earliest date of the debt is applicable once the Trust obtains a judgement in respect of contributions not paid at the due date. A surcharge of 10% per annum is also charged if the debt remains unpaid for longer than one (1) year. Interest and penalties are recorded on the basis of amounts collected.

4. Summary of Significant Accounting Policies (Continued)

(o) Bonus on employees' contributions

These are recognised in the profit or loss in the period in which they are due.

(p) Leases

The Trust leases various offices with rental contract term between 3-5 years. The Trust assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Trust as a lessee
The Trust has applied the lease recognition exemptions for these leases as these contracts include termination clauses without significant penalty.

The Trust applied the short-term lease recognition exemption to its short-term leases (that is, those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applied the lease of low-value assets recognition exemption to leases that are considered low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(q) Special subsidies and grants
The home grant is a special offer of up to $2.5 million, to the Trust contributors earning less than $15,000 per week, and who do not yet own a home, which is recognized as expense when incurred. A maximum provision of 20% of post-tax surplus is computed to facilitate this initiative.

5. Critical Accounting Judgements and Estimates

In the application of the Trust's accounting policies, which are described in Note 4, management is required to make judgements, estimates and assumptions about the carrying amounts of, and disclosures related to, assets, liabilities, contingent assets and contingent liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods, if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Security - loans receivable
As indicated in Note 10(s), there are impaired loans held by the Trust amounting to approximately $26.93 billion (2021: $22.64 billion) for which impairment provisions for IFRS purposes amounted to approximately $2.93 billion (2021: $4.09 billion) in respect of loans to beneficiaries, developers, agencies and other institutions approved by the Trust (Note 10(p)). There are additional prudential provisions (loan loss reserve) for mortgage loans (with the exception of loans to developers) through an appropriation of accumulated profit of $5.86 billion (2021: $4.25 billion) (Note 10(t)). Management believes, based on experience, that ultimately outstanding amounts and accumulated interest will be recovered through the realisation of securities, although, as disclosed in Note 11, at year-end the Trust did not hold title deeds to properties securing mortgages and amounts due from developers totaling approximately $23.66 billion (2021: $18.57 billion).

Litigations and claims
As detailed in Note 35, the Trust has recorded a provision of $40 million relating to a judgement handed down by the Court in respect of a developer's claim. In-house Counsel awaits a new date for judicial review in respect of this matter.

In making this judgement, management considered the relevant facts and the opinion of the Trust's in-house Counsel.

5. Critical Accounting Judgements and Estimates (Continued)

Business model assessment
Classification and measurement of financial assets depend on the results of the SPPI and the business model test. The Trust determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Trust monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Trust's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model, and whether a prospective change to the classification of those assets is required.

Business model assessment – Joint Finance Mortgage Programme (JFMP)
This programme is an agreement to invest funds with participating institutions for the sole purpose of the institutions on lending these funds to qualified contributors of the Trust. Accounts are maintained by the institutions through sub-accounts bearing the name of the Trust with the applicable rate of interest. These participating institutions are liable to the Trust for the full amount of the monthly obligation irrespective of whether the amounts have been recovered or collected from the relevant beneficiaries through the mortgage payment.

As at March 31, 2022, the business model changed from ‘hold to collect’ to ‘hold to collect and sell’ as the Trust may monetise these assets through collection in the normal course of business or through sale. These financial assets were reclassified to FVTOCI at 31 March 2022. In assessing the need for a change in business model, the Trust considered the nature, frequency and significance of the sales and whether or not there was an in fact or in substance change to the business model for the JFMP portfolio.

On the basis that there has been a formal change to the business model, the JFMP portfolio is currently held to collect and sell and has been re-measured from amortized cost to fair value through other comprehensive income (FVTOCI). The Trust measured the JFMP portfolio using level 3 inputs of the fair value hierarchy. Discounted cash flow valuation technique was employed, with valuation inputs been determined using previous sales.

5. Critical Accounting Judgements and Estimate (Continued)

Key sources of estimates

Impairment losses on financial assets

The following are the key assumptions concerning the future and other key sources of estimates at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

The measurement of ECL allowance for financial assets not measured at fair value through profit or loss requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Trust's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

In determining ECL, management is required to exercise judgement in defining what is considered a SICR and in making assumptions and estimates to incorporate relevant information about past events, current conditions and forecasts of economic conditions. Further information about the judgements involved is included in the earlier sections 'Measurement' and 'Forward-looking information'.

- Establishing staging
  The Trust uses credit ratings as a measure to assess default risk. For large debtors such as governments and large corporations, the Trust uses PD derived from transition matrices published by external rating agencies. The main rating agencies used by the Trust are Standard and Poor’s Global Ratings (S&P), Moody’s Investors Service (Moodys) and Fitch Ratings (Fitch). If rating scores are available from both S&P and Moody’s, an average of the scores will be used.

  For local institutions with large parent companies that have been rated by international rating agencies, the rating of the parent company is applied. For institutions not covered by the rating agencies, the Trust uses its own internal rating system.

  For lending balances, in assessing whether there is SICR, delinquency status is used as the primary indicator. This is a common approach for balances such as loans or receivables. The credit risk of these assets increases when the balances go into delinquency, and the risk level is directly affected by the movement in the delinquency status. A lending balance may also migrate to Stage 2 from Stage 1 where the account of the said lending balance is tagged using certain ‘Recourse Code’. For example, a lending balance with Recourse Code ‘M – Moratorium’ is considered to have suffered a SICR despite delinquency days of less than 30 days past due.

5. Critical Accounting Judgements and Estimate (Continued)

Key sources of estimates (continued)

Impairment losses on financial assets (continued)

The Trust follows the stage migration criteria below:

Portfolio	**Stage 1 to Stage 2** Financial instruments that have deteriorated in credit quality, beyond an acceptable limit, since initial recognition.	**Stage 2 to Stage 3** Financial instruments that had deteriorated further in credit quality and have objective evidence of a credit loss event.	**Stage 1 to Stage 3** Financial instrument currently in Stage 1 that experiences an objective occurrence of a credit loss.
Investments, deposits and corporate loans	For assets initially rated AAA to BBB- (Investment Grade), 3 notch downgrade or movement outside of investment grade. For assets originated between BB+ and B-, 2 notch downgrade. For assets originated between CCC+ and worse, 1 notch downgrade.	Current rating of selective default (SD)/ default (D) or missed principal and/or coupon payments for over 30 days.	Missed principal and/or coupon payments for over 30 days.
Mortgage loans	When a balance reaches 30 days past due or the loan account is otherwise considered to have suffered a SICR by certain qualitative factors ('Recourse Code') (i.e. the asset is presumed to be in Stage 2 and is subject to lifetime ECL).	Current rating of SD or default D or 90 days past due payment or the loan account is otherwise considered to be in default by certain qualitative factors ('Recourse Code').	Current rating of SD or 90 days past due payment or the loan account is otherwise considered to be in default by certain qualitative factors ('Recourse Code').

Assets will move from Stage 3 to Stage 2 once the credit ceases to be in default and the debtor has demonstrated ability to meet their obligations. Once the credit quality further improves, an asset moves from Stage 2 to Stage 1.

5. Critical Accounting Judgements and Estimate (Continued)

Key sources of estimates (continued)

Impairment losses on financial assets (continued)
Forward looking information
When management determines the macro-economic factors that impact the portfolios of financial assets, they first determine all readily available information within the relevant market. Portfolios of financial assets are segregated based on product type, historical performance and homogenous country exposures. There is often limited timely macro-economic data for Caribbean markets. Management assesses data sources from local governments, International Monetary Fund and other reliable data sources.

The impact of these economic variables on the PD, EAD and effective LGD has been determined by performing a trend analysis and comparing historical information with forecast macro-economic data to determine whether the indicator describes a very positive, positive, stable, negative or very negative trend. Each trend (very positive, positive, negative, very negative, stable) has an empirically derived multiplier attached, using financial system default data obtained from the Bank of Jamaica.

The Trust further formulates weightings of three scenarios using expert judgment of the overall economic conditions and business environment within Jamaica: a base case, which is assigned a 75% (2021: 40%) probability of occurring and two less likely scenarios; being a best case, assigned a rating of 15% (2021: 25%) and a worst case, assigned a rating of 10% (2021: 35%).

The base case scenario is assigned the highest weighting as it is based upon third-party forecasted information and is deemed the most likely scenario to occur. The upside and downside scenarios are then weighted accordingly as per management's expert judgment as stated above. External information considered includes economic data and forecast published by government bodies, monetary bodies, and supranational organisations such as the International Monetary Fund.

The scenario weightings are determined by a combination of statistical analysis and expert credit judgement. As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected.

The Trust has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments, using a simplified scorecard approach has estimated relationships between macro-economic variables and credit risk and credit losses. The Trust has determined that the key drivers of its credit portfolios are unemployment rate, GDP annual growth rate, net international reserves, and annual inflation rate with weightings of 35%, 20%, 15% and 30%, respectively.

The Trust regularly reviews its internal models in the context of actual loss experience and adjust when necessary.

Income taxes
Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain in the ordinary course of business.
where the final tax outcome of estimates in respect of items deductible or not deductible for tax purposes is different from the amounts that were originally recorded, such differences will impact the current tax and deferred tax provisions in the period in which such determination is made (see Notes 20 and 27).

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5. Critical Accounting Judgements and Estimate (Continued)

Key sources of estimates (continued)

Employee benefits - pension and post-retirement medical obligations
As disclosed in Note 15, the Trust operates a defined- benefit pension plan and provides post- retirement medical benefits. The amounts shown in the statement of financial position are subject to estimates such as discount rates, future rates of salary increase and the mortality rates in respect of the pension plan, as well as inflation rates and rates of increases in medical costs for the post- retirement medical plan.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. The assumptions are reviewed at each reporting date.

The discount rates which are used to determine the present value of estimated cash outflows expected to be required to settle any future pension and medical obligation are determined at each reporting date by reference to an advisory issued by the Institute of Chartered Accountants of Jamaica and the Trust's defined benefit obligation is discounted at a rate set with reference to the market yields of Government of Jamaica bonds. A working group of accountants and actuaries meet to set and agree on this rate for use by all companies that disclose IAS 19 liabilities.

For the benefit plan, the benefit is derived using information supplied by the Trust and the Fund managers in relation to full members of the plan. The cost of benefits is derived using premium rates supplied by the Trust in respect of its retirees.

Judgement is also exercised in determining the proportionate share of the medical obligation and cost as well as the extent that the surplus or deficit in the plan may affect the future contributions to the plan.

Details of sensitivity analyses in respect of the defined benefit plans are disclosed at Note 15(f).

Fair value
In the absence of quoted prices in an active market, management uses its judgment in selecting appropriate valuation techniques to determine fair values of financial assets. Valuation techniques commonly used by market practitioners supported by appropriate assumptions are applied by the Trust (Note 32).

- *Investment securities - $1.77 billion (2021: $1.58 billion)*
- *Joint Finance Mortgage Programme - $11.71 billion*

5. Critical Accounting Judgements and Estimate (Continued)

Key sources of estimates (continued)

Fair value of Loans Receivable
The Trust as stated in Note 1a makes loans available only to its contributors. As mentioned in Note 4(b), the Trust measures certain financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date. A market participant is a buyer and seller in the principal market for the asset or liability where they are independent of each other, they are able to enter into a transaction for the asset or liability, they are motivated but not forced to enter into a transaction for the asset or liability and they are knowledgeable about the asset or liability and the transaction using all available information.

For Loans Receivable, the Trust is assumed to operate in a principal market for its wide range of loan products, occupying a significant portion of the market share of total mortgages in the country. The loan products offered by the Trust are different from those offered by other financial institutions as they are targeted solely for its contributors, primarily those in the lower income bands, with specific interest rates tied to each income band. The interest rates are, therefore, considered market rates for this segment of the market. These loan products include Open Market loans, which are disbursed based on current valuation reports for the respective properties, Build on Own Land, Home Improvement and Construction loans, which are disbursed based on current market prices for construction inputs and Scheme and Serviced Lots, which are priced based on the average value of at least two current valuation reports for the respective properties done externally by certified valuators.

Consequently, the Trust assumes that at initial recognition, the amount disbursed for loans is measured at fair value as the rates are considered market rates for its segment of the market. The subsequent carrying value is measured at amortised cost less ECL or at FVTOCI.

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6. Cash and Cash Equivalents

	2022 $'000	2021 $'000
Jamaican dollars deposits (a)	2,904,003	3,153,014
Resale agreements		
- Jamaica dollar (b)	2,152,166	2,603,576
- United States dollar (c)	763,741	348,848
Bank balances (d)	1,047,073	834,645
Cash in hand	6,669	6,669
	6,873,652	6,946,752
Allowance for ECL (e)	(1,198)	(1,885)
Cash and cash equivalents, per statement of financial position	6,872,454	6,944,867
Less interest receivable	(8,102)	(7,989)
Add allowance for ECL	1,198	1,885
Cash and cash equivalents, per statement of cash flows	6,865,550	6,938,763

(a) These represent deposits which bear interest at rates ranging between 3.75% and 6.75% per annum. As at March 31, 2022, the interest receivable included in those deposits amounted to approximately $4 million (2021: $3.01 million).

(b) These represent resale agreements which bear interest at rates ranging from 4% to 6.50% per annum and were fully backed by Government of Jamaica securities. At March 31, 2022, the interest receivable included in those agreements amounted to approximately $2.17 million (2021: $3.58 million).

(c) These resale agreements of US$4.95 million (2021: US$2.37 million) bear interest at rates ranging from 3.00% to 4.40% (2021: 3.00% to 3.75%) per annum, mature within one to three months (2021: one to three months) of year end and are fully backed by Government of Jamaica securities and are designated to fund the Trust's peril reserve (Note 22). The nominal value of the underlying securities at March 31, 2022 was US$1.50 million and J$632.78 million (2021: US$2.49 million). At March 31, 2022, the interest receivable included in these instruments amounted to approximately $1.93 million (2021: $1.40 million).

(d) Bank balances include foreign currency deposits of approximately $106.31 million (US$0.693 million) (2021: $55.48 million (US$0.383 million)) at an interest rates ranging from 0.01% to 0.15% (2021: 0.01% to 0.15%) per annum. During the year, the foreign currency deposits were designated to fund the Trust's peril reserve (Note 22).

(e) Movement in allowance for ECL

	2022 $'000	2021 $'000
Balance at beginning of the year	1,885	24
Increase/(Decrease) in allowance for the year (Note 28(e))	(687)	1,861
Balance at the end of the year	1,198	1,885

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7. Receivables and Prepayments

	2022	2021
	$'000	$'000
Staff loans	1,560,592	1,659,231
Mortgage litigation receivable	158,412	145,535
Death claims recoverable	980,568	404,911
Prepayments	104,462	114,389
NWC/Greenpond - sewage infrastructure receivable	37,085	47,859
Mortgage loan fees receivable	72,470	78,418
JFMP sales receivables (a),10(k)(iii))	-	4,744,504
JPSCo refundable deposit	52,067	52,067
Taxes recoverable - other (b)	225,968	225,968
Project mobilisation receivable - Guaranteed Purchase Programme (c)	4,090,758	2,921,076
Advances for the construction of housing units (d)	693,333	1,199,185
Other	193,244	190,407
	8,168,959	11,783,550
Allowance for ECL (see Note below)	(947,658)	(805,933)
	7,221,301	10,977,617
Classified as:		
Current	887,098	5,232,425
Non-current	6,334,203	5,745,192
	7,221,301	10,977,617

Movement in allowance for ECL

	2022	2021
	$'000	$'000
Balance at beginning of the year	805,933	1,011,991
(Decrease)/Increase in allowance for the year	141,725	(206,058)
Balance at end of the year	947,658	805,933
Comprising:		
Mortgage litigation receivable	158,412	145,535
Mortgage loan fees receivable	72,470	78,418
Guaranteed Purchase Programme	573,172	442,419
Other	143,604	139,561
	947,658	805,933

7. Receivables and Prepayments (Continued)

(a) This represents balance recoverable from the sale of a portion of the Joint Finance Mortgage Programme (JFMP) which was liquidated in June 2021.

