udecott

Urban Development Corporation
of Trinidad and Tobago Limited

ANNUAL REPORT 2020

udecott

Urban Development Corporation of Trinidad and Tobago Limited


SIGNED
SEALED
DELIVERED

OUR MISSION

We stimulate national development by transforming our urban landscapes in a sustainable manner through value-driven conceptualisation, planning, construction and facilities management.

OUR VISION

To be the zenith of innovative, service-driven, self-sustaining urban development and management, igniting and inspiring our national, regional and global communities.

CORE VALUES

Good Governance | Integrity | Transformative | Service Driven | Cost Efficient (Value Driven) | Results Oriented

Our Core Values form the foundation on which work is performed and how people conduct themselves. The Core Values underlie work, how people interact with each other, and which strategies will be employed to fulfil the Mission.

udecott
Urban Development Corporation of Trinidad and Tobago Limited

CORE VALUES

Good Governance
We strictly adhere to the principles of transparency and accountability in all of our operations, decision making and policy setting, following the rule of law for the benefit and protection of our stakeholders.

Service Excellence
We are the best-in-class service provider, proactively and professionally conducting our operations via responsible decision making and effective leadership and management.

Integrity
We (the Board of Directors, Management and Staff) are guided by sound moral judgement, honesty, trustworthiness and the highest ethical standards in all facets of our operations.

Transformative
We are committed to using innovation and creativity to transform our landscape for the optimal benefit of our communities.

Service Driven
Our people are purposely geared to use gold standards in our core competencies with a view to continuously providing service excellence to our clients.

Cost Efficient (Value Driven)
We perform our activities in the most economical manner to produce the optimum result in all our operations.

Results Oriented
We are a purpose-driven organisation focused on the timely delivery and cost-effective execution of our mandate to satisfy all of our stakeholders.

Company Overview

While the Urban Development Corporation of Trinidad and Tobago Limited (UDeCOTT) has a reporting relationship to The Office of the Prime Minister, it is a private company that is wholly owned by the Government of the Republic of Trinidad and Tobago and is responsible to the Corporation Sole – the Minister of Finance.

UDeCOTT's primary objective is to deliver projects that meet our clients' objectives using the highest quality project management and development services. Its critical focus over the last few years has been on social infrastructure projects including hospitals, police stations and fire stations. Within the broader context, however, UDeCOTT is responsible for developing the urban renewal of the capital city, Port of Spain, into a business and financial centre, and San Fernando for positioning as Trinidad and Tobago's energy capital. Finally, UDeCOTT has been tasked with developing 13 major urban centres as identified in the National Development Strategy 2016-2030.

The urban centre of the 21st century is a community in which the critical needs of the people, including interests and culture, history and education, entertainment and government, are met and balanced with commercial activity. The realisation of this vision will create a rich urban environment comprising well-designed and managed public spaces, the preservation of historic sites, medium and large scale commercial and residential needs and the development of small business.

Corporate Addresses

Trinidad
38-40 Sackville Street
Port of Spain
Trinidad, West Indies

12 Abercromby Street
Port of Spain
Trinidad, West Indies
Tel: 868-225-4004

Tobago
Ashora Court
Lower Milford Road
Scarborough
Tobago, West Indies
Tel: 868-225-4007

Board of Directors

Mr. Noel Garcia
Chairman

Ms. Janelle Berkley
Director
Janelle Berkley became a member of the Board of Directors in October 2015 and chairs the Human Resource and the Tobago Projects Committees.

Ms. Berkley earned a Bachelor of Science in Geology from The University of the West Indies, Mona, Jamaica and a Master of Arts in Landscape Architecture from the University of Greenwich, London, United Kingdom and has more than 8 years' experience in this field.

Ms. Maureen Daniel-Braveboy
Director
Ms. Maureen Daniel-Braveboy was appointed to the Board of Directors in October 2015.

Ms. Daniel-Braveboy served for 10 years as a Corporate Attorney with the Trinidad and Tobago Oil Company (Trintoc), the Petroleum Company of Trinidad and Tobago Limited (Petrotrin) and has over 28 years in private practice.

Mr. Jade Brown
Director
Mr. Jade Brown became a member of the Board of Directors in October 2015.

Mr. Brown is a Structural Engineer and a member of the Association of Professional Engineers of Trinidad and Tobago (APETT). Mr. Brown is also a registered Engineer with the Board of Engineering of Trinidad and Tobago (BOETT) and has over 18 years of experience in the Structural Engineering and Construction Management fields.

Mrs. Jacqueline Ganteaume-Farrell
Director
Mrs. Jacqueline Ganteaume-Farrell became a member of the Board of Directors of UDeCOTT in October 2015.

Mrs. Ganteaume-Farrell is a retired Permanent Secretary of the Public Service of Trinidad and Tobago, with over 42 years of service to the public of Trinidad and Tobago having increasing responsibility for executive leadership and management of the State's resources.

Mrs. Ganteaume-Farrell has extensive knowledge and experience of the workings of the Public Service and its regulations, procedures, policies and programmes. Since retirement from the Public Service, Mrs. Ganteaume-Farrell has functioned as an independent consultant/advisor on organisational development and management, State land administration and management.

Ms. Vashti Phekoo
Director
Ms. Vashti Phekoo joined the Board of Directors of UDeCOTT in October 2015.

Ms. Phekoo retired from First Citizens Bank after a 37-year career with the bank.

Ms. Phekoo earned a Bachelor's degree in Management Studies from The University of the West Indies, St. Augustine and graduated with an MBA from Andrews University, Michigan.

Chairman's Review

As Chairman of the Board of Directors of The Urban Development Corporation of Trinidad and Tobago Limited (UDeCOTT), I am happy to report yet another year of steady growth in both the Company's Non-Current and Current Assets for the fiscal year 2020.

Non-Current Assets increased from $11,055,408,083 in 2019 to $12,009,371,663 in 2020 with Total Assets also experiencing growth, rising from $14,144,152,231 in 2019 to $14,159,759,128 in 2020.

These indices of expansion were heartening especially given the onset of the COVID-19 pandemic.

UDeCOTT's pace of delivery did not wane during the pandemic. Rather, the Corporation's record of project completions was unprecedented, which included:

- Red House Restoration Project (24th January 2020);
- Cabildo Chambers Companion Building Project (24th January 2020);
- Mille Fleurs Restoration Project (26th June 2020);
- Port of Spain General Hospital Phase 3, Relocation of Medical Wards (31st January 2020)
- Port of Spain General Hospital Phase 4, Relocation of Surgical to St. James (6th March 2020)
- Arima Hospital (4th June 2020)
- Point Fortin Hospital (4th July 2020)
- Penal Fire Station (10th March 2020)
- Moruga Agro Processing and Light Industrial Park (June 2020)
- Arima Community Centre (29th June 2020)
- Bagatelle Community Centre (8th July 2020)
- Bon Air South Community Centre (11th Jan 2020)
- Cantaro Community Centre (5th August 2020)
- Diego Martin Central Community Cenitre (Bagatelle) (11th February 2020)
- Diego Martin South Community Centre (6th August 2020)
- La Lune Community Centre (6th June 2020)
- Quarry Road, Petit Valley Community Centre (18th July 2020)

