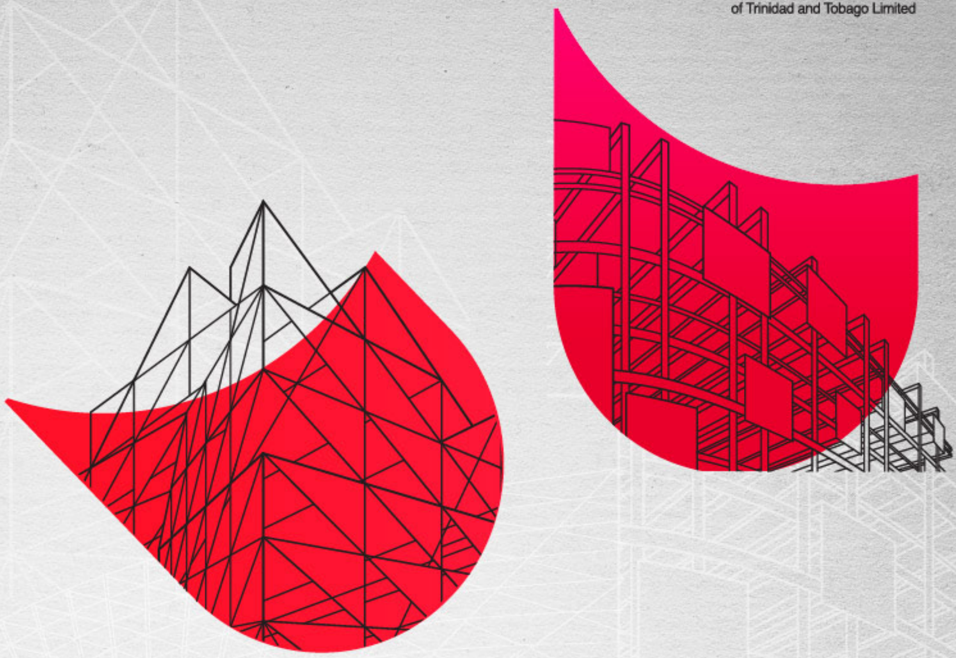
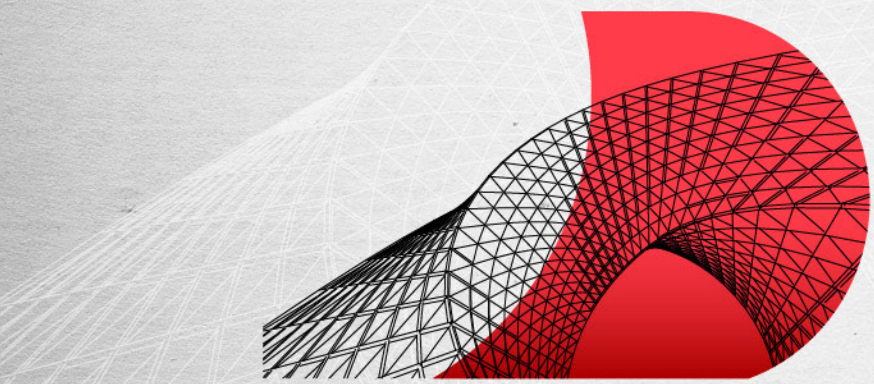
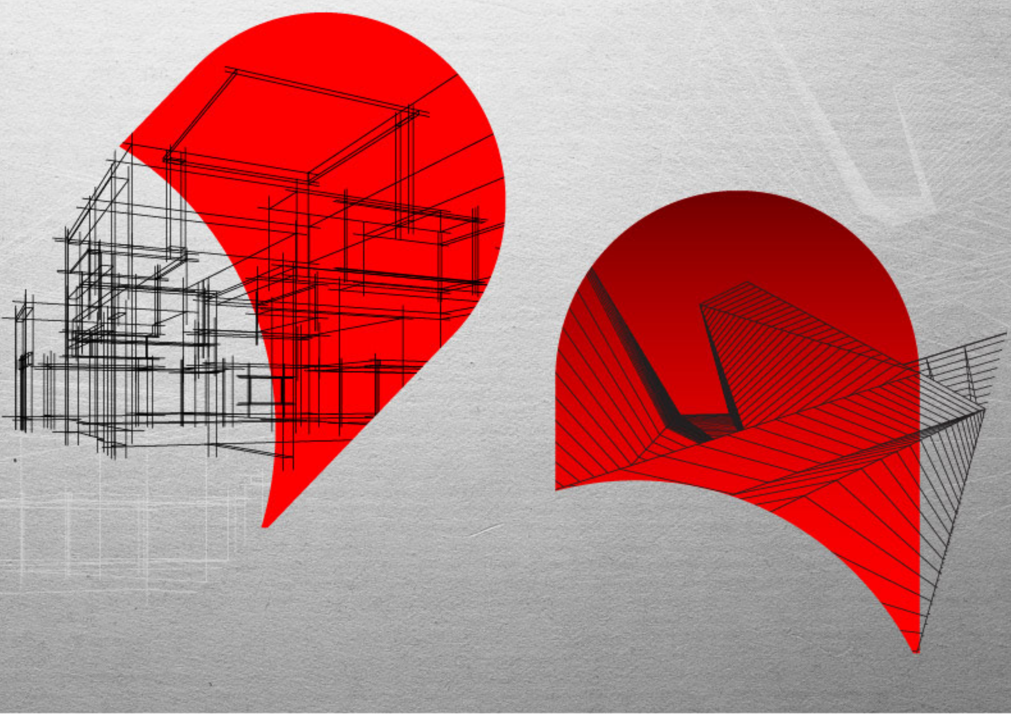
udecott

Urban Development Corporation
of Trinidad and Tobago Limited





ANNUAL REPORT 2018



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 27 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 16 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 41 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

On behalf of the Board of Directors of the Urban Development Corporation of Trinidad and Tobago Limited (UDeCOTT), it is with pleasure that I submit another Annual Financial Report, which shows an increased asset base under management.

UDeCOTT hereby announces that the asset base under management increased from TT$12,675,528,320 in 2017, to **TT$13,068,953,224 in 2018.**

This attests to UDeCOTT's ability to strive in challenging economic conditions. UDeCOTT successfully provided Project Management Services relative to the construction of facilities under the categories of Health, Community, Sport, Industrial & Commerce, Office Accommodation and National Security, and provided Facilities Management Services for buildings aligned to various sectors.

UDeCOTT completed and delivered the Carenage Fishing Facility, the Carenage Homework Centre and continued its services on the Restoration of the home of the Parliament of the Republic of Trinidad and Tobago, the Red House, together with the Refurbishment of Mille Fleurs, Stollmeyer's Castle and President's House.

As the leading State provider of Construction, Project Management, Facilities Management and Consultancy Services, UDeCOTT continues to prudently deliver projects, which redound to the upliftment of Trinidad and Tobago, and remains poised for further growth.

We wish to recognize the sterling efforts of the Management and Staff of UDeCOTT in guiding the Corporation.

Management Discussion and Analysis

PERFORMANCE

Overall the company earned a Profit before taxation of $37M. Total Income increased by $13M (2%). The increases were in Hotel Operations. Project Management Fees decreased by $10.9M, Total Operating Expenses increased to $451M, compared to the 2017 value of $404M. This was attributed to Loss on disposal of plant and equipment ($13M) and increases in Hyatt operating expenses of ($19M).

REVENUE

In 2018 Total Income increased by $13M to $609M, compared to 2017 $595M. This increase was driven by:

- A **10%** increase in Hotel Operations of $26M
- Project Management Fees and Other Income declined by $10M and **$2M** respectively.

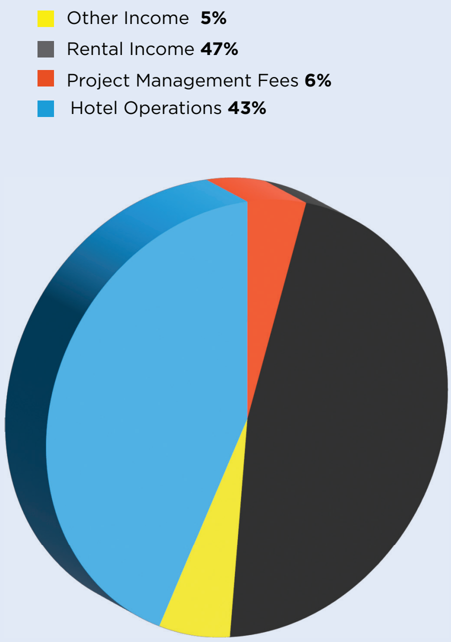
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The company generated a comprehensive profit of $7.2M compared to $36.8M recognized in 2017. The slight increase in Revenue generated was negated by the larger increase in total expense for 2018. Revenue climbed from 595.3M in 2017 to 609.2M in 2018 – a positive difference of 13.8M. However, Total expense rose from 493.7M to 571.4M – an increase of 7.7M or 15.7%.

