udecott

Urban Development Corporation
of Trinidad and Tobago Limited

ANNUAL REPORT 2019

udecott

Urban Development Corporation of Trinidad and Tobago Limited


SIGNED
SEALED
DELIVERED

OUR MISSION

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

OUR VISION

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

CORE VALUES

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

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

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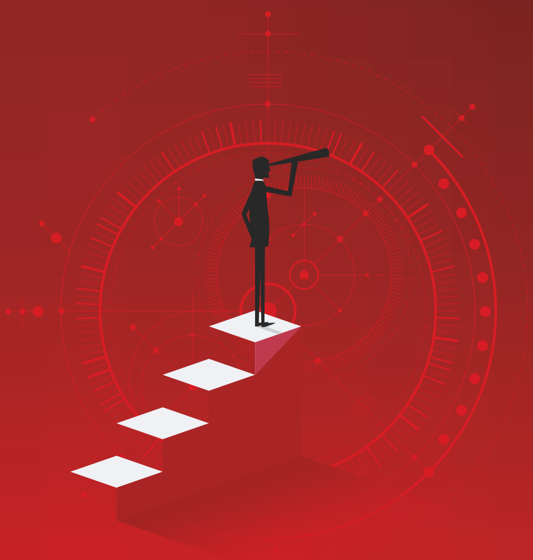


CORE VALUES

Good Governance

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

Service Excellence

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

Integrity

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

Transformative

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

Service Driven

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

Cost Efficient (value driven)

We perform our activities in the most economical manner to produce the optimum result in all our operations.

Results Oriented

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

Company Overview

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

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

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

Corporate Addresses

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

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

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

Board of Directors

Mr. Noel Garcia
Chairman

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

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

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

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

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

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

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

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

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

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

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

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

Chairman's Review

I am pleased to submit the Annual Financial Report for 2019, on behalf of the Board of Directors of The Urban Development Corporation of Trinidad and Tobago Limited (UDeCOTT).

Despite the challenges faced in the national and global economy, the Corporation was able to maintain its stable financial position from the previous year with a modest 5.7% increase in non-current assets and an increase of 18.6% in the Current Assets category.

The Corporation did not cease in its mandate for Fiscal 2019 and delivered several projects in its various project portfolios, including, but not limited to:

- Pt. Fortin Hospital
- Arima Hospital
- Diego Martin Health Centre
- Josephine Shaw Home
- West Park
- Moruga Multipurpose Sporting Facility
- Mahaica Sporting Complex
- Sewer Link, Signal Hill

Through prudent management, the Corporation continues to lead the public sector with its suite of Project and Facilities Management Services across portfolios of Health; Community Development; Sports, Recreation and Tourism; Industrial and Commerce; Office Accommodation; National Security; and Restoration.

Special mention must be made of the contributions made by staff, ensuring the continuing stellar performance of delivery by the Corporation.

As we continue to transform the physical landscape of Trinidad and Tobago, with mega projects such as the Development of the San Fernando Waterfront and the Redevelopment of Port of Spain, the Corporation will continue in its thrust of delivery to the people of Trinidad and Tobago, always moving forward to the next phase of development.

Management Discussion and Analysis

PERFORMANCE

In 2019, there was a loss before taxes of $31 million

Total Income increased by $44 million (7%). The increases were in Hotel Operations and Project Management Fees.

Project Management Fees increased by $12 million

Total Operating Expenses increased to $588 million compared to 2018 value of $451 million. This is attributed to an impairment allowance on receivables ($139 million) and increases in Hyatt's operating expenses of ($6.5 million).

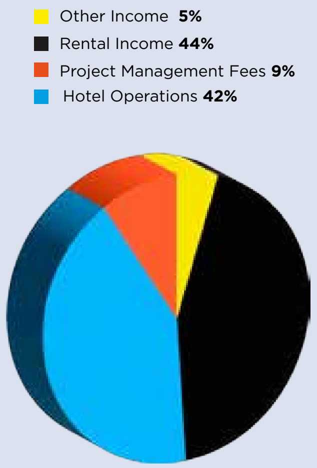
REVENUE

In 2019, Total Income increased by $44 million to $639 million, compared to 2018 $595 million. This increase was driven by:

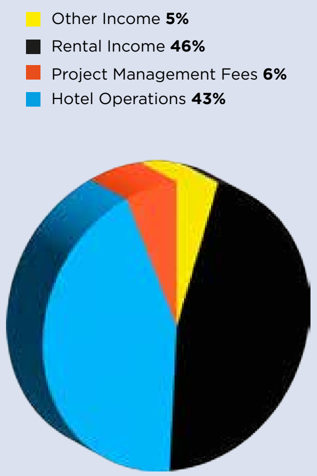
- 13% increase in Hotel Operations of $31 million
- 26% increase in Project Management Fees of $12 million

	2018	2019	Inc/Dec	% Change
Hotel Operations	237,148,666	269,103,636	31,954,970	**13%**
Project management fees	47,101,029	59,146,803	12,045,774	**26%**
Rental income	279,016,882	279,587,152	570,270	**0%**
Other income	32,050,062	31,900,906	(149,156)	**0%**
	595,316,639	**639,738,497**	**44,421,858**	**7%**

2019 Income



2018 Income



Other Income declined by $149K.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The company generated a comprehensive loss of $65.3 million compared to $7.2 million recognised in 2018. The slight increase in Revenue generated was negated by the larger increase in Total Expense for 2019. Revenue climbed from $609.2 million in 2018 to $639.7 million in 2019 – a positive difference of $30.6 million. However, Total Expense rose from $571.4 million to $671 million – an increase of $99.6 million or 17.4%.

There was a minimal increase of 3% in Administrative/Other expenses incurred for 2019; from $264.4 million to $256.5 million in 2018. This was attributed to the normal operational cost of the corporation.

Staff costs remained relatively small 5% increase over the 2018 figure to $67.2 million. Office expenses totalling $43.3 million doubled that of 2018. The sub-totals of Repairs and Maintenance and Security Expenses were the two largest contributors to this negative variance with year on year increases of $12 million and $8 million respectively. Rent, utilities and advertising had a combined net negligible impact.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The company's 2019 balances demonstrated marginal growth when compared to 2018 figures. Non-current Assets remained stable with a modest increase of 5.7% or $591.3 million. A significant increase was recorded in the Accounts Receivable and Prepayments in the sum of $1,350 million. This represented a year-on-year increase of 67%. Significant work done in our Health projects portfolio drove the aforementioned increase.

Current assets overall increased by 18.6% or $483.8 million. Movement in this category was due to an increase in the Accounts receivable and prepayments of $769.7 million or 70% over 2018 figures. Project receivable increased slightly by 4.8% or $39.7 million. These figures are linked to works done on behalf of client ministries. In addition, there was a significant decrease in Cash and Cash equivalents of $225 million or 43.4%. A significant portion of those funds is related to project financing made available to execute projects within the fiscal.

There was no significant change in Non-current Liabilities. However, Current Liabilities balances between 2018 & 2019 had a negative variance of $433.4 million or 19.2%.

UDeCOTT's leverage ratio decreased from 65.6% in 2018 to 64.2% in 2019. There were no adjustments to Equity structure or figures in 2019.

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 the Republic of Trinidad and Tobago (GORTT) has widened UDeCOTT's Construction and Engineering mandate in the areas of Health, National Security, Industrial, Community Development, Office Accommodation, Restoration, Ports and Infrastructure, Sports and Recreation and Tourism, which saw the growth in project delivery in both islands in Fiscal 2019. The Corporation recognises that its work 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 as follows:

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

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

• *National Security Programme*
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 streamlining 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 and refurbished Police Stations and Fire Stations.

