

udecott

Urban Development Corporation
of Trinidad and Tobago Limited

ANNUAL Report 2022





udecott

Urban Development Corporation
of Trinidad and Tobago Limited



ANNUAL REPORT

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.



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 (as at 6th May, 2025)

Mr. Noel Garcia

Chairman

Ms. Janelle Berkley

Director

Ms. Maureen Daniel-Braveboy

Director

Mr. Jade Brown

Director

Mrs. Jacqueline Ganteaume-Farrell

Director

Ms. Vashti Phekoo

Director

The financial statements for 2022 were completed in October, 2025 under UDeCOTT's new Board. Chairman of the new Board is Mr. Shankar Bidaisee.



Chairman's Review

The Urban Development Corporation of Trinidad and Tobago Limited (UDeCOTT) saw increases in various line items of its Total Assets under management in 2022, when compared to its 2021 figures. These increases were encouraging, given constrictions in the global economy as a result of the pandemic.

In 2022, under the banner of the Corporation's Non-Current Assets, the value of Investment Properties increased to TT\$7,509,514,084 compared to 2021's TT\$7,480,522,277.

Furthermore, the value of Projects Under Construction in 2022 jumped to TT\$123,857,856 compared to 2021's TT\$69,250,962, signalling a return to vibrancy in the local Construction Sector.

Under the banner of Current Assets, Project Receivables increased to TT\$3,355,569,861 compared to TT\$3,229,075,211 for the year prior.

These increases demonstrated the Corporation's resilience bolstered by its hardworking Board, Management and Staff and an uptick in the return of consumer confidence to Trinidad and Tobago.



PROJECTS UDECOTT DELIVERED IN 2022

National Security Portfolio:

St Clair Police Station Jul 8th 2022

Community Development Portfolio:

Belmont Community Centre May 27th 2022
 Lisas Gardens Community Centre Jun 28th 2022
 Caiman Community Centre Aug 9th 2022
 Maitagual Community Centre Sept 14th 2022
 Tacarigua Community Centre Sept 28th 2022
 Maraval Community Centre Sept 29^h 2022
 Belle Vue Community Centre Nov 23rd 2022

Accomodation Portfolio:

Josephine Shaw House Jul 19th 2022
 Eric Williams Library Aug 30th 2022

Ports & Infrastructural Portfolio:

Carenage Fish Fry July 1st 2022

Sports & Recreation Portfolio:

Maloney Community Swimming Pool Feb10th 2022

MANAGEMENT DISCUSSION

PERFORMANCE

In 2022, our financial performance was shaped by Trinidad and Tobago’s gradual recovery from the economic impacts of the COVID-19 pandemic amid a shifting global environment. The rebound in energy prices provided a welcome boost to national revenue and business confidence, even as inflationary pressures, rising import costs, and supply chain adjustments posed challenges. Domestically, renewed activity in construction, manufacturing, and services reflected improving consumer and investor sentiment. Within this context, we focused on maintaining prudent financial management, strengthening operational resilience, and positioning the organisation to benefit from renewed economic momentum across key sectors.

Despite ongoing global uncertainty and domestic inflationary pressures, our commitment to adaptability and sound governance remained central to our performance in 2022. We undertook strategic initiatives

to enhance efficiency, optimise resource allocation, and strengthen stakeholder relationships. These measures supported steady growth while ensuring operational stability in a period of economic transition. Our disciplined approach to planning and investment positioned us to sustain momentum into 2023, balancing prudent risk management with a continued focus on long-term value creation.

In 2022, the Company reported a Loss Before Taxation of TT\$296 million. Total Income rose by TT\$167 million, representing a 36% increase year-over-year, primarily driven by stronger performance in Hotel Operations and higher Other Income. Total Operating Expenses increased by TT\$612 million to TT\$867 million, compared to TT\$254 million in 2021 — a 240% rise. This increase was largely attributable to adjustments made to the Group’s Value Added Tax (VAT) receivable balances.

