PKF

Chartered Accountants
& Business Advisors

PKF LIMITED

URBAN DEVELOPMENT CORPORATION OF TRINIDAD AND TOBAGO LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2021

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& Business Advisors
PKF LIMITED

URBAN DEVELOPMENT OF TRINIDAD AND TOBAGO LIMITED

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Management is responsible for the following:

- preparing and fairly presenting the accompanying consolidated financial statements of Urban Development Corporation of Trinidad and Tobago Limited Group of Companies, which comprise the statement of financial position as at 31 December 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;

- ensuring that the company keeps proper accounting records;

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

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

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

- producing reliable financial reporting that comply with laws and regulations; and

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

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the company will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

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

Tamica Charles	Burton Andre Hinkson
Chief Executive Officer	Divisional Manager, Finance
Date: 18 October 2024	Date: 18 October2024

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INDEPENDENT AUDITORS' REPORT

The Shareholder
Urban Development Corporation of Trinidad and Tobago Limited and its Subsidiaries

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of Urban Development Corporation of Trinidad and Tobago Limited ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements...

Basis for Disclaimer of Opinion

The Group was unable to provide the required evidence to substantiate the existence, completeness, valuation, ownership and disclosure of property, plant and equipment; investment properties; inventory; value added tax recoverable; project receivables; accounts payable and accruals; and contingent liabilities as at 31 December 2021.

No evidence was provided to support the cost used in the valuation of the property, plant and equipment currently stated at $959,940,009.

No evidence was provided to support the valuation of investment properties as required by IAS 40 - Investment Properties, currently stated at $7,480,522,277.

No evidence was provided to support the cost used in the valuation of inventory as at 31 December 2021, currently stated at $65,492,003.

No evidence was provided to support the valuation of the value added tax recoverable as at 31 December 2021, currently stated at $573,177,175.

No evidence was provided to support the existence and valuation of projects receivable as at 31 December 2021, currently stated at $3,229,075,211.

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

Telephone: (868) 235-5063
Address: 111 Eleventh Street, Barataria, Trinidad, West Indies
Mailing Address: PO Box 10205, Eastern Main Road, San Juan

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

INDEPENDENT AUDITORS' REPORT (Cont'd)

Basis for Disclaimer of Opinion (Cont'd)

The Group did not provide sufficient and appropriate audit evidence to support the valuation of accounts payable and accruals as at 31 December 2021, currently stated at $1,584,633,287.

The Group did not provide sufficient, appropriate audit evidence to support the existence, completeness and valuation of the contingent liabilities as at 31 December 2021.

We were unable to confirm or verify by alternative means, the existence, completeness, valuation, ownership and disclosure of property, plant and equipment; investment properties; inventory; value added tax recoverable; project receivables; accounts payable and accruals; and contingent liabilities as at 31 December 2021.

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary, in respect of these elements of the Consolidated Statements of Financial Position as at 31 December 2021.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 independent auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PKF

Barataria
TRINIDAD

18 October 2024

URBAN DEVELOPMENT CORPORATION OF TRINIDAD AND TOBAGO LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2021

ASSETS

	Notes	2021 ($)	2020 ($)
Non-Current Assets:			
Investment properties	5	7,480,522,277	7,463,940,733
Inventory - Land	6	65,492,003	66,954,415
Construction in progress	7	69,250,962	44,570,750
Property, plant and equipment	8	959,940,009	1,100,402,108
Right of use assets	23	1,974,138	3,418,263
Value added tax recoverable	9	573,177,175	579,815,349
Accounts receivable and prepayments	10	1,013,019,916	2,601,446,375
Investment securities	11	59,818,763	48,148,670
Deferred tax asset	12	46,430,650	90,365,267
Restricted cash	13	3,253,405	10,309,733
		10,272,879,298	12,009,371,663
Current Assets:			
Projects receivables	14	3,229,075,211	958,291,533
Accounts receivable and prepayments	10	884,047,654	1,086,139,015
Investment securities	11	50,000,000	55,446,000
Cash and cash equivalent	15	102,064,774	50,510,917
		4,265,187,639	2,150,387,465
Total Assets		**14,538,066,937**	**14,159,759,128**
Capital and Reserves:			
Stated capital	16	999,502	999,502
Accumulated deficit		(649,408,744)	(805,717,288)
Contributed capital	17	6,296,044,460	5,754,836,957
		5,647,635,218	4,950,119,171
Non-Current Liabilities:			
Borrowings	18	5,403,575,340	6,579,072,172
Deferred revenue	19	4,664,009	5,237,565
Lease liabilities	20	825,456	-
		5,409,064,805	6,584,309,737
Current Liabilities:			
Accounts payable and accruals	21	1,584,633,287	1,508,214,973
Borrowings	18	1,618,619,018	806,007,846
Reserve development fund	22	49,955,744	57,539,071
Deposit on account	23	4,655,931	2,952,250
Deferred tax liability	12	202,996,455	230,961,711
Tax payable		18,992,004	15,965,808
Lease liabilities	20	1,514,475	3,688,561
		3,481,366,914	2,625,330,220
Total Equity and Liabilities		**14,538,066,937**	**14,159,759,128**

These financial statements were approved by the Board of Directors and authorised for issue on 18 October 2024 and signed on its behalf by:

Director

Director

(The accompanying notes form an integral part of these financial statements)

URBAN DEVELOPMENT CORPORATION OF TRINIDAD AND TOBAGO LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	For the year ended 31 December 2021 ($)	2020 ($)
Income:			
Hotel operations	24	97,498,751	96,924,503
Rental income	25	277,144,686	277,475,986
Project management fees		51,792,155	36,880,893
Lease income		1,162,506	239,646
Other income	26	31,677,796	27,715,818
		459,275,894	439,236,846
Operating expenses:			
Loss on disposal of plant and equipment		-	447
Impairment allowance		113,895,437	(35,564,538)
Hyatt Regency Trinidad operating expenses		(105,776,813)	(118,187,610)
Other expenses	27	(262,994,629)	(276,652,482)
Total operating expenses		(254,876,005)	(430,404,183)
Operating profit		204,399,889	8,832,663
Government grant	29	285,287,694	300,744,798
Finance income	29	3,451,506	5,147,042
Finance cost	30	(316,711,290)	(372,385,141)
Total non-operating expenses		(27,972,090)	(66,493,301)
Profit/(Loss) before taxation		176,427,799	(57,660,638)
Taxation	31	(20,119,255)	(1,704,663)
Total Comprehensive Income/(Loss) for the year		156,308,544	(59,365,301)

(The accompanying notes form an integral part of these financial statements)

URBAN DEVELOPMENT CORPORATION OF TRINIDAD AND TOBAGO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31 DECEMBER 2021

	Stated Capital ($)	Accumulated Deficit ($)	Contributed Capital ($)	Total Equity ($)
Balance, 1 January 2020	999,502	(746,351,987)	5,158,445,579	4,413,093,094
Total comprehensive loss for the year	-	(59,365,301)	-	(59,365,301)
Contributed capital for the year	-	-	596,391,378	596,391,378
Balance, 31 December 2020	**999,502**	**(805,717,288)**	**5,754,836,957**	**4,950,119,171**
Balance, 1 January 2021	999,502	(805,717,288)	5,754,836,957	4,950,119,171
Total comprehensive income for the year	-	156,308,544	-	156,308,544
Contributed capital for the year	-	-	541,207,503	541,207,503
Balance, 31 December 2021	**999,502**	**(649,408,744)**	**6,296,044,460**	**5,647,635,218**

(The accompanying notes form an integral part of these financial statements)

URBAN DEVELOPMENT CORPORATION OF TRINIDAD AND TOBAGO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

	For the year ended 31 December 2021 ($)	2020 ($)
Cash Flow from Operating Activities:		
Profit/(Loss) before taxation	176,427,799	(57,660,638)
Adjustment for:		
Depreciation	144,573,355	146,160,215
Write off of depreciation	-	(197,314)
Depreciation - right of use asset	1,514,475	2,053,867
Interest in capital contribution	541,207,502	596,391,378
Lease - Interest expenses	332,829	408,149
Interest expense	299,007,912	316,979,805
Interest income	(285,287,694)	(300,744,798)
Changes in Operating Assets and Liabilities:	877,776,178	703,390,664
Accounts receivable and prepayments	1,790,517,822	(326,832,603)
Accounts payable and accruals	85,546,823	22,019,824
Inventory	1,462,413	2,753,525
Reserve development fund	(7,583,327)	(582,932)
Increase in value added tax recoverable	6,638,175	15,189,884
Project receivables	(2,270,783,678)	(92,116,020)
Deferred revenue	(573,556)	(449,987)
Deposit on account	-	-
Deferred liability written off	-	-
Taxation paid	(1,123,699)	(1,027,871)
Interest paid	(299,007,912)	(316,979,805)
Net cash provided by Operating Activities	182,869,239	5,364,679
Cash Flows From Investing Activities:		
Decrease in Hyatt Replacement Reserve Fund	7,056,328	40,871,032
Net change in investment securities	(61,670,094)	19,381,731
Net change in short term investments	55,446,000	-
Purchase of property, plant and equipment	(3,047,035)	(10,953,644)
Proceeds from sale of property, plant and equipment	-	(56,631,892)
Transfer to investment properties from properties, plant and equipment	(16,581,543)	-
Increase in construction in progress	(25,744,434)	(17,464,958)
Share Capital written off	-	-
Retained earnings written off	-	-
Interest received	285,287,695	300,744,798
Net cash provided by Investing Activities	240,746,917	275,947,067

(The accompanying notes form an integral part of these financial statements)

URBAN DEVELOPMENT CORPORATION
OF TRINIDAD AND TOBAGO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	For the year ended 31 December	
	2021 ($)	2020 ($)
Cash Flows From Financing Activities		
Lease payments	(1,751,808)	(1,488,955)
Net proceeds from borrowings	(370,310,491)	(523,426,943)
Net cash used in financing activitites	(372,062,299)	(524,915,898)
Net change in cash and cash equivalent	51,553,857	(243,604,152)
Cash and cash equivalent, beginning of year	50,510,917	294,115,069
Cash and cash equivalent, end of year	**102,064,774**	**50,510,917**
Represented by:		
Cash and cash equivalent	**102,064,774**	**50,510,917**

(The accompanying notes form an integral part of these financial statements)

**URBAN DEVELOPMENT CORPORATION
OF TRINIDAD AND TOBAGO LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2021

1. <u>Incorporation and Principal Activities:</u>

Urban Development Corporation of Trinidad and Tobago Limited (the "Corporation" or "UDeCOTT") is incorporated in Trinidad and Tobago and is wholly owned by the Government of the Republic of Trinidad and Tobago (the "GORTT"). The Corporation commenced operations on 13 January 1995. The address of its registered office is 38-40 Sackville Street, Port of Spain. Details of the subsidiary companies are included in **Note 15**.

The consolidated financial statements of the Corporation as at and for the year ended 31 December 2020 incorporate the operations of the Corporation and its subsidiaries (together referred to as "the Group").

On 18 October 2024 the Board of Directors of Urban Development Corporation of Trinidad and Tobago Limited authorised these consolidated financial statements for issue.

The Group undertakes project development work on behalf of the GORTT. The work performed by the Group can be segregated into six (6) principal categories:

(i) Project management activities

The Group provides full scale project development and management services which includes identifying appropriate site location, assisting in project design, selecting contractors, overseeing project execution and completing and procuring funding. For these activities, the Group earns a project management fee.

(ii) Development of projects to be retained

The Group also undertakes project development work on assets that are expected to be retained on completion. These assets are expected to generate future returns in the form of rental income, facility management fees or sale of the assets.

The GORTT communicates development projects to be undertaken by the Group by way of letters, Cabinet Minutes or through Directives. The Group's Project Management activities are carried out in accordance with an agreement with the Ministry of Public Administration dated 1 July 1999.

(iii) Hotel operations

The Corporation entered into a Multi-Party Agreement dated 2 June 2014 with Hyatt Trinidad Limited (the "Hyatt" or "hotel") and the Port of Spain Waterfront Development Limited ("POSWDL"), wherein it was agreed that the Corporation is the sole "Owner" under the Hotel Management Agreement dated 27 July 2005. The Multi-Party Agreement specified that Hyatt shall manage and operate the hotel for the account and benefit of the Corporation in accordance with the Hotel Management Agreement. Accordingly, the operations of the Hyatt, which began operations on 19 January 2008, have been included in these consolidated financial statements.