- Police Stations include: Shirvan Road (formerly Old Grange), Tobago; Roxborough, Tobago; Manzanilla; Matura; Matelot; Maracas, St. Joseph; St. Joseph; Besson Street, Port of Spain; St. Clair; and Carenage.

- Fire Stations include: Mayaro; Lady Hailes, San Fernando; Arouca; Chaguaramas; Woodbrook; Penal; Point Fortin; Wrightson Road, POS; Tunapuna; Mon Repos; Rio Claro; Princes Town; Siparia; Four Roads; Cove Headquarters, Tobago.

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

These projects include:
- 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 Community Development Culture and the Arts Building, Jerningham Avenue
- Relocation of CLICO Offices
- Solicitor's General — Modification
- Trinidad and Tobago Security Exchange Commission

• *Industrial Development Programme*
The GORTT has identified, prioritized and supported the establishment of new emerging economic sectors in two economic areas for Fiscal 2019:

- Fishing and Fish processing; and
- Agriculture and Agro-processing.

• *Ports & Infrastructure Programme*
The GORTT has recognised 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.

These projects include:
- West Park Savannah
- Moruga Multipurpose Youth and Sporting Facility
- Mahaica Sporting Complex
- Skinner Park Reconstruction and Rehabilitation: Phase I
- Emperor Valley Zoo Improvement and Expansion Project
- Moruga Community Swimming Pool
- Maloney Community Swimming Pool
- Diego Martin Sporting Complex: Phase I
- Laventille Swimming Pool

• *Historical Restoration Programme*

The preservation of cultural heritage safeguards an irrefutable connection to the past. It is central to protecting the essence of who we are as a people through certain social values, beliefs, customs and traditions, which allows us to distinguish ourselves from others while deepening our sense of unity, belonging and national pride. UDeCOTT has been entrusted with the restoration and rehabilitation of several historic spaces in Trinidad and Tobago.

These projects include:
- The Red House
- The President's House
- Whitehall
- Killarney (Stollmeyer's Castle)
- Mille Fleurs

• *Culture and Arts Programme*

A nation's cultural heritage and natural history are as invaluable as it is unique. UDeCOTT has been mandated to manage the construction of cultural spaces throughout Trinidad and Tobago to encourage as well as enhance the promotion of culture.

These projects include:
- National Academy for the Performing Arts, San Fernando – Remedial Works
- National Academy for the Performing Arts, Port of Spain – Remedial Works, Audio and Lighting

• *Community Centre Programmes*

Recognizing that its citizens are central to nationwide development, GORTT continues to support expenditure on community amenities. Providing community infrastructure that supports a vibrant living environment, which nurtures, teaches, promotes and reinforces behaviours and skills needed to empower citizens to harness their assets is essential. The Community Centre Concept creates a space in which in areas of education, health, recreation, creativity and culture can be shared and safeguarded.

- Projects are located in the following areas: Arima; Bagatelle; Bon Air; Cantaro; Chickland; Diego Martin; Corinth Hill; Indian Trail; Las Lomas #2; Maitagual; Quarry Road, Petit Valley; Quarry Village, Siparia; Tarodale; Tarouba; Techier, Point Fortin; La Pastora, Santa Cruz; and San Fernando.

• *Tourism Programme*

Recognising the Tourism industry as an important economic tool for the generation of income, employment, and foreign exchange earnings, the GORTT sought to embark on several projects to improve and safeguard both international and domestic tourism within Trinidad and Tobago.

These projects include:
- Las Cuevas Beach Facility
- La Brea Pitch Lake Facility
- Manzanilla Beach Facility
- Galera Point Lighthouse
- Vessigny Beach Facility
- Tourism Immersive Signage Project
- Maracas Beach Facility Upgrade Phase II Works
- Paramin Village Lookout

• *Tobago Projects Programme*

UDeCOTT has been collaborating with both the Tobago House of Assembly ("THA") and Central Government to ensure the successful completion of projects, which focus on facilitating the growth and development of Tobago. Through improved infrastructure, it is envisioned that these efforts will increase productivity, efficiency and support sustainable growth in the sister isle.

These projects include:
- Construction of Five (5) Early Childhood Care Education ("ECCE") Centres
- Moriah Health Centre
- Roxborough Hospital
- Calder Hall Administrative Expansion Complex
- Policy Research and Development Institute ("PRDI") Building
- Whim Sporting Facility
- Goldsborough Irrigation Well
- Charlotteville Turpin Bend
- Shirvan Integrated Housing Development
- Goodwood Pavilion
- Bacolet Indoor Sporting Facility
- Courland Recreation Park (LED Lighting)
- School for the Deaf
- Dwight Yorke Stadium
- Prime Minister's Resident Access Road Infrastructure Upgrade
- Hope Correctional Facility
- Sewer Link, Signal Hill
- Roxborough Administrative Complex
- Prime Minister's Residence and Diplomatic Centre, Tobago

FINANCIAL REPORT
2019

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Urban Development Corporation of Trinidad and Tobago Limited

Management is responsible for the following:

- preparing and fairly presenting the accompanying consolidated financial statements of Urban Development Corporation of Trinidad and Tobago Limited Group of Companies, which comprise the statement of financial position as at 31 December 2019, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;

- ensuring that the company keeps proper accounting records;

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

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

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

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

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

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

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

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

Tamica Charles
Chief Executive Officer
Date: 18 October 2023

Burton Andre Hinkson
Divisional Manager, Finance
Date: 18 October 2023

38-40 Sackville Street, Port of Spain 100622, Trinidad, West Indies. Tel.: 868-225-4004 E-mail: contact@udecott.com Website: www.udecott.com

PKF

Chartered Accountants
& Business Advisors

PKF LIMITED

INDEPENDENT AUDITORS' REPORT

Urban Development Corporation of Trinidad and Tobago Limited and its Subsidiaries

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of Urban Development Corporation of Trinidad and Tobago Limited ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2019, 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, contributed capital and contingent liabilities as at 31 December 2019.

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 2019.

The Group did not provide sufficient and appropriate audit evidence to support the valuation of accounts payable and accruals and contributed capital as at 31 December 2019.

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

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

PKF

Chartered Accountants
& Business Advisors

PKF LIMITED

INDEPENDENT AUDITORS' REPORT (Cont'd)

Basis for Disclaimer of Opinion (Cont'd)

The Corporation did not provide sufficient, appropriate audit evidence to support the existence, completeness and valuation of the contingent liabilities as at 31 December 2019.

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, contributed capital and contingent liabilities as at 31 December 2019.

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, contributed capital and contingent liabilities as at 31 December 2019.