(b) Approval was granted to the Trust for the payment of General Consumption Tax, transfer tax, stamp duty and property tax applicable to the operations, to be exempted for the period commencing on April 1, 2012 and ending on March 31, 2014. Consequently, the Trust has made claims in respect of amounts paid during the 2012/2013 financial year. During the year ended March 31, 2015, the Trust made a request for the property tax recoverable amount to be offset against the property tax charges for the year. This request was granted and executed by the Tax Administration of Jamaica's property tax unit during the year ended March 31, 2015.

(c) The Trust entered into guaranteed purchase agreements with developers for the purchase of housing units for sale to its beneficiaries. At the end of the financial year, there were agreements for the purchase of 2,033 units (2021: 1,636 units) of which 568 units (2021: 350 units) were received.

(d) This represents advances made at the start of a housing project to approved contractors for the construction of housing units. Each project advance represents 10% of the total contract value. The contract determines the repayment terms and amount. The advance is fully recovered before completion of the project.

8. Short Term Deposits and Resale Agreements

	2022 $'000	2021 $'000
Jamaican dollar deposits (a)	-	802,543
United States dollar deposits (b)	2,061,879	2,059,465
Allowance for ECL (c)	(10)	(31)
	2,061,869	2,861,977

(a) There were no agreements in this category as at March 31, 2022 (2021: agreements with maturity of one to five months deposit and bear interest at rates ranging between 3.00% and 3.75% per annum with interest receivable amount to $2.54 million).

(b) These instruments totaling approximately US$13.33 million (2021: US$13.98 million) mature within one to three months (2021: one to three months) after year-end with interest rates ranging between 3.50% and 4.60% (2021: 3.00% and 4.00%) per annum and are designated to fund the Trust's peril reserve (Note 22). As at March 31, 2022, the interest receivable included in these balances amounted to $12.12 million (2021: $13.08 million).

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8. Short Term Deposits and Resale Agreements (Continued)

(c) Movement in allowance for ECL

	2022 $'000	2021 $'000
Balance at the beginning of the year	31	34
Decrease in allowance for the year (Note 28(e))	(21)	(3)
Balance at the end of the year	10	31

9. Investment Securities

	2022 $'000	2021 $'000
Securities at fair value through profit or loss (FVTPL)		
National Road Operating & Construction Company (NROCC) 4.50% Infrastructure Inflation Indexed Bond (i)	1,768,605	1,579,157
Quoted equity securities - Jamaica and Barbados Stock Exchanges (ii)	1,325,531	1,372,145
Total FVTPL	3,094,136	2,951,302
Securities measured at amortised cost		
Euro Bonds with nominal values of US$523,809 (2021: $619,048) held at interest rate(s) of 8.125% (2021:8.125%) per annum maturing in 2022/2023 to 2027/2028 (2021: 2021/2022 to 2027/2028) (ii)	76,421	86,776
GOJ Fixed Rate Accreting Notes (FRAN) at interest rate of 10% per annum, maturing 2028/2029 ((ii), (iii), (v))	707,304	695,044
BOJ USD Indexed bond US$4 million (2021: US$4 million) at interest rate of 3.75% (2021: 3.75%) per annum, maturing 2023/2024 (2021: 2023/2024) ((ii), (iv))	620,164	591,169
	1,403,889	1,372,989
Allowance for expected credit losses (vi)	(3,621)	(3,698)
Total amortised cost, net of ECL	1,400,268	1,369,291
Total Investment Securities	4,494,404	4,320,593
Classified as:		
Current	40,851	1,409,354
Non-current	4,453,553	2,911,239
	4,494,404	4,320,593

9. Investment Securities (Continued)

(i) Inflation Indexed Bonds represents National Road Operating & Construction Company limited (NROCC) 4.5% Real Return Bonds. They are denominated in Jamaican dollars and mature on February 6, 2032. Interest on the Bonds is paid semi-annually in arrears and is accrued at a rate of 4.5% per annum on the inflation adjusted principal. Under the terms of the agreement, the principal is adjusted for inflation on the Jamaican "All Group" Consumer Price Index (CPI). The principal and interest are paid by the Government of Jamaica. The Trust has the option to convert the bonds to NROCC shares at redemption.

As at March 31, 2022, interest receivable included in these balances amounted to $11.77 million (2021: $10.61 million). The inflation adjustment to principal for the year amounted to $188.29 million (2021: $60.23 million).

(ii) These investment securities are designated to fund the Trust's peril reserve (Note 22).

(iii) On February 12, 2013, the Government of Jamaica (GOJ) announced a National Debt Exchange (NDX) offer initiated through the Ministry of Finance and Planning with an expiration date of February 21, 2013. The NDX involved a par-for-par exchange of certain domestic debt instruments ("old notes") or in the case of Fixed Rate Accreting Notes (FRAN), an $80 FRAN for each $100 of old notes issued by the GOJ for new longer dated debt instruments ("new notes"). The new notes had a variety of payment terms, including but not limited to fixed and variable rates in Jamaica dollars, CPI-indexed in Jamaica dollars and fixed rates in United States dollars. Participation in the NDX was voluntary and open to Jamaican resident holders.

With the FRAN, the $20 foregone will accrete until it is fully recovered prior to maturity, starting in 2015/16. During the year, an additional $15.46 million (2021: $15.45 million) was accreted.

Of this investment, nominal value of $687.32 million (2021: $671.88 billion) has been designated to fund the Trust's peril reserve (Note 22).

(iv) Bank of Jamaica US Dollar Index Bond value US$4 million (2021: US$4 million) purchased in October 2020 with maturity 2023/2024 (2021: 2023/2024). Applicable interest rate fixed at 3.75% (2021: 3.75%)

(v) At March 31, 2022, interest receivable included in debt securities amounted to $27.39 million (2021: $25.98 million).

(vi) Movement in allowance for ECL:

	2022 $'000	2021 $'000
Balance at the beginning of the year	3,698	46,930
Decrease in allowance for the year (Note 28(e))	(77)	(43,232)
Balance at the end of the year	3,621	3,698

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10. Loans Receivable

	2022 $'000	2021 $'000
(a) Loans to beneficiaries selected by: the Trust (g)		
Mortgage loans (h)	246,115,663	225,380,232
Loans for which mortgage processing is incomplete (i)	7,425,298	7,571,472
Loans through joint venture programme (j)	35	52
	253,540,996	232,951,756
Allowance for ECL (p)	(1,137,888)	(2,184,344)
	252,403,108	230,767,412
Unexpired service charges	(11,941,409)	(10,465,677)
	240,461,699	220,301,735
(b) Loans on behalf of beneficiaries selected by: Agencies approved by: the Trust (l):		
Jamaica Teachers' Association Housing Co-operative Limited ((k)(i))	3,218	3,851
Housing Agency of Jamaica (HAJ): Repayable in 10 years at 0% per annum ((k)(ii))	46,983	46,983
Joint financing mortgage programme ((k)(iii))	11,709,742	13,737,743
Special loans to churches through joint financing -Hurricane Ivan (k)(iv)	1,060	24,744
Housing micro finance loan programme ((k)(v))	365,953	360,650
St Andrew High School for Girls (k)(vi))	40,706	43,031
National Water Commission (k)(vii))	214,210	215,347
Other institutions	102,871	107,851
	12,484,743	14,540,200
Allowance for ECL (p)	(208,911)	(255,841)
	12,275,832	14,284,359
Balance carried forward	252,737,531	234,586,094

10. Loans Receivable (Continued)

	2022 $'000	2021 $'000
Balance brought forward	252,737,531	234,586,094
(c) Loan financing to developers (l)	2,849,092	2,530,620
Allowance for ECL (p)	(788,829)	(818,822)
	2,060,263	1,711,798
(d) University of the West Indies (m)		
Loan 1	352,647	397,688
Loan 2	1,823,225	1,841,122
	2,175,872	2,238,810
Allowance for ECL (p)	(617,196)	(660,357)
	1,558,676	1,578,453
(e) Jamaica College Trust (n)	36,532	37,919
Allowance for ECL (p)	(4,046)	(4,294)
	32,486	33,625
(f) SCJ Holdings Limited (o)	500,000	500,000
Allowance for ECL (p)	(169,214)	(162,884)
	330,786	337,116
Interest receivable	(21,812)	253,573
Total	256,697,930	238,500,659
Classified as:		
Current	4,041,325	259,994
Non-current	252,656,605	238,240,665
	256,697,930	238,500,659

10. Loans Receivable (Continued)

(g) The rates of interest payable on these loans to beneficiaries range from 0% to 5.5% (2021: 0% to 5.5%) except for new mortgagors aged 55 years or more who access their loans at rates 2% lower than the rate they would normally receive based on their income bands.

Public sector workers receive an additional 1% reduction in their interest rates. The loans, together with interest thereon, are repayable in monthly instalments over periods ranging up to a maximum of 40 years.

(h) Mortgage loans of $246.12 billion (2021: $225.38 billion) include loans totaling $7.43 billion (2021: $7.57 billion) relating to certain schemes for which parent titles have been or will be surrendered to the Registrar of Titles in order for the splinter titles to be prepared. The Trust is taking steps to ensure that all splinter titles are received for such schemes.

(i) The loans for which mortgage processing is incomplete relate to housing schemes developed by the public sector, for which land titles are not available. Titles are required for each lot of land in the schemes in order to register the names of the beneficiaries and the mortgages given by the Trust.

(j) Loans through joint venture programme are loans granted to beneficiaries who are in a position to obtain additional funds from their employers to enable them to purchase housing units.

Under this programme the Trust and the participating employer provide financing on an equal basis equivalent to ninety percent (90%) of the sale price of the units with the employee paying a deposit of 10% (see Note 11(i)).

(k) Loans to beneficiaries selected by agencies approved by the Trust

(i) This loan to Jamaica Teachers' Association Housing Co-operative Limited (JTAHC) is secured by the assignment to the Trust of mortgages in the name of JTAHC and the title deeds to the relevant properties were deposited with the Trust. The loan is repayable over a period of 25 years, which commenced July 1, 2000, with interest rates ranging from 3% to 18% per annum.

(ii) This loan is repayable in monthly instalments over a 25year period which commenced January 1, 2001 with chargeable interest at 5% per annum payable in monthly instalments from January 1, 1997. The interest rate was revised in 2014/2015 and 2017/2018 to 3% and 0% respectively. The loan is secured by the transfer of mortgages by Housing Agency of Jamaica (HAJ) to the Trust.

During the year 2020, the Trust executed an agreement with HAJ for the amount to be recovered by way of receipt of land. Transfer is expected to be completed by March 31, 2023.

10. Loans Receivable (Continued)

(k) Loans to beneficiaries selected by agencies approved by the Trust(continued)

(iii) Joint financing mortgage programme

The Trust entered into an agreement to invest funds with participating institutions for the sole purpose of the institutions on lending these funds to qualified contributors of the Trust. Accounts are maintained by the institutions through sub-accounts bearing the name of the Trust with the applicable rate of interest. The purpose of the agreement is to assist the contributor in owning a home that shall be mortgaged to the participating financial institutions as security for the funds on-lent.

The participating institutions include:

- JN Bank Limited
- The Victoria Mutual Building Society
- First Caribbean International Bank
- Sagicor Life Jamaica Limited
- Sagicor Bank Jamaica Limited
- National Commercial Bank Jamaica Limited
- Scotiabank Jamaica Limited
- First Global Bank Limited
- JMMB Bank Jamaica Limited

Further, these participating institutions are liable to the Trust for the full amount of the monthly obligation irrespective of whether the amounts have been recovered or collected from the relevant beneficiaries through the mortgage payment.

The obligations of the participating institutions are secured by:

- power of attorney to assign and transfer the mortgaged properties
- assignment of all rights, titles and interest in the securities.

The interest rates and repayment terms on these loans are the same as given to beneficiaries selected by the Trust.

During 2020 to 2022, Management organized the sale of part of the portfolio to each of the participating institutions for the purchase of their interest. The terms of the agreements provided for a discount on the agreed carrying principal balance. Interest was charged on any outstanding payment at a rate of 3% per annum.

The negotiated discount was based on each Participating Institution loan portfolio profile in consideration to but not limited to the following: general market conditions, liquidly risks, GOJ yield curve, other risks considerations, amongst other factors. The discount on the transaction was recorded at $2.94B or 27.1% (2021: $12.42B or 28.73%) of the value of the mortgages sold.

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10. Loans Receivable (Continued)

(k) Loans to beneficiaries selected by agencies approved by the Trust (continued)

(iv) Special loans to churches through joint financing - Hurricane Ivan

In 2005/06, the Trust entered into an agreement with participating institutions to provide funds to assist churches in the repair of church buildings damaged by Hurricane Ivan.

The total loan to the participating institutions is for a period of fifteen (15) years with interest charged at a rate of 5% per annum to the Participating Institution for on-lending at a rate of 7% per annum to borrowers who qualify based on the criteria determined by the relevant participating institution.

The obligations of the participating institutions are secured by:

- powers of attorney to assign and transfer the mortgaged properties
- assignment of all rights, title and interest in the securities.

(v) Housing Micro Finance Loan Programme
The Trust entered into an agreement with participating institutions to provide funds to low income contributors with their housing needs. The maximum loan amount of $850,000 is offered at 9% per annum unsecured and 4.5% per annum secured for a loan term of 6 months to five years.

Further, these participating institutions are liable to the Trust for the full amount of the quarterly obligation irrespective of whether the amounts have been recovered or collected from the borrower on a monthly basis.

The obligations of the participating institutions are secured by:

- Power of attorney to assign and transfer the mortgaged properties
- Assignment of all rights, titles and interest in the securities.

(vi) St Andrew High School for Girls
The loan is for a sum of $45 million for the purchase of land to construct dorm facilities. The loan is for a period of 15 years at interest rate of 5% per annum in 180 equal monthly instalments commencing December 1, 2019. The loan is secured by duplicate certificate of title.

(vii) National Water Commission
In 2020 the Trust entered into an institutional loan agreement with the NWC in the amount of $221.5 million for a period of 10 years at an interest rate of 0%. The purpose of the loan was to finance the expansion of infrastructure works in support to the Estuary development and the areas affected. An additional amount of $25.49 million was disbursed during the year.

(l) Loan financing to developers
This represents the total amount of financing provided to public and private developers, inclusive of interest charged during the construction period at rates ranging from 5% to 12% per annum. The loans are secured by title deeds over properties.

10. Loans Receivable (Continued)

(m) University of the West Indies (UWI)

Loan 1
This loan was disbursed in March 2003 for the construction of student housing. This graduated loan is for a period of 25 years at an interest rate of 8% per annum. The repayment will increase by 5% per annum for the first nine years, thereafter; it will be based on the regular loan amortization at the implicit interest rate.

