The University of Trinidad and Tobago

Audited Financial Statements

September 30, 2022

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Audited Financial Statements
(Expressed in Trinidad and Tobago Dollars)

THE UNIVERSITY OF TRINIDAD AND TOBAGO

Year ended September 30, 2022

THE UNIVERSITY OF TRINIDAD AND TOBAGO

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

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THE UNIVERSITY OF TRINIDAD AND TOBAGO

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of The University of Trinidad and Tobago (the University), which comprise the statement of financial position as at September 30, 2022, the statements of comprehensive income, changes in reserves and cash flows for the year then ended, and notes, comprising of significant accounting policies and other explanatory information,

- Ensuring that the University 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 University's assets, detection/prevention of fraud, and the achievement of the University'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, including the Companies Act, and

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

In preparing these audited financial statements, management utilized 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 University 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 authorized for issue, if later.

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

Professor Stephen Joseph (Ag.)
President

August 28, 2024

Mr. Curtis James
Assistant Vice President
Finance
August 28, 2024

Independent Auditor's Report to The Members of The University of Trinidad and Tobago

Report on the Audit of the Financial Statements

Qualified Audit Opinion

We have audited the financial statements of The University of Trinidad and Tobago ('the University') which comprise the statement of financial position as at 30 September 2022 and the statements of income and expenditure and other comprehensive loss, changes in reserves and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the basis for qualification paragraph accompanying financial statements present fairly, in all material respects, the financial position of the University as at 30 September 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Qualified Opinion

The University of Trinidad and Tobago ceased construction of its Tamana campus in 2020 as such the campus is not being utilized. The Tamana campus has not been assessed for impairment in accordance with International Accounting Standard 16-(IFRS 16) Property Plant and Equipment. As such, the financial statements have not been adjusted to reflect IAS 16 measurement principle as of September 30, 2022. See Note 21.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the University in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Responsibilities of Management and the Audit Committee for the Financial Statements

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

Independent Auditor's Report to The Members of
The University of Trinidad and Tobago

Report on the Audit of the Financial Statements - (Continued)

Responsibilities of Management and the Audit Committee for the Financial Statements - (Continued)

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

The Audit Committee is responsible for overseeing the University's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University'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 University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.

Independent Auditor's Report to The Members of
The University of Trinidad and Tobago

Report on the Audit of the Financial Statements - (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements - (Continued)

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

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

Baker Tilly

Chartered Accountants

Port of Spain
Trinidad and Tobago
August 28, 2024

THE UNIVERSITY OF TRINIDAD AND TOBAGO

STATEMENT OF FINANCIAL POSITION
(Expressed in Trinidad and Tobago Dollars)

As at 30 September, 2022

	Notes	2022 $'000	2021 $'000
Current Assets			
Inventory		95	95
Accounts receivable	3a	95,172	125,876
Prepayments	3b	13,555	13,958
Cash and cash equivalents	4	118,951	107,762
		227,773	247,691
Current Liabilities			
Accounts payable and accruals	5	134,389	132,941
Deferred tuition fees	6	54,719	62,093
Deferred capital grants	10	32,109	34,787
Deferred contributions	11	5,140	2,389
		226,357	232,210
Net Current Asset		1,416	15,481
Non-Current Asset			
Property, plant and equipment	7	2,328,772	2,357,248
Intangible assets	8	964	1,137
Prepayments	3b	35,000	35,000
Other Asset - Prepaid Long-term Lease	9a	13,471	17,280
Other Asset - Right-of-use (ROU) Asset	9b	36,752	-
		2,414,959	2,410,665
		2,416,375	2,426,146

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

STATEMENT OF FINANCIAL POSITION - (Continued)
(Expressed in Trinidad and Tobago Dollars)

As at 30 September, 2022

	Notes	2022 $'000	2021 $'000
Non-Current Liabilities			
Accounts payables and accruals	5	58,085	56,151
Lease Liability - Right-of-use (ROU) Asset	9b	35,744	-
Deferred capital grants	10	2,078,440	2,102,697
Deferred contributions	11	6,233	5,968
		2,178,502	2,164,816
Reserves			
General		251,711	271,574
Professional Education Unit (PEU)		(13,838)	(10,244)
		237,873	261,330
		2,416,375	2,426,146

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

These financial statements were approved by the Board of Governors on August 28, 2024, and signed on its behalf by:

Member of the Board of Governors

Member of the Board of Governors

THE UNIVERSITY OF TRINIDAD AND TOBAGO

STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE LOSS
(Expressed in Trinidad and Tobago Dollars)

For the Year Ended 30 September, 2022

	Notes	2022 $'000	2021 $'000
Income			
Government contributions:			
Recurrent grants (General)		180,000	180,000
Recurrent grants (Tamana)		4,001	4,000
Capital grants released	10	35,020	75,883
Other grants released	11	920	261
Non-Government contributions	11	4,175	2,224
Non-Government contributions - UTT Football Club		-	30
Tuition and other related fees		70,078	77,082
Professional Education Unit (PEU)		1,001	818
Other income	12	2,033	1,342
		297,228	341,640
Expenses			
Staff costs	13	206,470	214,451
Facilities costs	14a	51,594	39,632
General and administrative costs	14b	15,200	12,044
Academic programs and related costs	14c	4,170	2,383
Professional Education Unit (PEU)	14d	4,595	4,785
UTT Football Club		6	12
Depreciation (ROU)	9b	1,267	-
Depreciation (PPE)	7	37,383	79,451
		320,685	352,758
Deficit for the year		(23,457)	(11,118)
Total comprehensive loss for the year		(23,457)	(11,118)

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

THE UNIVERSITY OF TRINIDAD AND TOBAGO

STATEMENT OF CHANGES IN RESERVES
(Expressed in Trinidad and Tobago Dollars)

For the year ended 30 September, 2022

	Reserves		
	General $'000	**PEU $'000**	**Total $'000**
Year ended 30 September 2022			
Balance as at 01 October 2021	271,574	(10,244)	261,330
Total comprehensive loss for the year	(19,863)	(3,594)	(23,457)
Balance as at 30 September 2022	251,711	(13,838)	237,873
Year ended 30 September 2021			
Balance as at 01 October 2020	278,735	(6,277)	272,458
Adjustment re accumulation of prior years rounding of lease premium amortization	(10)	-	(10)
Total comprehensive loss for the year	(7,151)	(3,967)	(11,118)
Balance as at 30 September 2021	271,574	(10,244)	261,330

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

THE UNIVERSITY OF TRINIDAD AND TOBAGO

STATEMENT OF CASH FLOWS
(Expressed in Trinidad and Tobago Dollars)

For the year ended 30 September, 2022

	Notes	2022 $'000	2021 $'000
Cash Flows from Operating Activities			
Deficit for the year		(23,457)	(11,118)
Adjustments to reconcile surplus to net cash from operating activities:			
Depreciation	7 & 9b	38,650	79,451
Capital grants released	10	(35,020)	(75,883)
Deferred contributions released	11	(4,175)	(2,224)
Other grants released (GORTT)	11	(920)	(261)
Football Club contributions released		-	(30)
Amortization of intangible assets	8	472	374
Loss on disposal of property, plant and equipment	7	2	935
Amortization of leasehold premiums	9	130	233
Net cash outflow before working capital adjustments		(24,318)	(8,523)
Working capital adjustments:			
Decrease in accounts receivable and prepayments		32,342	29,083
Decrease in accounts payable, accruals and deferred tuition fees		(3,991)	(24,542)
Net cash Inflow/(outflow) from operating activities		4,033	(3,982)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(8,741)	(3,508)
Purchase of intangible assets	8	(299)	(1,043)
Net cash outflow from investing activities		(9,040)	(4,551)
Cash Flows from Financing Activities			
Proceeds from capital grants	10	7,752	10,209
Proceeds from deferred contributions	11	8,428	2,722
Payments issued from deferred contributions	11	16	23
Net cash inflow from financing activities		16,196	12,954
Net Increase in Cash and Cash Equivalents		11,189	4,421
Cash and Cash Equivalents at Beginning of Year		107,762	103,341
Cash and Cash Equivalents at End of Year	4(1)	118,951	107,762

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

1. Corporate Information

The University of Trinidad and Tobago ("the University") was incorporated on 14 September 2004 as a non-profit company under the Companies Act, Chapter 81:01 of the laws of Republic of Trinidad and Tobago.