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
18 October 2023

URBAN DEVELOPMENT CORPORATION
OF TRINIDAD AND TOBAGO LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2019

ASSETS

	Notes	31 December 2019 ($)	2018 ($)
ASSETS			
Non-Current Assets:			
Investment properties	5	7,407,308,841	7,401,815,249
Inventory - Land	7	69,707,941	69,707,941
Construction in progress	6	27,105,792	9,877,295
Property, plant and equipment	8	1,235,411,365	1,359,182,767
Right of use assets	24	1,350,609	-
Value added tax recoverable	9	595,005,233	607,047,457
Accounts receivable and prepayments	13	1,487,745,220	909,014,441
Investment securities	25	67,530,400	54,525,352
Deferred tax asset	12	113,061,917	-
Restricted cash	10	51,180,765	52,867,184
		11,055,408,083	10,464,037,686
Current Assets:			
Projects receivables	11	866,175,512	826,445,709
Accounts receivable and prepayments	13	1,873,007,567	1,101,315,223
Short term investment	25	55,446,000	157,135,500
Cash and cash equivalent	14	294,115,069	520,019,106
		3,088,744,148	2,604,915,538
Total Assets		14,144,152,231	13,068,953,224
EQUITY AND LIABILITIES			
Capital and Reserves:			
Stated capital	16	999,502	999,602
Accumulated deficit		(746,351,987)	(645,704,404)
Contributed capital	17	5,158,445,579	4,622,002,357
		4,413,093,094	3,977,297,555
Non-Current Liabilities:			
Borrowings	18	7,038,031,805	6,824,193,944
Deferred liability	19	-	10,350,000
Deferred revenue	20	5,687,552	3,204,217
		7,043,719,357	6,837,748,161
Current Liabilities:			
Accounts payable and accruals	21	1,494,853,025	1,217,380,158
Borrowings	18	863,432,094	853,336,372
Reserve development fund	22	58,122,003	47,496,433
Deposit on account	23	1,337,435	1,539,120
Deferred tax liability	12	255,497,167	123,218,548
Tax payable		13,450,210	10,936,877
Lease liability	24	647,846	-
		2,687,339,780	2,253,907,508
Total Equity and Liabilities		14,144,152,231	13,068,953,224

These financial statements were approved by the Board of Directors and authorised for issue on 18 October 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
31 December 2019

	Notes	For the year ended 31 December 2019 ($)	2018 ($)
Income:			
Hotel operations	26	269,103,636	263,299,807
Rental Income	27	279,587,152	279,771,997
Project management fees		59,146,803	36,166,776
Other income	28	31,900,906	29,924,470
		639,738,497	609,163,050
Operating expenses:			
Loss on disposal of plant and equipment		171,200	(13,261,389)
Impairment allowance		(139,382,216)	(3,250,969)
Hyatt Regency Trinidad operating expenses		(185,040,649)	(178,494,065)
Other expenses	29	(264,399,094)	(256,514,469)
Total operating expenses		(588,650,759)	(451,520,892)
Operating profit		51,087,738	157,642,158
Government grant	31	292,787,042	299,767,745
Finance income	31	9,487,284	7,138,346
Finance cost	32	(384,623,862)	(426,802,579)
Total non-operating expenses		(82,349,536)	(119,896,488)
(Loss)/Profit before taxation		(31,261,798)	37,745,670
Taxation	33	(34,078,527)	(30,558,380)
Total Comprehensive (Loss)/Income for the year		(65,340,325)	7,187,290

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

Consolidated Statement of Changes in Equity
December 31, 2019

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

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

Consolidated Statement of Cash Flows
December 31, 2019

	For the year ended 31 December 2019 ($)	2018 ($)
Cash Flow from Operating Activities:		
(Loss)/Profit before taxation	(31,261,798)	37,745,670
Adjustment for:		
Depreciation	143,963,112	144,914,048
Write off of depreciation	(2,262,500)	-
Depreciation - right of use asset	1,396,163	-
Interest in capital contribution	536,443,222	417,269,037
Lease - Interest expenses	139,617	-
Interest expense	303,795,568	303,360,034
Interest income	(292,787,042)	(299,767,745)
Changes in Operating Assets and Liabilities:	659,426,342	603,521,044
Accounts receivable and prepayments	(1,350,423,123)	(225,097,297)
Accounts payable and accruals	277,657,682	(44,010,656)
Reserve development fund	10,625,570	1,143,722
Increase in value added tax recoverable	12,042,224	4,736,894
Project receivables	(39,729,803)	(260,568,367)
Deferred revenue	2,483,335	514,616
Deposit on account	(386,501)	-
Deferred liability written off	(10,350,000)	-
Taxation paid	(12,348,893)	(5,673,022)
Interest paid	(303,795,568)	(303,360,034)
Net cash used in Operating Activities	(754,798,735)	(228,793,100)
Cash Flows From Investing Activities:		
Decrease in Hyatt Replacement Reserve Fund	1,686,419	(32,714,086)
Net change in investment securities	(13,005,048)	55,869,548
Net change in short term investments	101,689,500	-
Purchase of property, plant and equipment	(23,769,727)	(1,297,556)
Proceeds from sale of property, plant and equipment	-	1,197,608
Transfer to investment properties from properties, plant and equipment	6,000,000	-
Increase in construction in progress	(22,881,693)	177,402,439
Share Capital written off	(100)	-
Retained earnings written off	(35,307,258)	-
Interest received	292,787,042	299,767,745
Net cash provided by Investing Activities	307,199,135	500,225,698

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

Consolidated Statement of Cash Flows (continued)

December 31, 2019

	For the year ended 31 December 2019 ($)	2018 ($)
Cash Flows From Financing Activities		
Lease payments	(2,238,018)	-
Net proceeds from borrowings	223,933,581	38,647,554
Net cash provided by financing activitites	221,695,563	38,647,554
Net increase in cash and cash equivalent	(225,904,037)	310,080,152
Cash and cash equivalent, beginning of year	520,019,106	209,938,954
Cash and cash equivalent, end of year	**294,115,069**	**520,019,106**
Represented by:		
Cash and cash equivalent	**294,115,069**	**520,019,106**

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

Notes to the Consolidated Financial Statements
31 December 2019

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 2019 incorporate the operations of the Corporation and its subsidiaries (together referred to as "the Group").

On 18 October 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.

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

(iv) Facilities management activities

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

(v) Car park operations

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

(vi) Sale of leasehold land

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

2. Summary of 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 (Cont'd):

(d) New Accounting Standards and Interpretations -

The Group has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective as they either do not apply to the activities of the Group or have no material impact on its financial statements:

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

IFRS 3 Business Combinations - Amendments resulting from Annual Improvements 2015–2017 Cycle – Re-measurement of previously held interest (effective for accounting periods beginning on or after 1 January 2019).

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

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

IFRS 11 Joint Arrangements - Amendments resulting from Annual Improvements 2015–2017 Cycle – Re-measurement of previously held interest (effective for accounting periods beginning on or after 1 January 2019).

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 2022).

IAS 12 Income Taxes - Amendments resulting from Annual Improvements 2015–2017 Cycle - Income tax consequences of dividends (effective for accounting periods beginning on or after 1 January 2019).

IAS 19 Employee Benefits - Amendments regarding plan amendments, curtailments or settlements (effective for accounting periods beginning on or after 1 January 2019).

IAS 23 Borrowing Costs - Amendments resulting from Annual Improvements 2015–2017 Cycle - Borrowing costs eligible for capitalization (effective for accounting periods beginning on or after 1 January 2019).

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

(d) New accounting standards and interpretations (cont'd) -

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

(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 64.16% (2018: 65.61%) 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.

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

(e) Going concern (cont'd) -

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.

(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.

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

(g) Financial instruments (cont'd) -

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.

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

i) Significant financial difficulty of the issuer or obligor.