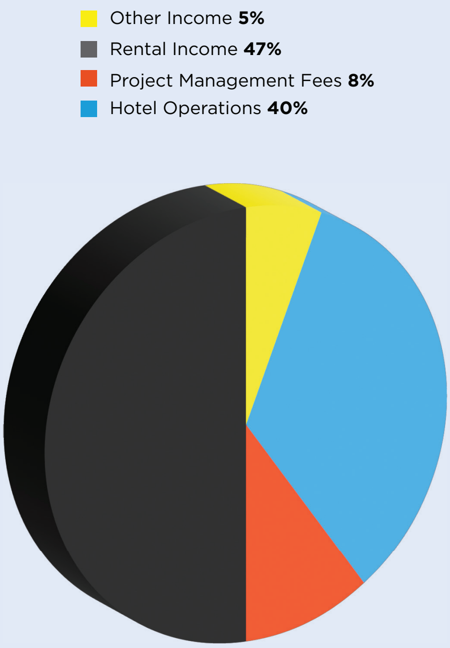
Administrative/Other expenses incurred for 2018 were $256.5M as compared to $587.2M in 2017. This 56% decrease is due to smaller scaled adjustments to carrying values by the corporation.

Income	2018	2017	Inc/Dec	% Change
Hotel Operations	263,299,807	237,148,666	26,151,141	**10%**
Project Management Fees	36,166,776	47,101,029	(10,934,253)	**-30%**
Rental Income	279,771,997	279,016,882	755,115	**0%**
Other Income	29,924,470	32,050,062	(2,125,592)	**-7%**
	609,163,050	**595,316,639**	**13,846,411**	**2%**

2018 Income



2017 Income



Staff costs remained relatively constant with a slight 3% increase over the 2017 figure to 63.7M. Office expenses and Rent & Utilities both declined by 27% and 14% respectively while advertising (which is lined to the projects portfolio) increased 0.65M – an increase of 36%.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The company's 2018 balances demonstrated marginal growth when compared to 2017 figures. Non-Current assets overall decreased by 4.5% or $498.4M, due to adjustments to Construction in Progress balances in the amount of 182M and 193.8M or 17.6% in Accounts receivable and prepayments.

Current assets overall increased by 52% or 891.9M. Movement in this category was due to an increase in the Accounts receivable and prepayments of 371.5 M or 51% over 2017 figures. Project receivables increased by 46% or 261M. These figures are linked to works done on behalf of client ministries. In addition, there was a significant increase in Cash and Cash equivalents of 310M or 148%. A significant portion of those funds are related project financing made available to execute projects within the fiscal.

There were no significant changes in Non-current Liabilities or Current Liabilities balances between 2017 & 2018.

UDeCOTT's leverage decreased from 67% in 2017 to 65.6% in 2018. There were no adjustments to Equity structure or figures in 2018.

PROJECT OVERVIEW

UDeCOTT has delivered significant projects, which are of immense value to not only the people but also to the overall development of Trinidad and Tobago. The Government of Trinidad and Tobago has widened UDeCOTT's Construction and Engineering mandate in the areas of Health, National Security, Industrial, Community Development, Accommodation, Restoration, Ports & Infrastructure, Sports & Recreation and Tourism, which saw growth in project delivery both islands in Fiscal 2018. The Corporation recognizes that its work affects directly on the well-being, safety and quality of life of the people of Trinidad and Tobago and is well on its way to continuing its positive impact on the lives of the citizenry.

In a bid to provide improved infrastructure and services within key developmental areas of our

Healthcare Programme
A Hospital Physical Infrastructure Development Strategy designed to bring the basic primary and secondary care services within the reach of communities in Central Trinidad, Point Fortin, Arima and Sangre Grande with the construction of new medium-size hospitals in these communities were completed.

These projects include:
- Point Fortin Hospital
- Arima Hospital
- Diego Martin Health Centre
- Redevelopment of the Port of Spain General Hospital
- Sangre Grande Hospital

Ministry of National Security
The safety and security of the citizens of Trinidad and Tobago is an integral feature of the Government's Development Strategy. Taking into consideration the new direction of streamlined modern security and its operational capabilities – the GORTT continues to collaborate with UDeCOTT to enhance the country's ability to provide safety and security to its citizens through projects such as newly constructed & refurbished Police Stations & Fire Stations.

Office Accommodation
UDeCOTTs' mandate includes the management of construction activities, fit-out and maintenance of several office spaces throughout Trinidad and Tobago.

Ongoing Accommodation Projects for Fiscal 2018
- Josephine Shaw House
- Ministry of Health (MOH) Administration Building
- Ministry of Foreign Affairs Building
- Administration Building for the Penal/Debe Regional Corporation
- Restoration of Ministry of Sport and Community Development
- Trinidad and Tobago Security Exchange Commission

Infrastructural Development Proramme
The GORTT has identified, prioritized and supported the establishment of new emerging economic sectors in two economic areas for the fiscal 2018:

- Fishing and Fish processing
- Agriculture and Agro-processing

Management Discussion and Analysis

Ports & Infrastructure Programme
The GORTT has recognizes the importance of improving productivity and generating economies and as such has shifted its focus on port infrastructure to foster economic prosperity and sustainable development.

These projects include:
- Carenage Fishing Facility – Fish Fry
- San Fernando Waterfront Redevelopment Project

Sports and Recreation Programme
UDeCOTT continues to aid in the achievement of this mission by providing state of the art sporting complexes as well as safe accessible recreational spaces/facilities for public use and enjoyment.

This includes but not limited to:
- Moruga Multipurpose Youth and Sporting Facility
- Mahaica Sporting Complex
- Skinner Park Reconstruction and Rehabilitation: Phase I
- Diego Martin Sporting Complex: Phase I

Tobago Projects
This includes but not limited to:
- Roxborough Hospital
- Prime Minister's Residence, Tobago
- Moriah Health Centre
- Whim Sporting Facility
- Shirvan Integrated Housing Development
- Bacolet Indoor Sporting Facility
- Construction of Five (5) Early Childhood Care Education (ECCE) Centres

Historical Restoration

Culture and Arts

Community Centre Programmes

Tourism

FINANCIAL REPORT
2018

URBAN DEVELOPMENT CORPORATION OF TRINIDAD AND TOBAGO LIMITED GROUP OF COMPANIES

Management is responsible for the following:

- preparing and fairly presenting the accompanying 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 2018, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies;

- 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 company's assets, detection/prevention of fraud, and the achievement of company operational efficiencies;

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

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

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

In preparing these audited financial statements, management 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-Phillips
Chief Executive Officer
Date: 13 3.2023

Burton Andre Hinkson
Divisional Manager, Finance
Date: 13/3/23

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 ("Group"), which comprise the consolidated statement of financial position as at 31 December 2018, 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 construction in progress, investment properties, value added tax recoverable, accounts payable and accruals and contributed capital as at 31 December 2018.

No evidence was provided to support the cost used in the valuation of construction in progress as required by International Accounting Standard (IAS) 16 - Property, Plant, and Equipment.

No evidence was provided to support the valuation of investment properties as required by IAS 40 - Investment Properties. We were not provided with sufficient and appropriate audit evidence to determine the accuracy and existence of these costs.

No evidence was provided to support the valuation of the value added tax recoverable as at 31 December 2018.

The Group did not provide sufficient and appropriate audit evidence to support the valuation of accounts payable and accruals as at 31 December 2018.

The Group did not provide sufficient and appropriate audit evidence to support the valuation of contributed capital as at 31 December 2018.