In July 2012, the Trust approved a reduction of the interest rate in the loan from 8% per annum to 5% per annum. The other terms and conditions of the agreement remain unchanged.

The security for the loan is:

a. A letter of undertaking from the Ministry of Finance and the Public Service, which has undertaken to repay the full amount of principal, plus interest, if UWI is unable to do so.
b. Assignment of a bank account containing fees paid for accommodation by the students in respect of the buildings constructed.

Loan 2
The loan in the sum of $1.40 billion was disbursed in June 2011 for the construction of student housing. This graduated loan is for a period of 25 years at an interest rate of 8% per annum. The repayment will increase by 3% per annum for the first nine (9) years, thereafter; it will be based on the regular loan amortization at the implicit interest rate.

In July 2012, the Trust approved an additional construction loan in the amount of $331.85 million. The Trust also approved a reduction of the interest rate in the construction loan from 8% per annum to 5% per annum. The other terms and conditions of the agreement remain unchanged.

The security for the advance is:

(i) Leasehold mortgage in respect to land contained in Volume 1065 Folio 940.
(ii) Assignment of rental and/or payments arising from the use of units constructed with the loan, which payments are due to the borrower from the occupiers of the 600 single and double bedrooms and shared facilities, which have been constructed for the use by the undergraduate students and are located within a cluster of three existing Halls of Residence and the 400 self-contained studio apartments.

During the year the Trust approved the recovery of $141.50 million arrears over a one (1) year period ending September 2022. UWI is to continue making the regular quarterly repayment amount as part of the agreement.

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10. Loans Receivable (Continued)

(n) Jamaica College Trust
The Trust entered into an agreement with the Jamaica College Trust (JCT) in 2012 to make the of $45 million available to the JCT to be utilised exclusively for the purpose of constructing studio apartments together with such necessary infrastructure to accommodate teachers.

Repayment of the principal sum of the loan and interest shall be made in twenty-five (25) years with Interest on the loan computed at a fixed rate of five percent 5% per annum or such other rates as the Trust may from time to time notify the Jamaica College Trust.

The obligations of the participating institution are secured by:
(i) First Legal Mortgage over the Project Land.
(ii) Assignment of the rental and/or payments arising from the use and occupation of the studio units constructed with the loan.
(iii) Assignment of the Performance Bond.
(iv) Assignment of adequate insurance coverage to mitigate loss such as contractors all risk, peril, public liability and employers' liability during the period of construction.
(v) Assignment of insurance coverage at the full insurable value over the building constructed with the loan.

(o) SCJ Holdings Limited

This represents a loan of $500 million disbursed in June 2018. The loan was for a period of 1 year at 0% interest. The loan is secured by land. During the year ended March 2020, approval was granted for a further 1-year extension at an interest rate of 7% per annum.

The Trust is advanced in finalizing an agreement and has received written commitment from sales proceeds from divestment of lands which will see the outstanding balance liquidated. This is expected to be completed by March 31, 2024.

(p) The movement in the allowance for ECL is as follows:

	Loans	Development Financing	Agencies	Other	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Balance at April 1, 2019	4,992,509	1,683,912	623,214	744,875	8,044,510
Decrease in allowance for the year (Note 28)	(1,982,818)	(865,090)	(367,373)	82,660	(3,132,621)
Recovery on charge off loans previously written off	612,577	-	-	-	612,577
Net Charge off/Write-off during the year	(1,437,924)	-	-	-	(1,437,924)
Balance at March 31, 2021	2,184,344	818,822	255,841	827,535	4,086,542
Decrease in allowance for the year (Note 28)	(1,140,404)	(29,993)	(46,930)	(37,079)	(1,254,406)
Recovery on charge off loans previously written off during the year	319,907	-	-	-	319,907
Net Charge off/Write-off during the year	(225,959)	-	-	-	(225,959)
Balance at March 31, 2022	1,137,888	788,829	208,911	790,456	2,926,084

10. Loans Receivable (Continued)

(q) Approval process and quality of receivables

Before approving a loan, the Trust uses an evaluation system to assess the potential borrowers' eligibility in order to determine if they satisfy the qualifying requirements for a loan from the Trust, and to determine the maximum amount of loan they can afford to borrow. For institutional loans, the process involves a comprehensive analysis of the institution's financial standing and its ability to fund its portion of the proposed development (where applicable). The Trust places strict limits on the percentage of the total development cost that it is willing to finance. 87.76% (2021: 86.51%) of the loans to beneficiaries which are neither past due nor impaired are considered to be of good quality.

The JFMP accounts for 93.80% (2021: 94.48%) of the gross total category of loans to beneficiaries selected by agencies of the Trust and 4.57% (2021: 4.68%) of the total loans receivable (net of allowance for impairment). There is no loan category with a balance that represents more than 5% of the total loan balance.

Of the total loans to beneficiaries selected by the Trust, there are no loans to any beneficiary in excess of 5% of that category.

(r) Past due loans

Included in the Trust's loans to beneficiaries balance are debtors with a carrying amount of $52.94 billion (2021: approximately $52.73 billion) which are past due at the reporting date.

(s) Loans past due and impaired

As at the reporting date, the aging of loans receivable that were past due and impaired was as follows:

	2022 $'000	2021 $'000
Current - 30 days	-	874,795
31 -90 days	26,014,298	29,214,452
Over 90 days	26,925,796	22,644,566
	52,940,094	52,733,813

The movement in ECL of the portfolio is driven by the size of the portfolio, movements between stages as a result of change in credit risk and general economic conditions adjusted for forward looking factors.

(t) Allowance for impairment

The provision for credit losses determined based on the Trust's actual credit loss experience is as follows:

	2022 $'000	2021 $'000
Prudential allowance set by management	7,998,834	7,515,668
Total IFRS general allowances on mortgage loans (10 p)	2,137,255	3,267,720
Excess over IFRS allowances on mortgage loans reflected in loan loss reserve (Note 23)	5,861,579	4,247,948

10. Loans Receivable (Continued)

(u) Loans to beneficiaries renegotiated

Features of these loans include extended payment arrangements, modification to interest rates and deferral of payments. Following restructuring, a previously overdue beneficiary account is reset to a normal status and managed together with other similar accounts. Policies and practices in respect of these activities are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continuous review.

As at March 31, 2022, loans totaling $725.43 million (2021: $14.36 billion) were renegotiated which would have otherwise been past due or impaired.

11. Status of Securities for Financing for Developers and Loans to Beneficiaries

The Trust does not hold title deeds as security in respect of the following loans:

	2022 $'000	2021 $'000
(i) Loans through joint venture mortgage programme (Note 10(j))	35	52
(ii) Other loans (Note 11(a))		
Mortgage loans to beneficiaries:		
• Schemes for which splintering of parent titles is in process or has not yet commenced	14,239,198	9,106,974
• Schemes for which mortgage processing is incomplete and land titles are not available	7,425,298	7,571,472
• Non-scheme loans (Note 11(b))	1,209,880	1,075,376
	22,874,376	17,753,822
Financing for housing construction projects	788,829	818,822
	23,663,205	18,572,644
Total	23,663,240	18,572,696

(a) It has been an established policy of the Trust to carry out housing projects on lands owned by the Government of Jamaica or its approved agencies without first registering mortgages on the land on which the houses are constructed. This has been done to minimise delays and to keep the cost of a housing unit to a minimum. In this respect, obtaining land titles, sub-division plans and splinter titles takes place during construction and after the housing projects are completed and houses handed over to beneficiaries. While this results in certain construction finances and mortgage loans not being secured in the interim, management does not consider that the lack of security for finances provided under these programmes will have a material impact on the financial statements.

(b) Certain non-scheme loans are secured on the basis of a Letter of Undertaking by respective attorneys-at-law to provide the land titles when they become available.

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12. Inventories

	2022 $'000	2021 $'000
Land held for housing development	6,422,163	6,478,132
Housing under construction	28,728,674	24,869,041
Housing units completed but not allocated	2,578,831	2,751,750
Community Renewal Programme	774,356	650,716
Guaranteed housing project	41,797	2,048
	38,545,821	34,751,687
Less: Allowances for impairment losses and subsidies	(542,597)	(322,873)
	38,003,224	34,428,814

The movement in the allowance for impairment is as follows:

	2022 $'000	2021 $'000
At beginning of year	322,873	358,351
Increase/(Decrease) in allowance during the year	219,724	(35,478)
At end of year	542,597	322,873

(a) Gains on sale of housing solutions during the year amounted to:

	2022 $'000	2021 $'000
Sale of units	(6,019,702)	(6,706,414)
Cost of units sold	5,541,021	6,325,995
Net gain on disposal of units	(478,681)	(380,419)
Impairment (Write-back of) allowance charged for year	219,724	(35,478)
Loss on projects	39,898	48,593
Project subsidy	(110,139)	-
Gains on projects	(329,198)	(367,304)

13. Intangible Assets

	2022 $'000	2021 $'000
Cost		
At the beginning of the year	222,144	217,946
Additions	-	4,198
At the end of the year	222,144	222,144
Amortisation		
At the beginning of the year	219,489	208,441
Charge for the year	1,399	11,048
At the end of the year	220,888	219,489
Carrying amount	1,256	2,655

This consists primarily of software purchased and developed, the costs of which are being amortised over three years. Amortisation charged for the year is included in operating expenses in the statement of profit and loss and other comprehensive income.

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14. Investments in Associate

	2022 $'000	2021 $'000
Cost of investments	490	490
Loans (including accrued interest) (Note 14(b)):		
Opening advances	1,906,182	1,834,061
Advances during the year (net)	84,308	72,121
Total advances	1,990,490	1,906,182
Provision for impairment loss	(562,700)	(383,969)
	1,427,790	1,522,213
Share of associate's losses:		
Balance at beginning of year	(391,365)	(331,211)
Share of loss for the year	(22,766)	(60,154)
Balance at end of year	(414,131)	(391,365)
	1,014,149	1,131,338

Advances during the year relates to working capital and loans.

(a) Details of the associate as at March 31, 2022 are as follows:

Name of associate	Place of Incorporation and operation	Proportion of voting ownership	Proportion of voting ownership power held	Principal Activities
Harmonisation Limited	Jamaica	49.50%	49.50%	Land investment and development
(i) Wholly-owned subsidiary	Jamaica			Rental of resort accommodation
(ii) 49% Associated Company	Jamaica			Property development

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14. Investments in Associate (Continued)

(a) Details of the associate as at March 31, 2022 are as follows: (continued)

	(Unaudited) 2022 $'000	(Audited) 2021 $'000
Current assets		
Land and building held for sale	62,535	95,864
Cash and cash equivalents	132,540	16,437
Other current assets	355,523	306,222
Total current assets	550,598	418,523
Non-current assets		
Property, plant and equipment	8,426	9,654
Other non-current asset	2,340,198	2,340,198
Total non-current assets	2,348,624	2,349,852
Current liabilities		
Payables	31,984	33,941
Other current liabilities	539	539
Total current liabilities	32,523	34,480
Non-current liabilities	3,702,928	3,536,316
Net liabilities	(836,229)	(802,421)
Trust's share of associate's net liabilities	(413,933)	(397,198)
Revenue	16,813	9,954
Other income	127,318	-
	144,131	9,954
Depreciation	(1,343)	(1,695)
Staff costs	(61,982)	(53,906)
Operating expenses	(114,024)	(85,679)
	(177,349)	(141,280)
Net loss and total comprehensive income	(33,218)	(131,326)
Trust's share of associate's net loss and total comprehensive income	(16,443)	(65,006)

Land, which has a value of $2.79 billion (2021: $3.05 billion), is included in total assets at a cost of $62.54 million.

14. Investments in Associate (Continued)

(b) Due to an amendment to the Shareholders Agreement, as of April 1, 2009, the Trust no longer accrues interest on the amounts advanced to Harmonisation Limited.

15. Employee Benefits

The Trust operates two post-retirement employee benefit arrangements:

- The National Housing Trust Staff Pension Plan ("staff pension plan")
- The Post-retirement medical benefits scheme.

Staff pension plan
The Trust operates a defined benefit pension plan for qualified employees. The plan is administered by Trustees, who are assisted by an independent plan administrator, Employee Benefits Administrator Limited, a wholly owned subsidiary of Sagicor Life Jamaica Limited. The fund managers are Sagicor Life Jamaica Limited and Victoria Mutual Pensions Management. The plan is regulated by the Financial Services Commission (FSC). The Trustees include representatives from the employer, members and pensioners of the plan.

Each year, the Board of Trustees, reviews of the level of funding. Such review includes the asset liability matching strategy and investment risk management policy. The Board of Trustees decides on contributions based on the results of its annual review.

The plan is exposed to market risk such as inflation, interest rate risk, currency risk and exposed to changes in the life expectancy of pensioners. As the plan assets include investments in quoted equities, the plan is exposed to equity price risk. The plan is funded by contributions from the employees and the Trust. The employees contribute at a rate of 5% of pensionable salaries. An additional optional contribution of up to 7.1% (2021: 7.1%) of pensionable salaries may be made. In accordance with the rules of the plan, the employer contributes the balance of the costs of benefits under the plan as determined by actuarial valuation up to a maximum rate so that the total contribution (employee and employer) sums to 20% of pensionable salaries. As at March 31, 2022, the Trust contributed at a rate of 7.9% (2021: 7.9%) of pensionable salaries. Benefits are determined on a prescribed basis and are payable at a rate of 2% of the pensionable salary (salary in the 12 month period immediately preceding the date of termination) for all pensionable service. Normal retirement is age 65 for males and 60 for females hired prior to June 1, 1990 or at age 65 for females hired on or after June 1, 1990.

Medical benefits scheme
The Trust provided medical benefits for its pensioners and their spouses under a policy insured by Sagicor Life Jamaica Limited, which came into effect in April 2007. The Trust covered 100% of the premium for the pensioners and spouses. Insurance coverage continued to the surviving spouses after the death of the retirees. The plan was amended effective May 1, 2010 to discontinue coverage of spouses. With effect from this date, spouses of new retirees are not eligible for benefit under the Health Plan.

During the year 2019/2020, the Trust amended the plan to include coverage for spouses of retirees to cover all or a portion of the spousal cost based on the years of service of the retiree at the date of retirement. Benefits are paid for the life of the retiree and the employer pays the full cost of the retiree's benefits. The plan is open to new members.

As at the reporting date, an actuarial valuation was done for the plan and the medical benefit scheme by Eckler Jamaica Limited using the Projected Unit Credit Method. The results of the valuation are included below.