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

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

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

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

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

(g) Financial instruments (cont'd) -

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

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

i) Financial assets measured at amortised cost

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

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

ii) Financial assets measured at cost

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

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

Cash and cash equivalent

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

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

(g) Financial instruments (cont'd) -

Accounts receivable

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

Trade payables

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

Stated capital

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

(h) Foreign currencies -

i) Functional and presentation currency

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

ii) Transactions and balances

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

Notes to the Consolidated Financial Statements
31 December 2019

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

(i) Construction in progress -

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

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

(j) Contract works -

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

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

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

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

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

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

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

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

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

(k) *Investment property -*

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

(l) *Property, plant and equipment -*

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

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

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

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

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

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

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

(m) Borrowings -

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

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

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

(n) Income -

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

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

i. Construction contract revenue and project management fees

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

ii. Interest income

Revenue is recognised using the amortized 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 recognized 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 -

In the current year, the Group has applied IFRS 16 (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after January 1, 2019. IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of IFRS 16 on the Group financial statements is described below. The date of initial application of IFRS16 for the Group is 1 January 2019.

a) Impact of the new definition of a lease

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

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

q) Leases (cont'd):

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

Policy applicable before 1 January 2019

i. Determining whether an arrangement contains a lease

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

ii. Leased assets

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

iii. Leased payments

Payments made under finance leases are set off against lease liabilities with the attendant interest expense recognized in profit or loss over the term of the lease.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after January 1, 2019. All leases that existed before January 1, 2019 are treated as finance leases resulting in no adjustment being required on initial application of IFRS 16.

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

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

q) Leases (cont'd):

b) As a lessee

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

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

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

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

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

Notes to the Consolidated Financial Statements
31 December 2019

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

q) Leases (cont'd):

b) As a lessee (cont'd)

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

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

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

c) Former finance leases

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

(r) Impairment of non-financial assets -

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

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

(s) Intangible assets -

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

(t) Employee benefits -

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

(u) Inventories -

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

(v) Government grants -

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

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

(w) Contributed capital -

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

(x) Reserve development fund -

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

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

(y) Related parties -

A party is related to the Group, if:

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

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

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

(c) has joint control over the Group;

ii. the party is an associate of the Group;

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

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

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

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

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

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

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

(z) Comparative information -

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

3. Financial Risk Management

Financial risk factors

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

a) Market Risk

i) Currency risk

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

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

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

Sensitivity analysis

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

Notes to the Consolidated Financial Statements
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3. Financial Risk Management (Cont'd):

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

i) *Currency risk (cont'd)*

Effect on Income

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

US dollar denominated	Pre-Tax Effect on Income 2018 As reported ($)	1% Appreciation ($)	1% Depreciation ($)
Financial Assets			
Cash and cash equivalent	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)**

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.

Year-end selling rate

	2018	**2017**
TTD to USD	6.7922	6.7986

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 release.

Notes to the Consolidated Financial Statements
31 December 2019

3. Financial Risk Management (Cont'd):

a) Market risk (cont'd) -

ii) Interest rate risk (cont'd)

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

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

	Current Carrying Amount ($)	Effect of 1% Increase in Interest Rates ($)	Effect of 1% Decrease in Interest Rates ($)
Pre-tax			
Variable-rate instruments			
31 December 2019	3,190,863,835	31,908,638	(31,908,638)
31 December 2018	3,519,579,600	35,195,796	(35,195,796)
Post-tax			
Variable-rate instruments			
31 December 2019	2,233,604,685	22,336,047	(22,336,047)
31 December 2018	2,639,684,700	26,396,847	(26,396,847)

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

3. Financial Risk Management (Cont'd):

a) Market risk (cont'd) -

ii) Interest rate risk (cont'd)

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

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

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**

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

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

iii) Other price risk

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

3. Financial Risk Management (Cont'd):

b) Liquidity risk -

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

Liquidity risk management

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

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

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

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

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

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 2019					
Borrowings	7,901,463,899	9,693,718,071	1,419,520,017	5,293,485,884	2,980,712,170
Accounts payable and accruals	1,494,853,025	1,494,853,025	1,494,853,025	-	-
Reserve development fund	58,122,003	58,122,003	58,122,003	-	-
Deposit on account	1,337,435	1,337,435	1,337,435	-	-
Deferred revenue	5,687,552	5,687,552	5,687,552	-	-
	9,491,463,914	11,253,718,086	2,979,520,032	5,293,485,884	2,980,712,170

3. Financial Risk Management (Cont'd):

b) *Liquidity Risk cont'd -*

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

	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**

c) *Credit risk -*

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

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

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

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

Notes to the Consolidated Financial Statements
31 December 2019

3. Financial Risk Management (Cont'd):

c) *Credit risk (cont'd) -*

Analysis of financial assets that are exposed to credit risk:

	31 December 2019 ($)	2018 ($)
Contract works billed to GORTT	2,801,900,410	1,371,724,728
Advances to contractors	77,903,314	138,523,238
Other receivables excluding prepayments	597,225,889	550,436,826
	3,477,029,613	2,060,684,792
Project receivables	1,085,317,402	971,606,178
Cash and cash equivalent	294,115,069	520,019,106
Total	**4,856,462,084**	**3,552,310,076**

The analysis of the account receivable is as follows:

	2019 ($)	2018 ($)
Advances to contractors	77,903,314	138,523,238
Contract works billed to GORTT	2,801,900,410	1,371,724,728
Other receivables	597,225,989	550,439,926
Total accounts receivable - gross	3,477,029,613	2,060,684,792
Less: Provision for impairment	-	-
Account receivables – net	3,477,029,613	2,060,684,792
Project receivables	1,085,317,402	971,606,178
Less: Provision for impairment	(219,141,889)	(145,160,469)
Project receivables – net	866,175,513	826,445,709
Prepayments	1,775,322	2,293,224
Total	**4,344,980,448**	**2,889,423,725**

3. Financial Risk Management (Cont'd):

c) Credit risk (cont'd) -

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

	2019 $	2018 $
Past due 1-30 days	139,889,968	345,945,236
Past due 31-90 days	342,208,134	253,023,916
Past due 91-120 days	371,290,617	57,798,789
Over 120 but less than 365 days	971,953,727	458,966,933
Over 365 days	1,904,045,477	944,949,918
	3,729,387,923	**2,060,684,792**

The impairment allowance can be analysed as follows:

	Project Receivable 2019 $	Accounts Receivable 2019 ($)	Total 2019 ($)	Total 2018 ($)
At beginning of year	145,160,469	52,651,452	197,811,921	145,160,469
Additional provision recognized (written off)	73,981,420	65,400,796	139,382,216	52,651,452
	219,141,889	**118,052,247**	**337,194,137**	**197,811,921**

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 (Cont'd):

c) Credit risk (cont'd) -

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

d) Capital Risk Management

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

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

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

	31 December 2019 ($)	31 December 2018 ($)
Total borrowings	7,901,463,899	7,677,530,316
Less: deposit accounts	(2,608,409)	(87,878,515)
Net debt	7,898,855,490	7,589,651,801
Stated capital	999,502	999,602
Accumulated deficit	(746,351,987)	(645,704,404)
Contributed capital	5,158,445,579	4,622,002,357
Total capital	4,413,093,094	3,977,297,555
Capital and net debt	**12,311,948,584**	**11,566,949,356**
Gearing ratio	64.16%	65.61%

4. Critical Accounting Estimates and Judgments:

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

(a) Critical accounting estimates and assumptions

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

(i) Revenue recognition

The Group recognises revenue for work performed on behalf of GORTT by reference to recoverable costs incurred during the year plus the project management fees earned for the period which are measured based on surveys of work performed. If there was a 10% change in the amount of work surveyed by the Group compared to management's estimate, the amount of revenue and receivables recognised would change by approximately **$5.9 million** (2018: **$3.6 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 **$740,730,884** (2018: **$740,181,524**).