URBAN DEVELOPMENT CORPORATION
OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2021

1. **Incorporation and Principal Activities (Cont'd):**

(iv) Facilities management activities

The Group provides facility management services which includes full scale maintenance of properties in UDeCOTT's care. The Group's Project Management activities are carried out in accordance with an agreement with the Ministry of Public Administration dated 1 July 1999.

(v) Car park operations

The Corporation undertakes the operation of a car park. The GP Parkade is operated by the Corporation's staff.

(vi) Sale of leasehold land

The Group facilitates the sale of leasehold land located at Rincon North Coast Road, Las Cuevas. The 476 acres of leasehold land for 999 years is divided into different types of lots: namely homestead, farmstead, residential, commercial and nature reserves. The land will be sold as leasehold land for a duration of 199 years with the exception of nature reserves.

2. **Summary of Material Accounting Policies:**

(a) Basis of financial statements preparation -

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRSs")as issued by the International Accounting Standards Board and are stated in Trinidad and Tobago dollars rounded to the nearest whole dollar. They have been prepared using the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies in **Note 2 (g).**

(b) Use of estimates -

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in **Note 4**.

(c) Functional and presentation currency -

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These consolidated financial statements are presented in Trinidad and Tobago dollars, which is the Group's functional and presentation currency.

URBAN DEVELOPMENT CORPORATION
OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2021

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

(d) New Accounting Standards and Interpretations -

The Group has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective as they:

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

IFRS Accounting Standards 1
First-time Adoption of Financial Reporting Standards - Amendments regarding subsidiary as first-time adopter (effective for accounting periods beginning on or after 1 January 2022).

IFRS 3
Business Combinations - Amendments regarding the reference to the conceptual framework (effective for accounting periods beginning on or after 1 January 2022).

IFRS 4
Insurance Contracts - Amendments regarding the interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021).

IFRS 4
Insurance Contracts - Amendments regarding IFRS 17 and the extension of the temporary exemption from applying IFRS 9 (effective for accounting periods beginning on or after 1 January 2023).

IFRS 7
Financial Instruments: Disclosures - Amendments regarding additional disclosures arising from interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021).

IFRS 9
Financial Instruments - Amendments regarding replacement issues in the context of the interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021).

IFRS 9
Financial Instruments - Amendments regarding fees in the 'ten percent' test for derecognition of financial liabilities (effective for accounting periods beginning on or after 1 January 2022).

IFRS 16
Leases - Amendments regarding the interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021).

URBAN DEVELOPMENT CORPORATION
OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2021

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

(d) New Accounting Standards and Interpretations (cont'd) -

IFRS 16
Leases – Amendment to extend the exemption from assessing whether a COVID -19 related rent concession is a lease modification (effective for accounting periods beginning on or after 1 April 2021).

IFRS 16
Leases - Amendments regarding the accounting treatment of lease incentives (effective for accounting periods beginning on or after 1 January 2022).

IFRS 17
Insurance Contracts (effective for accounting periods beginning on or after 1 January 2023).

IAS 1
Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies (effective for accounting periods beginning on or after 1 January 2023).

IAS 1
Presentation of Financial Statements - Amendments regarding the classification of liabilities as current and non-current (effective for accounting periods beginning on or after 1 January 2023).

IAS 8
Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates (effective for accounting periods beginning on or after 1 January 2023).

IAS 12
Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations (effective for accounting periods beginning on or after 1 January 2023).

IAS 16
Property, Plant and Equipment - Amendments regarding proceeds before intended use (effective for accounting periods beginning on or after 1 January 2022).

IAS 37
Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding onerous contracts and cost of fulfilling a contract (effective for accounting periods beginning on or after 1 January 2022).

IAS 39
Financial Instruments: Recognition and Measurement - Amendments regarding replacement issues in the context of the IBOR reform (effective for accounting periods beginning on or after 1 January 2021).

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

(d) **New Accounting Standards and Interpretations (cont'd) -**

IAS 41
Agriculture - Amendments regarding taxation in fair value measurements (effective for accounting periods beginning on or after 1 January 2022).

(e) **Going concern -**

The consolidated financial statements have been prepared on a going concern basis, which assumes the Group will be in operation in the foreseeable future.

The existence of the following factors as at the reporting date raises concerns about the use of the going concern assumption by the Group in the preparation of the financial statements for the year:

(i) The gearing ratio of the Group is 55.42% (2020: 59.86%) which is comprised mainly of third party debt obligations guaranteed by the GORTT.

(ii) The Group is dependent on the GORTT to provide guarantees in order for the Group to restructure and/or repay existing loan facilities and to obtain new loan facilities. The Group is also dependent on capital contributions from the GORTT to support its primary operating activities.

However, these financial statements are prepared on the going concern basis, in accordance with IAS 1, since the Board of Directors and Management are of the view that the Group can continue to rely on the support of the shareholder, the GORTT, as required, in meeting its obligations as they fall due.

This support is evidenced by the fact that all of the Group's borrowings have been guaranteed by GORTT and are being serviced in full by GORTT. This debt service is accounted for as Capital Contributions in these financial statements.

Further evidence of support is in the active participation of GORTT in the activities of the Board of Directors of the Group along with assignment of various capital projects of GORTT to the Group.

The Group's strategic, corporate and business plans are noted by Cabinet. These plans were prepared by the Group's Management and are based on prudent assumptions which are considered realistic and achievable by the Board of Directors.

The ability of the Group to continue to trade and to meet its obligations is dependent on the continued support of the shareholder in the form of direct financing and or the provision of appropriate guarantees to third parties. There are no indications that such support will not be forthcoming.

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

(f) Consolidation -

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. All subsidiaries were established by the Urban Development Corporation of Trinidad and Tobago Limited and are wholly-owned since incorporation. See **Note 38.**

All inter-group transactions, balances and unrealised surpluses and deficits on transactions between Group companies have been eliminated on consolidation.

Where necessary the accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

(g) Financial instruments -

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised on the Group's consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, that is, the date on which the Group commits itself to purchase or sell an asset. A regular way purchase and sale of financial assets is a purchase or sale of an asset under a contract whose terms require delivery of the asset within the timeframe established generally by regulation or convention in the marketplace concerned.

When financial assets are recognised initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the asset.

Financial assets are derecognised when the contractual rights to receive the cash flows expire or where the risks and rewards of ownership of the assets have been transferred.

URBAN DEVELOPMENT CORPORATION
OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2021

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

(g) Financial instruments (cont'd) -

The Group assesses at each reporting date, whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or group of financial assets is impaired and impairment losses are recognised if and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets which can be reliably estimated.

Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

i) Significant financial difficulty of the issuer or obligor.

ii) A breach of contract, such as default or delinquency in interest or principal payments.

iii) It becoming probable that the borrower will enter in bankruptcy or other financial reorganisation.

iv) The disappearance of an active market for that financial asset because of financial difficulties.

v) Observable data indicating that there is a measurable decrease in the estimated cash-flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified for individual financial assets within the group, including adverse changes in the payment status of borrowers in the Group or national or economic conditions that correlate with default on assets in the Group.

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

(g) **Financial instruments (cont'd) -**

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

Impairment losses are recorded in an allowance account and are measured and recognised as follows:

i) Financial assets measured at amortised cost

The difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate is recognised in the Statement of Comprehensive Income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improvement in the debtor's credit rating), the previously recognised loss is reversed to the extent that the carrying amount of the financial asset does not exceed what the amortised cost would have been, had the impairment not been recognised. The amount of the reversal in recognised in the Statement of Comprehensive Income.

ii) Financial assets measured at cost

The difference between the assets' carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the current market's rate of return for similar financial assets is recognised in the Statement of Comprehensive Income. These losses are not reversed.

Financial assets and financial liabilities are recognised on the Group's consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Cash and cash equivalent

Cash and cash equivalent consist of highly liquid investments with original maturities of three months or less. These are carried at cost, which approximates market value.

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

(g) **Financial instruments (cont'd) -**

Accounts receivable

Accounts receivable and prepayments are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of Comprehensive Income when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Stated capital

The Group's shares are classified as equity and are recorded at fair value of consideration less direct costs associated with the share issue.

(h) **Foreign currencies -**

i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These consolidated financial statements are presented in Trinidad and Tobago dollars, which is the Corporation's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

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

(i) Construction in progress -

Construction in progress represents amounts expended on capital projects which the Corporation will retain in order to generate future revenue. Construction in progress are stated at historical cost less accumulated depreciation and impairment losses.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use.

(j) Contract works -

The Group carries out project management activities on behalf of GORTT based on an agreement with GORTT on a project-by-project basis. Instructions are provided to the Group regarding the projects that are to be executed. The following functions are performed by the Group in its project management role:

i. assisting in project design, selection of and entering into contracts with sub-contractors;
ii. certifying work performed by sub-contractors; and
iii. settling amounts due to sub-contractors.

The Group is responsible for transferring the project to GORTT upon completion.

The Group accounts for this type of development work undertaken on behalf of GORTT on a cost reimbursement basis, as it is expected to be reimbursed for allowable or defined costs, together with project management fees.

Construction contract costs are recognised when incurred. Variations in contract work are included in construction contract revenue to the extent they are recoverable and are capable of being reliably measured. Costs incurred in the year in connection with future activity on a contract are excluded from construction contract costs in determining the stage of completion for the work performed.

The Group presents as an asset, the gross amount due from GORTT for contract work for all work-in-progress in which the costs incurred plus project management fees recognised exceed progress billings. Amounts billed and not yet paid are included within accounts receivable and prepayments.

The Group presents as a liability, the gross amount due to GORTT for contract work for all contracts in progress for which the amounts paid by GORTT exceeds the cost incurred plus the project management fees recognised.

Advances received from GORTT where work has not yet been undertaken are reflected in the consolidated financial statements, included within accounts payable and accruals.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

(k) **Investment property -**

Investment properties are initially recognised at cost and subsequently recognised at market value with any change therein recognised in profit or loss. Market value is either determined by management or an independent valuator. The market value is reviewed every three years.

(l) **Property, plant and equipment -**

Buildings held for the Group's own use are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in the separate statement of comprehensive income as incurred.

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

Building	-	5%
Furniture and fixtures	-	10%
Office equipment	-	20%
Motor vehicles	-	20%
Computer equipment	-	30%

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each reporting date.

Where the carrying amount of an asset is greater than its recoverable amount, it is written down to its recoverable amount.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use. Gains or losses arising upon derecognition of the asset are calculated as the difference between the net disposal proceeds and the carrying amount of the asset. Such gains or losses are included in the Consolidated Statement of Comprehensive Income in the year the asset is derecognised.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

(m) **Borrowings -**

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

(n) **Income -**

Income is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable for the provision of services rendered in the ordinary course of the Group's activities.

The following specific recognition criteria must also be met before revenue is recognised:

i. Construction contract revenue and project management fees

Revenue for contract work performed on behalf of GORTT is recognised based on the recoverable costs incurred by the Group during the period plus the project management fees earned for the period which are measured based on surveys of work performed. The project management fees are calculated as a percentage of the construction costs incurred for the period.

ii. Interest income

Revenue is recognised using the amortised cost method.

iii. Rental income

Rental income is recognised on the accruals basis using the straight line method.

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

(n) Income (cont'd) -

i. Income – hotel operations

Revenue is recognised when the services are provided. Additionally, the hotel arm of the Corporation collects sales, occupancy and similar taxes, which are presented on a net basis (excluded from revenues).

ii. Other Revenue

Revenue from operations is recognised in the statement of comprehensive income on the accrual basis.

iii. Deferred Revenue

Deferred revenue is fees received from the client at the beginning of a project, it is recorded as a non-current liability. Revenue is recognised when the work has actually been executed or as detailed in the respective agreements.

(o) Provisions -

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

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

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

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

(p) Taxation -

The current income tax charge is calculated on the basis of the tax laws 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 on the basis of amounts to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability that at the time of the transaction affects neither accounting nor the taxable profit or loss. Currently enacted rates are used to determine deferred income tax.