The University operates out of multi-campus facilities throughout Trinidad and Tobago. As of 15th March, 2021, the Registered Office has been changed from Lots 74 – 98 Omeara Industrial Estate, Omeara, Arima to Tamana InTech Park, Churchill Roosevelt Highway, Wallerfield 301776, Trinidad.

The Government of the Republic of Trinidad and Tobago (GORTT), through the Corporation Sole, is the Founder Member of the University. With effect from June 2010, the Corporation Sole is the only Member of the University. As at 30 September 2022, the Board of Governors comprised of 9 members (As at August 2023: 13 members).

The University is an institution of higher education and research. It provides training and educational services primarily at the undergraduate, graduate and post-doctoral levels, and performs research and other services through contributions from GORTT, corporate donors and sponsoring organizations and under contracts with various clients. The University has fostered partnerships with the private sector and entered strategic alliances with internationally reputable universities. The private sector advises on industry-relevant course content to enable the University to produce industry-ready graduates.

The University has a 'Professional Education Unit' (PEU) which provides short courses and professional programs mainly to meet the technical training needs of the oil and gas industry. The income and expenditure of the PEU are tracked and reported separately in the statement of income and expenditure and other comprehensive loss with the accumulated surplus also presented separately within the statement of financial position and the statement of changes in reserves.

The University has a 'UTT Football Club' which was incorporated as a non-profit organization in April 2019. The UTT Football Club does not have a separate accounting system and all transactions of the club are conducted by the University's accounting system.

2. Significant Accounting Policies

(i) Basis of Preparation

These financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRSs) and have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates.

These financial statements are expressed in thousands of Trinidad and Tobago dollars except where otherwise stated.

(ii) Changes in Accounting Policies and Disclosures

Standards, Interpretations and Amendments to published standards effective in current year:

Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial year. The University has assessed the relevance of all such new standards, interpretations and amendments and has adopted from the list below, only those that are immediately relevant to its operations:

- Amendments to IAS 16: Proceeds before Intended Use - Effective 1 January 2022
- Amendments to IFRS 16: Leases- regarding the accounting treatment of lease incentive (effective for accounting periods beginning on or after 1 January 2022
- Amendments to IAS 37: Onerous Contracts - Costs of Fulfilling a Contract - Effective 1 January 2022
- Amendments to IFRS 3: Reference to the Conceptual Framework - Effective 1 January 2022
- Annual improvements to IFRS standards 2018–2021 cycle, resulting in amendments to IFRS 1, IFRS 9, and IAS 41 - Effective 1 January 2022

2. Significant Accounting Policies (Continued)

(ii) Changes in Accounting Policies and Disclosures (Continued)

Standards, Interpretations and Amendments to published standards effective in current year: (continued)

- Amendments to IFRS 1: First-time Adoption of Financial Reporting Standards -subsidary as first-time adopter) effective for accounting periods beginning on or after 1 January 2022).
- Amendments to IFRS 3: Business Combinations- Amendments regarding the reference to the conceptual framework (effective for accounting periods beginning on or after 1 January 2022).

Standards in Issue but Not Yet Effective

The University has not adopted the following new and amended IFRSs and IFRIC (International Financial Reporting Interpretations Committee) interpretations that have been issued but are not yet effective:

- Amendments to IFRS 4: Insurance Contracts- 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.
- Amendments to IFRS 17- Insurance Contracts (effective for accounting periods beginning on or after January 2023
- Amendments to IAS 8: Definition of Accounting Estimates - Effective 1 January 2023
- Amendments to IAS 1: Presentation of Financial Statements regarding the classification of liabilities as current and non-current (effective for accounting periods on or after 1 January 2023
- Amendments to IAS 12: Income Taxes regarding deferred tax on leases and decommissioning obligations (effective for accounting periods beginning on or after 1 January 2023
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies - Effective 1 January 2023
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - The effective date has been postponed by the IASB.

Management is currently assessing the impact of these new and revised standards on the financial statements.

2. Significant Accounting Policies (Continued)

(ii) Significant Accounting Estimates, Assumptions and Judgements

The preparation of these financial statements in conformity with IFRSs necessitates the use of estimates, assumptions and judgements. These estimates and assumptions affect the reported amounts of assets and liabilities and accompanying disclosures of contingent liabilities at the year-end date as well as the reported income and expenses for the year. Although the estimates are based on management's best knowledge and judgement of current facts as at the year-end date, the actual outcome may differ from these estimates.

The key assumptions concerning the future and other key sources of estimation at the year-end date, which 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:

Property, Plant and Equipment

Management exercises judgement in determining whether costs incurred can accrue significant future economic benefits to the University to enable the expenditure to meet the recognition criteria to be capitalized within property, plant and equipment. Further judgement is applied in the annual review of the useful lives of all categories of property, plant and equipment and the resulting depreciation determined thereon.

Rights of Use Asset

For contracts in place at the date of initial application, the University elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and IFRIC

The University elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16, being 1 January 2019. At this date, the University also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

2. Significant Accounting Policies (Continued)

(iii) Significant Accounting Estimates, Assumptions and Judgements

Rights of Use Asset (Continued)

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the University has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16. On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the University has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term. For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under IAS 17 immediately before the date of initial application. The University has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

For any new contracts entered into on or after 1 January 2019, the University considers whether the contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition the University assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the University
- the University has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the University has the right to direct the use of the identified asset throughout the period of use. The University assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use

2. Significant Accounting Policies (Continued)

(iii) Significant Accounting Estimates, Assumptions and Judgements - (Continued)

Impairment Losses

Financial assets that are measured at amortized cost are assessed for impairment at the end of each reporting period. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and the event has a negative impact on the estimated cash flows of the financial asset and the loss can be reliably estimated.

The amount of the impairment loss recognized is the difference between the carrying amount of the financial asset and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets except for accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account/expected credit losses. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss of a financial asset, other than accounts receivable, decrease and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial instrument at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(iv) Current Versus Non-Current Classification

The University presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realized within twelve months after the reporting period, or

2. Significant Accounting Policies - (Continued)

(iii) Current Versus Non-Current Classification - (Continued)

- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- it is expected to be settled in the normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The University classifies all other assets and liabilities as non-current.

(v) Impairment of Assets

Various assets of the University are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its 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).

(vi) Taxation

Taxation has not been accounted for in these financial statements in accordance with IAS 12: "Income Taxes" (See note 17).

(vii) Foreign Currency Translation

These financial statements are presented in Trinidad and Tobago dollars (amounts expressed in thousands, except where otherwise stated) which is the University's functional currency.

2. Significant Accounting Policies - (Continued)

Transactions in foreign currencies are initially recorded in the functional currency at the prevailing rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Trinidad and Tobago dollars at the prevailing rate of exchange at the year-end date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Exchange differences on foreign currency transactions are recognized in the statement of income and expenditure and other comprehensive loss.

(viii) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (where applicable).

Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, only when it is probable that future economic benefits will accrue to the University and the cost can be measured reliably. All repairs and maintenance are charged to the statement of income and expenditure and other comprehensive loss when incurred. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount.

With the exception of land and capital works in progress, depreciation is charged on all other assets on the straight-line basis at rates estimated to write off these assets over their expected useful lives as follows:

Buildings and improvements	-	2.5% - 5%
Motor vehicles	-	25%
Machinery and equipment	-	5% - 33 ⅓%
Office equipment, furniture, and fixtures	-	4% - 33 ⅓%

The costs of buildings under construction are classified under 'capital works in progress'. Depreciation commences and is charged when the construction is substantially completed, and the asset is ready for use in its current state. Property, plant and equipment transferred by GORTT and/or donated by other sources to the University are recognized at estimated fair values, with a corresponding credit to the deferred capital grants account or deferred contributions account.