Notes to the Consolidated Financial Statements
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4. Critical Accounting Estimates and Judgments (Cont'd):

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

(i) Revenue recognition

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

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

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

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

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

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

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

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

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

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

(ii) Measurement of fair values

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data.

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

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

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

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

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

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

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

During the year principal and interest payments by the GORTT applied against receivable balances totalled **$1,189,974,781** (2018: **$1,412,676,631**).

Notes to the Consolidated Financial Statements

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5. Investment Properties:

	30 September 2019 ($)	2018 ($)
The Group's investment properties include the following:		
Richmond Street	3,647,113,268	3,647,113,268
GP Plaza	102,000,000	102,000,000
Scarborough Tobago	1,168,176,751	1,168,176,751
Chancery Lane, San Fernando	828,868,305	827,719,714
The GCP Parkade	87,000,000	87,000,000
Memorial Park	16,000,000	16,000,000
NAPA South	56,829,247	56,829,247
Invaders Bay	119,643,586	119,643,586
Real Springs, Valsayn	23,164,465	23,119,465
Salvatori Building	376,385,386	376,385,386
Ministry of Education Tower	719,149,064	719,149,064
St. Vincent Place	20,792,214	20,792,214
Other properties	18,186,555	13,886,554
POSWDL - Port Authority Lands, Wrightson Road	224,000,000	224,000,000
	7,407,308,841	**7,401,815,249**

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

	31 December 2019 ($)	2018 ($)
Opening net book amount	7,401,815,249	7,397,235,194
Transfers/Additions	5,493,592	4,580,055
Closing net book amount	**7,407,308,841**	**7,401,815,249**

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 2019 ($)	31 December 2018 ($)
Sackville Street Renovations	971,871	9,387,671
Ministry of Education	94,024	-
Board of Inland Revenue Tower	11,835,721	-
Invader's Bay	28,512	-
Ministry of Legal Affairs	13,216,083	-
San Fernando General Hospital Car park Extension	500	500
South Office Renovations	629,440	-
Water Front Development	86,625	86,625
Strategic Redevelopment POS – Health City	243,016	243,016
Rincon Building Renovations	-	159,483
	27,105,792	**9,877,295**

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

	31 December 2019 ($)	31 December 2018 ($)
Opening net book amount	9,877,295	192,111,841
Transfer/Additions	17,228,497	(182,234,546)
Closing net book amount	**27,105,792**	**9,877,295**

7. Inventory-Land:

This represents the value of 476 acres of land at Las Cuevas Bay Estate. Inventory – land is initially recognized at cost and subsequently recognized 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	Construction In Progress ($)	Land ($)	Building ($)	Furniture, Fittings & Office Equipment ($)	Computer Software & Equipment ($)	Motor Vehicles ($)	Total ($)
Balance, 1 January 2019	-	7,000,000	2,370,131,596	239,219,257	10,142,856	920,883	2,627,414,592
Disposals	-	(3,000,000)	(3,000,000)	-	-	(660,665)	(6,660,665)
Additions	116,073	-	9,320,836	13,147,431	1,344,870	-	23,929,210
Balance, 31 December 2019	116,073	4,000,000	2,376,452,432	252,366,688	11,487,726	260,218	2,644,683,137
Accumulated Depreciation							
Balance, 1 January 2019	-	-	1,140,968,810	118,356,655	7,985,477	920,883	1,268,231,825
Charge for the year	-	-	(2,262,500)	-	-	(660,665)	(2,923,165)
	-	-	118,686,392	24,021,090	1,255,630	-	143,963,112
Balance, 31 December 2019	-	-	1,257,392,702	142,377,745	9,241,107	260,218	1,409,271,772
Net Book Value							
Balance, 31 December 2019	**116,073**	**4,000,000**	**1,119,059,730**	**109,988,943**	**2,246,619**	**-**	**1,235,411,365**
Balance, 31 December 2018	**-**	**7,000,000**	**1,229,162,786**	**120,862,602**	**2,157,379**	**-**	**1,359,182,767**

Notes to the Consolidated Financial Statements
31 December 2019

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

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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9. Value Added Tax (VAT) Recoverable:

	31 December 2019 ($)	31 December 2018 ($)
VAT recoverable	**595,005,233**	**607,047,457**

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 2019 ($)	31 December 2018 ($)
Restricted Cash	**51,180,765**	**52,867,184**

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 2019 ($)	31 December 2018 ($)
Contract works billed to GORTT	517,182,030	515,308,746
Contract works not billed	61,886,319	56,029,712
Contract works receivable	363,703,485	266,398,560
Facilities work not billed	142,545,567	133,869,160
	1,085,317,401	971,606,178
Allowance for impairment	(219,141,889)	(145,160,469)
	866,175,512	**826,445,709**

Notes to the Consolidated Financial Statements
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11. Project Receivables (Cont'd):

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

	31 December 2019 ($)	31 December 2018 ($)
At the beginning of the year	145,160,469	145,160,469
Additional allowance/reversal	73,981,420	-
	219,141,889	**145,160,469**

Concentration of project receivables balance is as follows:

	2019 ($)	2018 ($)
Government	**1,085,317,401**	**971,606,178**

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

	31 December 2019 ($)	31 December 2018 ($)
Project expenditure on the Brian Lara Cricket Academy	**517,182,030**	**515,308,746**

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

Notes to the Consolidated Financial Statements
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12. Deferred Taxation:

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

Deferred Tax Asset:

	31 December	
	2019	**2018**
	($)	**($)**
Balance at beginning of year	151,667,225	190,227,738
Effect on the Statement of Comprehensive Income	(38,605,308)	(38,560,513)
Balances at the end of the year	**113,061,917**	**151,667,225**
Deferred tax asset is attributable to the following:		
Taxable losses	**113,061,917**	**151,667,225**

Deferred Tax Liability:

	31 December	
	2019	**2018**
	($)	**($)**
Balance at beginning of year	(274,885,773)	(291,077,085)
Effect on the Statement of Comprehensive Income	19,388,606	16,191,312
Balance at the end of the year	**(255,497,167)**	**(274,885,773)**
Deferred tax asset is attributable to the following:		
Excess of Net Book Value over Written Down Tax Value	**255,497,167**	**274,885,773**
Net deferred tax liability	**(142,435,250)**	**(123,218,548)**

Notes to the Consolidated Financial Statements
31 December 2019

13. Accounts Receivables and Prepayments:

	31 December 2019 ($)	31 December 2018 ($)
Amounts due from GORTT for Contract Works (a)	2,801,900,410	1,371,724,728
Prepayments and other receivables	599,001,310	552,733,150
Advances to contractors (b)	77,903,314	138,523,238
Allowance for expected credit losses	(118,052,247)	(52,651,452)
	3,360,752,787	**2,010,329,664**
Non-current	1,487,745,220	909,014,441
Current	1,873,007,567	1,101,315,223
	3,360,752,787	**2,010,329,664**

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 Equivalent:

	31 December 2019 ($)	31 December 2018 ($)
Short-term investments		
Bank accounts	233,572,197	380,799,461
Deposit accounts	60,492,372	139,184,145
Petty cash	50,500	35,500
	294,115,069	520,019,106

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

	31 December 2019 ($)	31 December 2018 ($)
House Bank	372,700	377,400
Demand Deposits	58,251,797	52,236,313
	58,624,497	52,613,713

15. Subsidiary Companies:

	31 December % of Equity Capital Held 2019 ($)	2018 ($)
(i) Rincon Development Limited	100	100
(ii) Port of Spain Waterfront Development Limited	100	100
(iii) Oropune Development Limited	-	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. A request was made to the Registrar General's Department in January 2019 to have this company struck off the Companies' Register.