- Quarry Village, Santa Flora Community Centre (11th July 2020)
- Tarodale Community Centre (4th July 2020)
- Tarouba Community Centre (31st July 2020)
- Techier Community Centre (7th August 2020)
- AGLA – Legal Aid and Advisory Authority Outfitting of 23 Stanmore Ave (26th June 2020)
- Moruga Multipurpose Youth and Sport Facility (4th August 2020)
- Vessigny Beach Facility (30th August 2020)
- La Brea Pitch Lake Facility (30th August 2020)
- Old Fort Hospital (24th April 2020)
- Roxborough Administrative Complex and the Executive Office (15th June 2020)
- Roxborough Fire Station(31st July 2020)
- Dwight Yorke Stadium Refurbishment Phase 2 (31st July 2020)
- PM Residence Access Road Infrastructural Upgrade (25th January 2020)
- Moriah Health Centre (30th September 2020)
- Calder Hall Administrative Complex – Expansion (30th September 2020)

I must thank the Management and Staff of UDeCOTT who worked tirelessly in 2020 during the raging pandemic. The Corporation was classified as an essential service, given our Health Project Portfolio and other crucial State Accommodation facilities, which were in train for delivery to the people of Trinidad and Tobago. Our unflinching commitment to deliver on our mandates, as set by the Government, remains our focus at UDeCOTT.

Mr. Noel Garcia
Chairman

Management Discussion and Analysis

PERFORMANCE

In 2020, the worldwide Covid-19 pandemic forced a nationwide shutdown of businesses for several months. The shutdown directly affected the core business sectors of UDeCOTT, as the Construction Sector and the Hotel Industry were closed. The pandemic would present new challenges as UDeCOTT endeavoured to complete projects on time and in budget.

In 2020, the company earned a Loss Before Taxation of $57 million. There was a drastic decrease in Total Income which declined by $200 million (31%). The decreases were notable in Hotel Operations and Project Management Fees. Total Operating Expenses decreased by $159 million to $430 million compared to 2019's value of $588 million. This reduction was aided by the reduction in the Hyatt's Operating Expenses of $66 million as well as a reduction in the Impairment Allowance by $103 million.

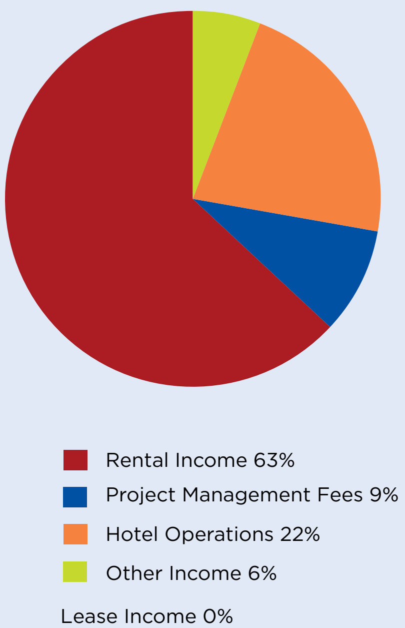
REVENUE

In 2020, Total Income decreased by $200 million to $439 million, compared to $639 million in 2019. This decrease was driven by:

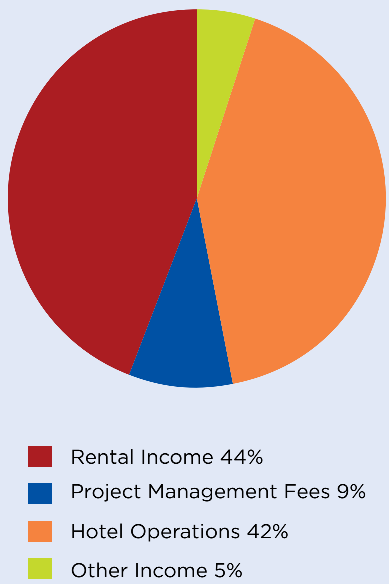
- A 64% decrease in Hotel Operations of $172 million
- Project Management Fees and Other Income declined by $22 million and $4 million respectively.

	2020	2019	Inc/Dec	% Change
Hotel Operations	96,924,503	269,103,636	(172,179,133)	**-64%**
Project Management Fees	36,880,893	59,146,803	(22,265,910)	**-38%**
Rental Income	277,475,986	279,587,152	(2,111,166)	**-1%**
Lease Income	239,646	-	239,646	**0%**
Other Income	27,715,818	31,900,906	(4,185,088)	**-13%**
Total	**439,236,846**	**639,738,497**	**(200,501,651)**	**-31%**

2020 INCOME



2019 INCOME



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The company generated a comprehensive loss before taxation of $57 million compared to $31.2 million recognised in 2019.

The significant decline in revenue was attributed to the economic impacts of the COVID-19 pandemic which led to a number of mitigating events such as closed borders and a nation-wide stay-at-home-order. The decrease in Revenue generated, was mitigated by a decrease in total expenses for 2020. Revenue fell from $639 million in 2019 to $439 million in 2020 – a negative variance of $200 million. However, total expenses fell from $588 million to $430 million – a decrease of $158 million or 27%.

There was a notable rise in Administrative and Other Expenses incurred in 2020 which totalled $276 million compared to $264 million incurred in 2019. It should be noted that only the construction of the Health Care Projects were permitted as all other construction works were suspended.

Staff costs remained relatively constant with a slight 3% decrease over 2019's figure to $65 million.

Office expenses in 2020 totalled $36 million compared to the amount incurred in 2019 of $3 million. Repairs and Maintenance totalled approximately $11 million whilst Security Expenses totaled $5 million which accounted for approximately 46% of Office Expenses in 2020. It should be noted that there was a slight increase in Rent & Utilities by $1 million.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The company's 2020 balances demonstrated steady growth when compared to 2019 figures. There was a slight increase in Non-Current assets with a 9% or $953 million increase. A major increase was recorded in the Accounts Receivable and Prepayments amounting to $1.1 billion or a 75% increase.

Current assets overall decreased by 30% or $938 million. Movement in this category was due to a decrease in the Accounts Receivable and Prepayments of $786 million or 42% over 2019 figures. Project Receivables increased by 11% or $92 million. These figures are linked to works done on behalf of client ministries. Also, there was a significant decrease in Cash and Cash equivalents of $243 million or 83%.

There was minimal change in Non-current Liabilities or Current Liabilities balances between 2019 & 2020 by about 7%

UDeCOTT's leverage decreased from 64% in 2017 to 59% in 2020. There were no adjustments to Equity structure or figures in 2020.

PROJECT OVERVIEW

UDeCOTT continues to remain as the Government of the Republic of Trinidad and Tobago's ("GORTT") main developer of choice. Cognisant of the foregoing, UDeCOTTs' Construction and Engineering mandate adheres to international best practices in project development, construction management, focusing on transparency, accountability and value for money for the socio-economic benefit of our stakeholders and the citizens of the Republic of Trinidad and Tobago. Central to the Corporation's purpose and mandate is its Construction and Engineering Vision and Mission which drives continual progression across Trinidad and Tobago through proactive planning, conceptual designs and project and construction management.

The significance of investing in infrastructure cannot be understated as it is also in alignment with goal nine (9) of the United Nations Sustainable Development Goals (SDGs), that is Build Resilient Infrastructure. Infrastructural investment in the short term stimulates the economy whilst in the long term, it improves the quality of life, social inclusion and well-being by connecting people and facilitating access to essential resources.