2. Significant Accounting Policies - (Continued)

(viii) Property, Plant and Equipment - (Continued)

Gains or losses arising from the derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of income and expenditure and other comprehensive loss when the asset is derecognized.

(ix) Intangible Assets

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

All of the University's intangible assets are assessed as having a finite life. They are therefore amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period for an intangible asset is reviewed annually.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the expense category consistent with the function of intangible assets.

Computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Expenditure which enhances and extends the benefits of computer software programs beyond their original specifications and lives is capitalized. These costs are amortized on a straight-line basis over periods of three to seven years.

(x) Leases

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the University, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The University depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The University also assesses the right-of-use asset for impairment when such indicators exist.

2. Significant Accounting Policies - (Continued)

(x) Measurement and recognition of leases as a lessee - (Continued)

The University has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included in prepayments and other assets. A lease liability was not recorded since the lease payments were made in advance.

(xi) Inventory

Inventory representing the cost of books for resale, is valued at the lower of cost and net realizable value. Cost is determined using the "first-in first-out" (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

(xii) Financial Assets

Initial Recognition and Measurement

Recognition and derecognition - Purchases and sales of financial assets are recognized on the date at which the University becomes a party to the contractual provisions of the instrument, i.e., the date they originated.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the University has transferred substantially all the risks and rewards of ownership.

Measurement - At initial recognition, the University measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2. Significant Accounting Policies - (Continued)

(xii) Financial Assets - (Continued)

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows:

Cash and Cash Equivalents

Cash and cash equivalents are measured at cost and include cash at bank and in hand and funds held in short-term deposits. For the purpose of the statement of cash flows, cash and cash equivalents include cash and deposits or funds held with original maturity of three months or less, and which are subject to an insignificant risk of changes in value.

Accounts Receivable

Accounts receivable is recognized and carried at original full amounts less allowances/expected credit losses. The University applies the simplified approach permitted by IFRS 9 in determining impairment provisions, which requires expected lifetime losses to be recognized from the initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the number of years outstanding.

The expected loss rates are based on the payment profiles of sales over a period of 60 months (5 years) and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a 'three stage' approach, which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities will have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The model includes operational simplifications for trade receivables.

2. Significant Accounting Policies - (Continued)

(xiii) Financial Liabilities

Initial Recognition and Measurement

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. The University's financial liabilities include accounts payable and are recognized initially at fair value.

Subsequent Measurement

The measurement of financial liabilities depends on their classification as follows:

Accounts Payable

Accounts payable is carried at amortized cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not invoiced to the University.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

(xiv) Fair Value Measurement

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the University.

2. Significant Accounting Policies - (Continued)

(xiv) Fair Value Measurement - (Continued)

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

A fair value measurement of a non–financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

(xv) Capital Grants and Contributions

Capital Grants

Capital grants are received from GORTT and private sources for the specific purpose of construction and/or purchase of property, plant and equipment. These grants are recognized where there is reasonable assurance that the grant funds will be received and utilized in accordance with all stipulated conditions. The University follows the deferral method of accounting for capital grants and funds received are recorded in the statement of financial position as 'Deferred Capital Grants'. An amount equivalent to the depreciation charge on the relevant property, plant and equipment is released to income over the expected useful life of the asset. Non-monetary capital grants are recorded at fair value and are released to income over the expected useful life of the asset.

Government Contributions

The University submits requests to GORTT annually for funding of its budgeted operating deficits prior to GORTT's preparation of the National Budget for a respective fiscal year which runs from October to September.

Contributions received from GORTT for recurrent expenditures are recognized as income in the year to which the GORTT's annual budget allocation is applicable. The University therefore accrues for these contributions as income in the corresponding year for which funds have been allocated in the National Budget.

2. Significant Accounting Policies - (Continued)

(xv) Capital Grants and Contributions - (Continued)

Non-Government Contributions

The University receives funding from donors for research projects, bursaries, scholarships, capital and other purposes. The University follows the deferral method of accounting for grants and donations when they are restricted in use by the donor.

Donations that are governed by donor-imposed stipulations, which must be complied with to the satisfaction of the donor for the expenditure to be approved, are generally for research projects and are referred to as 'Deferred Contributions' (Note 11). Such donations are accounted for as follows:

(i) Donations Received in Advance of Expenditure:

Donations received in advance of expenditure are deferred and shown in the statement of financial position as 'Deferred Contributions'. When funds are disbursed, the amount is charged as an expense in the statement of income and expenditure and other comprehensive loss or, if applicable, included on the statement of financial position as property, plant and equipment or

intangible assets. An equivalent amount is then released as income from 'Deferred Contributions' to the statement of income and expenditure and other comprehensive loss.

(ii) Expenditure in Advance of Receipt of Donations Pledged:

Expenditure, made in accordance with donor's stipulations in advance of receipt of donations pledged, is included in the statement of financial position as 'Accounts Receivables'. The amount is also reflected in the statement of income and expenditure and other comprehensive loss as relevant expenses or if applicable, in the statement of financial position as property, plant and equipment with an equivalent amount reflected as 'Non-Government Contributions' in the statement of income and expenditure and other comprehensive loss or if applicable, 'Deferred Capital Grants'.

(xvi) Provisions

Provisions are recognized when the University has a present obligation (legal or constructive) as a result of a past event where 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.

2. Significant Accounting Policies - (Continued)

(xvi) Provisions - (Continued)

When the University can reliably measure the outflow of economic benefits in relation to a specific matter and considers such outflows to be probable, the University recognizes a provision against the matter. Given the subjectivity and uncertainty of determining the probability of losses, the University considers a number of factors including legal advice, the stage of the matter and historical evidence.

(xvii) Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the University and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts and rebates.

The applicable recognition criteria are set out below:

(i) *Government Contributions: Recurrent Grants*

Contributions received from GORTT for recurrent expenditures are recognized as income in the year to which GORTT's annual budget allocation is applicable. The University therefore accrues for these contributions as income in the corresponding year for which funds have been allocated in the National Budget.

The applicable recognition criteria are set out below:

(ii) *Government Contributions: Capital Grants Released*

An amount equivalent to the depreciation charged on the related property, plant and equipment is released to income over the expected useful life of the asset.

(iii) *Tuition and other related fees*

Tuition and other related fees are recognized on the accrual basis over the period of instruction for which the fees are paid. Fees received but not yet earned are included as deferred revenue in current liabilities.

(iv) *Interest Income*

Interest income is accounted for on the accrual basis.

2. Significant Accounting Policies - (Continued)

(xvii) Revenue Recognition - (Continued)

(v) *Other Income*

Other income is derived from a range of activities including project management services and rental of facilities and is recognized on the accrual basis.

(vi) *Professional Education Unit (PEU)*

Income is recognized on the accrual basis and is reported separately in the statement of income and expenditure and other comprehensive loss and statement of changes in reserves.

(vii) *Non-Government Contributions*

Contributions received from third parties (excluding GORTT) are deferred and recognized in income when the related expenses are incurred as applicable.

(viii) *IFRS 15 Revenue from Contracts with Customers*

Revenue is recognized when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognized, and any discounts or rebates on the contract price must generally be allocated to the separate elements.

When the consideration varies for any reason, minimum amounts must be recognized if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortized over the period when the benefits of the contract are consumed. The guidance requires disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The guidance permits two methods of adoption: retrospectively to each prior period reporting period presented, or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application (the modified retrospective approach).

The University adopted the guidance effective 1 August 2018 using the modified retrospective approach. The University applied IFRS 15 for the first time in the 2019 financial statements with the date of initial application of 1 August 2018.

2. Significant Accounting Policies - (Continued)

(xviii) IFRIC 22 - Foreign Currency Translation

IFRIC 22, 'Foreign currency transactions and advance consideration', (effective for annual periods beginning on or after 1 January 2018). The interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. It does not apply when an entity measures the related asset, expense or income on initial recognition at fair value or at the fair value of the consideration received or paid at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability. Also, the interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts. There was no significant impact on the University's financial statements arising from the adoption of the interpretation.