A deferred tax asset relating to the carry forward of unused tax losses is recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

(q) Leases -

In the current year, the Group has applied IFRS 16 (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after January 1, 2020. IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of IFRS 16 on the Group financial statements is described below. The date of initial application of IFRS16 for the Group is 1 January 2020.

a) Impact of the new definition of a lease

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

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

q) **Leases (cont'd) -**

a) **Impact of the new definition of a lease (cont'd)**

Policy applicable before 1 January 2020

i. Determining whether an arrangement contains a lease

At inception of an arrangement the Group determines whether the arrangement is or contains a lease. The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

ii. Leased assets

Leases of property that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to investment property IAS 40 at fair value.

iii. Leased payments

Payments made under finance leases are set off against lease liabilities with the attendant interest expense recognised in profit or loss over the term of the lease.
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after January 1, 2020. All leases that existed before January 1, 2020 are treated as finance leases resulting in no adjustment being required on initial application of IFRS 16.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative standalone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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31 DECEMBER 2021

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

q) Leases (cont'd) -

b) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments,
- variable lease payments that depend on an index or a rate, initially measured using the index or
- Rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the corporation is reasonably certain to exercise,
- Lease payments in an optional renewal period if the corporation is reasonably certain to exercise an extension option, and
- Penalties for early termination of a lease unless the corporation is reasonably certain not to terminate early.

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31 DECEMBER 2021

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

q) Leases (cont'd) -

b) As a lessee (cont'd)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities on the face of the statement of financial position.

The Group presents right-of-use assets that meet the definition of investment property at fair value under IAS 40 as investment property.

c) Former finance leases

The main difference between IFRS 16 and IAS 17 with respect to contracts formerly classified as finance leases is the measurement of the residual value guarantees provided by the lessee to the lessor. IFRS 16 requires that the Group recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17. This change did not have a material effect on the Group's financial statements.

(r) Impairment of non-financial assets -

Assets that are subject to depreciation and/or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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

(s) Intangible assets -

Intangible assets acquired separately are reported at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis, utilising rates which are sufficient to write off the assets over their estimated useful economic lives. The intangible assets' estimated useful economic lives and the amortisation method are reviewed annually, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation rate utilised for computer software is 30%.

(t) Employee benefits -

The Group does not have a retirement benefit plan for its employees. The Group makes contributions to approved pension policies held by employees. The Group's contributions to these policies are expensed in the consolidated financial statements.

(u) Inventories -

Inventories consist primarily of food and beverage and are stated at the lower of cost or net realisable value. Cost is determined generally by the first-in, first-out method.

(v) Government grants -

The Corporation recognises a conditional government grant related to interest on loan facilities which the Corporation has been given permission by the GORTT to procure.

The grants that compensate the Corporation are recognised in the profit and loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

(w) Contributed capital -

The corporation recognises as contributed capital amounts paid by the GORTT which covers the payment of the principal amounts on loan facilities which the Corporation has been given permission by the GORTT to procure. These amounts are recognised in the statement of financial position.

(x) Reserve development fund -

Funds received in advance from the GORTT in preparation for a project are allocated to the Reserve Development Fund. Upon commencement of the project, the funds are used to settle the respective project costs.

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

(y) Related parties -

A party is related to the Group, if:

i. Directly, or indirectly through one or more intermediaries, the party:
   - (a) is controlled by, or is under common control with, the Group (this includes parents, subsidiaries and fellow subsidiaries);
   - (b) has a direct or indirect interest in the Group that gives it significant influence; or
   - (c) has joint control over the Group;

ii. the party is an associate of the Group;
iii. the party is a joint venture in which the Group is a venturer;
iv. the party is a member of the key management personnel of the Group or its parent;
v. the party is a close member of the family of any individual referred to in (i) or (iv);
vi. the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
vii. the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

The Group has a related party relationship with its Directors and Key Management Personnel, representing certain senior officers of the Group and all their affiliates.

(z) Comparative information -

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

3. Financial Risk Management:

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risks (including currency risk, fair value interest rate risk, cash flow interest rate risk and other price risk) credit risk and liquidity risk. The Group's risk management policies and procedures which seeks to minimise the potential adverse effects of these financial risks on the Group's financial performance are as follows:

a) Market Risk -

i) Currency risk

Currency risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

Management mitigates its exposure to currency risk by obtaining contracts in its functional currency where possible. In the event that the Group enters into a foreign currency contract, its exposure to currency risk is managed through the use of its foreign currency available cash resources and the sourcing of financing for its projects in the relevant foreign currency. The Group maintains foreign currency cash resources to meet its expected foreign currency liabilities in any given period.

The Group's foreign currency debt facility is secured by a lease agreement for which the lessee is the GORTT. The lease agreement is structured to ensure the rental income is obtained in the same currency as the debt facility and as a result, mitigates the Group's exposure to currency risk.

Sensitivity analysis

In the performance of the sensitivity analysis, a 1% movement in the United States Dollar exchange rates was assumed, however, all other variables, including interest rates remain the same.

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

a) **Market risk (cont'd) -**

i) **Currency risk (cont'd)**

Effect on Income

US dollar denominated	Pre-Tax Effect on Income 2021 As reported ($)	1% Appreciation ($)	1% Depreciation ($)
Cash and cash equivalent	18,006,518	(180,065)	180,065
Borrowings	(1,561,932,180)	15,619,322	(15,619,322)
Accounts payable and accruals	(33,508,129)	335,081	(335,081)
Total	(1,577,433,791)	15,774,338	(15,774,338)
	Post-Tax Effect on Income		
Total	**(1,104,203,654)**	**11,042,037**	**(11,042,037)**

US dollar denominated	Pre-Tax Effect on Income 2020 As reported ($)	1% Appreciation ($)	1% Depreciation ($)
Cash and cash equivalent	26,805,573	(268,056)	268,056
Borrowings	(1,924,568,502)	19,245,685	(19,245,685)
Accounts payable and accruals	(40,932,958)	409,330	(409,330)
Total	(1,938,695,887)	19,386,959	(19,386,959)
	Post-Tax Effect on Income		
Total	**(1,357,087,121)**	**13,570,871**	**(13,570,871)**

There were no changes in the assumptions and method used in performing the sensitivity analysis as compared to prior years. The following significant exchange rates have been applied.

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31 DECEMBER 2021

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

a) **Market risk (cont'd) -**

i) **Currency risk (cont'd)**

The following significant exchange rates have been applied.

Year-end selling rate

	2021	2020
TTD to USD	6.7970	6.7993

ii) **Interest rate risk**

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and future cash flows. Fair value interest rate risk is the risk that the fair values of a financial instrument will fluctuate because ofchanges in the market interest rates. Cash flow interest rate risk is the risk that the futurecash flows of a financial instrument will fluctuate because of changes in market interestrates.

The Group's interest rate risk arises from long-term debt obligations. Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. As at the reporting date, sixty-four percent (64%) of the Group's long-term borrowings are fixed rate instruments and thirty-six percent (36%) are floating rate instruments. During the year the Group's borrowings were denominated in the functional currency and the United States Dollar.

The Group manages its interest rate risk through the following mechanisms:

a) Repayment of certain loan obligations by the GORTT

In some instances, the Corporation's floating rate instruments are repaid by the GORTT. This injection by the GORTT is treated as capital contributions in the Corporation in the period of payment.

b) Structuring of its security arrangements

The Group's floating rate facilities are secured in some instances by lease agreements with the GORTT. The debt facilities are structured to allow a moratorium period for the repayment of the facility. This moratorium period is utilised to ensure that lease income and the timing of repayments on the facilities are synchronised. The lease agreements are also structured to ensure that both the principal and interest payments on the debt facility will be fully settled by the rental income gained from release.

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3. Financial Risk Management (Cont'd):

a) Market risk (cont'd) -

ii) Interest rate risk (cont'd)

Some of the Group's financing arrangements are repriced regularly at current market interest rates. This assists the Group in ensuring that the fair value interest rate risk associated with these instruments are minimised.

The following shows the cash flow sensitivity of the variable-rate instruments to a change of 100 basis points in the interest rate at the reporting date. All other factors, particularly, the foreign currency rates, remain unchanged.

	Current Carrying Amount ($)	Effect of 1% Increase in Interest Rate ($)	Effect of 1% Decrease in Interest Rates ($)
Pre-tax			
Variable-rate instruments			
31 December 2021	2,498,746,012	24,987,460	(24,987,460
31 December 2020	3,052,770,558	30,527,705	(30,527,705)
Post-tax			
Variable-rate instruments			
31 December 2021	1,749,122,208	17,491,221	(17,491,221)
31 December 2020	2,136,939,390	21,369,394	(21,369,394)

There were no changes in the assumptions and method used in performing the sensitivity analysis as compared to prior years.

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

a) **Market risk (cont'd) -**

ii) **Interest rate risk (cont'd)**

The carrying amount and fair values of the fixed rate interest borrowings are as follows:

As at 31 December 2021	Carrying Amount 2021 ($)	Fair Value 2021 ($)
Fixed rate instruments	4,523,448,347	4,523,448,347
Variable rate instruments	2,498,746,011	2,498,746,011
	7,022,194,358	7,022,194,358

As at 31 December 2020	Carrying Amount 2020 ($)	Fair Value 2020 ($)
Fixed rate instruments	4,332,309,461	4,332,309,461
Variable rate instruments	3,052,770,557	3,052,770,557
	7,385,080,018	7,385,080,018

The fair values for the floating rate instruments are deemed to be equal to the carrying amounts by virtue of the interest reset periods being six months or less and as a result of minimal changes in the credit risk profile of the Group.

The Group's fixed rate financial liabilities are measured at amortised cost. There will be no impact on income due to fair value changes if there were interest movements on fixed rate financial instruments.

iii) **Other price risk**

The Group is not exposed to commodity price risk and does not possess any financial instruments that are affected by changes in commodity prices.

3. Financial Risk Management (Cont'd):

b) Liquidity risk -

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due.

Liquidity risk management

The Group's main financial liabilities are its trade payables and borrowings. The Group monitors the expected repayment of these liabilities against its available cash resources and the expected timing of its cash inflows.

The Group's trade payables comprise mainly of project payables. The Group finances these projects mainly through debt facilities. The Group manages its exposure to liquidity risk arising as a result of its project payables by ensuring the timing of drawdowns on these facilities coincides with its settlement terms on its project payables.

The exposure to liquidity risk on its debt facilities is mitigated mainly through the following factors:

a) The GORTT makes repayments on certain debt facilities on behalf of the Group.

b) The Group enters into lease arrangements with the GORTT. These lease agreements are structured to ensure the lease income is sufficient to meet the principal and interest payments on the debt facility in the periods in which they arise.

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3. Financial Risk Management (Cont'd):

b) Liquidity Risk cont'd -

The table below summarises the Group's exposure to liquidity risk based on the contracted undiscounted cash flows on the instruments. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Financial Assets	Carrying Amount $	Contractual Cash Flow $	Less than one year $	More than 1 Year but less than 5 Years $	More than 5 years $
As at 31 December 2021					
Borrowings	7,022,194,358	8,381,184,108	1,148,553,552	5,845,845,403	1,386,785,153
Accounts payable and accruals	1,584,633,287	1,584,633,287	1,584,633,287	-	-
Reserve development fund	49,955,744	49,955,744	49,955,744	-	-
Deposit on account	4,655,931	4,655,931	4,655,931	-	-
Deferred revenue	4,664,009	4,664,009	4,664,009	-	-
	8,666,103,329	10,025,093,079	2,792,462,523	5,845,845,403	1,386,785,153

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

b) **Liquidity Risk cont'd -**

The table below summarises the Group's exposure to liquidity risk based on the contracted undiscounted cash flows on the instruments. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

Financial Assets	Carrying Amount $	Contractual Cash Flow $	Less than one year $	More than 1 Year but less than 5 Years $	More than 5 years $
As at 31 December 2020					
Borrowings	7,385,080,018	8,560,917,693	1,577,901,809	4,688,171,316	2,294,844,568
Accounts payable and accruals	1,508,214,973	1,508,214,973	1,508,214,973	-	-
Reserve development fund	57,539,071	57,539,071	57,539,071	-	-
Deposit on account	2,952,250	2,952,250	2,952,250	-	-
Deferred revenue	5,237,565	5,237,565	5,237,565	-	-
	8,959,023,877	10,134,861,552	3,151,845,668	4,688,171,316	2,294,844,568

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

c) **Credit risk -**

Credit risk is the potential for loss due to the failure of a counter-party to meets its financial obligations. The Group's credit risk arises from cash and cash equivalent, as well as credit exposures relating to outstanding receivables and committed transactions. For banks and financial institutions, only reputable commercial banks and financial institutions are accepted.