In the pursuit of economic growth and providing sustainable outcomes for citizens of Trinidad and Tobago, the GORTT has entrusted UDeCOTT with the mandate of propelling social infrastructural development within the urban and rural environment. The implementation of such has seen UDeCOTT developing strong institutional capabilities in the following crucial portfolios:

- Health
- National Security
- Industrial
- Community Development, Culture and the Arts
- Accommodation
- Ports and Infrastructure; and
- Sports and Recreation

In fiscal 2020, UDeCOTT continued to provide the highest level of quality in project and construction management services in its execution of the GORTT mandate. This was a tremendous accomplishment, as fiscal 2020 realised Murphy's Law which states that "anything that can go wrong will go wrong" through the emergence of a novel coronavirus 2019 (COVID-19) pandemic. The pandemic would present new challenges as UDeCOTT endeavoured to complete projects on time and in budget.

In light of the foregoing, on April 9, 2020 UDeCOTT mandated that all other construction works be suspended and all measures taken to reduce any reoccurring expenses and all permanent, temporary works and materials within the project site be secured by its contractors.

May 10, 2020 marked the steady reopening of the country on a Phase-by-Phase basis, with the construction industry being allowed to work on May 21, 2020. While increased hygienic measures, mask wearing, social distancing, frequent sanitisation and working from home became the new normal, the COVID-19 pandemic further impacted the construction industry in myriad ways, such as but not limited to:

- increases in cost of construction materials (such as structural steel, rebar and other metallic products);
- increases in cost to the chain supply;
- increases in cost and delays in international shipping;
- difficulty in obtaining foreign exchange;
- delays in project progress as a result of mandated GORTT restrictions/shut downs/curfews; and
- delays in project progress as a result of reduction in manpower (worker illness/quarantine orders) and/or the shutting down of sites (worker illness/ quarantine orders/sanitation exercises).

Through it all, the GORTT and the Tobago House of Assembly continued in fiscal 2020 to entrust UDeCOTT with an extensive mandate in crucial portfolios both in Trinidad and in Tobago. One such crucial portfolio was that of the Health Sector.

UDeCOTT, through all the challenges presented by the COVID-19 pandemic, successfully completed the Arima Hospital, the Point Fortin Hospital and the Diego Health Facility in Trinidad as well as the Old Fort Hospital in Tobago. These completed projects will undoubtedly aid GORTT's battle against the COVID-19 pandemic. In addition, the formerly completed Couva Hospital and Multi-Training Facility was utilised as a major COVID-19 treatment facility. UDeCOTT therefore, continues to support GORTT's role in providing equitable access to quality healthcare despite these ever-growing challenges.

In fiscal 2020, UDeCOTT oversaw one hundred and eleven (111) projects, which spanned over nine (9) Ministries, nine (9) Divisions and one (1) governmental agency. At the close of fiscal 2020, UDeCOTT commemorated twenty-five (25) Official Opening Ceremonies and seven (7) Sod Turnings, marking one of its most successful years despite the COVID-19 pandemic.

Fortuitously, the beginning fiscal 2020 brought with it the momentous handing over of the Restoration of the President's House – the residence of the Head of State of the Republic of Trinidad and Tobago – and the official opening of Roxborough Police Station, which saw the continued development of North-east Tobago both in the month of December 2019. While in January 2020, the consequential opening of the Red House Building and the Red House Companion Building for the establishment of a Parliamentary Complex for the permanent occupation of the Parliament marked another tremendous accomplishment for UDeCOTT.

UDeCOTT recognises that its work directly impacts the well-being, safety and quality of life of the people of Trinidad and Tobago and as such UDeCOTT continues to deliver innovative projects in the face of the COVID-19 pandemic.

This trajectory only increased as fiscal 2020 came to a close with the successful completion of thirty-eight (38) projects in a variety of portfolios as seen in the table below.

BREAKDOWN OF PROJECTS COMPLETED BY PORTFOLIO FOR FISCAL 2020

Health	**8**	1. Old Fort Hospital (Upgrade and Refurbishment Works for Training Rooms and the Old Fort Hospital) 2. Conversion of Tobago Rehabilitation Empowerment Centre (TREC) to a COVID-19 Treatment Facility 3. Arima Hospital 4. Point Fortin Hospital 5. Diego Martin Health Centre 6. Port of Spain General Hospital: Phase I - two (2) storey facility on the compound of POSGH to house the Central Stores, Engineering and Biomedical Departments 7. Port of Spain General Hospital: Phase II - retrofitting of the ground, first and second floors of the existing COSTAATT Building located at POSGH to accommodate the relocation of medical wards from the old Central Block of POSGH building 8. Port of Spain General Hospital: Phase IV - retrofitting of first floor above the Accident and Emergency Department at the St James Medical Complex to accommodate to accommodate the relocation of medical wards from the old Central Block of POSGH building.
National Security	**3**	1. Roxborough Police Station 2. Roxborough Fire Station 3. Penal Fire Station
Industrial	**2**	1. Moruga Agro-Processing and Light Industrial Park Phase I – Master Planning Phase 2. Moruga Agro-Processing and Light Industrial Park Phase II – Detailed Design and Construction Phase
Accommodation	**3**	1. Relocation of CLICO Offices and Refurbishment of the former Head Office of the Ministry of Agriculture Land and Fisheries 2. Fit-Out of the New Ministry of Foreign Affairs Building 3. Relocation of Solicitor's General Office to Tower C at the Port of Spain International Waterfront Centre
Tourism	**2**	1. Vessigny Beach Facility Upgrade Project 2. La Brea Pitch Lake Facility

Management Discussion and Analysis
(continued)

BREAKDOWN OF PROJECTS COMPLETED BY PORTFOLIO FOR FISCAL 2020

Portfolio	No.		Project
Community Development, Culture and Arts	**13**	1.	Chickland Community Centre
		2.	Las Lomas #2 Community Centre
		3.	Indian Trail Community Centre
		4.	Bon Air South Community Centre
		5.	Tarodale Community Centre
		6.	Bagatelle Community Centre
		7.	Quarry Village Community Centre
		8.	Quarry Road Community Centre
		9.	Tarouba Community Centre
		10.	Cantaro Community Centre
		11.	Techier Community Centre
		12.	Diego Martin Central Community Centre
		13.	La Lune Community Centre
Heritage/Restoration	**5**	1.	Restoration of President's House
		2.	Restoration and Rehabilitation of the Red House
		3.	Red House Companion building formerly Cabildo Chambers - Parliamentary Complex for Administrative and Ancillary Services
		4.	Queen's Royal College: Repairs to the Assembly Hall
		5.	Mille Fleurs
Sports and Recreation	**2**	1.	West Park Savannah
		2.	Moruga Multipurpose Youth and Sporting Facility
Total	**38**		

UDeCOTT remains committed to stimulating national development by transforming our urban landscape in a sustainable manner through value-driven conceptualisation, planning, construction and facilities management.

FINANCIAL REPORT
2020

udecott
Urban Development Corporation of Trinidad and Tobago Limited

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 2020, 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
Chief Executive Officer
Date: 02 April 2024

Burton Andre Hinkson
Divisional Manager, Finance
Date: 02 April 2024

PKF
Chartered Accountants
& Business Advisors
PKF LIMITED

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 2020, 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 contributed capital as at 31 December 2020.