(xix) IFRS 9 - Financial Instruments

IFRS 9, 'Financial instruments' (effective for annual periods beginning on or after 1 January 2018). IFRS 9 is the first standard issued as part of a wider project to replace IAS 39. Financial assets are required to be classified into three measurement categories: those to be measured subsequently at amortized cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL). Classification of debt instruments under IFRS 9 is driven by the entity's business model for managing the financial assets and the contractual characteristics of the financial assets. All equity instruments are measured at fair value under IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Trinidad and Tobago Dollars)

For the year ended 30 September, 2022

3. a. Accounts Receivable

	2022 $'000	2021 $'000
Amounts due from GORTT (see below)	107,685	136,601
Corporate receivables	2,894	1,527
Other receivables	54,377	52,373
	164,956	190,501
Less: impairment provisions		
- Amounts due from GORTT	(38,373)	(39,889)
- Corporate receivables	(2,702)	(1,134)
- Other receivables (student) - (Note 18)	(25,020)	(21,284)
- Other receivables (general)	(3,689)	(2,318)
Total impairment provisions	(69,784)	(64,625)
Total Net Accounts Receivable	95,172	125,876

Amounts due from GORTT comprise:

	2022 $'000	2021 $'000
Government Assistance for Tuition Expenses (GATE) (Note 15 (E))	61,826	96,988
GORTT Ministries	38,859	38,308
Ministry of Education (scholarship students)	242	243
Recurrent/capital contributions (cash in transit)	6,758	1,062
	107,685	136,601

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Trinidad and Tobago Dollars)

For the year ended 30 September, 2022

3. a. Accounts Receivable - (Continued)

An aged analysis of accounts receivable (net of provision) as at 30 September, is presented below:

	Total $'000	Neither past Due nor impaired $'000	Past Due but Not Impaired 30 to 60 days $'000	Past Due but Not Impaired Over 90 days $'000
2022				
Amounts due from GORTT	69,312	36,239	-	33,073
Corporate receivables	192	192	-	-
Other receivables	25,668	75	-	25,593
	95,172	36,506	-	58,666

	Total $'000	Neither past Due nor impaired $'000	Past Due but Not Impaired 30 to 60 days $'000	Past Due but Not Impaired Over 90 days $'000
2021				
Amounts due from GORTT	96,712	36,802	-	59,910
Corporate receivables	393	-	-	393
Other receivables	28,771	1,090	-	27,681
	125,876	37,892	-	87,984

3. a. Accounts Receivable - (Continued)

As at 30 September, receivables at a value of $69.8 million (2021: $64.6 million) are fully provided for. Movement in the provision for allowance/expected credit losses as follows:

	Amount due from GORTT $'000	Corporate receivables $'000	Other receivables $'000	Total $'000
2022				
Opening balance	39,889	1,134	23,602	64,625
Provision for the year	(920)	-	5,107	4,187
Provision reversed	(596)	1,582	-	986
Provision written off	-	(14)	-	(14)
	38,373	2,702	28,709	69,784
2021				
Opening balance	38,005	3,313	21,400	62,718
Provision for the year	2,097	-	2,202	4,299
Provision reversed	(213)	(2,179)	-	(2,392)
Provision written off	-	-	-	-
	39,889	1,134	23,602	64,625

3. a. Accounts Receivable - (Continued)

The University offsets its financial assets and financial liabilities and reports the net amount in the statement of financial position. Offsetting takes place if there is an intention and agreement between the two parties to settle on a net basis, thereby realizing the assets and settling the liabilities simultaneously.

As at 30 September 2022, there is an amount of $4.9 million (2021: $4.9 million) payable to the Ministry of Education in respect of settled prior year GATE claims which should be repaid to the Ministry of Education. It is the University's expectation that this payable, which has been agreed as recoverable by the Ministry of Education, will be settled against future remittances for valid GATE claims. As a result, all amounts owed to the Ministry of Education, with respect to the prior overpayment of GATE claims, have been offset against the gross amount receivable for valid claims as at 30 September 2022.

The table below summarizes the financial assets subject to offsetting:

	Gross Assets Before Offset	Offsetting	Net Assets Recognized on the Statement of Financial Position
	$'000	$'000	$'000
2022			
Government Assistance for Tuition Expenses (GATE)	66,771	(4,945)	61,826
2021			
Government Assistance for Tuition Expenses (GATE)	101,933	(4,945)	96,988

3. b. Prepayments

	2022 $'000	2021 $'000
Presented in the statement of financial position as follows:		
Current portion	13,555	13,958
Non-current portion	35,000	35,000
	48,555	48,958

Current portion represents prepayments for insurance and other expenses which are expected to be realized within the next financial year.

Non-current portion represents a payment of $35 million to the Chaguaramas Development Authority (CDA) for a 30-acre parcel of land adjacent to the Chaguaramas Campus at a premium of $60 million, in anticipation of the finalization of a Deed of Lease (Note 15 (a)).

In January 2018, the University made a request to the CDA for 12.5 acres of the 30-acre parcel of land to be excised, thereby modifying the proposed lease to a 17.5-acre parcel of land at a premium of $35 million, commensurate with the $35 million payment. By letter dated 24 October 2019, the CDA advised of its decision to lease 17.5 acres of the 30-acre parcel of land to the University under a new lease, and that the $35 million will be applied to the premium under the new lease. As at September 30, 2022 the lease is yet to be executed.

4. Cash and Cash Equivalents

		2022 $'000	2021 $'000
(i)	Cash at bank and in hand	68,957	53,545
	Money market mutual funds	49,994	54,217
	Total cash and cash equivalents	118,951	107,762

The applicable interest rate at the year-end date on the TT$ money market mutual funds is 1.21% per annum (2021: 1.20% per annum) and the interest rate on the US$ money market mutual funds is 1.20% to 1.30% per annum (2021: 1.20% to 1.30% per annum).

(ii) Cash and cash equivalents include the following unspent balances received for specific purposes as outlined in relevant agreements and are not available for general use by the University:

	2022 $'000	2021 $'000
GORTT/donated funds for capital projects	43,818	45,088
Trinidad and Tobago Health Sciences Initiative (TTHSI)	1,370	1,370
Donated/sponsored funds	12,310	17,174
Staff Health Plan funds	9,802	11,182
	67,300	74,814

These funds are held in assets which are readily convertible into cash and cash equivalents.

5. Accounts Payable and Accruals

	2022 $'000	2021 $'000
Trade creditors	15,855	19,178
Retentions payable	55,639	55,527
Accruals	83,020	74,343
Amounts due to GORTT	1,370	1,370
Other payables	24,862	26,997
Gratuity payables	11,728	11,677
	192,474	189,092

Presented in the statement of financial position as follows:

	2022 $'000	2021 $'000
Current portion	134,389	132,941
Non-current portion	58,085	56,151
	192,474	189,092

The non-current portion of accounts payable and accruals includes retention payable of $55.3 million (2021: $55.4 million) and gratuity payable of $2.7 million (2021: $706 thousand).

6. Deferred Tuition Fees

	2022 $'000	2021 $'000
Opening balance	62,093	69,204
Fees deferred	53,570	60,919
Releases to tuition and other related fees income	(60,944)	(68,030)
	54,719	62,093

The University's academic year runs from September to August. Accordingly, charges for annual tuition fees are processed at the start of the academic year (i.e., September). As a result, a portion of annual tuition fees is deferred at the end of the financial year.