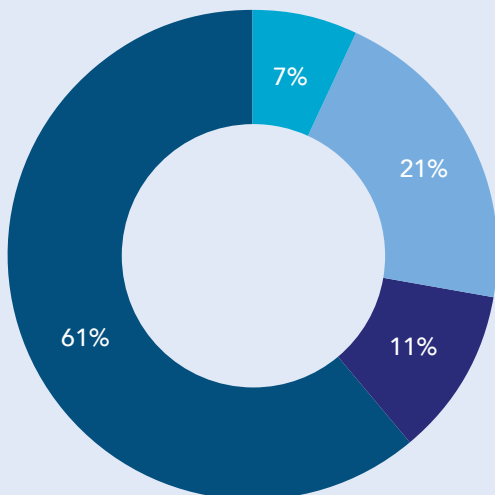
REVENUE

In 2022, Total Income increased by TT\$168 million to TT\$626 million, compared to 2021, TT\$458 million. This increase was driven by:

- Increased hotel operations income by TT\$111 million
- Other income increased by TT\$71 million

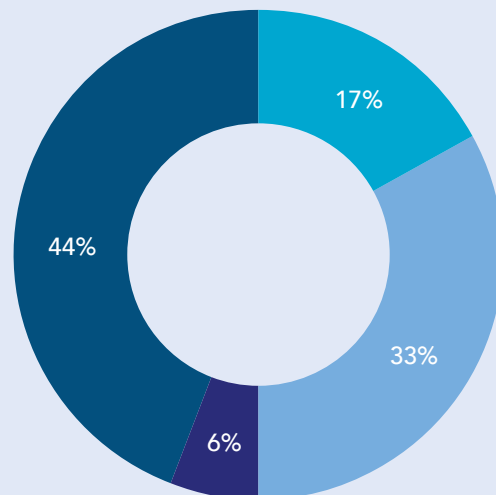
	2022	2021	Inc/Dec	% Change
Hotel Operations	208,917,124.00	97,498,751	111,418,373.00	114%
Project Management Fees	35,979,307.00	51,792,155	51,792,155	(31)%
Rental Income	277,810,887.00	277,144,686	(666,210.00)	0%
Other Income	103,090,743.00	32,840,302	71,412,947.00	225%
Total	625,798,061.00	458,113,388.00	167,684,673.00	37%

INCOME 2021



■ Hotel Operations
 ■ Project Management Fees
■ Rental Income
 ■ Other Income

INCOME 2022



■ Hotel Operations
 ■ Project Management Fees
■ Rental Income
 ■ Other Income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

UDeCOTT reported an increase in total income for 2022, primarily driven by the growth in hotel operations, rental income, and other income. The increase in rental income from TT\$277.14 million in 2021 to TT\$277.81 million in 2022, along with other income rising from TT\$31.67 million to TT\$103.1 million (225%), demonstrates the Corporation's ability to leverage its real estate and project management operations effectively.

A notable achievement in 2022 was the substantial growth in hotel operations, which saw a surge from TT\$97.5 million in 2021 to TT\$208.92 million in 2022 (114%). This significant increase may indicate a recovery

from pandemic-related disruptions, with the hospitality sector showing signs of resurgence.

Operating expenses increased significantly in 2022, reaching TT\$867.6 million (240%) compared to TT\$254.9 million in 2021. The substantial rise was primarily driven by an increase in Hyatt operating expenses of TT\$50 million (47%) and write-offs totalling TT\$482 million, largely related to adjustments to the VAT receivable balances and efforts undertaken by the Corporation to validate opening balances. These write-offs are specifically captured under other expenses.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Company's 2022 balances demonstrated minimal decline when compared to 2021 figures. Non-current assets declined by TT\$0.365 billion or 3.5% overall. The downward adjustment of the carrying value of VAT recoverable to TT\$111 million — a decrease of TT\$435.8 million. Property, plant and equipment also decreased by TT\$136.7 million (14%). There were increases in the Accounts receivable and prepayments of TT\$142.6 million (14%) and in Construction in progress of TT\$56.6 million (78%).

Current assets overall also experienced a decrease of 3.9% or TT\$164.3 million. This was driven by the fall in Cash and cash equivalent by TT\$48.4 million (47.4%) and Accounts receivables and prepayments by TT\$242.3 million (27.4%). However, the overall decline in the asset classification was partially mitigate by a 3.9% increase in Project receivables corresponding to TT\$126.5 million.

There was an overall net decrease in both Non-current and Current Liabilities balances between 2022 & 2021 by about 10% or TT\$817.3 million (TT\$64.4 million and TT\$420.4 million respectively).

The Corporation's financial position remained stable during the year, with a modest increase in leverage from 1.50:1 to 1.57:1. This means that for every dollar of equity, the Corporation carried TT\$1.57 in liabilities. The change reflects slightly higher borrowings and current obligations, along with adjustments in contributed capital and accumulated results. Overall, the Corporation continues to maintain a balanced capital structure, ensuring that its level of debt remains manageable while supporting ongoing operations and future growth.

There were no adjustments to Equity structure or figures in 2022.