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15. Employee Benefits (Continued)

(a) Staff pension plan and medical benefits scheme

	2022	**2021**
	%	%
Key assumptions		
- Expected salary increases	6.0	6.5
- Discount rate	8.0	8.5
- Long term rate of inflation	5.0	5.5
- Medical inflation rate	6.0	6.5

	2022 Years	**2021 Years**
Demographic assumptions		
Average liability duration for each category of member:		
- Staff pension scheme		
Active members	18.3	17.1
Deferred pensioners	0.9	0.9
All participants	16.7	15.6
- Post-retirement medical benefit scheme		
Active members	22.7	23.0
Pensioners	10.4	10.5
All participants	21.4	21.9

Mortality in service and retirement - Specimen mortality rates (number of occurrences per 1000 members) are given below:

Attained age	**2022**		**2021**	
	Males	**Females**	**Males**	**Females**
20	0.347	0.139	0.347	0.139
25	0.427	0.155	0.427	0.155
30	0.405	0.204	0.405	0.204
35	0.477	0.271	0.477	0.271
40	0.561	0.362	0.561	0.362

(b) Amounts included in the statement of financial position are as follows:

	Staff pension Plan		**Medical benefit scheme**	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Present value of obligation	(9,863,163)	(8,651,019)	(1,828,342)	(2,004,911)
Fair value of plan assets	11,600,123	10,817,998	-	-
Net asset/(liability)recognised in statement of financial position	1,736,960	2,166,979	(1,828,342)	(2,004,911)

15. Employee Benefits (Continued)

(c) Movements in net defined benefit asset (liability) were as follows:

	Staff pension plan		Medical benefit scheme	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Balance at beginning of year	2,166,979	412,426	(2,004,911)	(1,316,234)
Included in profit or loss:				
Current service cost	(284,646)	(394,926)	(158,750)	(115,244)
Interest cost	(712,038)	(698,368)	(170,146)	(98,515)
Past service cost	-	-	-	(734,399)
Purchase of pension increases	(82,011)	-	-	-
Expenses	(27,847)	(27,313)	-	-
Interest on plan assets	916,321	745,730	-	-
	(190,221)	(374,877)	(328,896)	(948,158)
Included in other comprehensive income:				
Experience adjustments	(12,357)	(85,373)	144,590	41,890
Changes in financial assumptions	(300,614)	2,039,737	3,505	311,330
Remeasurement of plan assets	(200,535)	(75,841)	-	-
Changes in Demographic assumptions	-	(12,907)	350,995	(99,126)
	(513,506)	1,865,616	499,090	254,094
Employer's contributions	273,708	263,814	6,375	5,387
Balance at end of year	1,736,960	2,166,979	(1,828,342)	(2,004,911)

(i) Amount recognised in profit or loss:

	2022 $'000	2021 $'000
- Staff pension plan (net)	(190,221)	(374,877)
- Post-retirement medical scheme (net)	(328,896)	(948,158)
	(519,117)	(1,323,035)

Amount recognised in other comprehensive income:

	2022 $'000	2021 $'000
- Staff pension plan	(513,506)	1,865,616
- Post-retirement medical scheme	499,090	254,094
	(14,416)	2,119,710

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15. Employee Benefits (Continued)

(d) Movement in fair value of pension plan assets

	2022 $'000	2021 $'000
Fair value of plan assets at beginning of year	10,817,998	10,020,573
Contributions	554,322	533,164
Administrative expenses	(27,847)	(27,313)
Benefits paid	(378,125)	(378,315)
Purchase of pension increases	(82,011)	-
Interest income on plan assets	916,321	745,730
Remeasurement loss on plan assets included	(200,535)	(75,841)
Fair value of plan assets at end of year	11,600,123	10,817,998

The major categories of plan assets and the percentage distribution for each category at the reporting date are analysed as follows:

	Staff pension plan			
	2022		2021	
	$'000	%	$'000	%
Pooled Investment Funds				
Equity	278,875	2.41	452,927	4.19
Fixed income	1,440	0.01	379	0.00
Foreign currency	37,468	0.32	-	-
Money market	9,186	0.08	-	-
Mortgage and Real Estate	1,675	0.01	1,462	0.01
	328,644	2.83	454,768	4.20
Self-directed Funds				
GOJ securities	3,804,192	32.79	3,775,059	34.90
Pooled funds	3,007,629	25.93	2,988,567	27.63
Corporate funds	129,968	1.12	198,247	1.83
Equity	1,496,071	12.90	1,281,652	11.85
Repurchase agreements	-	-	7,800	0.07
Other	131,327	1.13	68,315	0.63
	8,569,187	73.87	8,319,640	76.91
Pooled Pension Investment Portfolio				
Fixed income	803,950	6.94	608,783	5.63
Equity	660,549	5.70	490,595	4.53
US$ Fixed Income	397,167	3.42	311,008	2.87
Real Estate	713,909	6.15	536,203	4.96
Cash Management	126,717	1.09	97,001	0.90
	2,702,292	23.30	2,043,590	18.89
Closing fair value of plan assets	11,600,123	100.00	10,817,998	100.00

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15. Employee Benefits (Continued)

(e) Movement in the present value of the obligation

	Staff Pension Plan	
	2022 $'000	2021 $'000
Balance at the beginning of year	8,651,019	9,608,149
Current service costs	284,646	394,926
Interest costs	712,038	698,368
Employees' contribution	280,614	269,348
Benefits paid	(378,125)	(378,315)
Actuarial losses/(gains) arising from:		
Experience adjustments	12,357	85,373
Changes in financial assumptions	300,614	(2,039,737)
Changes in demographic assumptions	-	12,907
Balance at end of year	9,863,163	8,651,019

	Medical benefit scheme	
	2022 $'000	2021 $'000
Balance at the beginning of year	2,004,911	1,316,234
Current service costs	158,750	115,244
Interest costs	170,146	98,515
Benefits paid	(6,375)	(5,387)
Past service costs	-	734,399
Actuarial (gains)/losses arising from:		
Experience adjustments	(144,590)	(41,890)
Changes in financial assumptions	(3,505)	(311,330)
Changes in demographic assumptions	(350,995)	99,126
Balance at end of year	1,828,342	2,004,911

15. Employee Benefits (Continued)

(f) Sensitivity analyses

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit asset and obligation by the amounts shown below:

31 March 2022
1% movements in

	Health inflation rate		Discount rate		Salary escalation rate	
	Increase $'000	Decrease $'000	Increase $'000	Decrease $'000	Increase $'000	Decrease $'000
Impact on						
Staff pension plan	-	-	(1,348,737)	1,743,193	928,369	787,562
Post-retirement medical scheme	432,683	(336,229)	(328,043)	428,102	-	-

31 March 2021
1% movements in

	Health inflation rate		Discount rate		Salary escalation rate	
	Increase $'000	Decrease $'000	Increase $'000	Decrease $'000	Increase $'000	Decrease $'000
Impact on						
Staff pension plan	-	-	(1,153,075)	1,507,527	846,533	(715,846)
Post-retirement medical scheme	483,261	(374,153)	(365,101)	478,159	-	-

No sensitivities are provided for pension increases on the Plan, as annuities are purchased by the retirees and exit from the Plan is effected. Accordingly, there is no further obligation by the Plan.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

15. Employee Benefits (Continued)

(g) Summary of five-year trend

(i) Staff pension plan

Disclosure Items	**2022 $'000**	**2021 $'000**	**2019 $'000**	**2018 $'000**	**2017 $'000**
Present value of defined benefit obligation	9,863,163	8,651,019	9,608,147	8,433,535	6,865,414
Fair value of plan assets	11,600,123	10,817,998	10,020,573	9,650,326	8,459,075
Surplus in the Plan	(1,736,960)	(2,166,979)	(412,426)	(1,216,791)	(1,593,661)
Remeasurements on defined benefit obligation – loss	(312,971)	1,941,457	(356,169)	(792,719)	(935,543)
Remeasurements arising on plan assets - (loss)/ gain	(200,535)	(75,841)	(524,582)	153,447	672,450

(ii) Medical benefit scheme

Disclosure Items	**2022 $'000**	**2021 $'000**	**2019 $'000**	**2018 $'000**	**2017 $'000**
Present value of defined benefit obligation/deficit in the Plan	1,828,342	2,004,911	1,316,234	962,497	814,868
Remeasurements on defined benefit obligation Loss/(Gain) due to experience	(499,090)	(254,094)	186,378	15,571	114,304
Loss/(Gain) due to changes in financial Assumptions	(144,590)	(41,890)	28,303	(146,064)	118,109
	(3,505)	(311,330)	158,075	161,635	(3,805)
Loss/(Gain) due to changes in demographic assumptions	(350,995)	99,126	-	-	-

(h) The Trust expects to make a contribution of $272.83 million (2021: $262.19 million) to the defined benefit plan during the next financial year.

16. Property, Plant and Equipment

	Land Improvement and buildings	Furniture fixtures, artwork and other equipment	Computer equipment	Motor vehicles	Advance on assets (Note 16(b))	Construction in progress Note 16(c))	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost -							
At 1 April 2020	1,894,258	738,651	716,863	68,669	140,699	154,121	3,713,261
Additions	1,317	32,986	70,004	-	48,957	131,615	284,879
Transfers	55,443	6,443	3,035	-	(64,921)	-	-
Adjustment (Note 16(a))	-	(627)	-	-	(44,847)	(59,094)	(104,568)
Disposals	-	-	-	(6,458)	-	-	(6,458)
At 31 March 2021	1,951,018	777,453	789,902	62,211	79,888	226,642	3,887,114
Additions	-	26,204	50,724	5,799	29,779	70,291	182,797
Transfers	34,822	14,518	21,381	-	(70,721)	-	-
Adjustment	4,002	(293)	-	-	(15,011)	(24,883)	(36,185)
Disposals	-	(3,172)	-	(2,440)	-	-	(5,612)
31 March 2022	1,989,842	814,710	862,007	65,570	23,935	272,050	4,028,114
Accumulated Depreciation -							
At 1 April 2020	582,573	596,362	613,636	58,341	-	-	1,850,912
Charge for the year	45,681	45,515	70,642	5,609	-	-	167,447
Relieved on disposals	-	-	-	(6,458)	-	-	(6,458)
At 31 March 2021	628,254	641,877	684,278	57,492	-	-	2,011,901
Charge for the year	48,091	46,512	78,349	4,505	-	-	177,457
Relieved on disposals	-	(2,851)	-	(2,440)	-	-	(5,291)
31 March 2022	676,345	685,538	762,627	59,557	-	-	2,184,067
Net Book Value -							
At 31 March 2022	1,313,497	129,172	99,380	6,013	23,935	272,050	1,844,047
At 31 March 2021	1,322,764	135,576	105,624	4,719	79,888	226,642	1,875,213

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16. Property, Plant and Equipment (Continued)

(a) These represent adjustments arising from management's reconciliation exercise of the property, plant and equipment register conducted during the year.

(b) These represent partial fulfilment of purchase of assets not yet put to use by the Trust.

(c) This represents amounts related to the construction of an office building in May Pen.

The following estimated useful lives are used for the depreciation of property, plant and equipment:

Land improvement and buildings	15 to 40 years
Furniture and fixtures and other equipment	5 to 8 years
Computer equipment	3 years
Motor vehicles	4 years

Land, artwork and construction in progress are not depreciated.

17. Payables and Accruals

	2022 $'000	2021 $'000
Operating payables and accruals	3,452,830	2,943,638
Scheme deposits	175,995	90,419
Statutory and other payroll deductions	112,985	102,269
Retention payable	1,507,566	1,215,539
GCT payable	3,178,390	2,618,680
Withholding Tax Specified Services	1,719	1,828
Sums withheld for modification of covenants	222,714	211,849
Peril insurance claims (Note 30(b)(i))	62,946	77,167
Beneficiaries mortgage refunds payable	787,209	724,860
Other payables	470,647	950,862
	9,973,001	8,937,111

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18. Provisions

	Sunday Claims (a)		Employee Benefits (b)		Total	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Balances at beginning of the year	40,000	40,000	210,511	167,075	250,511	207,075
Recognised in profit or loss for the year	-	-	(26,117)	43,436	(26,117)	43,436
Balance at end of the year	40,000	40,000	184,394	210,511	224,394	250,511

(a) Sundry claim represents the provision for the settlement of a legal claim against the Trust (Note

35). (b) Employee benefits represent provision for outstanding employees' vacation leave entitlements.

19. Refundable Contributions

	2022			2021
	Currently Due	Not Yet Due	Total	Total
	$'000	$'000	$'000	$'000
Contributions refundable	31,816,194	98,484,814	130,301,008	119,820,181
Bonus accrued (Note 19(a))	2,631,421	3,876,194	6,507,615	6,424,725
	34,447,615	102,361,008	136,808,623	126,244,906
Represented by:				
Savings accounts				
Principal	31,816,194	-	31,816,194	28,134,056
Interest	2,631,421	-	2,631,421	2,610,097
	34,447,615	-	34,447,615	30,744,153
Time accounts				
Principal	-	75,317,609	75,317,609	68,287,317
Interest	-	3,876,194	3,876,194	4,830,707
	-	79,193,803	79,193,803	73,118,024
Total for which personal accounts are established	34,447,615	79,193,803	113,641,418	103,862,177
Balances for which no personal accounts are established	-	23,167,205	23,167,205	22,382,729
Total refundable employee contributions	34,447,615	102,361,008	136,808,623	126,244,906

19. Refundable Contributions (Continued)

(a) Bonuses are payable to contributors at the rate specified. The amount payable to contributors for each year will be paid together with cash grant benefits awarded as described in Note 2(b)(ii). Bonuses on contributions not currently refundable are calculated at 2% per annum.

The Trust complied with the requirement for creation of personal accounts for employed persons who made contributions up to December 31, 2020 (2021: December 31, 2018) within the one year period stipulated by the Act. During the current financial year, 623,717 (2021: 577,423) individual (time) accounts totaling $17.03 billion (2021: $13.92 billion) were created.

20. Deferred Tax (Assets) Liabilities

The net position at the reporting date is attributable to the following:

	2022			
	Balance at April 1, 2021 $'000	**Recognised in income (Note 27) $'000**	**Recognised in other comprehensive income $'000**	**Balance at March 31, 2022 $'000**
Interest payable	14,573	(35,296)	-	(20,723)
Employee benefits (liability) asset (net)	40,516	(59,758)	(3,604)	(22,846)
Accelerated capital allowances	36,930	13,582	-	50,512
Interest receivable	75,709	(68,616)	-	7,093
Share of net assets of associate	(31,361)	(50,374)	-	(81,735)
Unrealised foreign exchange gains	3,327	(3,327)	-	-
Rental income receivable	1,429	243	-	1,672
Joint Finance Mortgage Programme	-	-	(872,183)	(872,183)
Other	1	-	-	1
Net liabilities/(assets)	141,124	(203,546)	(875,787)	(938,209)

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20. Deferred Tax (Assets) Liabilities (Continued)

	2021			
	Balance at April 1, 2020 $'000	Recognised in income (Note 27)) $'000	Recognised in other comprehensive income $'000	Balance at March 31, 2021 $'000
Interest payable	(7,335)	21,908	-	14,573
Employee benefits (liability) asset (net)	(225,952)	(263,459)	529,927	40,516
Accelerated capital allowances	9,849	27,081	-	36,930
Interest receivable	198,562	(122,853)	-	75,709
Share of net assets of associate	(16,322)	(15,039)	-	(31,361)
Unrealised foreign exchange gains	49,134	(45,807)	-	3,327
Rental income receivable	1,590	(161)	-	1,429
Other	1	-	-	1
Net liabilities/(assets)	9,527	(398,330)	529,927	141,124

21. Mortgage Subsidy Reserve

In July 2010, the Trust implemented a Mortgage Subsidy Programme for applicants who fall within those income bands which are charged 1% to 3% interest and have been contributing to the Trust for a minimum of 7 years. The Trust approves a maximum of 20% of its quarterly profit after tax (excluding non-refundable employers' contribution) to be used to finance the Mortgage Subsidy Programme. The utilisation of the subsidy is dependent on the eventual successful completion of the application process by contributors.