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7. Property, Plant and Equipment

	Freehold Land $'000	Buildings and Improvements $'000	Machinery and Equipment $'000	Motor Vehicles $'000	Office Equipment and Fixtures $'000	Capital Works In Progress $'000	Total $'000
At 30 September, 2022							
Cost	12,626	1,216,275	215,649	7,786	240,602	1,433,285	3,126,223
Accumulated depreciation	-	(357,190)	(203,189)	(7,786)	(229,286)	-	(797,451)
Net book amount	12,626	859,085	12,460	-	11,316	1,433,285	2,328,772
Net book amount 1 October 2021	12,626	880,571	14,016	-	16,823	1,433,212	2,357,248
Additions	-	-	2,001	-	599	6,309	8,909
Disposals	-	-	(1)	-	(1)	-	(2)
Transfers from WIP	-	6,207	29	-	-	(6,236)	-
Depreciation charge	-	(27,693)	(3,585)	-	(6,105)	-	(37,383)
30 September 2022	12,626	859,085	12,460	-	11,316	1,433,285	2,328,772

NOTES TO THE FINANCIAL STATEMENTS
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For the year ended 30 September, 2022

7. Property, Plant and Equipment – (Continued)

	Freehold Land $'000	Buildings and Improvements $'000	Machinery and Equipment $'000	Motor Vehicles $'000	Office Equipment and Fixtures $'000	Capital Works In Progress $'000	Total $'000
At 30 September, 2021							
Cost	12,626	1,210,068	213,631	7,826	240,182	1,433,212	3,117,545
Accumulated depreciation	-	(329,497)	(199,615)	(7,826)	(223,359)	-	(760,297)
Net book amount	12,626	880,571	14,016	-	16,823	1,433,212	2,357,248
Net book amount 1 October 2020	12,626	931,551	34,289	33	22,904	1,430,693	2,432,096
Additions	-	230	759	-	1,459	3,090	5,538
Disposals	-	-	(665)	-	(270)	-	(935)
Transfers from WIP	-	554	-	-	17	(571)	-
Depreciation charge	-	(51,764)	(20,367)	(33)	(7,287)	-	(79,451)
30 September 2021	12,626	880,571	14,016	-	16,823	1,433,212	2,357,248

7. Property, Plant and Equipment - (Continued)

	2022 $'000	2021 $'000
Capital Works in Progress comprise:		
Signature Building Complex	1,429,818	1,429,270
ECIAF Campus	1,691	2,353
Maritime	1,573	1,451
Other works	203	138
	1,433,285	1,433,212

(a) Signature Building Complex, Tamana InTech Park:

Construction of the Signature Building Complex, which includes fully functional, custom-designed laboratories, learning spaces, offices, state-of-the-art auditorium and ancillary services, began in January 2008. As at 30 September 2022, the percentage of the works completed is 90% (2021: 90%).

The East Block and the Central Plaza were completed and the University is pursuing Cabinet Approval for the revised project cost of $2.296 billion. The staff from the O'Meara and Valsayn Campuses were relocated to the East Block during the year 2020. The University has received accreditation from the Accreditation Council of Trinidad and Tobago (ACTT) for the East Block at the Tamana Campus.

(b) Campuses:

Information on the major campuses is as follows:

Point Lisas Campus:

In September 2004, the University recorded the building and equipment of Trinidad and Tobago Institute of Technology (TTIT) at fair values (at the recognition date) with corresponding credits to 'Deferred Capital Grants' (Note 10).

The Point Lisas Campus is situated on 4.3723 hectares of land acquired by way of a State Grant issued on 17 August 2010.

7. Property, Plant and Equipment - (Continued)

(b) Campuses: - (Continued)

O'Meara Campus:

The O'Meara Campus is situated on land acquired under an agreement for a lease for 30 years effective 1 January 2005 (Note 9). This campus comprises: Academic Building, Graduation Pavilion, Administration Building, and Outdoor Cricket/Football Field.

During the year 2020 the Administrative Offices were relocated to the Tamana Campus. In April 2021 the facility was handed over to the Judiciary of the Republic of Trinidad and Tobago.

Chaguaramas Campus:

The Chaguaramas Campus comprises: Administration and Teaching Building, Workshop, Swimming Pool and the Marine Sciences & Engineering Building.

This Campus is situated on 8 acres of land acquired in two separate parcels:

- 5 acres under an agreement for a lease for 99 years effective 1 August 2005 (Note 9)
- 3 acres under an agreement for a lease for 99 years effective 1 July 2007 (Note 9)

John S. Donaldson and San Fernando Campuses:

By letter dated 13 February 2007, the Ministry of Science, Technology and Tertiary Education granted permission to the University to occupy and utilize the premises of John S. Donaldson Technical Institute (JSDTI) and San Fernando Technical Institute (SFTI) with immediate effect. The University has not recognized these properties in its statement of financial position. However, the University has recorded the cost of upgrade works undertaken within the 'Buildings and Improvements' category of Property, Plant and Equipment.

7. Property, Plant and Equipment - (Continued)

(b) Campuses: - (Continued)

Valsayn and Corinth Campuses:

By letter dated 13 September 2006, the Ministry of Education granted permission to the University to occupy and utilize Valsayn and Corinth Teachers' Training Colleges with immediate effect. The University has not recognized these properties in its statement of financial position. However, the University has recorded the cost of upgrade works undertaken within the 'Buildings and Improvements' category of Property, Plant and Equipment.

In 2020 the Ministry of Health requested the use of the Valsayn Campus as a Covid-19 step-down facility. UTT agreed to accommodate the MoH's request, and therefore ceased operations at the Valsayn Campus and handed over to the MoH in September 2020. The staff at this campus have been relocated to the Tamana Campus. In keeping with UTT's approved cost reduction policies the Board of Governor of UTT agreed to relinquish the Valsayn Campus which is presently occupied by the MoH, and handed it over to the Ministry of Education (MoE) as at July 31, 2022. As such, all costs and expenses incurred subsequent to the date of the handover will be for the account of the MoE, and arrangements will be made for the transfer of utilities and other services to the MoE.

On the 28 February 2021 the Corinth Campus was handed over to the Trinidad and Tobago Air Guard and the programs conducted at this campus have been transferred to the San Fernando Campus and the Point Lisas Campus.

ECIAF Campus:

By letter dated 30 April 2008, the Ministry of Science, Technology and Tertiary Education granted permission to the University to occupy and utilize the properties of Eastern Caribbean Institute of Agriculture and Forestry (ECIAF). The University has not recognized these properties in its statement of financial position. However, the University has recorded the cost of upgrade works undertaken within the 'Buildings and Improvements' category of Property, Plant and Equipment.

7. Property, Plant and Equipment - (Continued)

(b) *Campuses:* - (Continued)

Waterloo Research Centre:

In October 2006, GORTT decided to transfer the Sugarcane Research, Extension and Support Services Unit (RESS) at Waterloo, from Caroni (1975) Limited to the University. The University has not secured legal title to the land and buildings thereon at year-end and therefore has not recognized these properties in its statement of financial position. However, the University has recorded the cost of upgrade works undertaken within the 'Buildings and Improvements' category of Property, Plant and Equipment.

As at the 30 September 2019, this facility was handed over to the Ministry of Education.

Agora Campus:

In November 2008, the University acquired freehold interest in a property located at Lot #1 Road Reserve, Off Munroe Road, Uriah Butler Highway, Charlieville to accommodate the Professional Education Unit. Costs relating to renovation works were capitalized in May 2011.

Aviation Campus (Camden):

On 31 July 2014, GORTT approved the establishment of the University's Aviation Campus on 10 acres of state land at Camden, Couva. By letter dated 24 December 2014, the University applied to the Commissioner of State Lands for the acquisition of the said parcel of land which was determined to be approximately 10.49 acres. By way of letter dated November 6, 2023, our line Ministry, the Ministry of Education, informed UTT that Cabinet has approved the transfer of the parcel of State land situated in the vicinity of Camden Base Road, Couva, to UTT, for use as part of its Aviation Campus. As at June 2024, the relevant documents have not yet been processed to allocate this land. Therefore, the land has not been recognized as an asset in these financial statements.

Construction of the Aviation Campus started in October 2014. Phase 1 of the project is the construction of a Hangar Building Facility which comprises a hangar, laboratories, workshops, classrooms, offices and a library. As at September 2020, the project was completed, and the project costs were capitalized.