The Group undertakes project development work based on directives/instructions received from the GORTT. The Group currently does not execute project development work on behalf of third parties. Receivable balances for project development work included in the consolidated financial statements relate to amounts due to the Group by the GORTT and Government agencies.

The Group's major client is the Government of the Republic of Trinidad and Tobago (GORTT). The GORTT possesses a BBB+ (Standard and Poors) local currency credit rating and is considered to be creditworthy.

The Group also makes advance payments to contractors which are reflected as a receivable balance in the consolidated financial statements. Credit risk arises in the event that the contractor is unable to repay the advance in accordance with the terms of the contract. Contractors are evaluated during the tender evaluation process to ensure that they can demonstrate the requisite financial capacity. In addition, the Group requires contractors to provide an advance payment bond equivalent to the advance being provided which is issued by a reputable bonding agent.

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3. Financial Risk Management (Cont'd):

c) Credit risk (cont'd) -

Analysis of financial assets that are exposed to credit risk:

	31 December 2021 ($)	31 December 2020 ($)
Contract works billed to GORTT	1,203,166,890	3,254,002,460
Advances to contractors	182,142,644	35,742,797
Other receivables excluding prepayments	586,593,175	582,671,153
Total accounts receivable - gross	1,971,902,709	3,872,416,410
Project receivables - gross	3,407,049,604	1,140,713,068
Cash and cash equivalent	102,064,773	50,510,917
Total	**5,481,017,086**	**5,063,640,395**

The analysis of the account receivable is as follows:

	31 December 2021 ($)	31 December 2020 ($)
Advances to contractors	182,142,644	35,742,797
Contract works billed to GORTT	1,203,166,890	3,254,002,460
Other receivables excluding prepayments	586,593,175	582,671,153
Total accounts receivable - gross	1,971,902,709	3,872,416,410
Less: Provision for impairment	(80,888,846)	(190,337,140)
Account receivables – net	1,891,013,863	3,682,079,270
Project receivables - gross	3,407,049,603	1,140,713,068
Less: Provision for impairment	(177,974,392)	(182,421,535)
Project receivables – net	3,229,075,211	958,291,533
Prepayments	6,053,606	5,506,021
Total	**5,126,142,680**	**4,645,876,824**

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3. Financial Risk Management (Cont'd):

c) Credit risk (cont'd) -

Analysis of receivable balances that were not impaired is as follows:

	2021 $	2020 $
Past due 1-30 days	107,359,701	166,961,468
Past due 31-90 days	146,430,699	306,907,291
Past due 91-120 days	101,413,436	90,591,572
Over 120 but less than 365 days	281,884,956	421,383,747
Over 365 days	1,115,634,154	2,809,669,593
	1,752,722,946	3,795,513,671

The impairment allowance can be analysed as follows:

	Project Receivable 2021 $	Accounts Receivable 2021 ($)	Total 2021 ($)	Total 2020 ($)
At beginning of year	182,421,535	190,337,140	372,758,675	337,194,137
Additional provision recognised (written off)	(4,447,143)	(109,448,294)	(113,895,437)	35,564,538
At end of year	177,974,392	80,888,846	258,863,238	372,758,675

The Group's receivable balances are mainly denominated in the functional currency.

The maximum exposure to credit risk at the reporting date is the carrying value of the receivable balances above.

The impairment of trade receivables was determined by examining the opening balances to see where any movement took place. The Group's main debtor is the Government of the Republic of Trinidad and Tobago (GORTT), hence it is Management's belief that based on historical payment behaviour that all funds are collectible in full.

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3. Financial Risk Management (Cont'd):

c) Credit risk (cont'd) -

The Group does not hold any collateral as security for the impaired balances noted above. The Group's receivable balances are mainly denominated in the functional currency. The maximum exposure to credit risk at the reporting date is the carrying value of the receivable balances above and the value of its cash and cash equivalent.

d) Capital Risk Management -

The objective of the Corporation's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise stakeholders' value.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total borrowings (current and non-current borrowings) less cash and cash equivalent. Capital includes stated capital, accumulated deficit and contributed capital.

Project development work undertaken by the Corporation is mainly funded by debt financing which significantly contributes to the high gearing ratio.

	31 December	
	2021 ($)	2020 ($)
Total borrowings	7,022,194,358	7,385,080,018
Less: deposit accounts	(197,973)	(197,973)
Net debt	7,021,996,385	7,384,882,045
Stated capital	999,502	999,502
Accumulated deficit	(649,408,744)	(805,717,288)
Contributed capital	6,296,044,460	5,754,836,957
Total capital	5,647,635,218	4,950,119,171
Capital and net debt	**12,669,631,603**	**12,335,001,216**
Gearing ratio	55.42%	59.87%

4. Critical Accounting Estimates and Judgments:

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates and assumptions concerning the future.

(a) Critical accounting estimates and assumptions -

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Revenue recognition

The Group recognises revenue for work performed on behalf of GORTT by reference to recoverable costs incurred during the year plus the project management fees earned for the period which are measured based on surveys of work performed. If there was a 10% change in the amount of work surveyed by the Group compared to management's estimate, the amount of revenue and receivables recognised would change by approximately **$5.2 million** (2020: **$3.7 million**).

(ii) Income taxes

Significant estimates are required in determining the Group's provision for income taxes. There are some transactions for which the ultimate tax determination may be uncertain in the ordinary course of business. Management has made estimates of tax deductions based on current information available. If these deductions were to be different from management's estimate, such differences may impact the current and deferred income tax in the period in which such determination is made.

(iii) Valuation of properties

Leased properties included in the consolidated financial statements are recognised at revalued amounts at the year end. In applying this method, the Group utilises advice from independent valuators regarding changes in market prices and other external factors which would have an impact on property prices for the current year. If the estimate of fair values were to change by 10%, this would result in a change in leased property value and the capital contribution account of approximately **$748,052,227** (2020: **$746,394,073**).

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

(b) Critical judgements in applying the Corporation's accounting policies -

(i) Revenue recognition

The Group activities include project development work carried out on behalf of the GORTT. The projects that are undertaken by the Corporation fall into two categories.

(a) Projects that the GORTT directs the Corporation to retain in the business in order to generate future revenue.

(b) Projects that will be transferred to the GORTT upon completion.

The GORTT via a letter from the Ministry of Planning, Housing and the Environment advised the Group of its intention regarding projects that are to be retained and projects that are to be transferred on completion.

Revenue from projects being transferred on completion include amounts for recoverable project costs incurred and the project management fees earned for the period. No revenue is recorded for assets being retained. These projects are capitalised and are included in construction in progress.

The Group has applied its accounting policies to projects included in the consolidated financial statements based on this directive.

If there is a change in the intention of the GORTT, this could materially affect the revenue earned in the consolidated statement of comprehensive income as well as the categorisation of assets on the consolidated balance sheet.

If the projects that the Group is capitalising are required to be transferred to the GORTT on completion, the impact is that the project costs included in construction in progress will have to be reflected in the consolidated statement of comprehensive income and the appropriate project management fees will be recorded on these costs.

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

(b) Critical judgements in applying the Group's accounting policies (cont'd) -

(ii) Measurement of fair values

The following fair value hierarchy is used to determine the valuation techniques:

- 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 asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data.

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

(iii) Principal and interest payments being made by the GORTT on behalf of the Group

The GORTT has guaranteed certain loans on behalf of the Group and in some instances is meeting the principal and interest payments due on these loans on behalf of the Group. These loans are being utilised by the Group to fund the following projects:

- Projects being retained by the Group
- Projects being transferred to the GORTT on completion.

There is no formal agreement between the GORTT and the Group for the treatment of the loan repayments. However, the practice is as follows:

(a) Where the principal and interest payments are being made towards loans that are being used to finance projects retained, the principal and interest payments are being treated as capital contributions into the Group by the GORTT **(See Note 17)**.

(b) Where the principal and interest payments are being made towards loans that are being used to finance projects being transferred on completion, the principal and interest payments are being set off against accounts receivable balances due from the GORTT in relation to these projects.

During the year principal and interest payments by the GORTT applied against receivable balances totalled **$1,955,486,454** (2020: **$1,393,372,611**).

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5. Investment Properties:

	31 December 2021 ($)	31 December 2020 ($)
GP Plaza	3,647,113,268	3,647,113,268
Scarborough Tobago	102,000,000	102,000,000
Chancery Lane, San Fernando	1,168,176,751	1,168,176,751
The GCP Parkade	830,554,625	828,868,305
Memorial Park	87,000,000	87,000,000
NAPA South	16,000,000	16,000,000
Invaders Bay	56,829,247	56,829,247
13 – 15 St. Clair Avenue	119,643,586	119,643,586
Ministry of Health Building	56,000,000	56,000,000
Salvatori Building	23,311,465	23,176,465
Tower C & D outfit	376,385,386	376,385,386
Ministry of Education Tower	719,149,064	719,149,064
St. Vincent Place	20,792,214	20,792,214
Other properties	33,566,671	18,806,447
POSWDL - Port Authority Lands, Wrightson Road	224,000,000	224,000,000
	7,480,522,277	7,463,940,733

The movement in the account balance over the year can be analysed as follows:

	31 December 2021 ($)	31 December 2020 ($)
Opening net book amount	7,463,940,733	7,407,308,841
Net Additions	16,615,723	56,631,892
Correction of prior period invoice	(34,179)	-
Closing net book amount	7,480,522,277	7,463,940,733

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5. Investment Properties (Cont'd):

Included in Investment Properties are long-term leases for five properties which have lease terms ranging between 99-199 years. These properties have nominal rentals of $1.00 per annum. The Group has accounted for these leasehold properties at fair value since management is of the opinion that they have the risks and rewards associated with the properties for the current lease term and that the GORTT may renew the leases on the same terms and conditions. These properties are carried in the consolidated financial statements at fair value based on valuations performed by qualified independent valuators. When these properties were recognised as assets in the consolidated financial statements, the corresponding entry was made to a contributed capital account **(See Note 17)**.

6. Inventory-Land:

This represents the value of 476 acres of land at Las Cuevas Bay Estate. Inventory – land is initially recognised at cost and subsequently recognised at market value. Market value is determined by an independent valuator. The market value is reviewed every three years. To date the entire parcel of land has not been valued.