As of July 2017, applicants earning $12,000 or less weekly and who have been contributing to the Trust for a minimum of 7 years may be eligible for a maximum subsidy of $2.50 million. The actual take up of the subsidy by eligible contributors during the year amounted to $330,836,000 (2021: $390,442,000) (Note 26).

22. Peril Reserve

The Trust's insurance policy deductible is US$30 million (2021: US$30 million), i.e., peril insurance claims up to this amount will be for the account of the Trust (claims over this amount will be for the account of the insurer) (Note 30(b)(i)).

The Trust has currently designated the investments listed below to fund this reserve:

	2022 US$'000	2022 JMD$'000	2021 US$'000	2021 JMD$'000
Cash and cash equivalents (US$ denominated) (Notes 6(c) and 6(d))	5,679	870,590	2,775	402,311
Resale agreements (US$ denominated) (Note 8(b)	13,450	2,061,879	14,203	2,059,446
Security at amortised cost (US$ denominated) (Note 9(ii))	4,532	694,754	4,663	676,071
Securities at amortised cost and at FVPL(J$ denominated) (Note 9 (i),(iii))	24,786	3,799,694	25,135	3,644,575
	48,447	7,426,917	46,776	6,782,403

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23. Loan Loss Reserve

This reserve represents the excess of the provision for loan losses, determined using management's prudential estimate of the greater of 3% of the total mortgage loans (less loan financing to developers) receivable, net of IFRS allowance, and the total arrears for over 90 days, for which allowances are made, over the amounts determined under IFRS (Note 10(u))

During the year, there was an increase of $1.61 billion (2021: an increase of $2.69 billion) in the loan loss reserve. This reserve is to cover any losses that may arise from the loans referred to above as well as other mortgage loans.

24. Transfer to Consolidated Fund

This represents transfers made to the Government of Jamaica through the Ministry of Finance and the Public Service based on the amendment to the National Housing Trust Act (the Act) under which the Trust was required to transfer up to a maximum of $11.40 billion to the Consolidated Fund for each of four years up to 2016/2017.

The Act was further amended in August 2017 for additional financing for four years up to 2020/2021 and in December 2020 for five (5) years up to 2025/2026.

25. Miscellaneous Income

	2022 $'000	2021 $'000
Penalty income	41,439	20,393
Debt management fees	102,407	53,157
Peril and life insurance administrative fees	346,307	167,057
Rental income	26,875	24,907
Other interest income	15,338	15,261
Others	111,625	22,831
	643,991	303,606

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26. Special Subsidies and Grants

	2022 $'000	2021 $'000
Special projects:		
Inner City Housing Project	127,932	22,091
Emancipation Park	107,516	94,478
Grants:		
Mortgage subsidy (Note 21)	330,836	390,442
Property maintenance - Orange Grove	10,949	4,859
Community infrastructure upgrade	510,194	212,899
Police stations refurbishing	282,267	136,346
Infirmaries refurbishing	17,972	49,906
Bamboo processing	4,664	3,610
Others	-	13,322
	1,392,330	927,953

27. Taxation

(a) Taxation recoverable

	2022 $'000	2021 $'000
Balance at the beginning of the year	7,318,799	7,230,647
Additions during the year	113,026	88,152
Balance at the end of the year	7,431,825	7,318,799

This represents recoverable withholding tax deducted at source from investment income. The Trust claims the tax deducted at source as a tax credit against its tax liabilities, once this has been approved by the Commissioner General, Tax Administration Jamaica.

(b) Taxation payable

	2022 $'000	2021 $'000
Balance at the beginning and end of the year	6,472,138	6,472,138

27. Taxation (Continued)

(c) Recognised in profit or loss for the year

(i) The taxation charge for the year comprises

	2022 $'000	2021 $'000
Deferred tax (Note 20)	(203,546)	(398,330)

Subject to the agreement of the Commissioner General Tax Administration of Jamaica, tax losses of approximately $18,525,041,924 (2021: $14,551,331,595) are available indefinitely to set off against future taxable profits. Deferred tax is not calculated on tax losses as Non-Refundable Employers' Contributions is exempt from taxes and other revenue streams will result in statutory losses.

(ii) Reconciliation of effective tax rate

	2022 $'000	2021 $'000
Profit before taxation	20,344,064	6,507,634
Expected tax at domestic income tax rate of 25%	5,086,016	1,626,909
Tax effect of amounts not deductible	44,364	41,861
Tax effect of income not subject to tax	(6,235,134)	(5,077,875)
Net effect of other charges and allowances	(92,219)	179,000
Tax effect of tax losses not recognized	993,427	2,831,775
Taxation charge	(203,546)	(398,330)

28. Profit for The Year

The profit for the year is stated after taking account of the following items:

	2022 $'000	2021 $'000
(a) Revenue on financial assets:		
Interest income on loans		
- at amortised cost	6,941,348	8,276,529
- at FVTOCI	195,991	-
- Other	1,462,546	-
	8,599,885	8,276,529
Interest income on investment securities:		
- at FVTPL	188,290	72,663
- at amortised cost	358,280	374,953
	546,570	447,616
Total interest income	9,146,455	8,724,145
Dividends	12,543	10,891
	9,158,998	8,735,036

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28. Profit for The Year (Continued)

(b) Bonus on employees' contributions:

	2022 $'000	2021 $'000
Saving accounts	577,323	465,222
Time accounts	1,402,382	1,351,604
	1,979,705	1,816,826

(c) Gains/(losses) on financial assets

	2022 $'000	2021 $'000
(i) Gains/(losses) on investment securities		
At fair value through profit and loss:		
Inflation indexed bond	188,290	60,595
Equity securities	(46,614)	44,533
	141,676	105,128
(ii) Gains/losses) on disposal of investment securities		
At amortised cost	-	(727,727)

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28. Profit for The Year (Continued)

(d) Expenses by nature

	2022 $'000	2021 $'000
Audit Fees -		
Current year	10,181	9,819
Prior year	-	3,241
Depreciation	177,457	167,447
Amortisation of intangible assets	1,399	11,048
Employees costs (Note 34)	7,379,680	8,469,741
Office rental, maintenance and security	358,433	357,293
Electricity and telephone	237,878	195,634
Scheme expenses	307,855	237,724
Data processing – licences and maintenance	278,568	237,777
Irrecoverable general consumption tax	159,316	186,761
Others	837,662	828,274
	9,748,429	10,704,759

(e) Allowance for expected credit loss

	2022 $'000	2021 $'000
Cash and cash equivalents (Note 6(e))	(687)	1,861
Receivables (Note 7)	141,725	(206,058)
Short term deposits and resale agreements (Note 8(c))	(21)	(3)
Investment securities (Note 9(b)(vi))	(77)	(43,232)
Loans receivable (Note 10(p))	(1,254,406)	(3,132,621)
Loans receivable at FVTOCI	62,656	-
Investments in associate	178,731	-
	(872,079)	(3,380,053)

(f) Non-refundable employers' contribution

During the year, $3.14B was received for contribution arrears (including interest) (2021: $Nil) based on a Memorandum of Understanding between the Trust and the Government of Jamaica (GOJ), acting through the Ministry of Finance and the Public Service (MOFPS).

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29. Related Party Balances/Transactions

Operating transactions

During the year, the Trust entered into the following transactions with key management personnel, including members of the Board of Directors and other related parties:

	Loans granted		Balance owed including interest	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Key management personnel	5,660	50,537	153,870	163,324
Board of Directors and Committee members	-	-	9,016	7,118
Investments in associate (Note 14)	-	-	1,990,490	1,906,182

Compensation of key management personnel

Remuneration is determined by the Board of Directors under the guidelines set by the Ministry of Finance and the Public Service having regard to the performance of individuals and market trends.

The remuneration of Directors, Committee members and other key members of management during the year was as follows:

	2022 $'000	2021 $'000
Board of Directors and Committee members		
Directors' fee	4,225	2,795
Director's remuneration	31,045	31,207
	35,270	34,002
Other key management personnel		
Salaries and other benefits	190,508	187,958
Post-employment benefits	15,050	12,610
	205,558	200,568
	240,828	234,570

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30. Commitments and Contingencies

(a) Commitments

	2022 $'000	2021 $'000
(i) Commitment contracted for:		
Financing house construction and acquisition of houses for allocation to beneficiaries	27,895,090	32,559,429
Purchase of land	1,383,085	1,141,253
Inner City Housing Project	1,925,376	1,638,949
	31,203,551	35,339,631
(ii) Authorised and approved but not contracted for:		
Computer software development	29,830	80,000
Office refurbishing	605,004	416,500
Construction contracts under negotiation	4,958,800	1,660,000
Mortgage subsidy	350,000	350,000
	5,943,634	2,506,500
(iii) Authorised and approved but not yet disbursed:		
Loans to beneficiaries	20,950,826	15,516,502

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30. Commitments and Contingencies (Continued)

(b) Contingencies

(i) *Peril insurance claims*

The Trust's self-insured retention on its peril insurance cover is US$30 million (J$4.57 billion) (2021: US$30 million (J$4.34 billion)). Should a catastrophic event occur such as a hurricane or an earthquake, the Trust will be liable to meet the cost of damage up to the aggregate amount of the retention for any one or several events in the given period. The Trust is insured for full value on all earthquake perils and for all other perils above the Self Insurance Retention (Note 22).

At year-end, claims made by beneficiaries provided for but not yet processed by the Trust amounted to approximately $62.95 million (2021: $77.17 million) (Note 17).

(ii) *Litigation*

The Trust is involved in litigations in the normal course of operations. Management believes that, liabilities, if any, arising from such litigations will not have a material adverse effect on the financial position of the Trust (See also Note 35).

(iii) *Taxation*

There are certain expenses claimed by the Trust that Tax Administration (TAJ) Jamaica is contesting on the following bases:

(i) whether certain expenses were incurred solely in the normal course of operations.

(ii) whether certain expenses representing costs associated with collecting employers' contributions should be allowed for tax purposes.

A meeting was held on April 15, 2013 with representatives of TAJ and the Trust concerning the Income Tax Objection and a decision was taken as follows:

(i) The Letter of Decision delivered to the Trust be withdrawn to facilitate further deliberation on the objection lodged by the Trust.

(ii) The Trust undertakes to present TAJ with a detailed proposal on the bases of apportionment of the amounts of indirect/overhead cost allocable to the investment income earned by the Trust for all the relevant Years of Assessment.

(iii) The Trust upon receipt of TAJ's decision will withdraw their Letter of Appeal that was filed at Taxpayer Appeals Department

No provision has been made in the financial statements in respect of any liability that may result from the resolution of matters contested by the TAJ.

31. Financial Instruments and Financial Risk Management

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 4 to the financial statements.

The Trust has exposure to the following risks from its use of financial instruments: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives

The Trust's activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Trust's aim is, therefore, to achieve an appropriate balance between risk and return and minimise potential adverse effects on its financial performance.

The Trust's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up to date information systems. The Trust regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practices.

An enterprise-wide risk management approach is adopted. This framework is supported by sound risk management practices which include the establishment of enterprise-wide policies, procedures and limits, monitoring and measurement of exposure against established limits, ongoing realignment of business strategies and activities and the reporting of significant exposures to senior management and the Board of Directors.

The Board of Directors has overall responsibility for the establishment and oversight of the Trust's risk management framework. The Board of Directors risk management mandate is principally carried out through: The Finance and Investment Committee, Audit Committee, Human Resource Management (HRM) and Information Technology Committee, Properties and Technical Committee, Customer Relations Committee, Governance Committee and the Internal Audit Department.

Finance and Investment Committee

This Committee has direct responsibility for the management of financial position and overall financial structure which includes liquidity, interest rate and foreign currency risks management

Audit Committee

Audit Committee has oversight for the integrity of the financial statements and reviews the adequacy and effectiveness of internal controls and risk management procedures.

HRM and Information Technology Committee

This Committee has the responsibility to review, evaluate and manage HRM policy formulation in general and to recommend strategies for the technological direction of the Trust.

Properties and Technical Committee

This Committee has overall responsibility for the monitoring of construction activities of the Trust, including procurement of contracts, evaluation and monitoring of costs incurred.

Customer Relations Committee

This committee has been established to: -

(a) Review and recommend requests from contributors for variations to policies to support their acquisition of housing solutions.

(b) Accept and make recommendations to the Board of Directors regarding any issues emanating from such policies and strategies which have been implemented or proposed by the Customer Relations Management Division (CRM) through the Trust's Leadership Team.

(c) Review requests for the "write off' of receivables of loan balances and requests for loan accounts to be placed in "charge-off.

(d) Promote the development of housing communities through monitoring the provision of support services.

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

Governance Committee

This committee has been established primarily to make recommendations to the Board of Directors, on an ongoing basis, concerning corporate governance in general and regarding the Board of Directors stewardship role in the management of the Trust; including the role and responsibility of the Board of Directors and the recommendations of appropriate policies and procedures for Board of Directors to carry out their duties with due diligence and compliance with all legal requirements.

The Internal Audit Department

The Internal Audit Department has responsibility for ensuring the effectiveness and adequacy of risk management internal controls and procedures and conducts both ad hoc and regular reviews. The Internal Audit department reports the result of all findings to the Audit Committee, who reports the findings, recommendations and management responses to the Board of Directors.

There has been no change in the Trust's exposure to these financial risks or manner in which it measures and manages risk during the year.

(a) Market risk

Market risk is the risk that the value or expected cash flows of a financial instrument will fluctuate as a result of changes in the market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

The Trust's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates, as well as equity price risks as disclosed below.

Management of market risk

The Board of Directors outlines the general policies of the Trust in managing this risk. The Trust, through its Investments Unit, monitors this risk through thorough research of financial markets, both locally and internationally as well as analyses of the financial institutions with whom investments are made. Price movements, because of market factors on the Trust's investments are monitored on a monthly basis.

The Trust holds equity investments listed on the Jamaica and Barbados Stock Exchanges. The primary goal of the Trust's investment in equities is to maximise the return on the portfolio. These equities are not held for strategic alliances with or control over these entities. The Investment Unit monitors these investments on a daily basis in order to take advantage of opportunities arising from market activity.

The Trust faces risk in respect of its equity investments because of fluctuations in the prices of equities in its investment portfolio. These fluctuations may arise because of general market conditions (systemic risk) or due to company specific factors (non-systemic risk). This risk is minimised by the implementation and monitoring of sound financial management strategies, in accordance with the Board of Directors' guidelines.

There has been no change to the Trust's exposure to market risks or the manner in which it measures and manages the risk.

(i) Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the reporting date.

If quoted equity prices had been 5% (2021: 5%) higher/lower, profit for the year ended March 31, 2022 would increase/decrease by $66.28 million (2021: profit for the year would increase/decrease by $68.61 million) as a result of the changes in fair values of the Trust's equity securities.

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(a) Market risk (continued)

(ii) Foreign currency risk

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

The Trust undertakes certain transactions denominated in currencies other than the Jamaica dollar resulting in exposures to exchange rate fluctuation.

Management of foreign currency risk

Management consistently monitors the Trust's exposure in this regard by constant monitoring of international foreign exchange markets and factors influencing currency movements and positioning its foreign currency investments accordingly. The main currency giving rise to this risk is the United States dollar.