8. Intangible Assets

	Computer Software $'000	License $'000	Book Rights $'000	Total $'000
At 30 September 2022				
Cost	12,557	215	38	12,810
Accumulated amortization	(11,780)	(43)	(23)	(11,846)
Net book amount	777	172	15	964
Balance as at 30 September 2021	945	175	17	1,137
Additions	299	-	-	299
Amortization during the year	(467)	(3)	(2)	(472)
Balance as at 30 September 2022	777	172	15	964
At 30 September 2021				
Cost	12,258	215	38	12,511
Accumulated amortization	(11,313)	(40)	(21)	(11,374)
Net book amount	945	175	17	1,137
Balance as at 30 September 2020	272	178	18	468
Additions	1,043	-	-	1,043
Amortization during the year	(370)	(3)	(1)	(374)
Balance as at 30 September 2021	945	175	17	1,137

8. Intangible Assets - (Continued)

Computer Software

This includes the costs of acquired computer software which are amortized on a straight-line basis over a period of 3 to 7 years.

License

This represents costs incurred by the University for exclusive use of photographs under a license agreement. The license fee is amortized on a straight-line basis over a finite period of 75 years commencing 30 November 2007.

Book Rights

This represents costs incurred by the University to acquire the rights to two publications in relation to the herbal research project established under TTHSI.

9. Right-of-Use Asset

	2022 $'000	2021 $'000
Lease premiums	13,471	17,280

Lease Premiums:

	2022	2021
Opening balance	17,461	14,025
Adjustment re accumulation of prior rounding	-	(10)
Tamana Lease	(3,679)	3,679
Amortization during the year	(130)	(233)
	13,652	17,461
Current portion including in other receivables	(181)	(181)
	13,471	17,280

Lease premiums comprise amounts paid in respect of the parcels of lands on which the Chaguaramas and the O'Meara Campuses are situated. These payments are stated at cost and are amortized over the periods of the respective leases which are 99 years for the two parcels of land at Chaguaramas and 30 years for the parcel of land at O'Meara.

9b. Other Assets - Right-Of-Use (ROU) Asset

	2022 $'000	2021 $'000
ROU Lease Calculations		
Total Lease	34,961	-
Add Total Payments	2,964	-
Add Initial Direct Cost	94	-
ROU Asset	38,019	-
Depreciation	(1,267)	-
ROU Asset (Net)	36,752	-
Lease Liability		
Opening balance	34,961	-
Add Increase in Lease Liability	783	-
Total Lease Liability	35,744	-

10. Deferred Capital Grants

	2022 $'000	2021 $'000
GORTT	2,058,483	2,082,243
Other	15,395	16,007
	2,073,878	2,098,250
Non-monetary grants	36,671	39,234
	2,110,549	2,137,484
Balance brought forward	2,137,484	2,201,442
Movement during the year:		
Received during the year (monetary)	7,752	10,209
Received during the year (non-monetary)	-	2,000
Receivable (PSIP Funding)	-	(436)
Transferred from "Deferred Contributions' (Note 11)	333	152
Released to the statement of income and expenditure and other comprehensive loss	(35,020)	(75,883)
	2,110,549	2,137,484
Current portion	32,109	34,787
Non-current portion	2,078,440	2,102,697
	2,110,549	2,137,484

For each reporting period, the University transfers to income an amount equivalent to the depreciation charge of related property, plant and equipment.

11. Deferred Contributions

	2022 $'000	2021 $'000
Balance brought forward	8,357	8,249
Movement during the year:		
Received during the year	8,428	2,722
Released to the statement of income and expenditure and other comprehensive loss	(4,175)	(2,224)
Released to the statement of income and expenditure and other comprehensive loss (GORTT)	(920)	(261)
Payments issued	16	23
Transferred to 'Deferred Capital Grants' (Note 10)	(333)	(152)
Balance carried forward	11,373	8,357
Current portion	5,140	2,389
Non-current portion	6,233	5,968
	11,373	8,357

As explained in Note 2 (xv), these funds represent receipts from donors with specified conditions and restrictions relating to its use. When these funds are spent in accordance with the donors' stipulations, the amount is released to the statement of income and expenditure and other comprehensive loss.

12. Other Income

	2022 $'000	2021 $'000
Interest (expense)/income (net)	464	495
Sundry income	1,671	424
Facilities rental	297	108
Foreign exchange gain(loss)/gain(net)	(449)	73
Management Fees (MTCC Project)	50	242
	2,033	1,342

13. Staff Costs

	2022 $'000	2021 $'000
Salaries, gratuities, allowances and other benefits (below)	208,062	216,280
Recruitment costs	64	2
Staff training	6	3
Staff costs recharged to PEU (Note 14 (d))	(1,662)	(1,834)
	206,470	214,451

Salaries, gratuities, allowances and other benefits can be further analyzed into three categories, as follows:

	2022 $'000	2021 $'000
Academic	137,443	144,064
Academic support	23,578	22,828
Corporate	47,041	49,388
	208,062	216,280

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University.

	2022 $'000	2021 $'000
Salaries, gratuities, allowances and other benefits include:		
Compensation of key management personnel	4,081	4,223

	# of persons 2022	2021
Staff headcount as at 30 September	769	774

For the year ended 30 September, 2022

14. Analysis of Expenses

(a) *Facilities' Costs*

	2022 $'000	2021 $'000
Janitorial and sanitation	6,854	7,686
Utilities (electricity and water)	9,922	10,489
Security	7,354	7,641
Repairs and maintenance	18,432	6,162
Telecommunications	2,639	2,430
Insurance (property)	3,052	2,558
Rental of office equipment	810	845
Rental of offices	657	548
Other	274	324
Lease of land (below)	2,435	1,769
Facility costs recharged to PEU (Note 14 (d))	(835)	(820)
	51,594	39,632
Lease of land comprises:		
Chaguaramas (Note 15 (a))	187	186
Tamana InTech Park (Note 15 (b))	2,008	613
O'Meara Industrial Estate (Note 15 (c))	240	970
	2,435	1,769

Facilities costs classified as "Other" above includes postage, safety costs and local transportation.

(b) *General and Administrative Costs*

	2022 $'000	2021 $'000
Annual software renewal and maintenance costs	4,813	4,498
Provision for doubtful debts (Non-PEU)	5,173	1,907
Legal and professional fees	684	508
Insurance (non-property)	1,136	1,124
Marketing and public relations cost	193	108
Stationery and office supplies	131	349
Board fees and travelling allowances	660	660
Amortization of computer software (Note 8)	468	369
Travelling costs	33	17
Subscriptions	54	114
Other	1,855	2,390
	15,200	12,044

14. Analysis of Expenses - (Continued)

(c) *Academic Programs and Related Costs*

	2022 $'000	2021 $'000
Student functions, transport and related costs	257	55
Laboratory supplies	1,352	1,321
Advertising of programs	248	414
External instructors' fees	269	258
Project Costs	1,527	-
Other	517	335
	4,170	2,383

Academic programs and related costs classified as "Other" above includes invigilators' fees, stationery and printing, books and periodicals.

(d) *Professional Education Unit (PEU)*

	2022 $'000	2021 $'000
Staff costs (Note 13)	1,662	1,834
Direct staff costs	1,817	1,842
Facility costs (Note 14 (a))	835	820
External facilitators' fees	161	185
Other	120	104
	4,595	4,785

PEU costs classified as "Other" above includes advertising, stationery and printing.

15. Related Party Disclosures

The Corporation Sole, on behalf of the Government of the Republic of Trinidad and Tobago (GORTT), is the only Member of The University of Trinidad and Tobago. The Corporation Sole appoints the Board of Governors of the University.

In the conduct of its business, the University has entered into significant transactions with GORTT-related entities that are required to be disclosed in accordance with IAS 24: Related Party Disclosures. These transactions are set out below:

(a) Lease of Land at Chaguaramas:

In 2005, the University entered into an agreement with the Chaguaramas Development Authority (CDA) for the lease of a five-acre parcel of land at Granwood, Chaguaramas for a period of 99 years commencing 1 August 2005 at a premium of $10 million. The Chaguaramas Campus of the University (Phases 1 and 2) was constructed on this parcel of land. The lease expense recorded for the year amounted to $0.113 million (2021: $0.113 million) and is presented within facilities cost (Note 14 (a)).