No evidence was provided to support the cost used in the valuation of the buildings currently stated at $1,100,402,108.

No evidence was provided to support the valuation of investment properties as required by IAS 40 - Investment Properties, currently stated at $7,463,940,733.

No evidence was provided to support the cost used in the valuation of inventory as at 31 December 2020, currently stated at $66,954,415.

No evidence was provided to support the valuation of the value added tax recoverable as at 31 December 2020, currently stated at $579,815,349.

No evidence was provided to support the existence and valuation of projects receivable as at 31 December 2020, currently stated at $958,291,533.

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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

PKF
Chartered Accountants
& Business Advisors
PKF LIMITED

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 2020, currently stated at $1,508,214,973.

The Group did not provide sufficient, appropriate audit evidence to support the valuation of contributed capital as at 31 December 2020, currently stated at $5,754,836,957.

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 contributed capital as at 31 December 2020.

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary, in respect of property, plant and equipment, investment properties, inventory, value added tax recoverable, accounts payable and accruals and contributed as at 31 December 2020.

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 IFRSs, 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.

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.

INDEPENDENT AUDITORS' REPORT (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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
2 April 2024

URBAN DEVELOPMENT CORPORATION OF TRINIDAD AND TOBAGO LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2020

ASSETS

	Notes	2020 ($)	2019 ($)
ASSETS			
Non-Current Assets:			
Investment properties	5	7,463,940,733	7,407,308,841
Inventory - Land	7	66,954,415	69,707,941
Construction in progress	6	44,570,750	27,105,792
Property, plant and equipment	8	1,100,402,108	1,235,411,365
Right of use assets	23	3,418,263	1,350,609
Value added tax recoverable	9	579,815,349	595,005,233
Accounts receivable and prepayments	13	2,601,446,375	1,487,745,220
Investment securities	24	48,148,670	67,530,400
Deferred tax asset	12	90,365,267	113,061,917
Restricted cash	10	10,309,733	51,180,765
		12,009,371,663	11,055,408,083
Current Assets:			
Projects receivables	11	958,291,533	866,175,512
Accounts receivable and prepayments	13	1,086,139,015	1,873,007,567
Short term investment	24	55,446,000	55,446,000
Cash and cash equivalent	14	50,510,917	294,115,069
		2,150,387,465	3,088,744,148
Total Assets		**14,159,759,128**	**14,144,152,231**
Capital and Reserves:			
Stated capital	16	999,502	999,502
Accumulated deficit		(805,717,288)	(746,351,987)
Contributed capital	17	5,754,836,957	5,158,445,579
		4,950,119,171	4,413,093,094
Non-Current Liabilities:			
Borrowings	18	6,579,072,172	7,038,031,805
Deferred revenue	19	5,237,565	5,687,552
		6,584,309,737	7,043,719,357
Current Liabilities:			
Accounts payable and accruals	20	1,508,214,973	1,494,853,025
Borrowings	18	806,007,846	863,432,094
Reserve development fund	21	57,539,071	58,122,003
Deposit on account	22	2,952,250	1,337,435
Deferred tax liability	12	230,961,711	255,497,167
Tax payable		15,965,808	13,450,210
Lease liabilities	23	3,688,561	647,846
		2,625,330,220	2,687,339,780
Total Equity and Liabilities		**14,159,759,128**	**14,144,152,231**

These financial statements were approved by the Board of Directors and authorised for issue on 2 April 2024 and signed on their behalf by:

Director

Director

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

Consolidated Statement of Comprehensive Income
Year ended December 31, 2020

	Notes	For the year ended 31 December 2020 ($)	2019 ($)
Income:			
Hotel operations	25	96,924,503	269,103,636
Rental income	26	277,475,986	279,587,152
Project management fees		36,880,893	59,146,803
Lease income		239,646	-
Other income	27	27,715,818	31,900,906
		439,236,846	639,738,497
Operating expenses:			
Loss on disposal of plant and equipment		447	171,200
Impairment allowance		(35,564,537)	(139,382,216)
Hyatt Regency Trinidad operating expenses		(118,187,610)	(185,040,649)
Other expenses	28	(276,652,483)	(264,399,094)
Total operating expenses		(430,404,183)	(588,650,759)
Operating profit		8,832,663	51,087,738
Government grant	30	300,744,798	292,787,042
Finance income	30	5,147,042	9,487,284
Finance cost	31	(372,385,141)	(384,623,862)
Total non-operating expenses		(66,493,301)	(82,349,536)
Loss before taxation		(57,660,638)	(31,261,798)
Taxation	32	(1,704,663)	(34,078,527)
Total Comprehensive Loss for the year		(59,365,301)	(65,340,325)

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

Consolidated Statement of Changes in Equity
Year ended December 31, 2020

	Stated Capital ($)	Accumulated Deficit ($)	Contributed Capital ($)	Total Equity ($)
Balance, 1 January 2019	999,602	(645,704,404)	4,622,002,357	3,977,297,555
Subsidiary balances written off (Oropune)	(100)	(35,307,258)	-	(35,307,358)
Total comprehensive loss for the year	-	(65,340,325)	-	(65,340,325)
Contributed capital for the year	-	-	536,443,222	536,443,222
Balance, 31 December 2019	**999,502**	**(746,351,987)**	**5,158,445,579**	**4,413,093,094**
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**

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

Consolidated Statement of Cash Flows
Year ended December 31, 2020

	For the year ended 31 December 2020 ($)	2019 ($)
Cash Flow from Operating Activities:		
Loss before taxation	(57,660,638)	(31,261,798)
Adjustment for:		
Depreciation	146,160,215	143,963,112
Write off of depreciation	(197,314)	(2,262,500)
Depreciation - right of use asset	2,053,867	1,396,163
Interest in capital contribution	596,391,378	536,443,222
Lease - Interest expenses	408,149	139,617
Interest expense	316,979,805	303,795,568
Interest income	(300,744,798)	(292,787,042)
Changes in Operating Assets and Liabilities:	703,390,664	659,426,342
Accounts receivable and prepayments	(326,832,603)	(1,350,423,123)
Accounts payable and accruals	22,019,824	277,657,682
Inventory	2,753,525	-
Reserve development fund	(582,932)	10,625,570
Increase in value added tax recoverable	15,189,884	12,042,224
Project receivables	(92,116,020)	(39,729,803)
Deferred revenue	(449,987)	2,483,335
Deposit on account	-	(386,501)
Deferred liability written off	-	(10,350,000)
Taxation paid	(1,027,871)	(12,348,893)
Interest paid	(316,979,805)	(303,795,568)
Net cash provided by/(used in) Operating Activities	5,364,679	(754,798,735)
Cash Flows From Investing Activities:		
Decrease in Hyatt Replacement Reserve Fund	40,871,032	1,686,419
Net change in investment securities	19,381,731	(13,005,048)
Net change in short term investments	-	101,689,500
Purchase of property, plant and equipment	(10,953,644)	(23,769,727)
Proceeds from sale of property, plant and equipment	(56,631,892)	-
Transfer to investment properties from properties, plant and equipment	-	6,000,000
Increase in construction in progress	(17,464,958)	(22,881,693)
Share Capital written off	-	(100)
Retained earnings written off	-	(35,307,258)
Interest received	300,744,798	292,787,042
Net cash provided by Investing Activities	275,947,067	307,199,135

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

Consolidated Statement of Cash Flows (continued)

Year ended December 31, 2020

	For the year ended 31 December	
	2020 ($)	2019 ($)
Cash Flows From Financing Activities		
Lease payments	(1,488,955)	(2,238,018)
Net proceeds from borrowings	(523,426,943)	223,933,581
Net cash (used in)/provided by financing activitites	(524,915,898)	221,695,563
Net change in cash and cash equivalent	(243,604,152)	(225,904,037)
Cash and cash equivalent, beginning of year	294,115,069	520,019,106
Cash and cash equivalent, end of year	**50,510,917**	**294,115,069**
Represented by:		
Cash and cash equivalent	**50,510,917**	**294,115,069**

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

Notes to the Consolidated Financial Statements

December 31, 2020

1. Incorporation and Principal Activities:

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 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.