Telephone: (868) 235-5063
Address: 111 Eleventh Street, Barataria 250623, Trinidad, West Indies
Mailing Address: PO Box 10205, Eastern Main Road, San Juan

INDEPENDENT AUDITORS' REPORT (Cont'd)

Basis for Disclaimer of Opinion (Cont'd)

We were unable to confirm or verify by alternative means, the existence, completeness, valuation, ownership and disclosure of construction in progress, investment properties, value added tax recoverable, accounts payable and accruals and contributed capital as at 31 December 2018.

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary, in respect of construction in progress, investment properties, value added tax recoverable, accounts payable and accruals and contributed capital as at 31 December 2018.

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.

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.

PKF

Chartered Accountants
& Business Advisors

PKF LIMITED

INDEPENDENT AUDITORS' REPORT (Cont'd)

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

- 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
13 March 2023

URBAN DEVELOPMENT CORPORATION
OF TRINIDAD AND TOBAGO LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2018

	Notes	31 December 2018 ($)	31 December 2017 ($)
ASSETS			
Non-Current Assets:			
Investment properties	5	7,401,815,249	7,397,235,194
Inventory - Land	7	69,707,941	69,707,941
Construction in progress	6	9,877,295	192,111,841
Property, plant and equipment	8	1,359,182,767	1,503,744,815
Value added tax recoverable	9	607,047,457	611,784,351
Accounts receivable and prepayments	13	909,014,441	1,102,846,533
Investment securities	24	54,525,352	62,084,400
Deferred tax asset	12	-	2,811,535
Restricted cash	10	52,867,184	20,153,098
		10,464,037,686	10,962,479,708
Current Assets:			
Projects receivables	11	826,445,709	565,877,342
Accounts receivable and prepayments	13	1,101,315,223	731,786,316
Short term investment	24	157,135,500	205,446,000
Cash and cash equivalent	14	520,019,106	209,938,954
Total Assets		2,604,915,538	1,713,048,612
		13,068,953,224	12,675,528,320
EQUITY AND LIABILITIES			
Capital and Reserves:			
Stated capital	16	999,602	999,602
Accumulated deficit		(645,704,404)	(603,491,214)
Contributed capital	17	4,622,002,357	4,204,733,320
		3,977,297,555	3,602,241,708
Non-Current Liabilities:			
Borrowings	18	6,824,193,944	6,835,924,625
Deferred liability	19	10,350,000	10,350,000
Deferred revenue	20	3,204,217	2,689,601
		6,837,748,161	6,848,964,226
Current Liabilities:			
Accounts payable and accruals	21	1,217,380,158	1,261,447,595
Borrowings	18	853,336,372	802,901,355
Reserve development fund	22	47,496,433	46,481,191
Deposit on account	23	1,539,120	1,410,641
Deferred tax liability	12	123,218,548	103,660,882
Tax payable		10,936,877	8,420,722
		2,253,907,508	2,224,322,386
Total Equity and Liabilities		13,068,953,224	12,675,528,320

These financial statements were approved by the Board of Directors and authorised for issue on 13 March 2023 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, 2018

	Notes	For the year ended 31 December 2018 ($)	2017 ($)
Income:			
Hotel operations	25	263,299,807	237,148,666
Rental Income	26	279,771,997	279,016,882
Project management fees		36,166,776	30,905,396
Development fees		-	16,195,633
Other income	27	29,924,470	32,050,062
		609,163,050	595,316,639
Operating expenses:			
Revaluation loss on investment property		-	(679,961)
Loss on disposal of plant and equipment		(13,261,389)	-
Impairment allowance		(3,250,969)	341,846,238
Hyatt Regency Trinidad operating expenses		(178,494,065)	(158,874,196)
Other expenses	28	(256,514,469)	(587,237,529)
Total operating expenses		(451,520,892)	(404,945,448)
Operating profit		157,642,158	190,371,191
Government grant	30	299,767,745	307,430,944
Finance income	30	7,138,346	8,239,034
Finance cost	31	(426,802,579)	(404,499,670)
Total non-operating expenses		(119,896,488)	(88,829,692)
Profit before taxation		37,745,670	101,541,499
Taxation	32	(30,558,380)	(64,724,977)
Total Comprehensive Income for the year		7,187,290	36,816,522

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

Consolidated Statement of Changes in Equity

Year ended December 31, 2018

	Stated Capital ($)	Accumulated Deficit ($)	Contributed Capital ($)	Revaluation Reserve ($)	Total Equity ($)
Balance, 1 January 2017	999,602	(640,307,736)	3,725,599,965	-	3,086,291,831
Total comprehensive income for the year	-	36,816,522	-	-	36,816,522
Contributed capital for the year	-	-	479,133,355	-	479,133,355
Balance, 31 December 2017	**999,602**	**(603,491,214)**	**4,204,733,320**	**-**	**3,602,241,708**
Balance, 1 January 2018	999,602	(603,491,214)	4,204,733,320	-	3,602,241,708
Adjustment on initial application of IFRS 9	-	(49,400,480)	-	-	(49,400,480)
Total comprehensive income for the year	-	7,187,290	-	-	7,187,290
Contributed capital for the year	-	-	417,269,037	-	417,269,037
Balance, 31 December 2018	**999,602**	**(645,704,404)**	**4,622,002,357**	**-**	**3,977,297,555**

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

Consolidated Statement of Cash Flows

Year ended December 31, 2018

	For the year ended 31 December 2018 ($)	2017 ($)
Cash Flows from Operating Activities:		
Profit before taxation	37,745,670	101,541,499
Adjustment for:		
Depreciation	144,914,048	137,650,706
Interest on construction-in-progress	-	35,459
Interest in capital contribution	417,269,037	479,133,355
Acquisition of other plant, property and equipment	-	(54,358,465)
Borrowings paid by GORTT	-	(192,509,312)
Interest expense	303,360,034	311,126,759
Interest income	(299,767,745)	(307,429,059)
Changes in Operating Assets and Liabilities:	603,521,044	475,190,942
Accounts receivable and prepayments	(225,097,297)	(791,538,772)
Accounts payable and accruals	(44,010,656)	276,133,782
Reserve development fund	1,143,722	5,633,383
Increase in value added tax recoverable	4,736,894	(9,489,146)
Project receivables	(260,568,367)	(51,871,322)
Deferred revenue	514,616	(7,857,218)
Deferred tax liability	-	(6,427)
Taxation paid	(5,673,022)	(28,673,899)
Interest paid	(303,360,034)	(311,126,759)
Net cash used in Operating Activities	(228,793,100)	(443,605,436)
Cash Flows from Investing Activities:		
Decrease in Hyatt Replacement Reserve Fund	(32,714,086)	(6,750,811)
Net increase in investments	55,869,548	8,974,608
Purchase of property, plant and equipment	(1,297,556)	(5,842,789)
Proceeds from sale of property, plant and equipment	1,197,608	-
Increase in construction in progress	177,402,439	162,677,031
Interest received	299,767,745	307,429,059
Net cash provided by Investing Activities	500,225,698	466,487,098

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

Consolidated Statement of Cash Flows (continued)
Year ended December 31, 2018

	For the year ended 31 December 2018 ($)	2017 ($)
Cash Flows from Financing Activities		
Proceeds from/(repayment of) borrowings	38,647,554	(380,349,868)
Net cash from financing activities	38,647,554	(380,349,868)
Net increase in cash and cash equivalents	310,080,152	(357,468,206)
Cash and cash equivalents, beginning of year	209,938,954	567,407,160
Cash and cash equivalents, end of year	520,019,106	209,938,954
Represented by:		
Cash and cash equivalents	520,019,106	209,938,954

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

Notes to the Consolidated Financial Statements
December 31, 2018

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 2017 incorporate the operations of the Corporation and its subsidiaries (together referred to as "the Group").

On 13 March 2023, 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.

Notes to the Consolidated Financial Statements
December 31, 2018

1. Incorporation and Principal Activities (continued):

(iv) Facilities management activities

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

(v) Car park operations

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

(vi) Sale of leasehold land

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

2. Summary of 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.

2. Summary of Significant Accounting Policies (continued):

(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 Corporation or have no material impact on its financial statements, except for IFRS 9 Financial Instruments:

IFRS 1 First-time Adoption of Financial Reporting Standards - Amendments regarding the deletion of short-term exemptions for first-time adopters (effective for accounting periods beginning on or after 1 January 2018).

IFRS 2 Share-based Payment - Amendments regarding the classification and measurement of share-based payment transactions (effective for accounting periods beginning on or after 1 January 2018).