PROJECT MANAGEMENT ANALYSIS 2022

In 2022, UDeCOTT continued to uphold its mandate as the Government's primary development agency, advancing national infrastructure and supporting social and economic transformation. Guided by principles of transparency, accountability, and value for money, the Corporation managed a diverse portfolio of projects across Trinidad and Tobago in alignment with national development priorities.

During the period, UDeCOTT oversaw 113 projects across nine (9) portfolios, including Health, National Security, Industrial, Community Development, Accommodation, Heritage, Ports and Infrastructure, Sports and Recreation, and Tourism. These projects

collectively contributed to the enhancement of public services, community infrastructure, and the cultural and economic landscape of the country.

Portfolio Highlights

Health

UDeCOTT advanced the Ministry of Health's hospital development strategy, progressing projects such as the Sangre Grande Hospital, Redevelopment of the Port of Spain General Hospital – Phase II, and the Couva Medical and Multi-Training Facility upgrades. These initiatives strengthen healthcare delivery and expand access to modern medical facilities nationwide.

MANAGEMENT DISCUSSION (continued)

National Security

The Corporation supported the Ministry of National Security's infrastructure expansion, completing facilities including the St. Clair Police Station, Carenage Police Station, and Arouca Fire Station, while progressing works on the TTPS Coastal and Riverine Patrol Unit and the Forensic and Pathology Services Facility. These projects enhance national safety, readiness, and emergency response capabilities.

Community Development

In keeping with the Government's thrust toward social inclusion, UDeCOTT delivered and progressed numerous community centres such as the Beausejour, Las Cuevas, and Belmont Community Centres, fostering community engagement, education, and recreation across urban and rural areas.

Culture and the Arts

The Corporation continued its support of national heritage and culture through works on the National Academy for the Performing Arts (South), La Horquetta Public Library, and temporary allocations at SAPA to facilitate the Paria Commission of Enquiry, reflecting UDeCOTT's role in preserving and utilising key cultural assets.

Accommodation

UDeCOTT advanced major public service infrastructure including the Port of Spain Court, Penal/Debe Administration Building, and Government Plaza upgrades, contributing to improved working environments and efficient public administration.

Heritage

Preservation of national heritage remained a priority through restoration projects such as Hayes Court, Holy Trinity Cathedral, and the National Museum and Art Gallery, reinforcing the Corporation's commitment to safeguarding Trinidad and Tobago's historical legacy.

Ports and Infrastructure

Under the San Fernando Waterfront Redevelopment Programme, UDeCOTT delivered significant milestones including land reclamation works, mixed-use developments, and transport-related facilities designed to transform the southern waterfront into a vibrant economic hub. The Carenage Fishing Facility and Fish Fry were also completed under this portfolio.

Sports and Recreation

The Corporation completed and advanced projects such as the Skinner Park Rehabilitation Phase I, Maloney and Morvant Community Swimming Pools, and the Diego Martin Sporting Complex Phase II, expanding recreational access and promoting active lifestyles.

Tourism and Tobago Projects

Tourism and Tobago development remained integral with the commencement of works on Desperadoes Pan Theatre and upgrades at Maracas and Las Cuevas Beach Facilities, the Paramin Village Lookout, and completion of key Tobago projects including the Roxborough Hospital and Policy Research and Development Institute (PRDI) building.

Conclusion

Through these initiatives, UDeCOTT demonstrated its continued leadership in national infrastructure delivery, focusing on resilience, sustainability, and inclusiveness. Each project represented an investment in Trinidad and Tobago's economic diversification, social well-

being, and cultural advancement. The Corporation remains committed to building the foundations for long-term national development, in alignment with the Government's Vision 2030 goals.

FINANCIAL REPORT 2022





Management is responsible for the following:

- preparing and fairly presenting the accompanying financial statements of Urban Development Corporation of Trinidad and Tobago Limited Group of Companies, which comprise the statement of financial position as at 31 December 2022, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of material 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 Company' assets, detection/prevention of fraud, and the achievement of the Company'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 IFRS Accounting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where IFRS Accounting 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: 23 October 2025

Burton Andre Hinkson
 Divisional Manager, Finance
 Date: 23 October 2025



PKF

Chartered Accountants
& Business Advisors

PKF LIMITED

INDEPENDENT AUDITORS' REPORT

The Shareholder

Urban Development Corporation of Trinidad and Tobago Limited and its Subsidiaries

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of Urban Development Corporation of Trinidad and Tobago Limited ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2022, 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 investment properties; inventory; project receivables; accounts receivable and prepayments; accounts payable and accruals; and contingent liabilities as at 31 December 2022.