(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 2019 ($)	31 December 2018 ($)
Authorised		
1,000,000 ordinary shares of no par value		
Issued and fully paid		
999,502 ordinary shares of no par value (2018: 999,602)	**999,502**	**999,602**

17. Contributed Capital:

	31 December 2019 ($)	31 December 2018 ($)
Leasehold properties	585,207,941	585,207,941
Loan and interest payments made by the GORTT on behalf of the Group	4,573,237,638	4,036,794,416
	5,158,445,579	**4,622,002,357**

Movement in loan repayments guaranteed by the GORTT

	2019	2018
Balance at beginning of year	4,036,794,416	3,619,525,378
Add loan payments made by the GORTT for the year	536,443,222	417,269,038
Balance at end of year	**4,573,237,638**	**4,036,794,416**

Notes to the Consolidated Financial Statements
31 December 2019

18. Borrowings:

		31 December 2019 ($)	31 December 2018 ($)
Maturity of Borrowing:			
Not later than one year		863,432,094	853,336,372
More than one year		7,038,031,805	6,824,193,944
		7,901,463,899	**7,677,530,316**
(a)	CBTT $213M Bond	213,000,000	213,000,000
(b)	FCB BLCA $497M Loan	-	68,431,605
(c)	Home Mortgage Bank $108M	45,676,921	52,525,125
(d)	ANSA $399M	99,754,750	149,632,125
(e)	First Citizens $225.99M TTD Loan	58,651,616	84,498,874
(f)	Home Mortgage Bank – $33.9M	-	1,157,294
(g)	Republic Bank Limited $3.4b	2,465,890,690	2,686,106,382
(h)	ANSA $496M Refinance	496,000,000	496,000,000
(i)	RBL TTD $227.14M Refinance	156,158,750	184,551,250
(j)	FCB $230.1M TTD Loan	230,100,000	230,100,000
(k)	ANSA $233.1M TTD Loan	151,574,788	174,893,986
(l)	RBC TTD $512M	293,037,474	366,296,843
(m)	ANSA $90M BLCA Facility	90,000,000	90,000,000
(n)	Scotia TTD$87.7M	87,778,246	87,778,246
(o)	NCB Global TTD $180 3M Facility	180,300,000	180,300,000
(p)	RBL TTD $199.6M Loan	199,641,382	199,641,382
(q)	First Citizens Bank TT$47.2M Short Term Loan	47,286,716	16,366,710
(r)	FCB $500M Syndicat Fx Rate Loan	500,000,000	-
(s)	FCB $225M Med Term Loan	202,500,000	-
(t)	ANSA TT $127.5M Sangre Grande Hospital	127,500,000	-
(u)	FCB TT$101.99M POSGH Central Block	101,993,931	-
(v)	First Citizens $14.9M USD	26,331,360	37,932,013
(w)	FCIB Waterfront $100M	101,988,000	170,343,500
(x)	Citibank USD $88M	119,665,920	179,483,040
(y)	First Citizens $35.6M USD Refinanced	242,607,445	242,586,036
(z)	ANSA USD 99.6M	677,207,126	677,147,365
(aa)	RBC USD16.9M	115,190,013	-
(bb)	Barclays US $375M	871,628,771	1,088,758,540
		7,901,463,899	**7,677,530,316**

18. Borrowings (continued):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
(a)	Bond	Central Bank of Trinidad and Tobago	TTD 213,000,000.00	3.35%	8 Years	Government Guaranteed	1. Government Guarantee between GORTT and Trustee (according to the Trust Deed). 2. The principal monies and interest represented by the Bonds will be charges upon and are payable out of the Consolidated Fund and are secured on the Revenues and Assets of the Republic of Trinidad and Tobago (according to the Information Memorandum)	Repayment of HMB TT$300M & TT$44M Bonds
(b)	Syndicated Loan	First Citizens Bank Limited	TTD 497,342,684.00	6.35%	10 Years	Government Guaranteed	Semi-annual payments of principal and interest commencing six (6) months after first drawdown	Brian Lara Cricket Academy
(c)	Mortgage	Home Mortgage Bank	TTD 108,000,000.00	7.00%	15 Years	Mortgage over Property 13-15 St Clair Avenue	Amortized monthly starting one month after disbursement	To finance the Office of the Prime Minister (formerly known as the Ministry of Public Administration Building)

18. Borrowings (continued):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
(d)	Fixed Rate Loan	ANSA Merchant Bank Limited	TTD 399,019,000.00	1.95%	8 Years	Government Guaranteed	Amortised and repayable in equal semi-annual instalments	To take-out/ repay an existing short-term facility used to finance costs associated with Phase 1 and 2A works of San Fernando Teaching Hospital (formerly Chancery Lane Office Complex)
(e)	Fixed Rate Loan	First Citizens Bank Limited	TTD 225,991,346.90	6.35%	10 Years	Government Guaranteed	Interest - Semi-annual amortised instalments. Principal -Semi-annual amortised instalments	Various Projects
(f)	Mortgage	Home Mortgage Bank	TTD 33,900,000.00	7.00%	10 Years	Mortgage of land and buildings and assignment of sub-lease rentals	Both Principal and Interest Amortised quarterly starting three (3) months after disbursement	To finance the purchase of the Head Office building in Sackville Street, Port of Spain
(g)	Long Term Bond	Republic Bank Limited	TTD 3,457,773,340.00	4.75%	15 years	Government Guaranteed	six (6) month moratorium on principal and interest payments; thereafter, the facility will be repaid via twenty-nine (29) semi-annual, equal principal and interest payments over the remaining tenor of the facility	Government Campus Plaza (Base Building)

18. Borrowings (continued):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
(h)	Fixed Rate Loan	ANSA Merchant Bank Limited	TTD 496,000,000.00	4.38%	10 years	Government Guaranteed	Calculated on a reducing balance, payable semi-annually in arrears, commencing six (6) months after issue date. Moratorium on Principal Payments for the first two (2) Years, thereafter Principal will be repayable semi-annually as follows: Year 3-Year 4 - 5% semi-annually to repay 20%; Year 5-Year 6 - 6% semi-annually to repay 24%; and Year 7-Year 10 - 7% semi-annually to repay 56%	To repay an existing facility utilized for funding the base building repair work and fit-out of the Government Campus Plaza
(i)	Medium Term Loan	Republic Bank Limited	TTD 227,140,000.00	4.81%	8 Years	Government Guaranteed	Interest payment Semi-annually commencing six (6) months after the issue date. Principal Payment Via sixteen (16) semi-annual equal instalments	Ministry of Education (Fit Out)