7. Construction in Progress:

	31 December	
	2021	**2020**
	($)	**($)**
Sackville Street Renovations	971,871	971,871
Ministry of Education	94,024	94,024
Board of Inland Revenue Tower	23,425,585	23,425,585
Invader's Bay	5,067,842	2,899,592
Ministry of Legal Affairs	-	14,541,281
San Fernando General Hospital Car park Extension	37,723,332	713,839
South Office Renovations	629,440	629,440
Water Front Development	86,625	86,625
Strategic Redevelopment POS – Health City	243,016	243,016
Queen's Park Savannah East	150,300	150,300
The Parkade	815,177	815,177
Memorial Park	28,750	-
West Park Recreational Savannah	15,000	-
	69,250,962	44,570,750

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7. Construction in Progress (Cont'd):

The movement in the account balance over the year can be analysed as follows:

	31 December	
	2021	**2020**
	($)	**($)**
Opening net book amount	44,570,750	27,105,792
Additions	39,440,435	17,464,958
Transfers/Disposal/Write offs	(14,760,223)	-
Closing net book amount	69,250,962	44,570,750

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8. Property, Plant and Equipment:

Cost	WIP ($)	Land ($)	Building ($)	Furniture, Fittings & Office Equipment ($)	Computer Software & Equipment ($)	Motor Vehicles ($)	Total ($)
Balance, 1 January 2021	106,923	4,000,000	2,377,324,047	260,830,953	13,114,640	-	2,655,376,563
Disposals	-	-	-	(7,355)	-	-	(7,355)
Additions	1,864,222	-	190,985	1,079,135	976,914	-	4,111,256
Balance, 31 December 2021	1,971,145	4,000,000	2,377,515,032	261,902,733	14,091,554	-	2,659,480,464
Accumulated Depreciation							
Balance, 1 January 2021	-	-	1,376,315,001	167,376,032	11,283,422	-	1,554,974,455
Disposals	-	-	-	(7,355)	-	-	(7,355)
Charge for the year	-	-	118,872,812	24,437,892	1,262,651	-	144,573,355
Balance, 31 December 2021	-	-	1,495,187,813	191,806,569	12,546,073	-	1,699,540,455
Net Book Value							
Balance, 31 December 2021	**1,971,145**	**4,000,000**	**882,327,219**	**70,096,164**	**1,545,481**	**-**	**959,940,009**
Balance, 31 December 2020	**106,923**	**4,000,000**	**1,001,009,046**	**93,454,921**	**1,831,218**	**-**	**1,100,402,108**

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8. Property, Plant and Equipment (Cont'd):

Cost	Construction in Progress ($)	Land ($)	Building ($)	Furniture, Fittings & Office Equipment ($)	Computer Software & Equipment ($)	Motor Vehicles ($)	Total ($)
Balance, 1 January 2020	116,073	4,000,000	2,376,452,432	252,366,688	11,487,726	260,218	2,644,683,137
Disposals	-	-	-	-	-	(260,218)	(260,218)
Transfers	(9,150)	-	-	-	-	-	(9,150)
Additions	-	-	871,615	8,464,265	1,626,914	-	10,962,794
Balance, 31 December 2020	106,923	4,000,000	2,377,324,047	260,830,953	13,114,640	-	2,655,376,563
Accumulated Depreciation							
Balance, 1 January 2020	-	-	1,257,392,702	142,377,745	9,241,107	260,218	1,409,271,772
Disposals	-	-	-	-	-	(260,218)	(260,218)
Depreciation written-off	-	-	-	(197,314)	-	-	(197,314)
Charge for the year	-	-	118,922,299	25,195,601	2,042,315	-	146,160,215
Balance, 31 December 2020	-	-	1,376,315,001	167,376,032	11,283,422	-	1,554,974,455
Net Book Value							
Balance, 31 December 2020	106,923	4,000,000	1,001,009,046	93,454,921	1,831,218	-	1,100,402,108
Balance, 31 December 2019	116,073	4,000,000	1,119,059,730	109,988,943	2,246,619	-	1,235,411,365

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9. Value Added Tax (VAT) Recoverable:

	31 December	
	2021 ($)	2020 ($)
VAT recoverable	573,177,175	579,815,349

The Group is VAT registered and will generate future taxable supplies in the form of lease rentals which will be subject to output VAT, the VAT previously capitalised in development work in progress was reclassified to VAT recoverable. The Group has initiated communication with the VAT authorities to commence the recovery process on this balance.

10. Accounts Receivable and Prepayments:

	31 December	
	2021 ($)	2020 ($)
Amounts due from GORTT for Contract Works (a)	1,203,166,890	3,254,002,460
Prepayments and other receivables	592,646,882	588,177,273
Advances to contractors (b)	182,142,644	35,742,797
Allowance for expected credit losses (c)	(80,888,846)	(190,337,140)
	1,897,067,570	3,687,585,390
Non-current	**1,013,019,916**	**2,601,446,375**
Current	**884,047,654**	**1,086,139,015**
	1,897,067,570	3,687,585,390

(a) These amounts represent construction contract costs incurred on projects which have been billed to the GORTT and upon which the organisation is awaiting payment.

(b) These amounts represent payments made to contractors in advance of work being performed under the relevant construction contracts. The Group requires contractors to provide an advance payment bond issued by a reputable bonding agent for an amount equivalent to the amount of the advance being provided. These amounts are reduced when advance payments are offset against progress billings from the contractor for construction work performed.

(c) The allowance for expected credit losses included above represents the account balances which have not shown any movement in over twelve months.

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10. Accounts Receivable and Prepayments (Cont'd):

The Group is responsible for executing projects on behalf of the GORTT. The Group's major source of funding for project development work is from debt financing. Some of the Group's debts are guaranteed by the GORTT with repayments being made by the Corporation or in some instances by the GORTT.

11. Investment Securities:

	31 December 2021 ($)	31 December 2020 ($)
Investment securities designated as at fair value through profit or loss	59,818,763	48,148,670

This represents an investment with the Clico Investment Fund (CIF) of **$59,818,763** (2020: **$48,148,670**). The gain on the investment securities at fair value recognised through profit or loss amounted to **$11,670,766** for the year ending 31 December 2021. (2020 loss: **$6,197,354**)

Short-Term Investment	50,000,000	55,446,000

The short-term investment represents a six-month fixed deposit of **NIL** (2020: **$50,000,000**) is invested at a rate of 1.50%. It also includes the current portion of the zero coupon bond of **$5,446,000** to be fully repaid in 2021.

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12. Deferred Taxation:

Deferred income taxes are calculated in full on temporary differences under the liability method using the statutory tax rate of 25%. The movement in the deferred income tax account is as follows:

Deferred Tax Asset:

	31 December 2021 ($)	31 December 2020 ($)
Balance at beginning of year	90,365,267	113,061,917
Effect on the Statement of Comprehensive Income	(43,934,617)	(22,696,650)
Balances at the end of the year	46,430,650	90,365,267

Deferred tax asset is attributable to the following:

Taxable losses	46,430,650	90,365,267

Deferred Tax Liability:

	31 December 2021 ($)	31 December 2020 ($)
Balance at beginning of year	(230,961,711)	(255,497,167)
Effect on the Statement of Comprehensive Income	27,965,256	24,535,456
Balance at the end of the year	(202,996,455)	(230,961,711)

Deferred tax asset is attributable to the following:

Excess of Net Book Value over Written Down Tax Value	202,996,435	230,961,711
Net deferred tax liability	(156,565,805)	(140,596,444)

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13. Restricted Cash:

	31 December	
	2021 ($)	2020 ($)
Restricted Cash	3,253,405	10,309,733

This relates to the hotel operations of the Group and includes the cash account related to the fund for replacement of and additions to fixtures, furniture, furnishings and equipment and other qualifying expenditures. This restricted cash balance is not available for use in the hotel operations of the Group and has therefore been classified as a non-current asset.

14. Project Receivables:

	31 December	
	2021 ($)	2020 ($)
Contract works billed to GORTT	3,012,305,464	517,182,030
Contract works not billed	51,418,705	51,418,705
Contract works receivable	231,002,956	419,495,923
Facilities work not billed	112,322,478	152,616,410
	3,407,049,603	1,140,713,068
Allowance for impairment	(177,974,392)	(182,421,535)
	3,229,075,211	958,291,533

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14. Project Receivables (Cont'd):

The impairment allowance included above represents the difference between the recoverable amount and the balances, which have not shown any movement in over twelve months.

	31 December 2021 ($)	31 December 2020 ($)
At the beginning of the year	182,421,535	219,141,889
Reversal	(4,447,143)	(36,720,354)
	177,974,392	182,421,535

Concentration of project receivables balance is as follows:

	2021 ($)	2020 ($)
Government	3,407,049,603	1,140,713,068

The Contract works billed to GORTT balance can be analysed as follows:

	31 December 2021 ($)	31 December 2020 ($)
Project expenditure on the Brian Lara Cricket Academy	517,089,191	517,182,030

These project costs relate to expenditure incurred on the construction and maintenance of the Brian Lara Cricket Academy (BLCA).

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15. Cash and Cash Equivalent:

	31 December 2021 ($)	31 December 2020 ($)
Short-term investments		
Bank accounts	78,657,156	22,696,881
Deposit accounts	23,356,868	27,763,536
Petty cash	50,750	50,500
	102,064,774	**50,510,917**

The following cash balances reported by Hyatt are also included in the Group's cash and cash equivalent:

	31 December 2021 ($)	31 December 2020 ($)
House Bank	316,500	342,000
Demand Deposits	23,345,750	27,230,544
	23,662,250	**27,572,544**

16. Stated Capital:

	31 December 2021 ($)	31 December 2020 ($)
Authorised 1,000,000 ordinary shares of no par value		
Issued and fully paid 999,502 ordinary shares of no par value	**999,502**	**999,502**

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17. Contributed Capital:

	31 December 2021 ($)	31 December 2020 ($)
Leasehold properties	641,209,130	641,209,130
Loan and interest payments made by the GORTT on behalf of the Group	5,654,835,330	5,113,627,827
	6,296,044,460	**5,754,836,957**

Movement in loan repayments guaranteed by the GORTT

	2021 ($)	2020 ($)
Balance at beginning of year	5,113,627,827	4,573,237,638
Add loan payments made by the GORTT for the year	541,207,503	540,390,189
Balance at end of year	**5,654,835,330**	**5,113,627,827**

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18. Borrowings:

		31 December 2021 ($)	31 December 2020 ($)
Maturity of Borrowing:			
Not later than one year		1,618,619,018	806,007,846
More than one year		5,403,575,340	6,579,072,172
		7,022,194,358	**7,385,080,018**
(a)	Home Mortgage Bank $108M	26,113,688	36,225,467
(b)	ANSA $399M	-	49,877,374
(c)	First Citizens $319M TTD Loan	-	31,124,160
(d)	Republic Bank Limited $3.4B	1,996,639,837	2,236,400,735
(e)	ANSA $496M Refinance	446,400,000	496,000,000
(f)	FINCOR TTD $227.14M Refinance	99,373,750	127,766,250
(g)	FCB $230.1M TTD Loan	-	230,100,000
(h)	ANSA $233.1M TTD Loan	104,936,392	128,255,590
(i)	RBC TTD $512M	146,518,737	219,778,106
(j)	ANSA 90M BLCA Facility	90,000,000	90,000,000
(k)	Scotia TTD$87.7M	87,778,246	87,778,246
(l)	NCB Global TTD $180 3M Facility	180,300,000	180,300,000
(m)	RBL TTD $199.6M Loan	199,641,382	199,641,382
(n)	First Citizens Bank TT$47.2M Short Term Loan	-	47,286,716
(o)	FCB $500M Syndicat Fx Rate Loan	500,000,000	500,000,000
(p)	FCB $225M Med Term Loan	-	202,500,000
(q)	ANSATT$127.5m Sangre Grande Hospital	127,500,000	127,500,000
(r)	FCBTT$101.99M POSGH Central Blk	101,993,931	101,993,931
(s)	First Citizens Bank $319M USD	-	13,973,247
(t)	FCIB Waterfront $100M USD	-	33,996,500
(u)	Citibank USD $88M	-	59,833,840
(v)	First Citizens Bank $35.6M USD Refinanced	-	242,611,013
(w)	ANSA USD 99.6M	676,988,004	677,217,086
(x)	RBC USD16.9M	115,152,741	115,191,707
(y)	FCIB USD 12.4M	84,428,616	84,457,186
(z)	RBC USD 8.2M	46,904,787	56,304,790
(aa)	RBL TTD 213M Loan	213,000,000	213,000,000
(bb)	FCIB TTD 70.3M	70,375,812	70,375,812
(cc)	SBTT TTD 37.6M	37,690,538	37,690,538
(dd)	RBC TTD 46.9M	39,097,674	46,917,208
(ee)	Barclays US $375M	395,929,087	640,983,134
Balance carried forward		5,786,763,222	7,385,080,018

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18. Borrowings (Cont'd):

		31 December	
		2021	**2020**
		($)	**($)**
Balance brought forward		5,786,763,222	7,385,080,018
(ff)	FCB TTD 230.1M Loan – Refinance	230,100,000	-
(gg)	ANSA TTD 500M Loan Facility	500,000,000	-
(hh)	FCB TTD 47.2M Refinance	23,643,358	-
(ii)	FCB TTD 202.5M	202,500,000	-
(jj)	ANSA TTD 39.9M	36,658,834	-
(kk)	NCB Global USD 35.6M	242,528,944	-
		7,022,194,358	7,385,080,018