IFRS 4 Insurance Contracts - Amendments regarding the application of IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (effective for accounting periods beginning on or after 1 January 2018).

IFRS 9 Financial Instruments - Amendments regarding the application of IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (effective for accounting periods beginning on or after 1 January 2018).

IFRS 9 Financial Instruments - Amendments regarding prepayment features with negative compensation (effective for accounting periods beginning on or after 1 January 2019).

IFRS 15 Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2018).

IFRS 16 Leases (effective for accounting periods beginning on or after 1 January 2019).

IFRS 17 Insurance Contracts (effective for accounting periods beginning on or after 1 January 2021).

IAS 28 Investment in Associates - Amendments regarding the long-term interests in associates and Joint Ventures (effective for accounting periods beginning on or after 1 January 2019).

IAS 40 Investment Property - Amendments regarding the transfer of investment property (effective for accounting periods beginning on or after 1 July 2018).

IFRIC 22 Foreign Currency Transactions and Advance Consideration (effective for accounting periods beginning on or after 1 January 2018).

IFRIC 23 Uncertainty over Income Tax Treatments (effective for accounting periods beginning on or after 1 January 2019).

2. Summary of Significant Accounting Policies (continued):

(d) New accounting standards and interpretations (continued) -

The Group has not applied IFRS 9 which has been issued but is not yet effective. Although its effect is likely to be significant, the impact cannot be determined with any degree of certainty, particularly with regard to twelve-month and life-time expected credit loss.

(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 65.61% (2016: 67.54%) 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.

Notes to the Consolidated Financial Statements
December 31, 2018

2. Summary of Significant Accounting Policies (continued):

(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.

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.

2. Summary of the Significant Accounting Policies (continued):

(g) Financial instruments (continued) -

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 into 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.

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.

2. Summary of the Significant Accounting Policies (continued):

(g) Financial instruments (continued) -

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 the Significant Accounting Policies (continued):

(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.

Notes to the Consolidated Financial Statements
December 31, 2018

2. Summary of the Significant Accounting Policies (continued):

(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.

2. Summary of the Significant Accounting Policies (continued):

(m) Borrowings –

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

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

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

(n) Income -

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

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

i. Construction contract revenue and project management fees

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

ii. Interest income

Revenue is recognised using the amortised cost method.

iii. Rental income

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

iv. 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).

v. Other Revenue

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

vi. 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 the Significant Accounting Policies (continued):

(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 -

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Assets held under operating leases are not recognised in the organisation's statement of financial position. Payments made under operating leases are charged to the separate profit and loss statement on a straight line basis over the period of the lease.

(r) Impairment of non-financial assets -

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

2. Summary of the Significant Accounting Policies (continued):

(s) Intangible assets -

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

(t) Employee benefits -

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

(u) Inventories -

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

(v) Government grants -

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

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

(w) Contributed capital -

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

(x) Reserve development fund -

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

Notes to the Consolidated Financial Statements
December 31, 2018

2. Summary of the Significant Accounting Policies (continued):

(y) Related parties -

A party is related to the Group, if:

i. Directly, or indirectly through one or more intermediaries, the party:

   (a) is controlled by, or is under common control with, the Group (this includes parents, subsidiaries and fellow subsidiaries);

   (b) has a direct or indirect interest in the Group that gives it significant influence; or

   (c) has joint control over the Group;

ii. the party is an associate of the Group;

iii. the party is a joint venture in which the Group is a venturer;

iv. the party is a member of the key management personnel of the Group or its parent;

v. the party is a close member of the family of any individual referred to in (i) or (iv);

vi. the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

vii. the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

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

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

(z) Comparative information -

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

3. Financial Risk Management:

Financial risk factors

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

a) Market Risk

i) Currency risk

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

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

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

Sensitivity analysis

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

Notes to the Consolidated Financial Statements
December 31, 2018

3. Financial Risk Management (continued):

(a) *Market Risk (continued)*

i) *Currency risk (continued)*

Effect on Income

US dollar denominated	Pre-Tax Effect on Income 2018 As reported ($)	1% Appreciation ($)	1% Depreciation ($)
Cash and cash equivalents	298,864,005	(2,988,640)	2,988,640
Borrowings	(2,396,250,494)	23,962,505	(23,962,505)
Accounts payables and accruals	(47,939,948)	479,399	(479,399)
Total	(2,145,326,437)	21,453,264	(21,453,264)
	Post-Tax Effect on Income		
Total	**(1,608,994,828)**	**16,089,948**	**(16,089,948)**

US dollar denominated	Pre-Tax Effect on Income 2017 As reported ($)	1% Appreciation ($)	1% Depreciation ($)
Financial Assets			
Cash and cash equivalents	13,295,133	(132,951)	132,951
Borrowings	(1,810,716,453)	18,107,165	(18,107,165)
Accounts payables and accruals	(47,996,729)	479,967	(479,967)
Total	(1,845,418,049)	18,454,181	(18,454,181)
	Post-Tax Effect on Income		
Total	**(1,384,063,537)**	**13,840,635**	**(13,840,635)**

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.

The following significant exchange rates have been applied.

Year-end selling rate

	2018	**2017**
TTD to USD	6.7986	6.7731

3. Financial Risk Management (continued):

(a) Market Risk (continued)

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 balance sheet date, forty-three per cent 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 the lease.

3. Financial Risk Management (continued):

(a) Market Risk (continued)

ii) Interest rate risk (continued)

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 ($)	Effect of 1% Increase in Interest Rates ($)	Effect of 1% Decrease in Interest Rates ($)
Pre-tax			
Variable-rate instruments			
31 December 2018	3,519,579,600	35,195,796	(35,195,796)
31 December 2017	4,335,588,364	43,355,883	(43,355,883)
Post-tax			
Variable-rate instruments			
31 December 2018	2,639,684,700	26,396,847	(26,396,847)
31 December 2017	3,251,691,097	32,516,911	(32,516,911)

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

3. Financial Risk Management (continued):

(a) Market Risk (continued)

ii) Interest rate risk (continued)

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

As at 31 December 2018	Carrying Amount 2018 ($)	Fair Value 2018 ($)
Carrying Amount		
Fixed rate instruments	4,157,950,716	4,157,950,716
Variable rate instruments	3,519,579,600	3,519,579,600
	7,677,530,316	**7,677,530,316**

As at 31 December 2017	Carrying Amount 2017 ($)	Fair Value 2017 ($)
Fair Value		
Fixed rate instruments	3,303,237,617	3,303,237,617
Variable rate instruments	4,335,588,363	4,335,588,363
	7,638,825,980	**7,638,825,980**

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.

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.

3. Financial Risk Management (continued):

b) Liquidity risk (continued) –

The Group's trade payables comprise mainly 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.

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 1 year ($)	More than 1 year but less than 5 years ($)	More than 5 years ($)
Financial Assets					
As at 31 December 2018					
Borrowings	7,677,530,316	9,484,317,958	1,190,736,170	5,602,638,992	2,690,942,796
Accounts payable and accruals	1,217,380,158	1,217,380,158	1,217,380,158	-	-
Reserve development fund	47,496,433	47,496,433	47,496,433	-	-
Deposit on account	1,539,120	1,539,120	1,539,120	-	-
Deferred Revenue	3,204,217	3,204,217	3,204,217	-	-
	8,947,150,244	**10,753,937,886**	**2,460,356,098**	**5,602,638,992**	**2,690,942,796**

3. Financial Risk Management (continued):

b) *Liquidity risk (continued) –*

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

	Carrying Amount ($)	Contractual Cash flow ($)	Less than 1 year ($)	More than 1 year but less than 5 years ($)	More than 5 years ($)
Financial Assets					
31 December 2017					
Borrowings	7,638,825,980	9,115,062,659	2,122,728,499	5,179,365,495	1,812,968,665
Accounts payable and accruals	1,261,447,595	1,261,447,595	1,261,447,595	-	-
Reserve development fund	46,481,191	46,481,191	46,481,191	-	-
Deposit on account	1,410,641	1,410,641	1,410,641	-	-
Deferred revenue	2,689,601	2,689,601	2,689,601	-	-
	8,950,855,008	**10,427,091,687**	**3,434,757,527**	**5,179,365,495**	**1,812,968,665**

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 an A+/A-1 (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.