18. Borrowings (continued):

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

18. Borrowings (continued):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
(m)	Fixed Rate Loan	ANSA Merchant Bank Limited	TTD 90,000,000.00	3.30%	5 Years	Government Guaranteed	Interest payable semi-annually in arrears, commencing six (6) months after the disbursement date Bullet payment for principal at maturity	Brian Lara Cricket Stadium
(n)	Non-Revolving Fixed Rate Loan	Scotiabank Trinidad and Tobago Limited	TTD 87,778,246.12	3.55%	5 Years	Government Guaranteed	Interest Payable semi-annually in arrears, commencing six (6) months from the date of drawdown and thereafter until maturity. Bullet payment for principal at maturity	Retrofit of Cabildo Chambers for the Office of Parliament
(o)	Fixed Rate Loan	NCB Global Finance Limited	TTD 180,300,000.00	5.00%	10 Years	Government Guaranteed	Interest Paid semi-annually in arrears commencing six (6) months after the Initial Disbursement Day and calculated on the then outstanding principal balance. Bullet payment for principal at maturity	Repayment of an existing short-term facility in respect of Phase 2B of the project for the design, construction and completion of the adaptation of the Chancery Lane Office Complex as an extension of the San Fernando General Hospital (San Fernando Teaching Hospital)

18. Borrowings (continued):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
(p)	Fixed Rate Loan	Republic Bank Limited	TTD 199,641,382.00	6.80%	10 Years	Government Guaranteed	Interest Payable semi-annually in arrears, commencing six (6) months from drawdown. Semi-annual equal principal payments commencing five (5) years after issue date	Arima Hospital
(q)	Short Term Bridging Finance	First Citizens Bank Limited	TTD 47,286,716.23	4.00%	3 Years	Government Guaranteed	Six (6) semi-annual interest only payments for thirty-six (36) months commencing six (6) months after the date of initial disbursement. Bullet payment for Principal at maturity	President's House
(r)	Syndicated Loan Facility	First Citizens Bank Limited	TTD 500,000,000.00	4.50%	8 Years	Government Guaranteed	Interest due semi-annually beginning 6 months after the Disbursement Date based on the outstanding principal balance. Principal balance due at maturity	To facilitate payment of financial obligations in respect of various projects

18. Borrowings (continued):

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

18. Borrowings (continued):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
(t)	Fixed	ANSA Merchant Bank Limited	TTD 127,500,000.00	5.02%	10 Years	Government Guaranteed	Interest will be calculated on a reducing balance, 30/360 day basis and will be payable semi-annually in arrears commencing six (6) months after the disbursement date. Principal will be repayable in a single bullet payment at maturity	Advance Payment the Construction of the new Sangre Grand Hospital
(u)	Fixed Rate TTD Loan	First Citizens Bank Limited	TTD 101,993,930.90	4.85%	11 Years	Government Guaranteed	Interest will be calculated on a reducing balance, Actual/365 day basis and will be payable semi-annually in arrears commencing six (6) months after the disbursement date. Principal will be repayable in a single bullet payment at maturity	Partial Financing for the Redevelopment of the Central Block at the Port of Spain General Hospital Project
(v)	Fixed Rate Loan	First Citizens Bank Limited	TTD $93,375,655.00 / USD 20,000,000.00	6.35%	10 Years	Government Guaranteed	Semi-annual amortised instalments for both Interest and Principal	Various Projects

18. Borrowings (continued):

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
(w)	Long Term Facility	First Caribbean International Banking and Financial Corporation	TTD $641,230,000.00 / USD 100,000,000.00	6.06%	10 Years	Government Guaranteed	Semi-annually Interest Payments commencing six (6) months from date of close. Fully amortised; commencing six (6) months after date of close and payable semi-annually in twenty (20) equal instalments	Port of Spain International Waterfront
(x)	US Dollar Fixed Rate Bond	Citicorp Merchant Bank Limited and/or any of its affiliates ("CMBL")	TTD $563,340,800.00 / USD 88,000,000.00	5.63%	10 Years	Government Guaranteed	Semi-annually Interest payment, commencing six (6) months from date of close. Twenty (20) equal Principal instalments commencing six (6) months after date of close	Ministry of Education Tower
(y)	Medium Term Demand Loan	First Citizens Bank Limited	TTD $242,586,035.63 / USD 35,681,763.25	4.70%	3 Years	Government Guaranteed	Six (6) semi-annual interest only payments for the thirty-six (36) months commencing six (6) months after the date of initial disbursement. Bullet payment at maturity for Principal	Point Fortin Hospital

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 Limited	TTD $674,119,494.97 / USD 99,601,001.00	5.30%	10 Years	Government Guaranteed	Interest Payable semi-annually in arrears commencing six (6) months after the disbursement date. Five (5) year moratorium on principal, thereafter repayable in ten (10) semi-annual payments	Arima Hospital
(aa)	USD Term Loan	RBC Royal Bank (Trinidad and Tobago) Limited	TTD $115,191,706.93 / USD 16,941,700.90	4.95%	10 Years	Government Guaranteed	Payable via twenty (20) semi-annual interest payments commencing six (6) months after drawdown. One (1) Principal Payment of US$16,941,700.90 at maturity	To assist with the completion of the construction and equipping of the Arima Hospital
(bb)	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 (Cont'd):

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

	31 December	
	2019	**2018**
	($)	**($)**
TT Dollar	5,746,845,264	5,281,279,822
US Dollar	2,154,618,635	2,396,250,494
	7,901,463,899	**7,677,530,316**

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	
2019	**2018**
($)	**($)**
5,687,552	**3,204,217**

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 2019 ($)	31 December 2018 ($)
Due to GORTT	622,750,127	530,999,324
Project payables	353,831,290	292,424,252
Retentions payable	258,751,524	179,118,648
Other payables	137,820,369	97,622,863
Accrued interest on loans	121,699,715	117,215,071
	1,494,853,025	**1,217,380,158**

22. Reserve Development Fund:

	31 December 2019 ($)	31 December 2018 ($)
Other Development Projects	**58,122,003**	**47,496,433**

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 2019 ($)	31 December 2018 ($)
Deposit on Account	**1,337,435**	**1,539,120**

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.

24. Lease:

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

Right of Use Assets

Cost	**Motor Vehicle**	**Office Equipment**	**Total**
	($)	**($)**	**($)**
Balance, 1 January 2019	-	-	-
Effect of IFRS 16 - Leases	2,546,312	246,013	2,792,325
Adjustment for HYATT	-	(45,553)	(45,553)
Balance, 31 December 2019	2,546,312	200,460	2,746,772
Accumulated Depreciation			
Balance, 1 January 2019	-	-	-
Charge for the period	1,273,156	123,007	1,396,163
Balance, 31 December 2019	1,273,156	123,007	1,396,163
Net Book Value			
Balance, 1 December 2019	**1,273,156**	**77,453**	**1,350,609**
Lease Liabilities			
Balance, 1 January 2019	-	-	-
Effect of IFRS 16 - Leases	2,546,312	246,013	2,793,325
Adjustment for HYATT	-	93,539	93,539
Payments	(2,029,380)	(208,638)	(2,238,018)
Balance, 1 December 2019	**516,932**	**130,914**	**647,846**
Current portion			-
Non-current portion			647,846
			647,846

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25. Investment Securities:

	31 December 2019 ($)	31 December 2018 ($)
Investment securities designated as at fair value through profit or loss	**67,530,400**	**54,525,352**

This represents an investment with the Clico Investment Fund (CIF) of **$62,084,400** (2018: $43,633,352). The loss on the investment securities at fair value recognised through profit or loss amounted to **$18,451,048** for the year ending 31 December 2019. (2018: $2,113,048)

Short-Term Investment	**55,446,000**	**157,135,500**

The short-term investment represents a six-month fixed deposit of **$50,000,000** (2018: $157,135,500) is invested at a rate of 1.50%. It also includes the current portion of the zero coupon bond of $5,446,000 to be fully repaid in 2020.