In 2007, the University entered into an agreement with CDA for the lease of a contiguous three-acre parcel of land for a period of 99 years commencing on 1 July 2007 at a premium of $6 million. The Marine Sciences and Engineering building (Phase 3) was constructed on this parcel of land.

The lease expense recorded for the year amounted to $0.074 million (2021: $0.073 million) and is presented within facilities cost (Note 14 (a)).

In November 2013, the University entered into negotiations with CDA for the lease of an additional contiguous thirty-acre parcel of land at a premium of $60 million. In anticipation of the finalization of a Deed of Lease, the University made a prepayment to CDA in the amount $35 million. In January 2018, the University made a request to the CDA to have 12.5 acres of the 30-acres parcel of land excised, which will result in a 17.5-acre parcel of land being leased at a premium of $35 million. As explained in Note 3(b), by letter dated 24 October 2019, the CDA advised of its decision to lease 17.5 acres of the 30-acre parcel of land to the University under a new lease.

15. Related Party Disclosures - (Continued)

(b) Lease of Land at Tamana InTech Park:

In 2007, GORTT agreed to the establishment of the Main Campus of the University at Tamana InTech Park, on a parcel state land leased to the Evolving TecKnologies and Enterprise Development Company Limited (e TecK), which is a wholly owned State Enterprise. By letter dated 19 March 2021 the University accepted the offer submitted from e TecK for a Thirty-Year Lease of 110 acres commencing 1 March 2020.

(c) Lease of land at O'Meara Industrial Estate:

By an Agreement for a Lease made in writing on 6 March 2007 between e TecK and the University, the University agreed to lease from e TecK a parcel of land situated at O'Meara Industrial Estate comprising 30.69 hectares for a period of 30 years commencing 1 January 2005 at a premium of $0.52 million VAT exclusive and an annual rent of $0.48 million VAT exclusive, subject to rent reviews at the end of every five-year period. Due to the fact that the University is engaged in educational development activities, the rent charged by e TecK, as a matter of its Board-approved policy, was based on fifty percent (50%) of the market rental value.

By letter dated 23 November 2010, e TecK sought to invoke the rent review provision and informed the University that the revised annual rent would be $0.78 million VAT exclusive for the period 1 January 2010 to 31 December 2014. The University and e TecK have not concluded negotiations with respect to the revised rent and the University continues to pay rent at the original rate.

However, as at 30 September 2022, the University has accrued the sum of $4.1 million representing the difference between original rent and the proposed revised rent for the third five-year period. The lease expense recorded for the year amounted to $0.240 million (2021: $0.970 million) and is presented within facilities cost (Note 14 (a)).

15. Related Party Disclosures - (Continued)

(d) Property Management Services re: NAPA:

In 2008, GORTT decided that the University should be assigned the responsibility for the management, maintenance, security and operation of the National Academy for the Performing Arts – North Campus (NAPA). Although no Property Management Contract had been concluded between GORTT and the University, the University assumed responsibility for the management, maintenance, security and operation of NAPA upon its completion in November 2009 and has invoiced GORTT for the recovery of security, utilities, grounds and equipment maintenance costs and the payment of property management fees.

On 26 July 2017 the University signed a Memorandum of Understanding with the Ministry of Community Development, Culture and the Arts (MCDCA) in which MCDCA has overall responsibility for the management, security, use, operation and maintenance of NAPA as of that date. The University will be charged by MCDCA for 25% of common costs and is also responsible for costs directly related to its designated area, i.e. the academic wing of NAPA which is occupied by the University's Academy of Performing Arts.

The total receivable from GORTT up to the handover of the property to MCDCA in December 2017 amounted to $35.8 million. This amount has been included within Provision for impairment (Note 3a). The University has also recorded an accrual for its share of the common costs in the amount of $5.3 million as at 30 September 2022.

(e) Government Assistance for Tuition Expenses (GATE)

The Government Assistance for Tuition Expenses (GATE) is a form of tertiary education funding granted to nationals of Trinidad and Tobago by GORTT. The GATE receivable recorded by the University comprises individual unpaid student claims which have met the requirements for funding set forth by the Ministry of Education. As at 30 September 2022 the amount of $61.8 million (2021: $96.9 million) represent the total unpaid student claims at that date (Note 3a).

16. Commitments

Future minimum rentals payable under right of use asset in respect of land, office equipment, facilities and staff accommodation entered with various companies are as follows:

	2022 $'000	2021 $'000
Due within one year	1,319	4,642
Due after one year but not more than five years	2,826	21,410
Due after five years	5,047	84,392
	9,192	110,444

The University has capital commitments amounting to $161.6 million (2021: $161.6 million) relating primarily to the construction of the Signature Building Complex at Tamana InTech Park and the Chaguaramas Campus. These capital commitments at 30 September 2022 are fully funded by government grants.

17. Taxation

The University has not accounted for taxation in these financial statements as required by International Accounting Standards 12: "Income Taxes", notwithstanding the fact that the University's application for Charitable Organization Status under the Corporation Tax Act, with retroactive effect from 14 September 2004 has not yet been granted by the Board of Inland Revenue. The University continues to pursue a resolution of this matter with the Minister of Finance and The Economy.

Accordingly, deferred tax liabilities and deferred tax assets of $49.6 million have not been recorded. There is no impact on the reported net assets or total comprehensive loss as at year end 30 September 2022 and for the year then ended.

18. Financial Risk Management

Introduction

The University's activities expose it to a variety of financial risks including credit risk, liquidity risk and foreign currency risk. The overall risk management practices are focused on minimizing the potential adverse effects of these risk factors on the financial performance and viability of the University.

Risk Management Structure

The Board of Governors is ultimately responsible for the overall risk management approach and for approving the risk strategies, principles and policies and procedures. Day-to-day adherence to risk principles is carried out by Management in compliance with the policies approved by the Board of Governors. Additionally, the Board has established sub-committees led by designated members of the Board to formulate and recommend policies and procedures for its consideration and approval.

Credit Risk

Credit risk is the risk that a debtor or counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The University is exposed to credit risks from its operating activities, including deposits with banks and financial institutions and accounts receivable balances.

Significant changes in the economy, or in the state of a particular industry segment that represents a concentration in the University's portfolio, could result in losses that are different from those provided at the year-end date. Management therefore manages its exposure to credit risk.

The University applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivable.

(i) Cash and Cash Equivalents

Cash and cash equivalents are placed with highly rated and reputable financial institutions in Trinidad and Tobago and the identified impairment loss was immaterial.

18. Financial Risk Management - (Continued)

Credit Risk - (Continued)

(ii) Amounts Due From GORTT

There is the assumption that the Government would eventually settle all outstanding debts owed. However, IFRS 9 was applied, and an impairment loss was determined for the uncollected balances.

(iii) Corporate Receivables

Long outstanding corporate receivables arose due to old business models and have been provided for in full. The current corporate receivables are immaterial.

(iv) Other Receivables

The University applies the IFRS 9 simplified approach to measuring expected credit losses, using a lifetime expected loss allowance for all student receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the University uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

All uncollected receivables are provided for within five (5) years and subsequently written off in full after six (6) years.

The expected credit loss rates are based on the amounts recovered from students over the period of five (5) years. The historical rates are adjusted to reflect current and forward-looking information on the macroeconomic factors affecting the ability of the students to settle the receivables.

The historical loss rate is already accounting for the future as the future collections were available in determining the initial historical loss rate.

On this basis, the loss allowance as at 30 September 2022 and 30 September 2021 was determined as follows for student receivables.