(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.

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

(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 Significant Accounting Policies

(a) Basis of financial statements preparation -

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

(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 3 Business Combinations - Amendments to clarify the definition of a business (effective for accounting periods beginning on or after 1 January 2020).

IFRS 7 Financial Instruments: Disclosure – Amendments regarding pre-replacement issues in the context of the IBOR reform (effective for accounting periods beginning on or after 1 January 2020).

IFRS 9 Financial Instruments - Amendments regarding pre-replacement issues in the context of the IBOR reform (effective for accounting periods beginning on or after 1 January 2020).

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

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

IAS 1 Presentation of Financial Statements - Amendments regarding the definition of material (effective for accounting periods beginning on or after 1 January 2020).

IAS 8 Accounting Polices, Changes in Accounting Estimates and Errors - Amendments regarding the definition of material (effective for accounting periods beginning on or after 1 January 2020).

IAS 39 Financial Instruments: Recognition and Measurement - Amendments regarding pre-replacement issues in the context of the IBOR reform (effective for accounting periods beginning on or after 1 January 2020).

IAS 41 Agriculture - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (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 59.86% (2019: 64.16%) 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 the Significant 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 15**.

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.

2. Summary of Significant 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.

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.

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

(g) Financial instruments (cont'd) -

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.

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.

2. Summary of Significant 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.

2. Summary of Significant 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.

(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.

Notes to the Consolidated Financial Statements
December 31, 2020

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

(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.

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.

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

(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.

(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.

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

(q) Leases (cont'd) -

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.

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.

2. Summary of Significant 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.

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.

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

(q) Leases (cont'd) -

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).

(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.

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

(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.

(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.

Notes to the Consolidated Financial Statements
December 31, 2020

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.

Notes to the Consolidated Financial Statements
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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 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)**

US dollar denominated	Pre-Tax Effect on Income 2019 As reported ($)	1% Appreciation ($)	1% Depreciation ($)
Cash and cash equivalent	42,742,179	(427,422)	427,422
Borrowings	(2,154,618,632)	21,546,186	(21,546,186)
Accounts payable and accruals	(47,976,020)	479,760	(479,760)
Total	(2,159,852,473)	21,598,524	(21,598,524)
	Post-Tax Effect on Income		
Total	**(1,511,896,731)**	**15,118,967**	**(15,118,967)**

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.

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

TTD to USD	2020	2019
	6.7993	6.7922

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 of changes in the market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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, forty-three per cent (43%) of the Group's long-term borrowings are fixed rate instruments and fifty-seven per cent 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.

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			
December 31, 2020	3,052,770,558	30,527,705	(30,527,705)
December 31, 2019	3,190,863,835	31,908,638	(31,908,638)
Post-tax			
Variable-rate instruments			
December 31, 2020	2,136,939,390	21,369,393	(21,369,393)
December 31, 2019	2,233,604,685	22,336,047	(22,336,047)

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

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 2020	Carrying Amount 2020 ($)	Fair Value 2020 ($)
Carrying Amount		
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**

As at 31 December 2019	Carrying Amount 2019 ($)	Fair Value 2019 ($)
Carrying Amount		
Fixed rate instruments	4,710,600,064	4,710,600,064
Variable rate instruments	3,190,863,835	3,190,863,835
	7,901,463,899	**7,901,463,899**

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.

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.

	Carrying Amount	Contractual Cash Flow	Less than one year	More than 1 Year but less than 5 years	More than 5 years
	$	$	$	$	$
Financial Assets					
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**

	Carrying Amount	Contractual Cash Flow	Less than one year	More than 1 Year but less than 5 years	More than 5 years
	$	$	$	$	$
Financial Assets					
As at 31 December 2019					
Borrowings	7,901,463,899	9,693,718,071	1,419,520,017	5,293,485,884	2,980,712,170
Accounts payable and accruals	1,494,853,025	1,494,853,025	1,494,853,025	-	-
Reserve development fund	58,122,003	58,122,003	58,122,003	-	-
Deposit on account	1,337,435	1,337,435	1,337,435	-	-
Deferred revenue	5,687,552	5,687,552	5,687,552	-	-
	9,461,463,914	**11,253,718,086**	**2,979,520,032**	**5,293,485,884**	**2,980,712,170**

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.

Notes to the Consolidated Financial Statements
December 31, 2020

3. Financial Risk Management (Cont'd):

c) Credit risk (cont'd) -

Analysis of financial assets that are exposed to credit risk:

	31 December 2020 ($)	31 December 2019 ($)
Contract works billed to GORTT	3,254,002,460	2,801,900,410
Advances to contractors	35,742,797	77,903,314
Other receivables excluding prepayments	582,671,153	597,225,889
Total accounts receivable - gross	3,872,416,410	3,477,029,613
Project receivables - gross	1,140,713,068	1,085,317,402
Cash and cash equivalent	50,510,917	294,115,069
Total	**5,063,640,395**	**4,856,462,084**

The analysis of the account receivable is as follows:

	31 December 2020 ($)	31 December 2019 ($)
Advances to contractors	35,742,797	77,903,314
Contract works billed to GORTT	3,254,002,460	2,801,900,410
Other receivables excluding prepayments	582,671,153	597,225,889
Total accounts receivable - gross	3,872,416,410	3,477,029,613
Less: Provision for impairment	(190,337,140)	(118,052,248)
Account receivables – net	3,682,079,270	3,358,977,365
Project receivables - gross	1,140,713,068	1,085,317,402
Less: Provision for impairment	(182,421,535)	(219,141,889)
Project receivables – net	958,291,533	866,175,513
Prepayments	5,506,021	1,775,322
Total	**4,645,876,824**	**4,226,928,200**

Notes to the Consolidated Financial Statements
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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:

	2020 ($)	2019 ($)
Past due 1-30 days	166,961,468	139,889,968
Past due 31-90 days	306,907,291	342,208,134
Past due 91-120 days	90,591,572	371,290,617
Over 120 but less than 365 days	421,383,747	971,953,727
Over 365 days	2,809,669,593	1,534,308,197
	3,795,513,671	**3,359,650,643**

The impairment allowance can be analysed as follows:

	Project Receivable 2020 ($)	Accounts Receivable 2020 ($)	Total 2020 ($)	Total 2019 ($)
At beginning of year	219,141,889	118,052,248	337,194,137	197,811,922
Additional provision recognised (written off)	(36,720,354)	72,284,892	35,564,537	139,382,215
	182,421,535	**190,337,140**	**372,758,675**	**337,194,137**

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.