26. Hotel Operations:

	31 December 2019 ($)	31 December 2018 ($)
Hyatt Regency Fees	**269,103,636**	**263,299,807**

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

Notes to the Consolidated Financial Statements
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27. Rental Income:

	31 December	
	2019	**2018**
	($)	**($)**
Rental Income	**279,587,152**	**279,771,997**

28. Other Income:

	31 December	
	2019	**2018**
	($)	**($)**
Other	3,441,408	4,829,011
Carpark revenue	20,589,588	19,538,710
Restaurant and Auditorium	1,543,637	-
Management fees	6,326,273	5,556,749
	31,900,906	**29,924,470**

29. Other Expenses:

	31 December	
	2019	**2018**
	($)	**($)**
Employee benefit **(Note 30)**	67,163,932	63,663,891
Depreciation and amortisation	143,096,773	144,914,048
Office expenses	43,250,809	21,530,518
Rent and utilities	8,773,572	7,791,809
Advertising	2,229,249	2,467,747
Other expenses	(115,241)	16,146,456
	264,399,094	**256,514,469**

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

	31 December 2019 ($)	31 December 2018 ($)
Wages and salaries	63,996,351	60,761,439
National insurance cost	3,167,581	2,902,452
	67,163,932	**63,663,891**

Number of employees at year end 769 (2018: 721)

31. Finance Income/Government Grants:

	31 December 2019 ($)	31 December 2018 ($)
Government grants to cover interest expenses	292,787,042	299,767,745
Interest income	9,487,284	7,138,346
	302,274,326	**306,906,091**

32. Finance Costs:

	31 December 2019 ($)	31 December 2018 ($)
Interest expense on GORTT borrowings	300,876,482	299,767,746
Interest expense on bank borrowings	65,874,848	79,130,838
Foreign exchange loss on bank borrowings	12,401,787	23,171,445
Interest on lease liabilities	139,617	-
Bank charges	5,331,128	24,732,550
	384,623,862	**426,802,579**

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33. Taxation:

	31 December 2019 ($)	31 December 2018 ($)
Deferred tax	19,216,701	22,369,204
Green Fund Levy	838,283	839,086
Business Levy	14,023,543	7,350,090
	34,078,527	**30,558,380**
Profit before taxation	(31,261,798)	(37,745,670)
Tax deductible at 30%/25%	9,378,539	(9,436,417)
Expense (deductible) non-deductible for tax purposes	9,838,162	31,805,621
Green Fund Levy	838,283	839,086
Business Levy	14,023,543	7,350,090
	34,078,527	**30,558,380**

34. Related Party Balances:

(a) Key management compensation

	31 December 2019 ($)	31 December 2018 ($)
Directors' fee	511,500	528,000
Senior Management remuneration	2,999,829	4,605,944
	39,332,684	42,229,099

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

34. Related Party Balances (Cont'd):

b) GORTT

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

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

	31 December	
	2019	**2018**
	($)	**($)**
Investment properties	7,407,308,841	7,401,815,249
Contributed capital	5,158,445,579	4,622,002,357
Contract works billed to the GORTT	2,801,900,410	1,371,724,728
Allowance for impairment	(219,141,889)	(145,160,469)
Amounts due from GORTT	517,182,030	515,308,746
Reserve development fund	58,122,003	47,496,433
Development work in progress expenditure not yet billed to GORTT	568,135,372	456,297,432

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	
	2019	**2018**
	($)	**($)**
Project management fees **(Note 22)**	59,146,803	36,166,776
Contract revenue	-	882,373
Contract costs incurred	73,025	882,373

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35. Financial Instruments by Category:

i) Receivables

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

	Carrying Value 2018 ($)	Fair Value 2018 ($)
Receivables for contract work due from GORTT	515,308,746	515,308,746
Contractor work billed to the GORTT	1,371,724,728	1,371,724,728
Advances to contractors	138,523,238	138,523,238
Other receivables excluding prepayments	503,876,849	503,876,649
	2,529,433,561	**2,529,433,561**

ii) Financial liabilities carried at amortised cost

	31 December	
	2019 ($)	**2018 ($)**
Borrowings	7,901,463,899	7,677,530,316
Accounts payable and accruals	1,494,853,027	1,217,380,158
Reserve development fund	58,122,003	47,496,433
	9,454,438,929	**8,942,406,907**

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36. Capital and Lease Commitments:

As at 31 December 2019, capital commitments amounting to approximately ***$4.3B*** (2018: **$892M**) existed.

37. 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)Mouche Ali filed a clain on 21st August 2019 of unlawful dismissal in the amount of **TT$2,398,600.00**. Matter is ongoing.

38. Subsequent Events:

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

a) The Group has entered into several contracts amounting to approximately **$4.3 billion** 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) 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.

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

i) The sum of **$302,000** on or before the 30th August 2022
ii) The sum of **$302,000** on or before the 30th September 2022

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

e) ANSA McAL Enterprises Limited filed a claim for wrongful termination of contract in the amount of **TT$14,118,236**. The claimant is also seeking potential claims against the defendant. The Appeal Management Conference adjourned to 3rd November 2022, to seek to settle the final account.

f) Adanna Francois filed a claim for damages in the amount of **TT$ 32,682** for personal injuries and consequential losses and damages against The Attorney General of Trinidad & Tobago & UDeCOTT. An amended claim and Statement of Case was filed on 11th July 2022. As a result, the Case Management Conference was rescheduled from 7th July 2022 to 24th March 2023.

g) Arlene Billingie filed a claim for general damages for injury, loss and damage sustained from fall at the GP Parkade. The amount claimed for general damages for injury, loss and damage sustained is **$29,822** and future loss in the amount of **$106,500**.

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

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38. Subsequent Events Cont'd):

i) Adam's Project Management & Construction Ltd filed a claim for monies owing for works done on the Black Rock Fire Station in the amount of **TT $2,535,984** plus legal fees.

j) Adam's Project Management & Construction Ltd filed a claim for monies owing for works done on the Mayaro Fire Station in the amount of **TT $1,108,897** plus legal fees.

k) 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 13th July 2022 requesting extension of time to respond.

l) In January 2014, the Claimant claimed for damages in the amount of **$10,800,000**, due to breach of contract for works done at Oropune Gardens, Phase II Project.

m) Spancast Ltd files a claim in the amount of **$7,000,000** for unfair treatment in the tendering process. Appeal trial scheduled for February 08, 2023, has been rescheduled.

n) Sherma Ramoutar-Boodhoo filed a claim for unfair dismissal in the amount of **$771,427** plus exemplary damages. Judgement date pending.

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

p) Anidem General Contractors Ltd.filed a claim for monies due and owing on various projects, being Roxborough Police Station, Bacolet Indoor Sporting Facility and Tobago Rehabilitation Center in the amount of **$1,425,256**. Pre-Action Protocol letter received on December 19, 2022 and preparing response to claim.

q) Phoenix Structures Ltd filed a claim in the amount of 7yu VI for damages for wrongful termination of contract dated 3rd August 2017. Pre Trial review on 7th July 2023.

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

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

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 with the urban spaces of Trinidad and Tobago as mandated by the GORTT.
- Hotel Operations – this segment comprises the operations of the Hyatt Hotel.

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

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

Other operations include rental of shop spaces, spaces for advertising, rental of investment properties and rental of car park spaces, however none of these segments meet the quantitative thresholds for reportable segments in 2019 or 2018.

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

	December 2018		
	Construction ($)	Hotel Operation ($)	Total ($)
Revenue	345,863,243	263,299,807	609,163,050
Operating 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

Notes

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