3. Financial Risk Management (continued):

c) *Credit risk (continued)*

Analysis of financial assets that are exposed to credit risk:

	31 December 2018 ($)	2017 ($)
Contract works billed to GORTT	1,371,724,728	764,252,353
Advances to contractors	138,523,238	323,294,890
Other receivables excluding prepayments	550,436,826	742,116,659
	2,060,684,792	1,829,663,902
Project receivables	971,606,178	711,037,811
Cash and cash equivalents	520,018,706	209,938,954
Total	**3,552,309,676**	**2,750,640,667**

The analysis of the account receivable is as follows:

	2018 ($)	2017 ($)
Advances to contractors	138,523,238	323,294,890
Contract works billed to GORTT	1,371,724,728	764,252,353
Other receivables	550,436,826	742,116,659
Total accounts receivable - gross	2,060,684,792	1,829,663,902
Less: Provision for impairment	-	-
Account receivables – net	2,060,684,792	1,829,663,902
Project receivables	971,606,178	711,037,811
Less: Provision for impairment	(145,160,469)	(145,160,469)
Project receivables – net	826,445,709	565,877,342
Prepayments	2,293,224	4,968,847
Total	**2,889,423,725**	**2,400,510,091**

Notes to the Consolidated Financial Statements
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3. Financial Risk Management (continued):

c) Credit risk (continued)

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

	2018 ($)	2017 ($)
Past due 1-30 days	345,945,236	397,883,957
Past due 31-90 days	253,023,916	-
Past due 91-120 days	57,798,789	207,630,119
Over 120 but less than 365 days	458,966,933	121,303,293
Over 365 days	944,949,918	1,102,846,533
	2,060,684,792	**1,829,663,902**

The impairment allowance can be analysed as follows:

	Accounts Receivables 2018 ($)	Project Receivable 2018 ($)	Total 2018 ($)	Total 2017 ($)
At beginning of year	-	145,160,469	145,160,469	487,006,707
Additional provision recognised (written off)	52,651,452	-	52,651,452	(341,846,238)
	52,651,452	145,160,469	197,811,921	145,160,469

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
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3. Financial Risk Management (continued):

c) Credit risk (continued)

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	
	2018	**2017**
	($)	**($)**
Total borrowings	7,677,530,316	7,638,825,980
Less: cash and cash equivalent	(87,878,515)	(144,420,992)
Net debt	7,589,651,801	7,494,404,988
Share capital	999,602	999,602
Accumulated deficit	(645,704,404)	(603,491,214)
Contributed capital	4,622,002,357	4,204,733,320
Total capital	3,977,297,555	3,602,241,708
Capital and net debt	**11,566,949,356**	**11,096,646,696**
Gearing ratio	65.61%	67.54%

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 million (2016: $1 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 **$717,781,524** (2017: **$739,728,183**).

4. Critical Accounting Estimates and Judg-ments (continued):

(b) Critical judgments 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 includes 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 (continued):

(b) Critical judgments in applying the Group's accounting policies (continued)

(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 **$717,781,524** (2016: **$17,402,301**).

Notes to the Consolidated Financial Statements
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5. Investment Properties:

	30 September 2018 ($)	2017 ($)
The Group's investment properties include the following:		
Richmond Street	-	160,000,000
GP Plaza	3,647,113,268	3,471,426,475
Scarborough Tobago	102,000,000	102,000,000
Chancery Lane, San Fernando	1,168,176,751	1,168,176,751
The GCP Parkade	827,719,714	826,070,082
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
Real Springs, Valsayn	-	13,000,000
Salvatori Building	23,119,465	23,119,465
Tower C & D Fit-Out	376,385,386	376,385,386
Ministry of Education Tower	719,149,064	718,905,434
St. Vincent Place	20,792,214	20,792,214
Other Properties	13,886,554	13,886,554
POSWDL - Port Authority Lands, Wrightson Road	224,000,000	224,000,000
	7,401,815,249	**7,397,235,194**

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

	31 December 2018 ($)	2017 ($)
Opening net book amount	7,397,235,194	6,406,998,847
Transfers/Additions	4,580,055	990,236,347
Closing net book amount	**7,401,815,249**	**7,397,235,194**

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).**

Notes to the Consolidated Financial Statements
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6. Construction in Progress:

	31 December 2018 ($)	31 December 2017 ($)
Sackville Street Renovations	9,387,671	8,073,587
Real Springs	-	183,296,579
San Fernando General Hospital Car Park Extension	500	500
Water Front Development	86,625	86,625
Strategic Redevelopment POS – Health City	243,016	243,016
Rincon Building Renovations	159,483	411,534
	9,877,295	**192,111,841**

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

	2018	2017
Opening net book amount	192,111,841	1,344,837,901
Transfers	(182,234,546)	(1,152,726,060)
Closing net book amount	**9,877,295**	**192,111,841**

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.

Notes to the Consolidated Financial Statements

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8. Property, Plant and Equipment:

Cost	Land	Buildings	Furniture, Fittings & Office Equipment	Computer Software & Equipment	Motor Vehicles	Total
	($)	($)	($)	($)	($)	($)
Balance, 1 January 2018	7,000,000	2,369,663,235	239,094,289	10,384,185	920,883	2,627,062,592
Disposals	-	-	-	(1,197,607)	-	(1,197,607)
Additions	-	468,361	124,968	956,278	-	1,549,607
Balance, 31 December 2018	7,000,000	2,370,131,596	239,219,257	10,142,856	920,883	2,627,414,592
Accumulated Depreciation						
Balance, 1 January 2018	-	1,022,466,134	92,908,501	7,022,259	920,883	1,123,317,777
Charge for the year	-	118,502,676	25,448,154	963,218	-	144,914,048
Balance, 31 December 2018	-	1,140,968,810	118,356,655	7,985,477	920,883	1,268,231,825
Net Book Value						
Balance, 31 December 2018	**7,000,000**	**1,229,162,786**	**120,862,602**	**2,157,379**	**-**	**1,359,182,767**
Balance, 31 December 2017	**7,000,000**	**1,347,197,101**	**146,185,788**	**3,361,926**	**-**	**1,503,744,815**

Notes to the Consolidated Financial Statements
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8. Property, Plant and Equipment:

Cost	Construction In Progress ($)	Land ($)	Building ($)	Furniture Fittings & Office Equipment ($)	Computer Software Equipment ($)	Motor Vehicles ($)	Total ($)
Balance, 1 January 2017	100,146,638	7,000,000	2,366,362,318	82,670,641	9,983,637	920,883	2,567,084,117
Reclassification	(154,505,103)	-	-	154,505,103	-	-	-
Write-off foreign exchange	(2,648,415)	-	-	-	-	-	(2,648,415)
Additions	57,006,880	-	3,300,917	1,918,545	400,548	-	62,626,890
Balance, 31 December 2017	-	7,000,000	2,369,663,235	239,094,289	10,384,185	920,883	2,627,062,592
Accumulated Depreciation							
Balance, 1 January 2017	-	-	903,210,363	72,738,737	8,802,488	915,483	985,667,071
Charge for the year	-	-	119,255,771	20,169,764	(1,780,229)	5,400	137,650,706
Balance, 31 December 2017	-	-	1,022,466,134	92,908,501	7,022,259	920,883	1,123,317,777
Net Book Value							
Balance, 31 December 2017	**-**	**7,000,000**	**1,347,197,101**	**146,185,788**	**3,361,926**	**-**	**1,503,744,815**
Balance, 31 December 2016	**100,146,638**	**7,000,000**	**1,463,151,955**	**9,931,904**	**1,181,149**	**5,400**	**1,581,417,046**

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9. Value Added Tax (VAT) Recoverable:

	31 December 2018 ($)	31 December 2017 ($)
VAT recoverable	**607,047,457**	**611,784,351**

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 2018 ($)	31 December 2017 ($)
Restricted Cash	**52,867,184**	**20,153,098**

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 2018 ($)	31 December 2017 ($)
Contract works billed to GORTT	515,308,746	507,207,286
Contract works not billed	56,029,712	61,783,210
Contract works receivable	266,398,560	-
Facilities work not billed	133,869,160	142,047,315
	971,606,178	711,037,811
Write-back (allowance) for impairment	(145,160,469)	(145,160,469)
	826,445,709	**565,877,342**
The Contract works billed to GORTT balance can be analysed as follows:		
Project expenditure on the Brian Lara Cricket Academy	515,308,746	507,207,286
	515,308,746	**507,207,286**

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

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

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:

	2018 ($)	(Credit)/Charge to Profit or Loss ($)	2017 ($)
Deferred income tax asset - Accumulated tax losses	-	(4,910,156)	(4,910,156)
	-	(4,910,156)	(4,910,156)
Deferred income tax asset - Accelerated tax depreciation	1,874,671	223,950	2,098,621
Deferred income tax asset	**1,874,671**	**(4,686,206)**	**(2,811,535)**
Deferred income tax liability - Accumulated tax losses	(151,667,225)	(33,650,356)	(185,317,586)
	(151,667,225)	(33,650,356)	(185,317,586)
Deferred income tax liability - Accelerated tax depreciation	273,011,102	15,967,361	288,978,463
Deferred income tax liability	**121,343,877**	**(17,682,995)**	**103,660,882**
Net Deferred Tax Liability	**123,218,548**	**(22,369,201)**	**100,849,347**

Notes to the Consolidated Financial Statements
December 31, 2018

13. Accounts Receivables and Prepayments:

	31 December 2018 ($)	2017 ($)
Amounts due from GORTT for Contract Works (a)	1,371,724,728	764,252,353
Prepayments and other receivables	552,733,150	743,641,087
Advances to contractors (b)	138,523,238	323,294,890
Allowance for expected credit losses	(52,651,452)	-
Inventory – Hotel	-	3,444,519
	2,010,329,664	**1,834,632,849**
Non current	909,014,441	1,102,846,533
Current	1,101,315,223	731,786,316
	2,010,329,664	**1,834,632,849**

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
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14. Cash and Cash Equivalents:

	31 December 2018 ($)	31 December 2017 ($)
Short-term investments		
Bank accounts	380,799,461	30,583,852
Deposit accounts	139,184,145	179,327,102
Petty cash	35,500	28,000
	520,019,106	**209,938,954**

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

	2018	2017
House Bank	377,400	334,000
Demand Deposits	52,236,313	36,264,606
	52,613,713	**36,598,606**

15. Subsidiary Companies:

	31 December % of Equity Capital Held 2018 ($)	31 December % of Equity Capital Held 2017 ($)
(i) Rincon Development Limited	100	100
(ii) Port of Spain Waterfront Development Limited	100	100
(iii) Oropune Development Limited	100	100
(iv) San Fernando Development Limited	100	100

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) Oropune Development Limited began its operations on 13 January 1995 with its principal activity being the development of a property into a housing development.

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

Notes to the Consolidated Financial Statements
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16. Stated Capital:

	31 December 2018 ($)	31 December 2017 ($)
Authorised		
1,000,000 ordinary shares of no par value		
Issued and fully paid		
999,602 ordinary shares of no par value	**999,602**	**999,602**

17. Contributed Capital:

	2018	2017
Leasehold properties	585,207,941	585,207,941
Loan and interest payments made by the GORTT on behalf of the Group	4,036,794,416	3,619,525,379
	4,622,002,357	**4,204,733,320**

Movement in loan repayments guaranteed by the GORTT

	2018	2017
Balance at beginning of year	3,619,525,378	3,140,392,024
Add loan payments made by the GORTT for the year	417,269,038	479,133,355
Balance at end of year	**4,036,794,416**	**3,619,525,379**

Notes to the Consolidated Financial Statements
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18. Borrowings:

	31 December 2018 ($)	31 December 2017 ($)
Maturity of Borrowing:		
Not later than one year	853,336,372	802,901,355
More than one year	6,824,193,944	6,835,924,625
	7,677,530,316	**7,638,825,980**

		2018 ($)	2017 ($)
(a)	RBTT Trust Limited - Fixed- rate bonds	-	8,000,000
(b)	CBTT $213M Bond	213,000,000	213,000,000
(c)	First Citizens Bank BLCA $497M Loan	68,431,605	128,963,475
(d)	The Home Mortgage Bank $108M	52,525,125	59,658,430
(e)	ANSA $223.1M	-	123,942,778
(f)	ANSA $399M	149,632,125	199,509,500
(g)	First Citizens Bank $319M TTD Loan	84,498,874	108,759,075
(h)	Home Mortgage Bank - $33.9M	1,157,294	5,611,141
(i)	First Caribbean International Bank $180M – C/Lane	-	180,300,000
(j)	Republic Bank Limited $3.4B	2,686,106,382	2,891,718,832
(k)	First Caribbean International Bank TTD $496M	-	496,000,000
(l)	FINCOR TTD $227.14M Refinance	184,551,250	212,943,750
(m)	First Citizens Bank Limited $230.1M TTD Loan	230,100,000	230,100,000
(n)	ANSA $223.1M TTD Loan	174,893,986	198,213,185
(o)	RBC Royal Bank TTD $512M	366,296,843	439,556,210
(p)	ANSA $90M BLCA Facility	90,000,000	90,000,000
(q)	First Citizens Bank $319M USD	37,932,013	48,671,026
(r)	First Caribbean International – Waterfront $100M	170,343,500	237,212,500
(s)	Citibank USD $88M	179,483,040	238,173,760
(t)	First Citizens Bank – USD $35.6M	242,586,036	241,833,150
(u)	ANSA $496M Refinance	496,000,000	-
(v)	Scotia Bank TTD $87.7M	87,778,246	-
(w)	NCB Global TTD $180.3M Facility	180,300,000	-
(x)	Republic Bank Limited TTD $199.6M Loan	199,641,382	-
(y)	First Citizens Bank TTD $47.2M Short-Term Loan	16,366,710	-
(z)	ANSA USD $99.6M	677,147,365	-
(aa)	Barclays US $375M	1,088,758,540	1,286,659,168
		7,677,530,316	**7,638,825,980**

18. Borrowings (continued):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
(a)	Fixed Rate Bonds 2006-2018	RBTT Trust Limited	TT$192,000,000	7%	12 years	Guaranteed by the GORTT	24 equal semi-annual instalments of principal and Interest commencing July 18, 2006	To refinance previous bond to cover start-up costs for the Interchange project and the Housing Programme
(b)	Fixed Rate Bond 201 - 2020	Central Bank of Trinidad & Tobago	TT$213,000,000	3.35%	18 years	Guaranteed by the GORTT	36 equal semi-annual instalments April 30, 2013	Repayment of HMB TT$300M and TT$44M Bonds
(c)	Syndicated Loan	First Citizens Bank Limited	TT$497,342,684	6.35%	10 years	Guaranteed by the GORTT	Semi-annual, payments of principal and interest commencing six (6) months after first drawdown	To finance the cost of completing the Brian Lara Cricket Stadium and associated infrastructure at the Tarouba Estate.
(d)	Mortgage	Home Mortgage Bank	TT$108,000,000	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)
(e)	Medium-Term Facility	ANSA Merchant Bank	TT$233,097,000	1.95%	8 years	Guaranteed by GORTT	Semi-annual instalments commencing April/Oct	To repay the HMB Real Spring Loan Facility

18. Borrowings (continued):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
(f)	Medium-Term Facility	ANSA Merchant Bank	TT$399,019,00	1.95%	8 years	Guaranteed by the GORTT	Semi-annual instalments commencing May/November	To repay Phase 1 and 2A loan facility for the San Fernando Teaching Hospital (formerly Chancery Lane Office Complex
(g)	Commercial Paper	First Citizens Bank Limited	TT$374,000,000	7.67%	13 years	Guaranteed by the GORTT	By bullet payment at maturity.	To finance various projects
(h)	Mortgage	Home Mortgage Bank	TT$33,900,000	8.75%	10 years	Mortgage of land and buildings and assignment of sub-lease rentals	Amortised quarterly starting three (3) months after disbursement	To finance the purchase of the Head Office building in Sackville Street, Port of Spain
(i)	Short-Term Facility	First Caribbean International and Financial Corporation	TT$180,300,00	1.50%	1 year	Guaranteed by the GORTT	Full payment at Maturity	To finance San Fernando Teaching Hospital Phase 2B
(j)	Fixed Rate Bond	Republic Bank Limited	TT$3,457,773,340	4.75%	10 years	Guaranteed by the GORTT	Semi-annual instalments May/ November	To refinance the Government Campus Plaza (Base Building) Interim Bond
(k)	Short-Term Facility	First Caribbean International and Financial Corporation	TT$496,000,000	1.20%	2 Years	Guaranteed by the GORTT	Semi-annual interest payments with Principal repayment at maturity	To finance the fit-out of the Government Campus Plaza
(l)	Long-Term Facility	Republic Bank Limited	TT$227,100,000	4.81%	8 Years	Guaranteed by the GORTT	Semi-annual instalments commencing August/February	To refinance the TTD227.14M short - term loan facility.