At year end, the carrying amounts of the Trust's foreign currency denominated financial assets were as follows:

	Assets			
	2022		2021	
	US$'000	J$'000	US$'000	J$'000
Cash and cash equivalents	5,679	870,590	2,775	402,311
Short term deposits and resale agreements	13,450	2,061,879	14,203	2,059,446
Investment securities	4,532	694,754	4,663	676,071
	23,661	3,627,223	21,641	3,137,828

The exchange rate of the United States dollar in relation to the Jamaica dollar was US$1 to J$153.30 (2021: US$1 to J$145).

Foreign currency sensitivity analysis

The following table details the Trust's sensitivity to a 2% revaluation and 6% devaluation (2021: 2% revaluation and 6% devaluation) of the Jamaica dollar against the United States dollar. The change in the sensitivity rates below are used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

	2022		2021	
	2%	6%	2%	6%
	Revaluation of the J$'000	Devaluation of the J$'000	Revaluation of the J$'000	Devaluation of the J$'000
Effect on profit for the year	(72,544)	217,633	(62,757)	188,270

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(a) Market risk (continued)

(ii) Foreign currency risk (continued)

Foreign currency sensitivity analysis (continued)
The Trust's sensitivity to foreign currency has increased during the current period mainly due to an increase in holdings of foreign currency investments. The analysis is done on the same basis as for 2021 and assumes that all other variables, in particular interest rates, remain constant.

(iii) Interest rate risk

Interest rate risk is the potential that the value or cash flows of a financial instrument will fluctuate due to changes in market interest rates. Financial instruments subject to fixed interest rates are exposed to fair value interest rate risk while those subject to floating interest rates are exposed to cash flow interest rate risk.

The primary source of funding for the Trust is employer and employee contributions which are either non-refundable or refundable at nominal rates of interest. This limits the Trust's exposure to interest rate risk. These funds, together with profit on operations are the main source of investments, loans to beneficiaries and inventory housing projects. Investment securities are at significantly higher rates of return.

Management of interest rate risk
The Trust's exposure to interest rate risk is measured using gap analysis and sensitivity analysis and managed by maintaining an appropriate mix of variable and fixed rate instruments.

The table below summarises the Trust's exposure to interest rate risk. Included in the table are the Trust's assets and liabilities at carrying amounts, categorised by the earlier of the contractual repricing or maturity dates.

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(a) Market risk (continued)

(iii) Interest rate risk(continued)

2022	Within 3 months	Within 3-12 months	1 to 5 years	Over 5 years	Non-rate sensitive	Total	Weighted effective interest rate
	$'000	$'000	$'000	$'000	$'000	$'000	%
Assets							
Cash and bank balances	5,818,732	-	-	-	1,053,722	6,872,454	5.34
Receivables	10,839	22,711	930,854	619,242	4,613,892	6,197,538	3.05
Short term deposits and resale agreements	2,061,869	-	-	-	-	2,061,869	3.98
Investment securities	13,877	26,974	667,412	2,460,610	1,325,531	4,494,404	4.91
Loans receivable	3,553,455	487,870	3,272,344	249,384,261	-	256,697,930	2.62
Investments in associate	-	-	-	-	1,990,490	1,990,490	
Total assets	11,458,772	537,555	4,870,610	252,464,113	8,983,635	278,314,685	
Liabilities							
Payables	-	-	-	-	6,794,611	6,794,611	
Refundable contributions	34,447,615	-	37,422,416	64,938,592	-	136,808,623	3.60
Total liabilities	34,447,615	-	37,422,416	64,938,592	6,794,611	143,603,234	
Net interest rate sensitivity gap	(22,988,843)	537,555	(32,551,806)	187,525,521	2,189,024	134,711,451	
Cumulative gap	(22,988,843)	(22,451,288)	(55,003,094)	132,522,427	134,711,451		

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(a) Market risk (continued)

	2021						
	Within 3 months	Within 3 -12 months	1 to 5 years	Over 5 years	Non-rate sensitive	Total	Weighted effective interest rate
	$'000	$'000	$'000	$'000	$'000	$'000	%
Assets							
Cash and cash equivalents	6,938,198	-	-	-	6,669	6,944,867	2.95
Receivables	15,611	4,766,001	867,915	757,016	995,293	7,401,836	3.06
Short term deposits and resale agreements	2,761,619	100,358	-	-	-	2,861,977	3.65
Investment securities	12,703	24,506	629,690	2,281,549	1,372,145	4,320,593	4.97
Loans receivable	171,529	88,465	2,764,150	235,476,515	-	238,500,659	3.38
Investments in associate	-	-	-	-	1,906,182	1,906,182	
Total assets	9,899,660	4,979,330	4,261,755	238,515,080	4,280,289	261,936,114	
Liabilities							
Payables	-	-	-	-	4,158,626	4,158,626	-
Refundable contributions	30,744,153	-	33,299,129	62,201,624	-	126,244,906	3.52
Total liabilities	30,744,153	-	33,299,129	62,201,624	4,158,626	130,403,532	
Net interest rate sensitivity gap	(20,844,493)	4,979,330	(29,037,374)	176,313,456	121,663	131,532,582	
Cumulative gap	(20,844,493)	(15,865,163)	(44,902,537)	131,410,919	131,532,582		

(iii) Interest rate risk(continued)

31. Instruments and Financial Risk Management (Continued)ecl

Financial risk management policies and objectives (continued)

(b) **Credit risk**

(i) Loans receivable (continued)

Collateral
The Trust employs a range of policies to mitigate credit risk. For loans to beneficiaries and financial institutions, a significant portion of these loans is secured on properties. In respect of loans through government agencies, the Trust receives letters of undertaking from the Ministry of Finance and the Public Service as necessary.

Repossessed collateral
From time to time, the Trust's takes possession of collateral held as security. These repossessed assets are sold as soon as is practicable with the proceeds from sale set-off against outstanding debts. The Trust does not occupy or use repossessed assets in its operations.

At year end, the following was the status of repossessed assets:

	2022		2021	
	Carrying Value	Sum of Latest Valuation Reports	Carrying Value	Sum of Latest Valuation Reports
	$'000	$'000	$'000	$'000
Residential properties	1,424,227	6,920,037	1,782,588	4,544,172

The Trust does not have any significant concentration of credit risk to any one party or group of counterparties.

(ii) Investment securities, short term deposits and resale agreements and cash and cash equivalents.

The Trust seeks to minimise its risk in the following ways:

- The Board of Directors sets out specific guidelines governing the management of the Trust's investments, resale agreements and cash and cash equivalents.
- All financial institutions with which the Trust has a credit risk exposure as well as institutions vying to enter into financial transactions with the Trust are appraised and ranked based on their financial standing and other criteria, in accordance with the Board of Directors' guidelines. The Board of Directors must approve this ranking.
- Management limits the amount of investment with any one institution, in accordance with the Board of Directors· guidelines.
- Management limits the investment in certain types of investments, in accordance with the Board of Directors' guidelines. In addition, a clear approval structure is established to govern the investment in certain categories of investment options.
- Investment securities are placed with reputable financial institutions and are usually collateralised by Government of Jamaica (GOJ) or Bank of Jamaica (BOJ) securities duly transferred to the Trust in the event of default of the counterparty to the transaction.
- The Investments Unit conducts constant monitoring of the terms of investment contracts to ensure that the terms are strictly adhered to, in particular, that institutions fulfil their financial obligations to the Trust as they fall due.

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(ii) Investment securities, short term deposits and resale agreements and cash and cash equivalents (continued)

The following table summarises the Trust's credit exposure and concentration for investments (excluding equities), resale agreements, and cash and cash equivalents, including interest receivable:

	2022	**2021**
	$'000	**$'000**
Government of Jamaica (GOJ)	2,550,328	2,358,902
Bank of Jamaica (BOJ)	618,545	589,545
Others	8,927,613	9,800,175
Total	12,096,486	12,748,622

Impairment assessments of investment securities, short term deposits and resale agreements and cash and cash equivalents receivables are analysed at Note 32(b)(iv) below.

(iii) Impairment of financial assets - cash and cash equivalents, receivables, short term deposits and resale agreements, investment securities and loans receivable.

The Trust applies the 'three stage' model under IFRS 9 in measuring the expected credit losses on the financial assets above and makes estimations about likelihood of defaults occurring. The estimation of credit exposure for risk management purposes requires the use of complex models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of defaults correlations between counterparties. The measurement of expected credit losses is a function of:

- PD – an estimate of the likelihood of default over a given time horizon;
- LGD – an estimate of the loss arising in the case where a default occurs at a given time; and
- EAD – an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise. For the purposes of calculating ECLs only, the Trust estimates EAD to be the contractual cashflows (payment of principal and interest), *less* any amounts that are or will become due to the borrower (Time Account Balances) as well as the net collateral value of real estate held as security for the respective lending balances.

The Trust uses a ‘cure rate’ analysis in its estimation of credit losses on lending balances. A cure rate is defined as the probability for a ‘non-performing’ or ‘defaulted’ contract to revert to a ‘performing’ or ‘non-default’ status. The employment of cure rates is consistent with the fact that not all failed contracts result in losses (that is, if past due amounts are repaid in full and regular scheduled payments continue thereafter).

The Trust determines that a financial instrument is credit-impaired and in Stage 3 by considering relevant objective evidence, primarily whether: contractual payments of either principal or interest are past due for 90 days or more; there are other indications that the borrower is unlikely to pay such as that a concession has been granted to the borrower for economic or legal reasons relating to the borrower’s financial condition; and the financial asset is otherwise considered to be in default. If such unlikeliness to pay is not identified at an earlier stage, it is deemed to occur when an exposure is 90 days past due.

(expressed in Jamaican dollars unless otherwise indicated)

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(iii) Impairment of financial assets - cash and cash equivalents, receivables, short term deposits and resale agreements, investment securities and loans receivable (continued)

The life-time cure rate for NHT's retail mortgage portfolio was estimated to be 73.87%. Given that the Trust computes ECL on net lending balances only, where a total loss is assumed for uncured non-performing accounts, the effective LGD becomes 26.13%, when adjusted for lifetime cure rate.

Underpinning the ECL are the key macroeconomic variables which are expected to have a significant impact on credit risk. Included were those found to be most closely correlated with losses such that changes in the macroeconomic variables would directly impact PDs, EADs and LGDs. Reflected in the scenarios are assumptions of Unemployment Rate of 6.2% (2021: 8.9%), Gross Domestic Product growth rate of 7.9% (2021:9.9%), Net International Reserves US$3.47B (2021: US$3.23B) and Inflation (point to point) 11.3% (2021: 5.2%).

Economic factor	Scenarios	Expected state for next 12 months	
		March 31, 2022	March 31, 2021
Unemployment Rate	Base	Stable	Stable
	Upside	Stable	Positive
	Downside	Negative	Negative
Gross Domestic Product	Base	Stable	Negative
	Upside	Positive	Positive
	Downside	Negative	Negative
Net International Reserve	Base	Stable	Positive
	Upside	Positive	Negative
	Downside	Negative	Negative
Inflation	Base	Negative	Stable
	Upside	Stable	Stable
	Downside	Very Negative	Stable

The value of each scenario, that is, base, upside and downside for each macroeconomic variable, is determined by management's judgement. Each of these is then multiplied by its individual weighting based on its scenario. The total probability weighting result is determined through the sum of all four outcomes outlined in the table above.

The weightings assigned to each economic scenario as at March 31, 2022 and 2021 for deposits, investments and loans were 75%, 15%, 10% (2021- 40%, 25% and 35%) for base case, upside and downside, respectively.

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(iv) Credit risk exposure - financial assets subject to impairment

The following tables contain an analysis of the credit risk exposure of financial assets for which an ECL allowance is recognized. The gross carrying amounts of investments below represent the Trust maximum exposure to credit risks on these assets.

Cash and cash equivalents (excluding cash on hand) (at amortised cost)

	ECL Staging Stage 1 12-month ECL 2022 $'000	ECL Staging Stage 1 12-month ECL 2021 $'000
Credit grade		
Investment	613,524	920,340
Non-investment	6,253,459	6,019,743
Gross carrying amount	6,866,983	6,940,083
Loss allowance	(1,198)	(1,885)
Carrying amount	6,865,785	6,938,198

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(iv) Credit risk exposure - financial assets subject to impairment (continued)

Short term deposits and resale agreements (at amortised cost)

	ECL Staging Stage 1 12-month ECL 2022 $'000	ECL Staging Stage 1 12-month ECL 2021 $'000
Credit grade		
Investment	-	802,543
Non-investment	2,061,879	2,059,465
Gross carrying amount	2,061,879	2,862,008
Loss allowance	(10)	(31)
Carrying amount	2,061,869	2,861,977

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(iv) Credit risk exposure - financial assets subject to impairment (continued)

Receivables (at amortised cost)

	ECL Staging Stage 1 12-month ECL	ECL Staging Stage 3 life-time ECL	Total
		31 March 2022	
	$'000	$'000	$'000
Standard risk	3,440,757	650,001	4,090,758
Non rated	2,679,952	374,486	3,054,438
Gross carrying amount	6,120,709	1,024,487	7,145,196
Loss allowance	(389,420)	(558,238)	(947,658)
Net carrying amount	5,731,289	466,249	6,197,538
		31 March 2021	
Standard risk	2,317,201	603,875	2,921,076
Non rated	4,923,179	363,514	5,286,693
Gross carrying amount	7,240,380	967,389	8,207,769
Loss allowance	(267,888)	(538,045)	(805,933)
Net carrying amount	6,972,492	429,344	7,401,836

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(iv) Credit risk exposure - financial assets subject to impairment (continued)

Debt securities (at amortised cost)

	ECL Staging Stage 1 12-month ECL 2022 $'000	ECL Staging Stage 1 12-month ECL 2021 $'000
Credit grade		
Non-investment	1,403,889	1,372,989
Gross carrying amount	1,403,889	1,372,989
Loss allowance	(3,621)	(3,698)
Net carrying amount	1,400,268	1,369,291

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(iv) Credit risk exposure - financial assets subject to impairment(continued)

	Loan receivables (at amortised cost and FVTOCI)			
	ECL Staging			
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	Total
	31 March 2022			
	$'000	$'000	$'000	$'000
Development financing	1,032,147	-	1,839,865	2,872,012
Agencies	15,269,421	-	2,464,325	17,733,746
Other	898,078	-	-	898,078
Standard Risk- Mortgage:				
Current 0-30 days	197,984,995	8,341,380	-	206,326,375
Past due over 30 days but less than 90 days	-	10,252,466	-	10,252,466
Credit impaired over 90 days	-	-	21,541,337	21,541,337
Transfers:				
Transfer from Stage 1 to Stage 2	(11,715,029)	11,715,029	-	-
Transfer from Stage 1 to Stage 3	(5,979,578)	-	5,979,578	-
Transfer from Stage 2 to Stage 1	16,990,783	(16,990,783)	-	-
Transfer from Stage 2 to Stage 3	-	(4,508,490)	4,508,490	-
Transfer from Stage 3 to Stage 1	3,695,543	-	(3,695,543)	-
Transfer from Stage 3 to Stage 2	-	2,643,294	(2,643,294)	-
Gross carrying amount	218,176,360	11,452,896	29,994,758	259,624,014
Loss allowance	(1,022,081)	(208,989)	(1,695,014)	(2,926,084)
Net carrying amount	217,154,279	11,243,907	28,299,744	256,697,930

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(iv) Credit risk exposure - financial assets subject to impairment (continued)