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31 DECEMBER 2021

18. Borrowings (Cont'd):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
a)	Mortgage	Home Mortgage Bank	TT$108,000,000.00	7.00%	15 Years	Mortgage over Property 13-15 St Clair Avenue	Amortised monthly starting one month after disbursement	To finance the Office of the Prime Minister (formerly known as the Ministry of Public Administration Building)
b)	Fixed Rate Loan	ANSA Merchant Bank Limited	TT$399,019,000.00	1.95%	8 Years	Government Guaranteed	Amortised and repayable in equal semi-annual instalments	To take-out/repay an existing short-term facility used to finance costs associated with Phase 1 and 2A works of San Fernando Teaching Hospital (formerly Chancery Lane Office Complex)
c)	Fixed Rate Loan	First Citizens Bank Limited	TT$225,991,346.90	6.35%	10 Years	Government Guaranteed	Interest - Semi-annual amortised instalments. Principal -Semi-annual amortised instalments	Various Projects

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18. Borrowings (Cont'd):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
d)	Long Term Bond	Republic Bank Limited	TT$3,457,773,340.00	4.75%	15 years	Government Guaranteed	Six (6) month moratorium on principal and interest payments; thereafter, the facility will be repaid via twenty-nine (29) semi-annual, equal principal and interest payments over the remaining tenor of the facility	Government Campus Plaza (Base Building)
e)	Fixed Rate Loan	ANSA Merchant Bank Limited	TT$496,000,000.00	4.38%	10 years	Government Guaranteed	Calculated on a reducing balance, payable semi-annually in arrears, commencing six (6) months after issue date. Moratorium on Principal Payments for the first two (2) Years, thereafter Principal will be repayable semi-annually as follows: Year 3-Year4 - 5% semi-annually to repay 20%: Year 5-Year 6 - 6% semi-annually to repay 24%; and Year 7-Year 10 - 7% semi-annually to repay 56%	To repay an existing facility utilised for funding the base building repair work and fit-out of the Government Campus Plaza
f)	Medium Term Loan	Republic Bank Limited	TT$227,140,000.00	4.81%	8 Years	Government Guaranteed	Interest payment Semi-annually commencing six (6) months after the issue date. Principal Payment Via sixteen (16) semi-annual equal instalments	Ministry of Education (Fit Out)

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18. Borrowings (Cont'd):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
g)	Commercial Demand Loan	First Citizens Bank Limited	TT$230,100,000.00	4.30%	5 Years	Government Guaranteed	Semi-annually commencing six (6) months after disbursement	To refinance the loan facility in the amount of TT$230.1M, previously utilised for the payment of payables on several projects and refinancing of an existing short term facility
h)	Fixed Rate Term Loan	ANSA Merchant Bank Limited	TT$233,191,981.93	5.05%	10 years	Government Guaranteed	Interest will be calculated on a reducing balance, 30/360 day basis and will be payable quarterly or semi-annually in arrears. Principal will be amortised and repayable quarterly or semi-annually in instalments as mutually agreed	Proceeds of facility used to settle Bridge Loan used for the start-up costs and working capital for Projects under the Ministries of National Security and Health Portfolios
i)	Syndicated Term Loan	RBC Royal Bank (Trinidad & Tobago) Limited	TT$512,815,580.80	4.92%	7 Years	Government Guaranteed	Payable semi-annually in arrears, commencing six (6) months from drawdown. Commencing six (6) months from the date of drawdown of this facility, fourteen (14) equal consecutive semi-annual principal payments	To refinance the existing Bridge Facility utilised to finance the fit-out of the Government Campus Plaza pending take-out, inclusive of capitalised interest
j)	Fixed Rate Loan	ANSA Merchant Bank Limited	TT$90,000,000.00	3.30%	5 Years	Government Guaranteed	Interest payable semi-annually in arrears, commencing six (6) months after the disbursement date Bullet payment for principal at maturity	Brian Lara Cricket Stadium

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18. Borrowings (Cont'd):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
k)	Non-Revolving Fixed Rate Loan	Scotiabank Trinidad and Tobago Limited	TT$87,778,246.12	3.55%	5 Years	Government Guaranteed	Interest Payable semi-annually in arrears, commencing six (6) months from the date of drawdown and thereafter until maturity. Bullet payment for principal at maturity	Retrofit of Cabildo Chambers for the Office of Parliament
l)	Fixed Rate Loan	NCB Global Finance Limited	TT$180,300,000.00	5.00%	10 Years	Government Guaranteed	Interest Paid semi-annually in arrears commencing six (6) months after the Initial Disbursement Day and calculated on the then outstanding principal balance. Bullet payment for principal at maturity	Repayment of an existing short term facility in respect of Phase 2B of the project for the design, construction and completion of the adaptation of the Chancery Lane Office Complex as an extension of the San Fernando General Hospital (San Fernando Teaching Hospital)
m)	Fixed Rate Loan	Republic Bank Limited	TT$199,641,382.00	6.80%	10 Years	Government Guaranteed	Interest Payable semi-annually in arrears, commencing six (6) months from drawdown. Semi-annual equal principal payments commencing five (5) years after issue date	Arima Hospital
n)	Short Term Bridging Finance	First Citizens Bank Limited	TT$47,286,716.23	4.00%	3 Years	Government Guaranteed	Six (6) semi-annual interest only payments for thirty-six (36) months commencing six (6) months after the date of initial disbursement. Bullet payment for Principal at maturity	President's House

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18. Borrowings (Cont'd):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
o)	Syndicated Loan Facility	First Citizens Bank Limited	TT$500,000,000.00	4.50%	8 Years	Government Guaranteed	Interest due semi-annually beginning 6 months after the Disbursement Date based on the outstanding principal balance. Principal balance due at maturity	To facilitate payment of financial obligations in respect of various projects
p)	Medium Term Demand Loan Facility	First Citizens Bank Limited	TT$225,000,000.00	6.50%	5 Years	1. Lien over the existing Owner's Remittance accounts held at First Citizens Bank as defined in Clause 3.14 of the Hotel Management Agreement made between UDeCOTT (Owner) and Hyatt (Operator). 2. A charge over a Debt Service Payment Account (DSPA) to be opened. This account will hold monthly transfers from the Owner's Remittance Accounts to accumulate to make semi-annual amortised payments. 3. A charge over a Debt Service Reserve Account (DSRA) to be opened and funded with three (3) months or half (1/2) the semi-annual loan payments to be held over the tenor of the facility. The account can be funded over a period of twelve (12) months from the commencement of the loan. 4. Loan Agreement to be stamped to cover TTD225,000,000.00	Ten (10) Semi-annual amortised payments comprising principal and interest, commencing six (6) months after the initial drawdown period.	To provide funding for current operating activities (Heritage/Restoration Projects i.e. Red House Restoration Project)

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18. Borrowings (Cont'd):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
q)	Fixed	ANSA Merchant Bank Limited	TT$127,500,000.00	5.02%	10 Years	Government Guaranteed	Interest will be calculated on a reducing balance, 30/360 day basis and will be payable semi-annually in arrears commencing six (6) months after the disbursement date. Principal will be repayable in a single bullet payment at maturity	Advance Payment the Construction of the new Sangre Grand Hospital
r)	Fixed Rate TTD Loan	First Citizens Bank Limited	TT$101,993,930.90	4.85%	11 Years	Government Guaranteed	Interest will be calculated on a reducing balance, Actual/365 day basis and will be payable semi-annually in arrears commencing six (6) months after the disbursement date. Principal will be repayable in a single bullet payment at maturity	Partial Financing for the Redevelopment of the Central Block at the Port of Spain General Hospital Project
s)	Fixed Rate Loan	First Citizens Bank Limited	TT$93,375,655.00 / US$20,000,000.00	6.35%	10 Years	Government Guaranteed	Semi-annual amortised instalments for both Interest and Principal	Various Projects
t)	Long Term Facility	First Caribbean International Banking and Financial Corporation	TT$641,230,000.00 / US$100,000,000.00	6.06%	10 Years	Government Guaranteed	Semi-annually Interest Payments commencing six (6) months from date of close. Fully amortised; commencing six (6) months after date of close and payable semi-annually in twenty (20) equal instalments	Port of Spain International Waterfront
u)	US Dollar Fixed Rate Bond	Citicorp Merchant Bank Limited and/or any of its affiliates ("CMBL")	TT$563,340,800.00 / US$88,000,000.00	5.63%	10 Years	Government Guaranteed	Semi-annually Interest payment, commencing six (6) months from date of close. Twenty (20) equal Principal instalments commencing six (6) months after date of close	Ministry of Education Tower

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18. Borrowings (Cont'd):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
v)	Medium Term Demand Loan	First Citizens Bank Limited	TT$242,586,035.63 / US$35,681,763.25	4.70%	3 Years	Government Guaranteed	Six (6) semi-annual interest only payments for the thirty-six (36) months commencing six (6) months after the date of initial disbursement. Bullet payment at maturity for Principal	Point Fortin Hospital
w)	Fixed Rate USD Loan	ANSA Merchant Bank Limited	TT$674,119,494.97 / US$99,601,001.00	5.30%	10 Years	Government Guaranteed	Interest Payable semi-annually in arrears commencing six (6) months after the disbursement date. Five (5) year moratorium on principal, thereafter repayable in ten (10) semi-annual payments	Arima Hospital
x)	USD Term Loan	RBC Royal Bank (Trinidad and Tobago) Limited	TT$115,191,706.93 / US$16,941,700.90	4.95%	10 Years	Government Guaranteed	Payable via twenty (20) semi-annual interest payments commencing six (6) months after drawdown. One (1) Principal Payment of US$16,941,700.90 at maturity	To assist with the completion of the construction and equipping of the Arima Hospital
y)	USD Term Loan	First Caribbean International Banking and Financial Corporation	TT$84,166,524/ US$12,421,453	4.65%	8 Years	Government Guaranteed	Interest will be payable semi-annually in arrears, Mar & Sep Principal payment bullet at maturity	Partial payment in respect of the Redevelopment of the Central Block at the Port of Spain General Hospital
z)	Dual Currency Fixed Rate Term Loan	RBC Royal Bank (Trinidad and Tobago) Limited	TT$55,948,709/ US$8,280,969	4.07	6 Years	Government Guaranteed	Interest Payable via twelve (12) semi-annual payment commencing 6 months after drawdown Principal Payable via twelve (12) semi-annual payment commencing 6-months after drawdown	To facilitate the partial payment in respect of the Redevelopment of the Central Block at the Port of Spain General Hospital

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31 DECEMBER 2021

18. Borrowings (Cont'd):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
aa)	Fixed Rate TTD Loan	Republic Bank Limited	TT$213,000,000	3.31%	2 Years	Government Guaranteed	Interest will be payable semi-annually in arrears calculated on an actual/365 days basis, commencing six (6) months after issue date, Nov & May. Principal Payment Bullet at maturity	To facilitate repayment of existing UDeCOTT Fixed Rate Bond facility due October 31, 2020
bb)	Fixed Rate TTD Loan	First Caribbean International Banking and Financial Corporation	TT$70,375,812	4.75%	8 Years	Government Guaranteed	Interest will be payable semi-annually in arrears, Dec & Mar Principal payment Bullet at Maturity	Partial payment in respect of the Redevelopment of the Central Block at the Post of Spain General Hospital
cc)	Fixed Rate TTD Loan	Scotiabank Trinidad and Tobago Limited	TT$37,690,538	3.54%	4 Years	Government Guaranteed	Interest is payable semi-annually in arrears, commencing six (6) months from the date of drawdown and thereafter until Maturity date, Apr & Oct Principal Payment Bullet at Maturity	Partial payment in respect of the Redevelopment of the Central Block at the Post of Spain General Hospital
dd)	Fixed Rate TTD Loan	RBC Royal Bank (Trinidad and Tobago) Limited	TT$46,917,208	4.02%		Government Guaranteed	Interest payable via twelve (12) semi-annual payments commencing 6-months after drawdown. Principal payable via twelve (112) semi-annual payments commencing 6-months after drawdown	To facilitate the partial payment in respect of the Redevelopment of the Central Block at the Post of Spain General Hospital
ee)	Fixed Rate Notes	US Private Placement (Wells Fargo	TT$2,372,303.000	6.09%	15 years	Land and Buildings Thereon and assignment of Sublease rentals		To finance construction and fit out costs of the Port of Spain International Waterfront Project and repayment of the interim facility.