18. Borrowings (continued):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
(m)	Medium-Term Loan TTD $230.1M	First Citizens Bank Limited	TT$230,100,000	4.30%	5 Years	Guaranteed by the GORTT	Semi-annually commencing six (6) months from date of l disbursement with Principal payable at maturity.	To finance various projects
(n)	Medium-Term Facility	ANSA Merchant Bank	TT$233,191,982	5.06%	10 Years	Guaranteed by the GORTT	Semi-annual payments June & December for ten (10) years	To finance the initial works on CCH, Penal Hospital and MNS
(o)	Long-Term Facility	RBC Royal Bank	TT$512,815,580	3.75%	7 Years	Guaranteed by the GORTT	Semi-annual instalments January/July	To refinance bridge facility inclusive of capitalised interest for the fit-out of Government Camus Plaza
(p)	Medium-Term Facility	ANSA Merchant Bank	TT$90,000,000	3.30%	5 Years	Guaranteed by the GORTT	Semi-annual interest payments with Principal repayment at Maturity.	To finance the Completion of works at the Brian Lara Cricket Stadium.
(q)	Commercial Paper	First Citizens Bank Limited	TT$93,375,655	5.46%	13 Years	Guaranteed by the GORTT	Semi Annual amortised instal-ments of Principal and interest.	To finance various projects.
(r)	Long-Term Bridge Loan	First Caribbean International and Financial Corpo-ration	TT$641,230,000	6.06%	10 Years	Guaranteed by the GORTT	Semi Annual Principal and interest payments commencing six (6) months from date of close.	To finance the fit-out of the Port of Spain Waterfront

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18. Borrowings (continued):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
(s)	Interim Facility	Citibank N.A.	TT$563,340,800	5.63%	10 Years	Guaranteed by the GORTT	Semi Annually Principal and Interest payments commencing six (6) months from date of close.	To refinance the existing Commercial Paper in the amount of US$73.1 M and provide additional funding in the amount of US$14.9 M for the completion of the construction of the Ministry of Education Tower
(t)	Short-Term Facility	First Citizens Bank Limited	US$ 41,125,650	3.01%	6 months	Guaranteed by the GORTT	Quarterly interest payments and principal paid at maturity	To assist with outstanding payments to for Point Fortin Hospital
(u)	Medium-Term Facility	ANSA Merchant Bank	TT$496,000,000	4.375%	10 Years	Guaranteed by the GORTT	Calculated on a reducing balance , payable semi-annually in arrears, commencing six (6) months after issue date.	To repay an existing facility utilised for funding the base building repair work and fit-out of the Government Campus Plaza

18. Borrowings (continued):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
(v)	Medium-Term Facility	Scotia Bank Trinidad And Tobago Limited	TT$ 87,778,246.12	3.55%	5 Years	Guaranteed by the GORTT	Payable semi-annually in arrears, commencing six (6) months from the date of drawdown and thereafter until maturity	Retrofit of Cabildo Chambers for the Office of Parliament
(w)	Short-Term Facility	First Caribbean International and Financial Corporation	TT$180,300,000.00	6.5%	1 Year	Guaranteed by the GORTT	Quarterly Interest payments	San Fernando Teaching Hospital (Phase 2B)
(x)	Long-Term Facility	Republic Bank Limited	TTS 199,641,382.00	4.8%	10 Years	Guaranteed by the GORTT	Payable semi-annually in arrears, commencing six (6) months from draw Semi-annual equal Principal payments Commencing five (5) years after issue date down	To fund, in part, financing requirement of the foreign component for the construction and equipping of the Arima Hospital
(y)	Short-Term Facility	First Citizens Bank Limited	TT$ 47,286,716.23	4.00%	3 Year	Guaranteed by the GORTT	Six (6) semi-annual interest only payments for thirty-six (36) months commencing six (6) months after the date of initial disbursement	To provide approved funding for Fiscal 2017/2018 for construction works on the official residence of the President location in St. Ann's, Port of Spain (To fund the restoration and refurbishment of the 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**
(z)	Fixed Rate USD Loan	ANSA Merchant Bank	USD 99,601,001.00	5.3%	10 Years	Guaranteed by the GORTT	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	To fund, in part, financing requirement of the foreign component for the construction and equipping of the Arima Hospital
(aa)	Fixed Rate Notes	US Private Placement (Wells Fargo Bank)	TT$2,372,303,000	6.09%	15 years	Land and Buildings thereon and assignment of sublease rentals		To finance construction and fit-out costs of the Port of Spain International Waterfront Project and repayment of the interim facility.

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18. Borrowings (continued):

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

	31 December 2018 ($)	31 December 2017 ($)
TT Dollar	5,281,279,822	5,586,276,377
US Dollar	2,396,250,494	2,052,549,603
	7,677,530,316	**7,638,825,980**

19. Deferred Liability:

In accordance with Cabinet Minute No. 399 of 4 April 2001, the subsidiary company, Oropune, was required to acknowledge its indebtedness equivalent to the cost of construction of the houses incurred by the Ministry of Housing Settlement estimated at **$10.35 million** as a condition of vesting of the property to the Oropune.

The Minute also stated that an arrangement should be made for the replacement of the loan. As at the year end, the Ministry of Finance has not yet communicated the terms and conditions of settlement.

20. Deferred Revenue:

	31 December 2018 ($)	31 December 2017 ($)
	3,204,217	**2,689,601**

Deferred revenue arises from works still to be certified for which funds have been received.

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21. Accounts Payable and Accruals:

	31 December 2018 ($)	31 December 2017 ($)
Due to GORTT	530,999,324	595,130,621
Project payables	292,424,252	302,445,263
Retentions payable	179,118,648	113,503,845
Other payables	97,622,863	130,226,628
Accrued interest on loans	117,215,071	120,141,238
	1,217,380,158	**1,261,447,595**

22. Reserve Development Fund:

	2018	2017
Other Development Projects	*47,496,433*	*46,481,191*

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

23. Deposit on Account:

	31 December 2018 ($)	31 December 2017 ($)
Deposit on Account	**1,539,120**	**1,410,641**

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.

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24. Investment Securities:

	31 December	
	2018 ($)	2017 ($)
Investment securities designated as at fair value through profit or loss	**54,525,352**	**62,084,400**

This represents an investment with the Clico Investment Fund (CIF). The loss on the investment securities at fair value recognised through profit or loss amounted to **$3,528,608** for the year ending 31 December 2017.

Short-Term Investments	**157,135,500**	**205,446,000**

The short-term investment represents a six-month fixed deposit, which is invested at a rate of 1.50%. It also includes the current portion of the zero coupon bond to be received within the next twelve months.

25. Hotel Operations:

	31 December	
	2018 ($)	2017 ($)
Hyatt Regency Fees	**263,299,807**	**237,148,666**

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

26. Rental Income:

	31 December	
	2018 ($)	2017 ($)
	279,771,997	**279,016,882**

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27. Other Income:

	31 December 2018 ($)	31 December 2017 ($)
Other	4,829,011	11,956,778
Carpark revenue	19,538,710	18,068,248
Management fees	5,556,749	2,025,036
	29,924,470	**32,050,062**

28. Other Expenses:

	2018 ($)	2017 ($)
Employee benefit (Note 29)	63,663,891	61,561,425
Depreciation and amortisation	144,914,048	137,650,705
Office expenses	21,530,518	29,515,170
Rent and utilities	7,791,809	9,077,773
Advertising	2,467,747	1,812,418
Other expenses	16,146,456	347,620,038
	256,514,469	**587,237,529**

29. Employee Benefit Expense:

	2018 ($)	2017 ($)
Wages and salaries	60,761,439	58,904,602
National insurance cost	2,902,452	2,656,823
	63,663,891	**61,561,425**

Number of employees at year end 788 (2017: 803)

30. Finance Income/Government Grants:

	2018 ($)	2017 ($)
Government grants to cover interest expenses	299,767,745	307,430,944
Interest income	7,138,346	8,239,034
	306,906,091	**315,669,978**

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31. Finance Costs:

	31 December 2018 ($)	31 December 2017 ($)
Interest expense on GORTT borrowings	299,767,746	307,429,059
Interest expense on bank borrowings	79,130,838	88,732,371
Foreign exchange loss on bank borrowings	23,171,445	7,316,089
Bank charges	24,732,550	1,022,151
	426,802,579	**404,499,670**

32. Taxation:

	2018 ($)	2017 ($)
Deferred tax	22,369,204	60,439,395
Understatement of corporation tax	-	-
Green Fund Levy	839,086	815,253
Business Levy	7,350,090	3,470,329
	30,558,380	**64,724,977**
Profit before taxation	37,745,670	101,541,499
Tax deductible at 25%	9,436,417	25,385,436
Expense (deductible) non-deductible for tax purposes	(9,436,417)	(25,385,436)
Deferred tax	22,369,204	60,439,395
Green Fund Levy	839,086	815,253
Business Levy	7,350,090	3,470,329
	30,558,380	**64,724,977**

33. Related Party Balances:

(a) Key management compensation

	2018 ($)	2017 ($)
Directors' fee	528,000	531,484
Senior Management remuneration	4,605,944	5,679,088

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

33. Related Party Balances (continued):

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	
	2018	**2017**
	($)	**($)**
Investment properties	7,401,815,249	7,397,235,194
Contributed capital	4,622,002,357	4,204,733,230
Contract works billed to the GORTT	1,371,724,728	764,252,353
Allowance for impairment	145,160,469	145,160,469
Impairment expense	-	-
Amounts due from GORTT	515,308,746	507,207,286
Reserve development fund	47,496,433	46,481,191
Development work in progress expenditure not yet billed to GORTT	456,297,432	203,830,525

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	
	2018	**2017**
	($)	**($)**
Project management fees	36,166,776	30,905,396
Contract revenue	882,373	497,949,417
Contract costs incurred	882,373	497,949,417

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34. Financial Instruments by Category:

i) *Receivables*

	Carrying Value 2018 ($)	Fair Value 2018 ($)
Receivables for contract work due from GORTT	515,308,746	493,118,417
Contractor work billed to the GORTT	1,371,724,728	1,312,655,242
Advances to contractors	138,523,238	132,558,122
Other receivables excluding prepayments	503,876,849	482,175,931
	2,529,433,561	**2,420,507,712**

	Carrying Value 2017 ($)	Fair Value 2017 ($)
Receivables for contract work due from GORTT	507,207,286	464,464,904
Contractor work billed to the GORTT	764,252,353	699,848,770
Advances to contractors	323,294,890	296,050,814
Other receivables excluding prepayments	742,116,659	679,578,452
	2,336,871,188	**2,139,942,940**

ii) *Financial liabilities carried at amortised cost*

	31 December	
	2018 ($)	2017 ($)
Borrowings	7,677,530,316	7,638,825,980
Accounts payable and accruals	1,217,380,158	1,261,447,595
Reserve development fund	47,496,433	46,481,191
	8,942,406,907	**8,946,754,766**

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

As at 31 December 2018, capital commitments amounting to approximately $892M (2017: $567M) 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) Sherma Ramoutar Boodhoo filed a claim of wrongful dismissal in the amount of $771,427.000 plus exemplary damages in 2016. The matter will be heard on April 16 and 18, 2018. A date for decision will then be given by the Court. Counsel for UDeCOTT filed submissions on October 31, 2019. Awaiting date for judgment.

b) Notice of Violation served by the Environmental Management Authority to UDeCOTT on April 4 2018 for breach of the Noise Pollution Control Rules 2001, for an event held at the Brian Lara Cricket Academy on December 8, 2017. Matter resolved by Consent Agreement executed by the EMA with costs payable in the sum of $2,530.23 and damages in the sum of $5,666.66.

c) Notice of Violation served by the Environmental Management Authority to UDeCOTT on April 4, 2018 for breach of the Noise Pollution Control Rules 2001, for an event held at the Brian Lara Cricket Academy on December 26, 2017. Matter resolved by Consent Agreement executed by the EMA with costs payable in the sum of $1,688.11 and damages in the sum of $4,500.00

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38. Subsequent Events:

The following events were noted subsequent to the year end:

a) The Group has entered into several contracts amounting to approximately **$569 million** in the normal course of business.

b) 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 February 11, 2021 requesting the next steps. Senior Counsel has advised that he will liaise with the Industrial Court on same and advise.

c) Dipcon Engineering filed claim against the Corporation relating to the Oropune Housing Project for outstanding amounts. The judgement is to be delivered in October 2017. Judgment given on March 22, 2019 in favour of UDeCOTT for the Claimant to pay costs o**f $151,176.00**. A stay of execution of 42 days was granted which expired on May 3, 2019. The Claimant paid the sum of **$151,176.00** in or about December 2019.

d) Spancrete Ltd filed a claim for **$7,000,000.00** on April 5 2017. Pursuant to Judgment on December 17 2019, the Claimant paid UDeCOTT's costs in the matter on September 30, 2020 in the sum of **$274,758.40.** Order entered on January 8, 2021 without hearing, for preparation and filing of Notes of Evidence from transcripts of trial and for Record of Appeal.

e) PRD Security filed a claim against Safety Security, UDeCOTT was named as joined Garnishee as we are named debtor to Safety Security. The matter was heard on February 22, 2019. Costs awarded to UDeCOTT assessed at **$4,500.00.** The first payment of **$312,500.00** made March 14, 2019. The last payment was made June 14, 2019. A cheque in the sum of **$188,291.70** prepared in Claimant's name for collection. Matter now deemed complete.

f) 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 October 26, 27 and 28, 2022.

g) 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 **$302,000.00** on or before August 30, 2022
   ii) The sum o**f $302,000.00** on or before September 30, 2022

   The first tranche was paid by UDeCOTT on August 29, 2022.

h) ANSA McAL Enterprises Limited filed a claim for wrongful termination of contract in the amount of **TT$14,118,236.23.** The claimant is also seeking potential claims against the defendant. The Appeal Management Conference adjourned to November 3, 2022, to seek to settle the final account.

i) Adanna Francois filed a claim for damages in the amount of **TT$ 32,681.50** for personal injuries and consequential losses and damages against The Attorney General of Trinidad & Tobago & UDeCOTT. An amended claim and Statement of Case were filed on July 11, 2022. As a result, the Case Management Conference was rescheduled from July 7, 2022 to March 24, 2023.

j) D Geawan filed a claim of negligence, breach of statutory duty under OSHA. Case Management Conference scheduled for October 26, 2021.

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38. Subsequent Events (continued):

k) D Geawan filed a claim of breach of statutory duty under OSHA claimed by worker.Hearing set for February 25, 2022.

l) D Geawan filed a claim of unlawful dismissal in the amount of **TT$350,000.** Matter adjourned to October 6, 2022.

m) K. Frection-Thomas filed a claim of breach of statutory duty under OSHA claimed by worker. Hearing set for March 10, 2022.

n) Mouche Ali filed a claim on August 21, 2019 of unlawful dismissal in the amount of **TT$2,398,960.00.** Matter is ongoing.

o) 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$2,535,983.89** plus legal fees.

p) Adam's Project Management & Construction Ltd filed a claim for monies owing for works done on the Mayaro Fire Station in the amount of **TT$1,108,897.35** plus legal fees.

q) 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 July 13, 2022 requesting extension of time to respond.

r) Rozana Gaffoor-Ali filed a claim of trespass on lands earmarked for the construction of the Indian Trail Community Centre. The claimant sent correspondence on September 6, 2019 requesting **$10M** for the sale of land and **$2.5M** in damages for trespass. 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. Matter is still 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, have 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.

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39. 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 in 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 2017 or 2016.

	December 2018		
	Construction ($)	Hotel Operation ($)	Total ($)
Revenue	345,863,243	263,299,807	609,163,050
Operating (loss) profit	83,847,543	73,794,615	157,642,158
Assets	12,929,016,621	139,936,603	13,068,953,224
Liabilities	9,046,245,946	45,409,723	9,091,655,669

	December 2017		
	Construction ($)	Hotel Operation ($)	Total ($)
Revenue	358,167,973	237,148,666	595,316,639
Operating profit	121,627,690	68,743,501	190,371,191
Assets	12,582,987,202	92,541,118	12,675,528,320
Liabilities	9,039,760,682	33,525,930	9,073,286,612