	Loan receivables (at amortised cost)			
	ECL Staging			
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	Total
	31 March 2021			
	$'000	$'000	$'000	$'000
Development financing	481,846	-	2,066,588	2,548,434
Agencies	12,212,014	-	-	12,212,014
Other	601,654	-	2,446,747	3,048,401
Standard Risk- Mortgage:				
Current 0-30 days	166,029,675	10,528,199	874,795	177,432,669
Past due over 30 days but less than 90 days	12,936,330	15,903,170	374,952	29,214,452
Credit impaired over 90 days	-	-	18,131,231	18,131,231
Gross carrying amount	192,261,520	26,431,369	23,894,313	242,587,201
Loss allowance	(324,055)	(1,146,870)	(2,615,617)	(4,086,542)
Net carrying amount	191,937,465	25,284,499	21,278,696	238,500,659

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(iv) Credit risk exposure - financial assets subject to impairment (continued)

Investment in associate (at amortised cost)

	ECL Staging Stage 3 life-time ECL
	31 March 2022
	$'000
Gross carrying amount	1,990,490
Loss allowance	(562,700)
Net carrying amount	1,427,790

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(v) Loss allowances

The following tables contain an analysis of the credit risk exposure of financial assets for which an ECL allowance is recognised. The gross carrying amount of financial assets below represents the Trust's maximum exposure to credit risk on these assets

Cash and cash equivalent (at amortised cost) Loss allowances movement

	ECL staging Stage 1 12-month ECL	ECL staging Stage 1 12-month ECL
	2022	2021
	$'000	$'000
Loss Allowance at beginning of year	1,885	24
New financial assets originated or purchased	-	4,287
Financial assets fully derecognised during the period	(1,885)	(24)
Changes to input to ECL model	1,198	(2,402)
Loss allowance at the end of the year	1,198	1,885

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(v) Loss allowances (continued)

Short term deposits and resale agreements (amortised cost) Loss allowances movement

	ECL staging Stage 1 12-month ECL 2022 $'000	ECL staging Stage 1 12-month ECL 2021 $'000
Loss Allowance at beginning of year	31	34
New financial assets originated or purchased	-	187
Financial assets fully derecognised during the period	(31)	(34)
Changes in input to ECL model	10	(156)
Loss Allowance at end of year	10	31

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(v) Loss allowances (continued)

Debt securities (at amortised cost) Loss allowances movement

	ECL staging Stage 1 12-month ECL 2022 $'000	ECL staging Stage 1 12-month ECL 2021 $'000
Loss Allowance at beginning of year	3,698	46,930
New financial assets originated or purchased	-	1,623
Financial assets fully derecognised during the period	(20)	(34,349)
Changes to ECL Model	(57)	(10,506)
Loss allowance at end of year	3,621	3,698

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(v) Loss allowances (continued)

	Receivables (at amortised cost) Loss allowances movement ECL staging		
	Stage 1 12-month ECL	Stage 3 life-time ECL	Total
		2022	
	$'000	$'000	$'000
Loss Allowance at beginning of year	267,888	538,045	805,933
New financial assets originated or purchased (net)	121,532	144,830	266,362
Financial assets fully derecognized during the period	-	(124,637)	(124,637)
Loss Allowances at end of year	389,420	558,238	947,658
		2021	
Loss Allowance at beginning of year	282,901	729,090	1,011,991
New financial assets originated or purchased (net)	(15,013)	(191,045)	(206,058)
Loss Allowances at end of year	267,888	538,045	805,933

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(v) Loss allowances (continued)

	Loans receivable (amortised cost and FVTOCI) Loss allowances movement ECL staging			
	Stage 1 12-month ECL	**Stage 2 life-time ECL**	**Stage 3 life-time ECL**	**Total**
		2022		
	$'000	**$'000**	**$'000**	**$'000**
Loss Allowance at beginning of year	324,055	1,146,870	2,615,617	4,086,542
New financial assets originated	167,900	15,890	14,765	198,555
Financial assets derecognized during the period	(448)	-	-	(448)
Prepayments and repayments	(466,263)	(182,946)	(365,120)	(1,014,329)
Net Recoveries	93,948	-	-	93,948
Increases	(11,438)	(15,060)	(9,859)	(36,357)
Changes in ECL model	(14,770)	(38,846)	(348,211)	(401,827)
Transfers:				
Transfer from Stage 1 to Stage 2	(17,851)	17,851	-	-
Transfer from Stage 1 to Stage 3	(8,760)	-	8,760	-
Transfer from Stage 2 to Stage 1	775,388	(775,388)	-	-
Transfer from Stage 2 to Stage 3	-	(165,797)	165,797	-
Transfer from Stage 3 to Stage 1	180,320	-	(180,320)	-
Transfer from Stage 3 to Stage 2	-	206,415	(206,415)	-
Loss Allowances at end of year	1,022,081	208,989	1,695,014	2,926,084

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(v) Loss allowances (continued)

	Loans receivable (amortised cost) Loss allowances movement ECL staging 2021			
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	Total
	$'000	$'000	$'000	$'000
Loss Allowance at beginning of year	1,049,208	1,189,866	5,805,436	8,044,510
Changes in principal and interest	(183,269)	(208,518)	(2,949,890)	(3,341,677)
New financial assets originated	160,955	-	-	160,955
Write-off	(386,998)	-	-	(386,998)
Changes in ECL model	158,911	-	(549,159)	(390,248)
Transfers:				
Transfer from Stage 1 to Stage 2	(148,328)	148,328	-	-
Transfer from Stage 1 to Stage 3	(391,513)	-	391,513	-
Transfer from Stage 2 to Stage 1	37,724	(37,724)	-	-
Transfer from Stage 2 to Stage 3	-	(167,326)	167,326	-
Transfer from Stage 3 to Stage 1	27,365	-	(27,365)	-
Transfer from Stage 3 to Stage 2	-	222,244	(222,244)	-
Loss Allowances at end of year	324,055	1,146,870	2,615,617	4,086,542

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(v) Loss allowances (continued)

Investment in associate (at amortised cost) Loss allowances movement

	ECL Staging Stage 3 life-time ECL 31 March 2022
	$'000
Loss Allowance at beginning of year	383,969
Changes in ECL model	178,731
Loss Allowances at end of year	562,700

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(vi) IFRS 9 carrying values

Cash and cash equivalents (excluding cash on hand) (at amortised cost)

	Stage 1 12-month ECL 2022 $'000	Stage 1 12-month ECL 2021 $'000
Gross carrying amount at beginning of year	6,940,083	1,746,071
Changes in principal and interest	(73,100)	5,194,012
Gross carrying amount at end of year	6,866,983	6,940,083

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(vi) IFRS 9 carrying values (continued)

Short term deposits and resale agreements (at amortised cost)

	Stage 1 12-month ECL 2022 $'000	Stage 1 12-month ECL 2021 $'000
Gross carrying amount at beginning year	2,862,008	768,193
New financial assets originated or purchased	-	2,093,815
Financial assets fully derecognised during the period	(800,129)	-
Gross carrying amount at end of year	2,061,879	2,862,008

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(vi) IFRS 9 carrying values (continued)

	Receivables (at amortised cost) ECL staging Stage 1 12-month ECL	Stage 3 Life-time ECL	Total
		2022	
	$'000	**$'000**	**$'000**
Gross carrying amount at beginning of year	7,240,380	967,389	8,207,769
New financial assets originated	3,624,833	506,473	4,131,306
Financial assets fully derecognised during the period	(4,744,504)	(449,375)	(5,193,879)
Gross carrying amount at end of year	6,120,709	1,024,487	7,145,196
		2021	
Gross carrying amount at beginning of year	4,724,844	2,107,198	6,832,042
New financial assets originated (net)	2,515,536	(1,139,809)	1,375,727
Gross carrying amount at end of year	7,240,380	967,389	8,207,769

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(vi) IFRS9 carrying values (continued)

Debt securities (at amortised cost)

	Stage 1 12-month ECL 2022 $'000	Stage 1 12-month ECL 2021 $'000
Gross carrying amount at beginning of year	1,372,989	4,548,737
New financial assets originated	-	591,169
Financial assets fully derecognised during the period	(7,502)	(3,763,349)
Changes in principal and interest	5,571	(28,075)
Foreign exchange adjustments	32,831	24,507
Gross carrying amount at beginning of year	1,403,889	1,372,989

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

(vi) IFRS 9 carrying values (continued)

	Loans receivables (at amortised cost and FVTOCI)			
	ECL staging			
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	Total
	2022			
	$'000	$'000	$'000	$'000
Gross carrying amount at beginning of year	192,261,519	26,431,369	23,894,313	242,587,201
New financial assets originated	29,682,271	595,946	16,272,593	46,550,810
Financial assets fully derecognized during the period	(314,325)	-	-	(314,325)
Changes in principal and interest	(3,453,105)	(15,574,419)	(10,172,148)	(29,199,672)
Gross carrying amount at end of year	218,176,360	11,452,896	29,994,758	259,624,014
	2021			
Gross carrying amount at beginning of year	195,690,596	34,948,118	26,175,427	256,814,141
Changes in principal and interest	(3,429,077)	(8,516,749)	(2,281,115)	(14,226,941)
Gross carrying amount at end of year	192,261,519	26,431,369	23,894,312	242,587,200

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(c) Credit risk (continued)

(vi) IFRS 9 carrying values (continued)

Investment in associate (at amortised cost)

	ECL Staging Stage 3 life-time ECL 31 March 2022
	$'000
Gross carrying amount at beginning of year	1,906,182
New financial assets originated	84,308
Gross carrying amount at end of year	1,990,490

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(d) Liquidity risk

Liquidity risk is the risk that the Trust will be unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay contributors and fulfill commitments to lend. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. The Trust is exposed to daily calls on its available cash resources primarily in respect of loan and project disbursements, refund of contributions and operational expenses.

Management of liquidity risk
Monitoring and management of the Trust's liquidity management process resides with the Investments Unit. Prudent liquidity risk management requires the Trust to maintain sufficient cash and marketable securities, to monitor future cash flows on a daily basis and to maintain a minimum amount of free cash to meet unexpected liquidity demands. Management ensures that strong liquidity levels are maintained in order to prevent unacceptable losses or risk of damage to the Trust's reputation. The daily liquidity position is monitored by reports covering the position of the Trust over several months in advance. All liquidity policies and procedures are subject to review and approval by the Board of Directors.

The Trust's liquidity management process, monitored by the Investment and Cash Management Units, includes:

- Maintaining sufficient amounts of cash and cash equivalents to cover unexpected levels of demand. This is achieved through the systematic aging of the Trust's cash and cash equivalents, to ensure that a minimum amount matures on a weekly basis. This is done in consideration of the Trust's other sources of income, including mortgage and contribution received as well as other investment income.
- Monitoring cash and bank balances and future cash flows on a daily basis to ensure that requirements can be met. This includes the monitoring of several reports compiled by the Investments Unit as well as the relevant operational areas of the Trust.
- Maintaining a portfolio of highly marketable and diverse assets that can be readily liquidated as protection against any unforeseen interruption to cash flow. They include equities traded on the Jamaica Stock Exchange, money market investments and GOJ and BOJ debt issues.
- Managing the concentration and profile of debt maturities. Investment securities are purchased in accordance with the Board of Directors' guidelines, with clear directives to the stratification of the investment portfolio.
- Preparing daily, weekly and monthly cash and bank balances report to management for decision-making. These reports are integral in determining the level of liquidity risk faced by the Trust.

There has been no change to the Trust's exposure to liquidity risk or the manner in which it measures and manages the risk.

31. Financial Instruments and Financial Risk Management (Continued)

Financial risk management policies and objectives (continued)

(c) Liquidity risk (continued)

The following tables detail the Trust's remaining contractual maturities for its non-derivative financial liabilities. The amounts are gross and undiscounted and include estimated interest payments and are based on the earliest date on which the Trust can be required to pay.

		Contractual cash flows				
As at 31 March 2022	**Carrying value $'000**	**Within 3 Months $'000**	**Within 3-12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Total $'000**
Liabilities						
Payables and accruals	6,794,611	1,452,017	5,342,594	-	-	6,794,611
Refundable contributions	136,808,623	34,606,696	-	40,824,454	67,517,170	142,948,320
Total liabilities	143,603,234	36,058,713	5,342,594	40,824,454	67,517,170	149,742,931
As at 31 March 2021	**Carrying value $'000**	**Within 3 Months $'000**	**Within 3-12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Total $'000**
Liabilities						
Payables and accruals	4,158,626	976,520	3,182,105	-	-	4,158,625
Refundable contributions	126,244,906	800,104	17,271,239	36,326,322	78,271,966	132,669,631
Total liabilities	130,403,532	1,776,624	20,453,344	36,326,322	79,868,188	136,828,256

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31. Financial Instruments and Financial Risk Management (Continued)

Capital risk management

The Trust's objectives when managing capital, which is its accumulated fund, are:

(i) to safeguard the Trust's ability to continue as a going concern;
(ii) to maintain a strong capital base in order to carry out its mandate.

Capital adequacy is monitored by the Trust's management on a regular basis. The Trust's overall strategy remains unchanged from prior year, and the Trust is not subject to any external capital requirements.

32. Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument.

IFRS specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs, other than quoted prices included within level 1, that are observable for the assets 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).

The following table shows the Trust's financial assets that are carried at fair value and their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities where the carrying amount is a reasonable approximation of fair value.

	2022		
	Level 1	Level 3	Carrying Amount
	$'000	$'000	$'000
Investment securities:			
Securities at fair value through profit or loss (FVTPL) (Note 9)	1,325,531	1,768,605	3,094,136
JFMP: Financial asset at fair value through other comprehensive income (FVTOCI)	-	11,709,742	11,709,742
	1,325,531	13,478,347	14,803,878

	2021		
	Level 1	Level 3	Carrying Amount
	$'000	$'000	$'000
Investment securities:			
Securities at fair value through profit or loss (FVTPL) (Note 9)	1,372,145	1,579,157	2,951,302

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32. Fair Values (Continued)

Reconciliation of Level 3 fair value measurements of financial assets:

	Debt Securities at FVTPL $'000	Debt Securities at FVTOCI $'000
At April 1, 2020	2,051,905	
Gains included in profit or loss:		
Fair value gains on investment securities (Note (28(c))	60,595	
Disposals/settlements	(533,343)	
At March 31, 2021	1,579,157	-
Gains included in profit or loss:		
Fair value gains on investment securities (Note (28(c))	188,290	-
Fair value adjustment on JFMP	-	11,709,742
Net Interest received	1,158	-
At March 31, 2022	1,768,605	11,709,742

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring fair value in level 3 of the fair value hierarchy, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Level 3 - Inflation Indexed Bond	- For unquoted government securities, management utilizes a discounted cash flow method obtained from utilizing the current CPI along with the current/applicable bond market yield curve to derive the contractual cah flows of the instrument to the next interest payment dates. - Adjust the nominal value of the principal, based on the current applicable CPI, in accordance with the terms of the bond to generate the current inflation adjusted principal of the bond - Obtain bid yield from yield curve provided by a recognised pricing source (which uses market-supplied indicative bids) - Using this yield, determine price using accepted formula - Apply price to estimate fairvalue	The significant unobservable inputs is the CPI. Difficulty in estimating practical value beyond this point requires that management utilizing judgement and estimation, which is subject to high estimate uncertainties. The valuatiom judgement is based on the inability to forecast accurately that change in the inflation rate of the bond based on the possible changes to the CPI input. The valuation is sensitive to the aforementioned adjustments for the unobservable inputs.	An increase in the current CPI rate will ultimately result in an increase in the nominal value of the bond hence resulting in an increase in the fair value with all other factors remaining constant (a 7.5% increase in the CPI would result in fair value gains of $132.69M). Likewise a decrease in the nominal value and subsequent decrease in fair value (a 5% decrease in CPI will result in a fair value loss of $88.42M).