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18. Borrowings (Cont'd):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
ff)	Commercial Demand Loan	First Citizens Bank Limited	TTD 230,100,000	4.85%	5 Years	Government Guaranteed	Principal – Ten (10) equal Semi-annual principal payments of TTD 23,010,000.00 Interest to be paid semi-annually commencing six (6) months from date of disbursement	To refinance the loan facility in the amount of TT$230.1M previously utilised for the payment of payables on several projects and refinancing of an existing short term facility
gg)	Fixed Rate Loan	ANSA Merchant Bank Limited	TTD 500,000,000.00	3.78%	7 Years	Government Guaranteed	Principal Repayment – Three (3) year moratorium on payments. Thereafter to be repaid via eight (*) equal semi-annual payments, commencing six (6) months after the end of the moratorium period. Interest will be calculated on a reducing balance, 30/360 day basis and will be payable semi-annually on arrears commencing six (6) months after the disbursement date	To facilitate payment of outstanding amounts owed by various Client Ministries
hh)	Fixed Rate Loan	First Citizens Bank Limited	TTD 47,286,716.23	4.75%	1Years	Government Guaranteed	Two (2) equal semi-annual principal payments of TTD 23,643,358.12 Interest to be paid semi-annually commencing six (6) months from the date of disbursement	Refinance the current First Citizens Bank TTD Loan Facility $47,286,716.23 to fund the restoration and the refurbishment of the Presidents House

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31 DECEMBER 2021

18. Borrowings (Cont'd):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
ii)	Fixed Rate Loan	First Citizens Bank Limited	TTD 202,500,000	4.65% Year 1	8 Years	Mortgage over Various Properties and Government Guaranteed	i) First Demand Mortgage over any property or combination of properties owned by UDeCOTT 11. Notation of the Bank's interest as First Lost Payee on All Risk Fire, and Special Perils Insurance Coverage for the properties listed in the attached addendum. iii. Assignment of accounts and the amounts deposited in the Debt Service Payment and Debt Reserve Account under the original agreement iv. Unconditional Deed of Guarantee by the Government of the Republic of Trinidad and Tobago in the amount of $142,585,714.00 to cover the shortfall in collateral. This is to be evidence in the first instance by a Letter of Government Guarantee from the Minister of Finance pending the completion and execution of the Deed of Guarantee. The Deed of Guarantee to be provided on the date of execution of the Legal documentation or within six (6) months of execution of this facility but not to exceed twelve (12) months from the date of the Loan Restructure. UDECOTT is to use is best efforts to obtain and meet this requirement and reporting on the status of same H38	To restructure the TTD$225 Million Demand Loan – loan number 2599425 which was approved originally to assist with the company's operating expenses

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18. Borrowings (Cont'd):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
jj)	Fixed Rate Loan	Home Mortgage Bank	TTD 39,331,455.05	3.65%	6 Years	Government Guaranteed	Interest will be calculated on a reducing balance on a 30/360 day basis and will be payable semi-annually in arrears commencing six (6) months after the disbursement date. Principal will be paid via twelve (12) equal, semi-annual payments, commencing six (6) months after the disbursement date.	To finance Phase II of the outfitting works to be undertaken at Tower D, International Waterfront Centre. Located at 1A Wrightson Road, Port of Spain, to accommodate the relocation of the Civil High court, Port of Spain and the Civil Division of the Court of Appeal, Judiciary from the Hall of Justice
kk)	USD Term Loan	NCB Global Finance Limited	TTD 242,586,035.63 USD 35,681,763.25	5%	5 Years	Government Guaranteed	Principal Repayment- Bullet at Maturity. Interest is due in USD, Semi-annually in arrears and calculated on an actual /360 day basis on the outstanding principal balance, the first such interest payment due six (6) months after the issue date and subsequent interest payments due every six months thereafter, continuing over the tenor of the facility up to the maturity date	To Facilitate the repayment of an existing UDeCOTT US 35,681,763.25 Medium Term Demand Loan Due to mature September 3rd 2021

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18. Borrowings (Cont'd):

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	31 December	
	2021 ($)	2020 ($)
TT Dollar	5,460,262,178	5,460,511,515
US Dollar	1,561,932,180	1,924,568,503
	7,022,194,358	7,385,080,018

19. Deferred Revenue:

	31 December	
	2021 ($)	2020 ($)
Deferred Revenue	4,664,009	5,237,565

This arises from works still to be certified, for which funds have been received.

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20. Lease Liabilities:

The Group leases vehicles and printers, both connected to the construction and other business-related activities. The leases for the vehicles are for a 3-year period. The lease for the printers is renewed every year with the foreseeable renewal period being 3 years.

Right of Use Assets

Cost	Motor Vehicle ($)	Office Equipment ($)	Land ($)	Total ($)
Balance, 1 January 2021	6,315,964	552,329	-	6,868,293
Effect of IFRS 16 - Leases	-	162,700	-	162,700
Adjustment for HYATT	-	(92,350)	-	(92,350)
Balance, 31 December 2021	6,315,964	622,679	-	6,938,643
Accumulated Depreciation				
Balance, 1 January 2021	3,174,588	275,442	-	3,450,030
Charge for the year	1,256,551	257,924	-	1,514,475
Balance, 31 December 2021	4,431,139	533,366	-	4,964,505
Net Book Value				
Balance, 31 December 2021	1,884,825	89,313	-	1,974,138
Balance, 31 December 2020	3,141,376	276,887	-	3,418,263

Lease Liabilities

	Motor Vehicle ($)	Office Equipment ($)	Land ($)	Total ($)
Balance, 1 January 2021	2,884,454	802,937	1,170	3,688,561
Effect of IFRS 16 - Leases	227,820	172,462	-	400,282
Adjustment for HYATT	-	2,896	-	2,896
Payments	(1,451,340)	(300,468)	-	(1,751,808)
Balance, 1 December 2021	1,660,934	677,827	1,170	2,339,931

Current portion	1,514,475
Non-current portion	825,456
	2,339,931

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20. Lease (Cont'd):

Right of Use Assets

Cost	Motor Vehicle ($)	Office Equipment ($)	Land ($)	Total ($)
Balance, 1 January 2020	2,546,312	200,460	-	2,746,772
New Leases acquired	3,769,652	529,720	-	4,299,372
Adjustment for HYATT	-	(177,851)	-	(177,851)
Balance, 31 December 2020	6,315,964	552,329	-	6,868,293
Accumulated Depreciation				
Balance, 1 January 2020	1,273,156	123,007	-	1,396,163
Charge for the year	1,901,432	152,435	-	2,053,867
Balance, 31 December 2020	3,174,588	275,442	-	3,450,030
Net Book Value				
Balance, 31 December 2020	3,141,376	276,887	-	3,418,263
Balance, 31 December 2019	1,273,156	77,453	-	1,350,609

Lease Liabilities

	Motor Vehicle ($)	Office Equipment ($)	Land ($)	Total ($)
Balance, 1 January 2020	516,932	130,914	-	647,846
Effect of IFRS 16 - Leases	3,769,653	529,720	1,170	4,300,543
Adjustment for HYATT	-	229,127	-	229,127
Payments	(1,402,131)	(86,824)	-	(1,488,955)
Balance, 1 December 2020	2,884,454	802,937	1,170	3,688,561
Current portion				3,688,561
Non-current portion				-
				3,688,561

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21. Accounts Payable and Accruals:

	31 December 2021 ($)	31 December 2020 ($)
Due to GORTT	730,146,322	660,031,481
Project payables	396,901,781	383,437,923
Retentions payable	148,915,450	213,148,162
Other payables	210,170,032	143,514,595
Accrued interest on loans	98,499,702	108,082,812
	1,584,633,287	1,508,214,973

22. Reserve Development Fund:

	31 December 2021 ($)	31 December 2020 ($)
Other Development Projects	49,955,744	57,539,071

These balances represent the unused portion of funds received by the Group from the GORTT for the development of specific projects, which have been completed or suspended.

23. Deposit on Account:

	31 December 2021 ($)	31 December 2020 ($)
Deposit on Account	4,655,931	2,952,250

These represent monies from our subsidiary Rincon. Rincon's **$4,655,931** represents deposits from their clients as consideration for the purchase of the land at Rincon. This amount is held on account until the finalisation and issue of the deeds.

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24. Hotel Operations:

	31 December	
	2021	**2020**
	($)	**($)**
Hyatt Regency Fees	97,498,751	96,924,503

This consists of booking rates, income from meals etc. charged in relation to the operations of the Hyatt Regency Hotel Trinidad Limited.

25. Rental Income:

	31 December	
	2021	**2020**
	($)	**($)**
Rental Income	277,144,686	277,475,986

26. Other Income:

	31 December	
	2021	**2020**
	($)	**($)**
Other	3,916,982	3,135,155
Carpark revenue	14,397,133	16,099,192
Restaurant and Auditorium	191,585	857,015
Management fees	13,172,096	7,624,456
	31,677,796	27,715,818

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27. Other Expenses:

	31 December 2021 ($)	31 December 2020 ($)
Employee benefit **(Note 28)**	70,011,209	65,308,140
Depreciation and amortisation	146,087,830	148,214,084
Office expenses	21,579,945	36,646,135
Rent and utilities	9,310,835	9,824,647
Advertising	1,942,933	2,738,610
Other expenses	14,061,877	13,920,866
	262,994,629	**276,652,482**

28. Employee Benefit Expense:

	31 December 2021 ($)	31 December 2020 ($)
Wages and salaries	66,735,060	62,073,800
National insurance cost	3,276,149	3,234,340
	70,011,209	**65,308,140**

Number of employees at year end 836 (2020: 769)

29. Government Grants/ Finance Income:

	31 December 2021 ($)	31 December 2020 ($)
Government grants to cover interest expenses	285,287,694	300,744,798
Interest income	3,451,506	5,147,042
	288,739,200	**305,891,840**

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30. Finance Costs:

	31 December 2021 ($)	31 December 2020 ($)
Interest expense on GORTT borrowings	297,202,287	314,605,082
Interest expense on bank borrowings	29,674,162	44,910,429
Foreign exchange loss on bank borrowings	(13,390,353)	9,759,787
Interest on lease liabilities	237,582	292,659
Bank charges	2,987,612	2,817,184
	316,711,290	372,385,141

31. Taxation:

	31 December 2021 ($)	31 December 2020 ($)
Deferred tax	15,969,361	(1,838,806)
Green Fund Levy	841,936	875,320
Corporation tax/Business Levy	3,307,958	2,668,149
	20,119,255	1,704,663
Profit/(Loss) before taxation	176,427,799	(57,660,638)
Tax deductible at 30%	(52,928,339)	17,298,191
Expense not-deductible for tax purposes	68,897,700	(19,136,997)
Green Fund Levy	841,936	875,320
Business Levy	3,307,958	2,668,149
	20,119,255	1,704,663

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32. Related Party Balances:

a) Key management compensation

	31 December	
	2021 ($)	2020 ($)
Directors' fee	528,000	524,452
Senior Management remuneration	4,542,345	4,674,596

The Group is controlled by the GORTT, which owns 100% of the shares.

b) GORTT

The GORTT in its capacity as the sole shareholder of the Group has leased properties to the Group and is financing certain projects which the Group is retaining through the repayment of certain Government Guaranteed Loans on behalf of the Group. The balance included in the separate financial statements in relation to these transactions is as follows:

At this time the GORTT has not indicated any repayment terms on the amounts due from GORTT.

	31 December	
	2021 ($)	2020 ($)
Investment properties	7,480,522,277	7,463,940,733
Contributed capital	6,296,044,460	5,754,836,957
Contract works billed to the GORTT	1,203,166,890	3,254,002,460
Allowance for impairment	(177,974,392)	(182,421,535)
Amounts due from GORTT	3,012,305,464	517,182,030
Reserve development fund	49,955,744	57,539,071
Development work in progress expenditure not yet billed to GORTT	394,744,139	623,531,038

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32. Related Party Balances (Cont'd):

c) Other Transactions with the GORTT

In addition to the balances in (b) above, the Group in the ordinary course of its business carries out project development work solely for the GORTT and state agencies.