Notes to the Consolidated Financial Statements

December 31, 2020

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	
	2020 ($)	**2019 ($)**
Total borrowings	7,385,080,018	7,901,463,899
Less: deposit accounts	(2,319,636)	(2,608,409)
Net debt	7,382,760,382	7,898,855,490
Stated capital	999,502	999,502
Accumulated deficit	(805,717,288)	(746,351,987)
Contributed capital	5,754,836,957	5,158,445,579
Total capital	4,950,119,171	4,413,093,094
Capital and net debt	**12,332,879,553**	**12,311,948,584**
Gearing ratio	59.86%	64.16%

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 **$3.7 million** (2019: **$5.9 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 **$746,394,073** (2019: **$740,730,884**).

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.

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 **$1,393,372,611** (2019: **$1,295,690,583**).

Notes to the Consolidated Financial Statements
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5. Investment Properties:

	31 December 2020 ($)	31 December 2019 ($)
The Group's investment properties include the following:		
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	828,868,305	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	-
Salvatori Building	23,176,465	23,164,465
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	18,806,447	18,186,555
POSWDL - Port Authority Lands, Wrightson Road	224,000,000	224,000,000
	7,463,940,733	**7,407,308,841**

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

	31 December 2020 ($)	31 December 2019 ($)
Opening net book amount	7,407,308,841	7,401,815,249
Transfers/Additions	56,631,892	5,493,592
Closing net book amount	**7,463,940,733**	**7,407,308,841**

Notes to the Consolidated Financial Statements
December 31, 2020

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. Construction in Progress:

	31 December	
	2020	**2019**
	($)	**($)**
Sackville Street Renovations	971,871	971,871
Ministry of Education	94,024	94,024
Board of Inland Revenue Tower	23,425,585	11,835,721
Invader's Bay	2,899,592	28,512
Ministry of Legal Affairs	14,541,281	13,216,083
San Fernando General Hospital Car park Extension	713,839	500
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	-
The Parkade	815,177	-
	44,570,750	**27,105,792**

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

	31 December	
	2020	**2019**
	($)	**($)**
Opening net book amount	27,105,792	9,877,295
Transfer/Additions	17,464,958	17,228,497
Closing net book amount	**44,570,750**	**27,105,792**

7. 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.

8. Property, Plant and Equipment:

	Construction in Progress ($)	Land ($)	Building ($)	Furniture, Fittings & Office Equipment ($)	Computer Software & Equipment ($)	Motor Vehicles ($)	Total ($)
Cost							
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**

Notes to the Consolidated Financial Statements
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8. Property, Plant and Equipment (Cont'd):

	Construction in Progress ($)	Land ($)	Building ($)	Furniture, Fittings & Office Equipment ($)	Computer Software & Equipment ($)	Motor Vehicles ($)	Total ($)
Cost							
Balance, 1 January 2019	-	7,000,000	2,370,131,596	239,219,257	10,142,856	920,883	2,627,414,592
Disposals	-	(3,000,000)	(3,000,000)	-	-	(660,665)	(6,660,665)
Additions	116,073	-	9,320,836	13,147,431	1,344,870	-	23,929,210
Balance, 31 December 2019	116,073	4,000,000	2,376,452,432	252,366,688	11,487,726	260,218	2,644,683,137
Accumulated Depreciation							
Balance, 1 January 2019	-	-	1,140,968,810	118,356,655	7,985,477	920,883	1,268,231,825
Charge for the year	-	-	(2,262,500)	-	-	(660,665)	(2,923,165)
	-	-	118,686,392	24,021,090	1,255,630	-	143,963,112
Balance, 31 December 2019	-	-	1,257,392,702	142,377,745	9,241,107	260,218	1,409,271,772
Net Book Value							
Balance, 31 December 2019	**116,073**	**4,000,000**	**1,119,059,730**	**109,988,943**	**2,246,619**	**-**	**1,235,411,365**
Balance, 31 December 2018	**-**	**7,000,000**	**1,229,162,786**	**120,862,602**	**2,157,379**	**-**	**1,359,182,767**

9. Value Added Tax (VAT) Recoverable:

	31 December 2020 ($)	2019 ($)
VAT recoverable	**579,815,349**	**595,005,233**

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. Restricted Cash:

	31 December 2020 ($)	2019 ($)
Restricted Cash	**10,309,733**	**51,180,765**

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.

11. Project Receivables:

	31 December 2020 ($)	2019 ($)
Contract works billed to GORTT	517,182,030	517,182,030
Contract works not billed	51,418,705	61,886,319
Contract works receivable	419,495,923	363,703,485
Facilities work not billed	152,616,410	142,545,567
	1,140,713,068	1,085,317,401
Allowance for impairment	(182,421,535)	(219,141,889)
	958,291,533	**866,175,512**

11. 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 2020 ($)	31 December 2019 ($)
At the beginning of the year	219,141,889	145,160,469
Additional allowance/reversal	(36,720,354)	73,981,420
	182,421,535	**219,141,889**

Concentration of project receivables balance is as follows:

	2020	2019
Government	**1,140,713,068**	**1,085,317,401**

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

	31 December 2020 ($)	31 December 2019 ($)
Project expenditure on the Brian Lara Cricket Academy	**517,182,030**	**517,182,030**

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

Notes to the Consolidated Financial Statements
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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 2020 ($)	2019 ($)
Balance at beginning of year	113,061,917	151,667,225
Effect on the Statement of Comprehensive Income	(22,696,650)	(38,605,308)
Balances at the end of the year	**90,365,267**	**113,061,917**
Deferred tax asset is attributable to the following:		
Taxable losses	**90,365,267**	**113,061,917**

Deferred Tax Liability:

	31 December 2020 ($)	2019 ($)
Balance at beginning of year	(255,497,167)	(274,885,773)
Effect on the Statement of Comprehensive Income	24,535,456	19,388,606
Balance at the end of the year	**(230,961,711)**	**(255,497,167)**
Deferred tax asset is attributable to the following:		
Excess of Net Book Value over Written Down Tax Value	**230,961,711**	**255,497,167**
Net deferred tax liability	**(140,596,444)**	**(142,435,250)**

13. Accounts Receivable and Prepayments:

	31 December 2020 ($)	31 December 2019 ($)
Amounts due from GORTT for Contract Works (a)	3,254,002,460	2,801,900,410
Prepayments and other receivables	588,177,273	599,001,310
Advances to contractors (b)	35,742,797	77,903,314
Allowance for expected credit losses	(190,337,140)	(118,052,247)
	3,687,585,390	3,360,752,787
Non-current	**2,601,446,375**	**1,487,745,220**
Current	**1,086,139,015**	**1,873,007,567**
	3,687,585,390	3,360,752,787

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.

(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.

The impairment provision included above represents the account balances which have not shown any movement in over twelve months.

Notes to the Consolidated Financial Statements
December 31, 2020

14. Cash and Cash Equivalent:

	31 December	
	2020	2019
	($)	($)
Short-term investments		
Bank accounts	22,696,881	233,572,197
Deposit accounts	27,763,536	60,492,372
Petty cash	50,500	50,500
	50,510,917	**294,115,069**

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

	31 December	
	2020	2019
	($)	($)
House Bank	342,000	372,700
Demand Deposits	27,230,544	58,251,797
	27,572,544	**58,624,497**

15. Subsidiary Companies:

	31 December % of Equity Capital Held	
	2020	2019
	($)	($)
(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**

15. Subsidiary Companies (Cont'd):

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.