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32. Fair Values (Continued)

Valuation techniques and significant unobservable inputs (continued)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Level 3 – JFMP portfolio	- For the JFMP portfolio, management utilizes a discounted cash flow method obtained by discounting the contractual monthly payments expected from April 1, 2022 to maturity.	The significant unobservable inputs is the discount rate. Difficulty in estimating practical value due to the lack of an active market for identical products. Thus requires managements' judgement and estimation which is based on the pattern of valuation when selling JFMP portfolios in the past.	As the discount factor increases, the fair value of the JFMP portfolio will decrease resulting in a higher loss on reclassification of the portfolio. Likewise, a decrease in the discount factor will result in the fair value of the JFMP portfolio increasing in fair value.

32. Fair Values (Continued)

The fair value of the Trust's financial assets and liabilities that are not carried at fair value are as follows:

a. The carrying amounts of cash and cash equivalents, short-term deposits and resale agreements, other receivables, payables and other assets and liabilities maturing within twelve months are assumed to approximate their fair values because of the short-term maturities of these instruments.

b. The carrying values of loans receivable (after deductions of provision for impairment), bonus to employees not yet due and refundable contributions not yet due are assumed to approximate their fair values based on the particular circumstances of the Trust (see Note 5 for the related discussion).

33. Leases

The Trust as a lessee
The Trust has lease contracts for properties used in its operations. Lease terms are between 3 and 5 years. These contracts include extension and termination clauses. The Trust has applied the lease recognition exemptions for these leases as these contracts include termination clauses without significant penalty.

At the reporting date, the Trust had future minimum lease payments as follows:

	2022 $'000	2021 $'000
Within one year	38,660	24,291
1 to 5 Years	2,838	2,206
	41,498	26,497

The Trust as a lessor
The Trust rents a portion of its properties with lease terms of between two to five years, with an option to extend for a further two years. The maintenance charges incurred by the lessee are reimbursed to the Trust monthly. The lessee does not have an option to purchase the property at the expiry of the lease period. The carrying amount of the leased proportion is insignificant for separate classification as "investment property".

The property rental income earned by the Trust from these properties in the period amounted to $10.66 million (2021: $14.66 million).

Maintenance charges received on these properties in the period amounted to $15.26 million (2021: $15.75 million).

At the reporting date, the Trust contracted with its tenants for the following future minimum lease payments

	2022 $'000	2021 $'000
Within one year	10,659	14,658
1 to five years	50,958	67,077
Over 5 years	15,136	19,364
	76,753	101,099

34. Other Disclosures - Employees' Costs

	2022 $'000	2021 $'000
Salaries and wages including statutory contributions	5,802,805	5,956,561
Employee benefits (Note 15(c)(i))	519,117	1,323,035
Other staff costs	1,057,758	1,190,145
	7,379,680	8,469,741

35. Litigation and Claim

Developer's claim

The claimant/property owner filed an application for injunction preventing the Trust from constructing a drain through their property, which was heard in May, June and December 2013. The Court denied the claimant's application for an injunction in December 2014 and trial of the substantive issue was set for December 2015. The trial of this matter began on September 19, 2016 and concluded on November 4, 2016. Judgement was handed down in favour of the claimant. The Trust filed an appeal and awaits the hearing.

On May 30, 2019 the claimant applied for leave to seek an Order to quash the action of the Minister of Transport Works and Housing taken on February 24, 2016 to confirm an order under the Flood Water Control Act appointing the Trust the undertakers for a Flood Water Control Scheme. The claimant applied for leave, without notice, and without either the Minister or the Trust being heard. The Trust applied and succeeded in being joined as a party directly affected by the suit. The Trust also appealed against the Judge's Order that the decision of the Minister be stayed and that the Judge should revoke the grant of leave to apply for judicial review. On October 10, 2021 the Judge refused to revoke the decision to grant leave for judicial review but agreed to rescind the decision for a stay against the Minister's Order. This meant that the Trust was free to complete the works to construct the drain on the claimant's land.

The matter was fixed for Judicial Review on the 29th and 30th of July 2020 in open court. Nine Counsels (9) were involved and so the matter was in conflict with Practice Direction (no.5) and the dates vacated. New dates of October 13-15, 2020 were suggested but Lead Counsel for the Trust indicated that those dates were not convenient to him.

Since then, Counsel representing both parties have written to the Supreme Court to obtain new dates but to no avail.

Management based on the facts and the opinion of its Counsel, has made provisions of $40 million based on its best judgement of the likely liability resulting from the litigation and claims.

The new date set for Judicial Review was May 16 -18, 2022.

36. Litigation and Claim (Continued)

Judgement in the matter was received on July 25, 2022. The Judge ruled against the Claimant (Treebros Ltd.) and in favour of the NHT. Costs in the matter were awarded to the NHT. In effect, the Order made by the former Minister of Transport Works and Housing in 2015 and 2016 will stand confirming an order under the Flood Water Control Act appointing the Trust the undertakers for a Flood Water Control Scheme.

However, that this is not the end of the matter as the appeal against the substantive matter is still before the Court of Appeal. A date cannot be set for hearing until the transcript of the Supreme court is completed and sent to the Court of Appeal. The ultimate outcome of the matter cannot be determined at this time and should the Trust be unsuccessful in the matter, an adjustment may be required to the amounts provided in the financial statements.

37. Cash Flows

	Notes	2022 $'000	2021 $'000
Adjustments to profit for the year:			
Increase in/(write back of) provisions for losses on projects	12(b)	219,724	(35,478)
Decrease in provisions on loans receivables	10(q)	(1,191,750)	(3,132,621)
Increase in provision on investments in associate	14	178,731	-
Loss on disposal of JFMP	10	2,494,743	12,415,358
Provision for expected credit losses receivables	7	141,725	(206,058)
Write back of provision for expected credit losses - cash and cash equivalents	28 (e)	(687)	1,861
Provision for (write back of) expected credit losses short- term deposits and repurchase agreements	28 (e)	(21)	(3)
Provision for (write back of) expected credit losses short- investment securities	28 (e)	(77)	(43,232)
Bonus on employees' contributions	28 (b)	1,979,705	1,816,826
Adjustments to contribution collections (net)		(50,273)	(779,521)
Depreciation	16	177,457	167,447
Adjustments to property, plant and equipment	16	36,185	104,568
Impairment of property, plant and equipment	16	321	-
Intangible assets amortised	14	1,399	11,048
Fair value gain on investment securities (net)	28 (c)	(141,676)	(105,128)
Loss on disposal of investment securities (net)	28 (c)	-	727,727
Employee benefits charge (net)	15	519,117	1,323,035
Dividend income	28 (a)	(12,543)	(10,891)
Interest income	28 (a)	(9,146,455)	(8,724,145)
Foreign exchange adjustment		(67,038)	(85,530)
Share of losses of associates	14	22,766	60,154
Tax credit expense	28 (c)	(203,546)	(398,330)
Provisions charged during the year	18	(26,117)	43,436
		(5,068,310)	3,150,523

SENIOR EXECUTIVE COMPENSATION – 2021 to 2022

Position of Senior Executive	Salary $	Gratuity or Performance Incentive $	Travelling Allowance or Value of Assignment of Motor Vehicle $	Lunch & Clothing Benefits $	Total $
MANAGING DIRECTOR Martin Miller	25,497,306	2,839,586	2,197,148	511,278	**31,045,318**
SGM- FINANCE Dwight Ebanks	13,702,851	1,617,866	1,758,639	511,278	**17,590,634**
SGM-CONSTRUCTION & DEV. Donald Moore	17,659,283	2,352,216	1,852,178	552,539	**22,416,216**
SGM - CORPORATE SERVICES Neil Miller	15,770,477	1,910,954	1,697,148	511,278	**19,889,857**
SGM - CUSTOMER RELATIONS Lanie-Marie Oakley-Williams	16,053,453	2,092,425	1,819,797	511,278	**20,476,953**
GM - COMPANY SECRETARIAT Judith Larmond Henry	13,594,846	1,673,325	1,746,341	494,396	**17,508,908**
CHIEF INTERNAL AUDITOR Lisa Myrie-Davis	11,512,781	1,196,546	1,697,148	511,278	**14,917,753**
CHIEF INFORMATION OFFICER Leighton Palmer	11,192,932	1,089,954	1,782,288	511,278	**14,576,452**
GM - BUSINESS PROCESS OPTIMISATION - Errol Holmes	12,768,539	1,730,375	1,787,416	511,278	**16,797,608**
GM - MARKETING & COMM. Joyce Simms-Wilson	11,516,491	1,104,243	1,787,416	511,278	**14,919,428**
GM - CONTRIBUTIONS MGMT. Gladstone Johnson	12,332,779	1,628,508	1,787,416	511,278	**16,259,981**
GM - LOAN MANAGEMENT Suzanne Wynter	11,512,781	1,433,134	1,697,148	511,278	**15,154,341**
TOTAL	173,114,519	20,669,132	21,610,083	6,159,716	**221,553,450**

DIRECTORS' COMPENSATION – 2021 TO 2022

Name of Director	Fees $	Motor Vehicle Upkeep/ Travelling or Value of Assignment of Motor Vehicle ($)	Honoraria ($)	All Other Compensation including Non-Cash Benefits as applicable ($)	Total $
Lennox Channer, Chairman		416,800.00			416,800.00
Doran Dixon, Director		484,848.00			484,848.00
Granville Valentine, Director		492,300.00			492,300.00
Kavan Gayle, Director		432,800.00			432,800.00
Nesta-Claire Hunter, Director		493,800.00			493,800.00
O'neil Grant, Director		558,500.00			558,500.00
Hope Wint, Director		372,000.00			372,000.00
Merle Donaldson, Director		222,900.00			222,900.00
Rohan James, Director		302,700.00			302,700.00
Martin Miller, Managing Director					
CO-OPTED MEMBERS:					
Ricardo Case		42,200.00			42,200.00
Nyree Coke		48,000.00			48,000.00
Peter Jervis		133,300.00			133,300.00
Gary-Vaughn White		72,800.00			72,800.00
FORMER BOARD MEMBERS:					
*Colin Barnett, Director		45,000.00			45,000.00
*David Wan, Director		65,900.00			65,900.00
*Kerensia Morrison, Director		16,100.00			16,100.00
*Ryan Parkes, Director		24,900.00			24,900.00
TOTAL					**4,224,848.00**

* These persons are former Board Members and hence, did not form the new Board for the current year. However, a stipend increase was paid to them retroactively for the previous year when they sat on the Board.

ADMINISTRATION

MANAGING DIRECTOR
Martin Miller

SENIOR GENERAL MANAGERS

Dwight Ebanks	*Finance*
Neil Miller	*Corporate Services*
Donald Moore	*Construction and Development*
Dr. Lanie- Marie Oakley Williams	*Customer Relations Management*

GENERAL MANAGERS

Errol Holmes	*Business Process Optimization*
Gladstone Johnson	*Contributions Management*
Judith Larmond Henry	*Company Secretariat and Legal Services*
Lisa Myrie-Davis	*Internal Audit*
Leighton Palmer	*Information Technology*
Joyce Simms-Wilson	*Corporate Communication and Marketing*
Dr. Suzanne Wynter	*Loan Management*

ASSISTANT GENERAL MANAGERS

Jacqueline Aris	*Procurement and Contract Administration*
Dave Campbell	*Financial Management*
Camille Chevannes	*Legal Conveyancing and Mortgage Registry*
Maxine Hart	*Project Implementation*
Dameon McNally	*Compliance*
Vincent Mitchell	*Project Appraisal and Management*
Helen Pitterson	*Company Secretariat and Legal Services*
Donnetta Russell	*Human Capital Management*
Brian Saunders	*Special Projects, Research and Development*
Michael Taylor	*Project Management*
Judith Thompson Newsome	*Branch Network*
Elton Vassell	*Loan Recovery, Settlement and Accounting*
Vencot Wright	*Corporate and Business Strategy*

MANAGERS

Michael Allen	*Daily Intake Construction Projects*
Sharon Babolal Chin	*Project Implementation*
Dionne Barrett	*Procurement*
Cecelia Bell	*Marketing and Sales*
Dwayne Berbick	*Corporate and Public Affairs*
Richard Blackwood	*Business Process Efficiency*
Everton Boothe	*Loan Portfolio Management*
Judith Brown	*Payroll and Payables*

Kevin Brown	*Financial Analysis*
Percival Cunningham	*IT Infrastructure*
Kareen Daley	*Enterprise Business Systems*
Clive Davis	*Small Contractors Programme*
Joan Dennis	*NHT Projects Implementation*
Olivia Green	*Emancipation Park*
Mark Hunter	*Joint Venture (Acting)*
Harvey Hall	*Business Analysis*
Dian Isaacs	*Risk and Insurance Management*
Jacqueline Johnson	*Special Projects, Research and Development*
Rohan Jones	*IT Security*
Sherene Lalah	*Financial Reporting*
Nadine Longmore- Smith	*IT Sourcing and Projects*
Steve McDonald	*Contributions Refund Processing*
Karlene Morgan	*Advertising and Communication Support*
Paul Oliver	Loan Accounting
Aubyn Perkins	*Interim Finance*
Suzette Singh-Ogle	*Project Implementation (ECM)*
Kepton Smith	*Daily Intake Construction Projects*
Philbert Solomon	*Receivables and Project Accounting*
Oran St. John	*Contributor Accounts*
Sheryl Stewart	*Planning and Research*
Peter Taylor	*Special Projects and Planning (Acting)*
Jason Thomas	*Property Management*
Jillian Warren	*Customer Care*
Ricardo Williams	*Internal Audit*
Dwight Williams	*IT Audit*
Wendy-Jo Williams	*Social Development*

BRANCH NETWORK:

Managers

Lorna Bernard	*Kingston and St. Andrew Regional Office*
Morcelle Brown	*Customer Service, Kingston & St. Andrew*
Theresia Daley	*Westmoreland Regional Office*
Gail Dorah	*St. Ann Regional Office*
Narvia Drummond Melbourne	*Clarendon*
Donavan Evans	*St. James Regional Office*
Janet Hartley Milwood	*St. Catherine*
Corine Henry	*New Loans, Kingston & St. Andrew*
Eric McLeish	*Manchester Regional Office*

SENIOR CUSTOMER SERVICE REPRESENTATIVES

Sancia Cornwall	*St. Elizabeth*
Karen Forbes Bunting	*Portland*
Althea Green	*Trelawny*
Nickcole Howden	*Hanover*
Ketrion Verisales	*St. Mary*
Cotchesta Watson	*St. Thomas*

LEGAL TEAM:

Legal Services

Keisha Diego-Grey
Sheron Green Brown
Andre Marriott-Blake
Andrew Antonio
Allison Chung-Campbell

LEGAL CONVEYANCING

Alayne Bennett
Sharon Blair
Marisa Forbes Spencer
Carol Higgins
Enis Levy
Tashia McDonald
Jefferine Stubbs-Ruddock
Mazielyn Walker
Georgia Waller

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