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NOTES TO THE FINANCIAL STATEMENTS
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For the year ended 30 September, 2022

18. Financial Risk Management - (Continued)

Credit Risk - (Continued)

30 September 2022	**Expected Credit Loss Rate %**	**Gross Carrying Amount $'000**
Current year	22%	18,341
More than 1 year past due	25%	7,161
More than 2 years past due	60%	7,096
More than 3 years past due	86%	4,355
		36,953
Loss allowance		(25,020)
		11,933

30 September 2021	**Expected Credit Loss Rate %**	**Gross Carrying Amount $'000**
Current year	21%	21,309
More than 1 year past due	23%	9,746
More than 2 years past due	68%	5,028
More than 3 years past due	91%	3,660
		39,743
Loss allowance		(21,284)
		18,459

18. Financial Risk Management - (Continued)

Credit Risk - (Continued)

The movement in the allowance for impairment/expected cash loss during the year was as follows:

	2022 $'000	2021 $'000
Balance at beginning of year	21,284	19,465
Increase in loss allowance	3,736	1,819
	25,020	21,284

The maximum exposure to credit risk for the components of the statement of financial position, without taking account of any other credit enhancement is as follows:

	Gross Maximum Exposure 2022 $'000	Gross Maximum Exposure 2021 $'000
Cash and cash equivalents	118,951	107,762
Amounts due from GORTT	69,312	96,712
Corporate receivables	192	393
Other receivables	25,668	28,771
	214,123	233,638

18. Financial Risk Management - (Continued)

Foreign Currency Risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The University incurs foreign currency exposure on transactions that are denominated in a currency other than the Trinidad and Tobago dollar. The University ensures that the net exposure is kept within reasonable limits by monitoring and, where necessary, adjusting its exposure.

The aggregate value of financial assets and liabilities by currency denominations is as follows:

	EURO (TT Equivalent) $'000	USD (TT Equivalent) $'000	TTD $'000	Total $'000
Year ended 30 September 2022				
ASSETS				
Cash and cash equivalents	1,164	26,508	91,279	118,951
Accounts receivable	-	1,164	94,008	95,172
	1,164	27,672	185,287	214,123
LIABILITIES				
Retentions	-	-	55,639	55,639
Trade creditors	-	421	15,434	15,855
Other payables	-	-	24,861	24,861
Gratuity payable	-	-	11,728	11,728
Amount due to GORTT	-	-	1,370	1,370
	-	421	109,032	109,453

18. Financial Risk Management - (Continued)

Foreign Currency Risk - (Continued)

	EURO (TT Equivalent) $'000	USD (TT Equivalent) $'000	TTD $'000	Total $'000
Year ended 30 September 2021				
ASSETS				
Cash and cash equivalents	2,425	24,587	80,750	107,762
Accounts receivable	209	22	125,645	125,876
	2,634	24,609	206,395	233,638
LIABILITIES				
Retentions	-	-	55,527	55,527
Trade creditors	-	1,447	17,731	19,178
Other payables	-	-	26,997	26,997
Gratuity payable	-	-	11,677	11,677
Amount due to GORTT	-	-	1,370	1,370
	-	1,447	113,302	114,749

The sensitivity to a possible change in the US dollar exchange rate, with all other variables held constant, of the University's excess of income over expenditure is as follows:

	Change in US Dollar Rates	Effect on Net Income $'000	Effect on Equity $'000
2022	1% increase	273	204
	1% decrease	(273)	(204)
2021	1% increase	232	174
	1% decrease	(232)	(174)

The effect on net income is shown net of US dollar financial assets (2022: $27.6 million; 2021: $24.6 million) and liabilities (2022: $0.42 million; 2021: $1.4 million).

18. Financial Risk Management - (Continued)

Foreign Currency Risk - (Continued)

The sensitivity to a possible change in the EURO dollar exchange rate, with all other variables held constant, of the University's excess of income over expenditure is as follows:

	Change in EURO Dollar Rates	Effect on Net Income $'000	Effect on Equity $'000
2022	1% increase	12	9
	1% decrease	(12)	(9)
2021	1% increase	26	20
	1% decrease	(26)	(20)

The effect on net income is shown net of EURO dollar financial assets (2022: $1.2 million; 2021: $2.6 million) and liabilities (2022: Nil; 2021: Nil).

Liquidity Risk

Liquidity risk, also referred to as funding risk, is the risk that the University will encounter in meeting its payment obligations when they fall due under normal and extenuating circumstances. Prudent liquidity risk management implies maintaining sufficient cash and ensuring the availability of funding through an adequate amount of committed facilities. The University manages this risk by keeping a substantial portion of its financial assets in liquid form.

The maturity profile of the University's financial liabilities at 30 September is as follows:

Year ended 30 September 2022	< 1 year $'000	> 1 year $'000	Total $'000
Retentions	382	55,257	55,639
Trade creditors	15,855	-	15,855
Other payables	24,861	-	24,861
Gratuity payable	9,033	2,695	11,728
Amount due to GORTT	1,370	-	1,370
	51,501	57,952	109,453

18. Financial Risk Management - (Continued)

Liquidity Risk - (Continued)

Year ended 30 September 2021	< 1 year $'000	> 1 year $'000	Total $'000
Retentions	82	55,445	55,527
Trade creditors	19,178	-	19,178
Other payables	26,997	-	26,997
Gratuity payable	10,971	706	11,677
Amount due to GORTT	1,370	-	1,370
	58,598	56,151	114,749

Capital Management

The objective of the University's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business activities and safeguard the University's ability to continue as a going concern.

At year-end, the University does not carry any long-term borrowings obligations and is not subject to any externally imposed capital requirements.

19. Fair Values

The carrying amounts of short-term financial assets and liabilities comprising cash and cash equivalents, accounts receivable and accounts payable approximate to their fair value because of the short-term maturities of these instruments.

20. Contingent Liabilities

The University is party to certain litigation, claims and other legal proceedings in respect of matters which occurred prior to 30 September 2022. There exist unrecorded contingent liabilities of approximately $45.5 million (2021: $54.5 million). The potential outflow of resources is considered to be improbable. In relation to one of the litigation matters, a provision of $27.3 million was recorded as at 30 September 2022 (2021: $14.7 million) based on professional advice received.

21. Basis for Qualified Audit Opinion

The University of Trinidad and Tobago began construction of the Tamana Campus in 2008 with the main contractor being China Jiangsu, with the project valued at $1,748,503,060.78. Construction ceased in the 2020 with the campus being 90% completed. Currently, the property is partially occupied by The University of Trinidad and Tobago which represents 65% of the campus while the balance remains unoccupied or incomplete. It is uncertain when the construction will resume and when the campus will be fully completed and occupied. The University has not received the necessary approval or funding to conduct a valuation on the property and the associated work-in-progress and as such, no impairment assessment has been conducted to determine the carrying value of the property and capital work-in-progress in accordance with IAS 16 Property Plant and Equipment.

22. Going Concern

For the year ended 30 September 2022, the University has reported a net deficit for the year of $23.4 million (2021: $11.1 million). While the University has experienced and reported a reduction in GORTT subventions over the years, the level of funding is sufficient to allow the University to meet all of its current and future obligations when they fall due.

The financial statements are prepared on the going concern basis on the assumption that the University will continue to receive adequate subventions from GORTT together with its other sources of revenues to sustain the operations and cashflows of the University.

23. Subsequent Events

(a) *GATE Policy*

Effective August 2022, GATE revised its policy applicable for Academic Years 2022/2023 and ongoing. Students enrolled in institutions and programmes accredited by the Accreditation Council of Trinidad and Tobago (ACTT) will be funded as follows:

- for one (1) non-terminal programme and one (1) Bachelor's Degree or
- for one (1) Diploma and one (1) Bachelor's Degree or
- for one (1) Advance Diploma and one (1) Bachelor's Degree or
- for one (1) Associate Degree and one (1) Bachelor's Degree
- for one (1) Certificate Programme and one (1) Bachelor's Degree.

(b) *Changes in Operation at Major Campuses*

Please refer to Note 7 (a) & (b) for any significant changes in the operations at the University's major campuses subsequent to September 2022.