(v) Oropune Development Limited began its operations on 13 January 1995 with its principal activity being the development of a property into a housing development. A request was made to the Registrar General's Department to have this company struck off the Companies' Register. The company was struck off effective 19 October 2019.

16. Stated Capital:

	31 December	
	2020	**2019**
	($)	**($)**
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**

Notes to the Consolidated Financial Statements
December 31, 2020

17. Contributed Capital:

	31 December 2020 ($)	2019 ($)
Leasehold properties	641,209,130	585,207,941
Loan and interest payments made by the GORTT on behalf of the Group	5,113,627,827	4,573,237,638
	5,754,836,957	**5,158,445,579**

Movement in loan repayments guaranteed by the GORTT

	2020 ($)	2019 ($)
Balance at beginning of year		
Add loan payments made by the GORTT for the year	4,573,237,638	4,036,794,416
Balance at end of year	540,390,189	536,443,222
	5,113,627,827	**4,573,237,638**

Notes to the Consolidated Financial Statements
December 31, 2020

18. Borrowings:

		31 December 2020 ($)	31 December 2019 ($)
Maturity of Borrowing:			
Not later than one year		806,007,846	863,432,094
More than one year		6,579,072,172	7,038,031,805
		7,385,080,018	**7,901,463,899**
(a)	CBTT $213M Bond	-	213,000,000
(b)	Home Mortgage Bank $108M	36,225,467	45,676,921
(c)	ANSA $399M	49,877,374	99,754,750
(d)	First Citizens $319M TTD Loan	31,124,160	58,651,616
(e)	Republic Bank Limited $3.4b	2,236,400,735	2,465,890,690
(f)	ANSA $496M Refinance	496,000,000	496,000,000
(g)	FINCOR TTD $227.14M Refinance	127,766,250	156,158,750
(h)	FCB $230.1M TTD Loan	230,100,000	230,100,000
(i)	ANSA $233.1M TTD Loan	128,255,590	151,574,788
(j)	RBC TTD $512M	219,778,106	293,037,474
(k)	ANSA 90M BLCA Facility	90,000,000	90,000,000
(l)	Scotia TTD$87.7M	87,778,246	87,778,246
(m)	NCB Global TTD $180 3M Facility	180,300,000	180,300,000
(n)	RBL TTD $199.6M Loan	199,641,382	199,641,382
(o)	First Citizens Bank TT$47.2M Short Term Loan	47,286,716	47,286,716
(p)	FCB $500M Syndicat Fx Rate Loan	500,000,000	500,000,000
(q)	FCB $225M Med Term Loan	202,500,000	202,500,000
(r)	ANSATT$127.5m Sangre Grande Hospital	127,500,000	127,500,000
(s)	FCBTT$101.99M POSGH Central Blk	101,993,931	101,993,931
(t)	First Citizens $319M USD	13,973,247	26,331,360
(u)	FCIB Waterfront $100M USD	33,996,500	101,988,000
(v)	Citibank USD $88M	59,833,840	119,665,920
(w)	First Citizens $35.6M USD Refinanced	242,611,013	242,607,445
(x)	ANSA USD 99.6M	677,217,086	677,207,126
(y)	RBC USD16.9M	115,191,707	115,190,013
(z)	FCIB USD 12.4M	84,457,186	-
(aa)	RBC USD 8.2M	56,304,790	-
(bb)	RBL TTD 213M Loan	213,000,000	-
(cc)	FCIB TTD 70.3M	70,375,812	-
(dd)	SBTT TTD 37.6M	37,690,538	-
(ee)	RBC TTD 46.9M	46,917,208	-
(ff)	Barclays US $375M	640,983,134	871,628,771
		7,385,080,018	**7,901,463,899**

18. Borrowings (continued):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
a)	Bond	Central Bank of Trinidad and Tobago	TT$213,000,000.00	3.35%	8 Years	Government Guaranteed	1. Government Guarantee between GORTT and Trustee (according to the Trust Deed). 2. The principal monies and interest represented by the Bonds will be charged upon and are payable out of the Consolidated Fund and are secured on the Revenues and Assets of the Republic of Trinidad and Tobago (according to the Information Memorandum)	Repayment of HMB TT$300M & TT$44M Bonds
b)	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)
c)	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)
d)	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

18. Borrowings (continued):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
e)	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)
f)	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-Year 4 - 5% semi-annually to repay 2%: 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
g)	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)

18. Borrowings (continued):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
h)	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
i)	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
j)	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
k)	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

18. Borrowings (continued):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
l)	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
m)	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)
n)	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
o)	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

18. Borrowings (continued):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
p)	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 obliga-tions in respect of various projects
q)	Medium Term De-mand 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)

18. Borrowings (continued):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
r)	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
s)	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
t)	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
u)	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
v)	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

18. Borrowings (continued):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
w)	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
x)	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
y)	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
z)	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
aa)	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

18. Borrowings (continued):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
bb)	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
cc)	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
dd)	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
ee)	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
ff)	Fixed Rate Notes	US Private Placement (Wells Fargo Bank)	TT$2,372,303.000	6.09%	15 years	Land and Buildings Thereon and assignement 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):

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

	31 December	
	2020	**2019**
	($)	**($)**
TT Dollar	5,460,511,515	5,746,845,264
US Dollar	1,924,568,503	2,154,618,635
	7,385,080,018	**7,901,463,899**

19. Deferred Revenue:

	31 December	
	2020	**2019**
	($)	**($)**
Deferred Revenue	**5,237,565**	**5,687,552**

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

Notes to the Consolidated Financial Statements
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20. Accounts Payable and Accruals:

	31 December 2020 ($)	31 December 2019 ($)
Due to GORTT	660,031,481	622,750,127
Project payables	383,437,923	353,831,290
Retentions payable	213,148,162	258,751,524
Other payables	143,514,595	137,820,369
Accrued interest on loans	108,082,812	121,699,715
	1,508,214,973	**1,494,853,025**

21. Reserve Development Fund:

	31 December 2020 ($)	31 December 2019 ($)
Other Development Projects	**57,539,071**	**58,122,003**

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.

22. Deposit on Account:

	31 December 2020 ($)	31 December 2019 ($)
Deposit on Account	**2,952,250**	**1,337,435**

These represent monies from our subsidiaries Rincon and Oropune. Rincon's **$929,581** 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. Oropune's portion of **$386,502** represents deposits for the housing project where the sale have not yet been finalised.