Transactions and balances between the Group and these related parties are as follows:

	31 December 2021 ($)	31 December 2020 ($)
Project management fees (**Note 22**)	51,792,155	36,880,893
Contract costs incurred	27,750	4,499,770

33. Financial Instruments by Category:

i) Receivables

	Carrying Value 2021 ($)	Fair Value 2021 ($)
Receivables for contract work due from GORTT	3,012,305,464	3,012,305,464
Contractor work billed to the GORTT	1,203,166,890	1,203,166,890
Advances to contractors	182,142,644	182,142,644
Other receivables excluding prepayments	553,086,132	553,086,132
	4,950,701,130	**4,950,701,130**

	Carrying Value 2020 ($)	Fair Value 2020 ($)
Receivables for contract work due from GORTT	517,182,030	517,182,030
Contractor work billed to the GORTT	3,254,002,460	3,254,002,460
Advances to contractors	35,742,797	35,742,797
Other receivables excluding prepayments	544,717,761	544,717,761
	4,351,645,048	**4,351,645,048**

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33. Financial Instruments by Category (Cont'd):

ii) Financial liabilities carried at amortised cost

	31 December	
	2021 ($)	2020 ($)
Borrowings	7,022,194,358	7,385,080,018
Accounts payable and accruals	1,584,633,286	1,508,214,974
Reserve development fund	49,955,744	57,539,071
	8,656,783,388	8,950,834,063

34. Capital and Lease Commitments:

As at 31 December 2021, capital commitments amounting to approximately **$185M** (2020: **$2.4B**) existed.

35. Contingent Liabilities:

The Group is a party to various legal actions, the final outcome of which is uncertain. Based on matters which have concluded during this audit, the following should be noted:

a) On 21 September 2020, ANSA McAL Enterprises Limited filed a claim for wrongful termination of contract in the amount of **$14,118,236**. The claimant is also seeking potential claims against the defendant. Notice of Discontinuance was filed on 31 March 2023. Proposed final accounts are being reviewed, along with the way forward regarding proceeding to arbitration. This matter is ongoing.

b) On 5 October 2020, Ms. Adanna Francois filed a claim for damages in the amount of **TT$32,682** for personal injuries and consequential losses and damages against The Attorney General of Trinidad and Tobago and UDeCOTT. An amended claim and Statement of Case was filed on 11 July 2022. Pre-trial review was rescheduled from 25 October 2023 to 15 December 2023. Trial dates set for 13 and 14 March 2025. This matter is ongoing.

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36. **Subsequent Events:**

The following events were noted subsequent to the year-end:

a) The Corporation has entered into several contracts amounting to approximately **$2.5 billion** in the normal course of business.

b) Mouche Ali filed a claim on 21 August 2019 of unlawful dismissal in the amount of **TT$2,398,960**. Evidence and Arguments and Witness Statements to be filed and exchanged on 18 March and 28 March 2024 respectively. Matter is ongoing.

c) Communications Workers' Union - Kenneth Crichlow issued a pre-action protocol letter seeking damages for breach of contract due to dismissal. This matter is currently before the Industrial Court. Applicant has since died. Email sent to Senior Counsel on 11 February 2021 requesting the next steps. Senior Counsel has advised that he will liaise with the Industrial Court on same and advise. Matter withdrawn

d) Keisha Scrubb, Carol Hosein, Judy Gomez and Fulami Collingwood filed a claim for injunctive relief, trespass and nuisance as well as interest, costs and any other costs the Court may deem just and expedient. Trial scheduled for 26, 27 and 28 October 2022. Matter is listed for a status hearing 15 March 2024. This matter is ongoing.

e) B Ramsamooj filed a claim of wrongful dismissal. The Court ordered payment of the damages to the worker in the following tranches:

   i) The sum of **$302,000** on or before the 30 August 2022. The first tranche was paid by UDeCOTT on 29 August 2022.

   ii) The sum of **$302,000** on or before the 30 September 2022. The second tranche was paid by UDeCOTT by 30 September 2022.

   This matter has been concluded.

f) Arlene Billingie filed a claim for general damages for injury, loss and damage sustained from fall at the GP Parkade. The amount claimed for general damages for injury, loss and damage sustained is **$29,822** and future loss in the amount of **$106,500**. Claim filed on 14 July 2022. UDeCOTT filed an application to have the claim struck out. Application withdrawn and costs agreed to be paid by the Claimant in the sum of **$5,000**. This matter has been concluded.

g) D Geawan filed a claim of unlawful dismissal in the amount of **TT$350,000**. Matter ongoing. Matter adjourned to 19 October 2023. On 19 October 2023 the Union requested an adjournment; matter adjourned to 22 February 2024. The hearing/ trial scheduled for 22 February 2024 was adjourned to a date to be given by the Court. This matter is ongoing.

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36. Subsequent Events (Cont'd):

h) Adam's Project Management & Construction Ltd filed a claim for monies owing for works done on the Black Rock Fire Station in the amount of **TT $2,535,984** plus legal fees. Pre-Action Protocol letter dated 7 January 2022. Response issued to Claimant's attorney on 29 March 2022: no response received to date. This matter is ongoing.

i) Adam's Project Management & Construction Ltd filed a claim for monies owing for works done on the Mayaro Fire Station in the amount of **TT $1,108,897** plus legal fees. Pre-Action Protocol letter dated 27 January 2022. Response issued to the Claimant's attorney on 13 May 2022 denying that any further payments are due to the Claimant; no response received to date. This matter is ongoing.

j) Jamila Prescod-Grant filed a claim for compensation in the amount of **TT$6,000** for repair of the vehicle damaged at the Hyatt Car Park. Letter issued to the Claimant's Attorney on 13 July 2022 requesting extension of time to respond. Claimant's issued resolved directly with Hyatt. This matter has been concluded.

k) In January 2014, the Claimant claimed for damages in the amount of **$10,800,000**, due to breach of contract for works done at Oropune Gardens, Phase II Project. On 24 January 2023 The Court of Appeal ordered the Appellant to pay UdeCOTT costs of the cross appeal in the sum of **$46,133**. Dipcon issued a cheque dated 6 February 2023 in the aforementioned sum to UDeCOTT. On 13 February 2023, Dipcon filed a Notice of Motion for Conditional Leave to Appeal to the Judicial Committee of the Privy Council. Notice of Appeal filed in the Privy Council and served on UDeCOTT on 22 November 2023. Counsel advises that the Notice of Appeal was filed out of time and the Appeal contains an application for an extension of time to file the Appeal a Notice of Acknowledgement to be done within 21 days or by December 14, 2023. UDeCOTT'S Notice of Objection and Acknowledgement filed on 14 December 2023. This matter is ongoing.

l) Spancast Ltd files a claim in the amount of **$7,000,000** for unfair treatment in the tendering process. Appeal trial scheduled for 8 February 2023, has been rescheduled. Date to be given by the Court: to date, no date has been provided. This matter is ongoing.

m) Sherma Ramoutar-Boodhoo filed a claim for unfair dismissal in the amount of **$771,427** plus exemplary damages. This matter is ongoing..

n) Hull Support Services Ltd filed a claim for Pk. 4A Restoration of steel structures at the Dwight Yorke Stadium in the amounts **$166,729** VAT inclusive and **$463,957** VAT inclusive. The claims were settled in September and October 2021.

o) Anidem General Contractors Ltd. filed a claim for monies due and owing on various projects, being Roxborough Police Station, Bacolet Indoor Sporting Facility and Tobago Rehabilitation Center in the amount of **$1,425,255**. Matter ongoing.

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36. <u>Subsequent Events (Cont'd)</u>:

p) Phoenix Structures Ltd filed a claim in the amount of **$2,039,130 VI** for damages for wrongful termination of contract dated 3 August 2017. Pre Trial review on 7 July 2023 rescheduled to 14 December 2023. The Pre-Trial Review fixed for 14 December 2023 be vacated and rescheduled to 3 July 2024 at 9:00 am by Virtual Hearing. This matter is ongoing.

q) Craftmaster Limited filed a claim for breach of contract and unjust enrichment. Negotiations were undertaken between Craftmaster Limited and their representatives and QSS on behalf of UDeCOTT. On July 27, 2020 QSS submitted a final estimate of the sum completed by Creaftmaster Limited in the sum of **TT$630,408** VAT exclusive. Matter ongoing.

r) Rozana Gaffoor-Ali filed a claim requesting $10M for sale of land and $2.5M in damages for trespass and/or nuisance and/or negligence on lands earmarked for the Construction of the Indian Trail Community Centre. UDeCOTT offered Claimant the sum of $1.5M being the value of the property as determined by a valuation conducted by Linden Scott & Associates in November 2018, in full and final settlement of this matter. New Pre-Action protocol Letter dated 18 January 2022, received from potential claimant. Letter sent to Claimant's Attorney Che Dindial requesting an extension of time to investigate the matter and advising that UDeCOTT cannot settle the matter by purchase of the land. Letter dated 19 May 2022 sent to Claimant's Attorney responding to the matters that appear to be material to the Claimant's claim, and advising that we continue to review the claim and may respond further in more detail. No response has been received to our letter to from 19 May 2022 to date. This matter is ongoing.

s) National Workers Union filed a claim requesting **$76,000** for settlement of suspension claim re: suspension without pay due to the Worker's refusal to vaccinate; and **$228,000** for settlement of termination claim (payment for 12 months on remaining contract). External Counsel in the process of preparing Evidence and Arguments. All Parties to file Replies, if any, and Witness Statements on or before 4 November 2024. Trial is scheduled for 10 February 2025. This matter is ongoing.

t) Amcoweld Engineering Services Limited filed a claim in the amount of $1,269,627 on 10th May 2023 for monies allegedly due and owing and interest thereon.. Matter is ongoing

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37. Segment information:

Basis for segmentation

The Group has organised its business units into two reportable segments as follows:

- Construction – in this category the Corporation provides project management services and facility management services for construction projects with the urban spaces of Trinidad and Tobago as mandated by the GORTT.

- Hotel Operations – this segment comprises the operations of the Hyatt Hotel.

These business units offer different services and are managed separately because they require different marketing strategies and resources.

The Group's Executive Management reviews the performance of the various segments of the corporation on a monthly basis.

Other operations include rental of shop spaces, spaces for advertising, rental of investment properties and rental of car park spaces, however none of these segments meet the quantitative thresholds for reportable segments in 2021 or 2020.

	December 2021		
	Construction	Hotel Operation	Total
	($)	($)	($)
Revenue	361,777,143	97,498,751	459,275,894
Operating (loss) profit	212,677,951	(8,278,062)	204,399,889
Assets	14,464,870,613	73,196,324	14,538,066,937
Liabilities	8,873,265,592	17,166,127	8,890,431,719

	December 2020		
	Construction	Hotel Operation	Total
	($)	($)	($)
Revenue	342,312,343	96,924,503	439,236,846
Operating (loss)/profit	30,095,770	(21,263,107)	8,832,663
Assets	14,082,509,841	77,249,287	14,159,759,128
Liabilities	9,196,746,211	12,893,746	9,209,639,957

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38. Subsidiary Companies:

	31 December % of Equity Capital Held	
	2021 ($)	2020 ($)
(i) Rincon Development Limited	100	100
(ii) Port of Spain Waterfront Development Limited	100	100
(iii) International Waterfront Resources Limited	100	100
(iv) San Fernando Development Limited	100	100
	400	400

All subsidiary companies are incorporated in Trinidad and Tobago.

(i) Rincon Development Limited was incorporated on 12 October 1999 with its principal activity being the development and sale of property.

(ii) Port of Spain Waterfront Development Limited was incorporated on 12 October 1998 with its principal activity being the development of the Port of Spain Waterfront.

(iii) International Waterfront Resources Limited was incorporated on 18 April 2007 with its principal activity being the management and operation of the Hyatt Regency Hotel.

(iv) San Fernando Development Limited was incorporated on 7 September 1998 with its principal activity being the development of the city of San Fernando. This company is currently dormant.