Notes to the Consolidated Financial Statements
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23. Lease:

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

	Motor Vehicle ($)	Office Equipment ($)	Land ($)	Total ($)
Cost				
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

23. Lease (Cont'd):

Right of Use Assets

	Motor Vehicle ($)	Office Equipment ($)	Total ($)
Cost			
Balance, 1 January 2019	-	-	-
Effect of IFRS 16 - Leases	2,546,312	246,013	2,792,325
Adjustment for HYATT	-	(45,553)	(45,553)
Balance, 31 December 2019	2,546,312	200,460	2,746,772
Accumulated Depreciation			
Balance, 1 January 2019	-	-	-
Charge for the period	1,273,156	123,007	1,396,163
Balance, 31 December 2019	1,273,156	123,007	1,396,163
Net Book Value			
Balance, 31 December 2019	**1,273,156**	**77,453**	**1,350,609**
Lease Liabilities			
Balance, 1 January 2019	-	-	-
Effect of IFRS 16 - Leases	2,546,312	246,013	2,792,325
Adjustment for HYATT	-	93,539	93,539
Payments	(2,029,380)	(208,638)	(2,238,018)
Balance, 31 December 2019	**516,932**	**130,914**	**647,846**
Current portion			647,846
Non-current portion			-
			647,846

Notes to the Consolidated Financial Statements
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24. Investment Securities:

	31 December 2020 ($)	31 December 2019 ($)
Investment securities designated as at fair value through profit or loss	**48,148,670**	**67,530,400**

This represents an investment with the Clico Investment Fund (CIF) of **$48,148,670** (2019: $**62,084,400**). The loss on the investment securities at fair value recognised through profit or loss amounted to **$6,197,354** for the year ending 31 December 2020. (2019: $**18,451,048**)

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

The short-term investment represents a six-month fixed deposit of **$50,000,000** (2019: **$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.

25. Hotel Operations:

	31 December 2020 ($)	31 December 2019 ($)
Hyatt Regency Fees	**96,924,503**	**269,103,636**

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

Notes to the Consolidated Financial Statements
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26. Rental Income:

	31 December 2020 ($)	31 December 2019 ($)
Rental Income	**277,475,986**	**279, 587,152**

27. Other Income:

	31 December 2020 ($)	31 December 2019 ($)
Other	3,135,155	3,441,408
Carpark revenue	16,099,192	20,589,588
Restaurant and Auditorium	857,015	1,543,637
Management fees	7,624,456	6,326,273
	27,715,818	**31,900,906**

28. Other Expenses:

	31 December 2020 ($)	31 December 2019 ($)
Employee benefit **(Note 29)**	65,308,140	67,163,932
Depreciation and amortisation	148,214,084	143,096,773
Office expenses	36,646,136	3,250,809
Rent and utilities	9,824,647	8,773,572
Advertising	2,738,610	2,229,249
Other expenses	13,920,866	(115,241)
	276,652,483	**264,399,094**

Notes to the Consolidated Financial Statements
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29. Employee Benefit Expense:

	31 December 2020 ($)	31 December 2019 ($)
Wages and salaries	62,073,800	63,996,351
National insurance cost	3,234,340	3,167,581
	65,308,140	**67,163,932**

Number of employees at year end 769 (2019: 721)

30. Finance Income/Government Grants:

	31 December 2020 ($)	31 December 2019 ($)
Government grants to cover interest expenses	300,744,798	292,787,042
Interest income	5,147,042	9,487,284
	305,891,840	**302,274,326**

31. Finance Costs:

	31 December 2020 ($)	31 December 2019 ($)
Interest expense on GORTT borrowings	314,605,082	300,876,482
Interest expense on bank borrowings	44,910,429	65,874,848
Foreign exchange loss on bank borrowings	9,759,787	12,401,787
Interest on lease liabilities	292,659	139,617
Bank charges	2,817,184	5,331,128
	372,385,141	**384,623,862**

Notes to the Consolidated Financial Statements
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32. Taxation:

	31 December 2020 ($)	31 December 2019 ($)
Deferred tax	(1,838,806)	19,216,701
Green Fund Levy	875,320	838,283
Business Levy	2,668,149	14,023,543
	1,704,663	**34,078,527**
Loss before taxation	(57,660,638)	(31,261,798)
Tax deductible at 30%	17,298,191	9,378,539
Expense not-deductible for tax purposes	(19,136,997)	9,838,162
Green Fund Levy	875,320	838,283
Business Levy	2,668,149	14,023,543
	1,704,663	**34,078,527**

33. Related Party Balances:

(a) Key management compensation

	31 December 2020 ($)	31 December 2019 ($)
Directors' fee	524,452	511,500
Senior Management remuneration	4,674,596	2,999,829

The Group is controlled by the GORTT, which owns 100% of the parent company's shares.

33. Related Party Balances (Cont'd):

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 2020 ($)	31 December 2019 ($)
Investment properties	7,463,940,733	7,407,308,841
Contributed capital	5,754,836,957	5,158,445,579
Contract works billed to the GORTT	3,254,002,460	2,801,900,410
Allowance for impairment	(182,421,535)	(219,141,889)
Amounts due from GORTT	517,182,030	517,182,030
Reserve development fund	57,539,071	58,122,003
Development work in progress expenditure not yet billed to GORTT	623,531,038	568,135,372

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 2020 ($)	31 December 2019 ($)
Project management fees **(Note 22)**	36,880,893	59,146,803
Contract costs incurred	4,499,770	73,025

Notes to the Consolidated Financial Statements

December 31, 2020

34. Financial Instruments by Category:

i) Receivables

	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**

	Carrying Value 2019 ($)	Fair Value 2019 ($)
Receivables for contract work due from GORTT	517,182,030	517,182,030
Contractor work billed to the GORTT	2,801,900,410	2,801,900,410
Advances to contractors	77,903,314	77,903,314
Other receivables excluding prepayments	555,052,440	555,052,440
	3,952,038,194	**3,952,038,194**

ii) Financial liabilities carried at amortised cost

	31 December	
	2020 ($)	2019 ($)
Borrowings	7,385,080,018	7,901,463,899
Accounts payable and accruals	1,508,214,974	1,494,853,027
Reserve development fund	57,539,071	58,122,003
	8,950,834,063	**9,454,438,929**

Notes to the Consolidated Financial Statements
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35. Capital and Lease Commitments:

As at 31 December 2020, capital commitments amounting to approximately **$2.4B** (2019: **$4.3B**) existed.

36. 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.

37. Subsequent Events:

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

a) The Corporation has entered into several contracts amounting to approximately **$4.5 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.

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.

37. Subsequent Events Cont'd):

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.

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 $1,108,89**7 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.

Notes to the Consolidated Financial Statements
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37. Subsequent Events Cont'd):

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. The judgement date is pending.

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.

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.

37. Subsequent Events Cont'd):

q) 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.

r) 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.

s) Although the COVID-19 pandemic has developed rapidly in 2020 with a significant number of cases internationally. Measures taken by our governments to contain the virus, while having a positive impact on the spread of COVID-19, has affected economic activity. They have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home). Two main revenue streams have been impacted, namely, the car parking operations which would have seen a reduction in revenue during the official work from home period and the hotel operations which would have been impacted by the closing of the borders. To date the GORTT has continued to assign projects to UDECOTT under the project management fee revenue stream. At this moment, management is of the belief that the entity's ability to continue as a going concern is not affected.

Stricter cash flow management has been implemented at the hotel to ensure its survival during this period. Due to the nature of UDeCOTT's core business, liquidity is not negatively impacted.

38. 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 2020 or 2019.

	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	9,196,747,211	12,893,746	9,209,639,957

	December 2019		
	Construction ($)	Hotel Operation ($)	Total ($)
Revenue	370,634,861	269,103,636	639,738,497
Operating (loss)/profit	(21,044,199)	72,131,937	51,087,738
Assets	13,996,439,334	147,712,897	14,144,152,231
Liabilities	9,686,791,609	44,267,528	9,731,059,137

udecott

Urban Development Corporation
of Trinidad and Tobago Limited