No evidence was provided to support the valuation of investment properties as required by IAS 40 - Investment Properties, currently stated at \$7,509,514,084.

No evidence was provided to support the cost used in the valuation of inventory as at 31 December 2022, currently stated at \$65,015,064.

No evidence was provided to support the existence and valuation of projects receivable as at 31 December 2022, currently stated at \$3,355,569,861.

The Group did not provide sufficient, appropriate audit evidence to support the valuation of the accounts receivable and prepayments as at 31 December 2022, currently stated at \$1,797,328,239.

The Group did not provide sufficient and appropriate audit evidence to support the valuation of accounts payable and accruals as at 31 December 2022, currently stated at \$1,762,013,079.

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

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

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



PKF
Chartered Accountants
& Business Advisors
PKF LIMITED

INDEPENDENT AUDITORS' REPORT (Cont'd)

Basis for Disclaimer of Opinion (Cont'd)

The Group did not provide sufficient, appropriate audit evidence to support the existence, completeness and valuation of the contingent liabilities as at 31 December 2022

We were unable to confirm or verify by alternative means, the existence, completeness, valuation, ownership and disclosure of investment properties; inventory; project receivables; accounts receivables and prepayments; accounts payable and accruals; and contingent liabilities as at 31 December 2022.

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary, in respect of these elements of the Consolidated Statements of Financial Position as at 31 December 2022.

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

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

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

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



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Chartered Accountants
& Business Advisors

PKF LIMITED

INDEPENDENT AUDITORS' REPORT (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

PKF

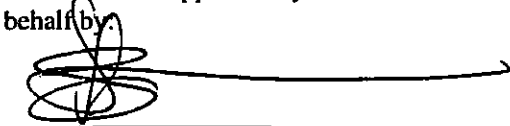
Barataria
TRINIDAD
23 October 2025

Consolidated Statement of Financial Position

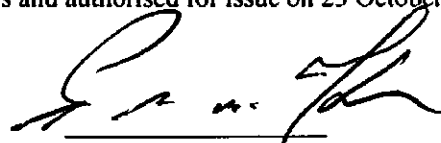
31 December, 2022

	<u>ASSETS</u>		<u>2022</u>	<u>2021</u>
	Notes		(\$)	(\$)
Non-Current Assets:				
Investment properties	5		7,509,514,084	7,480,522,277
Inventory - Land	6		65,015,064	65,492,003
Construction in progress	7		123,857,856	69,250,962
Property, plant and equipment	8		823,228,477	959,940,009
Right of use assets	9		7,079,457	1,974,138
Value added tax recoverable	10		111,004,559	573,177,175
Accounts receivable and prepayments	11		1,155,650,633	1,013,019,916
Investment securities	12		52,362,870	59,818,763
Deferred tax asset	13		51,949,197	46,430,650
Restricted cash	14		<u>7,547,483</u>	<u>3,253,405</u>
			<u>9,907,209,680</u>	<u>10,272,879,298</u>
Current Assets:				
Projects receivables	15		3,355,569,861	3,229,075,211
Accounts receivable and prepayments	11		641,677,606	884,047,654
Investment securities	12		50,000,000	50,000,000
Cash and cash equivalent	16		<u>53,601,087</u>	<u>102,064,774</u>
			<u>4,100,848,554</u>	<u>4,265,187,639</u>
Total Assets			<u>14,008,058,234</u>	<u>14,538,066,937</u>
Capital and Reserves:				
Stated capital	17		999,502	999,502
Accumulated deficit			(981,967,034)	(649,408,744)
Contributed capital	18		<u>6,583,415,839</u>	<u>6,296,044,460</u>
			<u>5,602,448,307</u>	<u>5,647,635,218</u>
Non-Current Liabilities:				
Borrowings	19		5,336,990,233	5,403,575,340
Deferred revenue	20		4,869,280	4,664,009
Lease liabilities	9		<u>2,783,999</u>	<u>825,456</u>
			<u>5,344,643,512</u>	<u>5,409,064,805</u>
Current Liabilities:				
Accounts payable and accruals	21		1,762,013,079	1,584,633,287
Borrowings	19		979,761,633	1,618,619,018
Reserve development fund	22		48,096,688	49,955,744
Deposit on account	23		4,711,693	4,655,931
Deferred tax liability	13		173,025,594	202,996,455
Tax payable			88,573,318	18,992,004
Lease liabilities	9		<u>4,784,410</u>	<u>1,514,475</u>
			<u>3,060,966,415</u>	<u>3,481,366,914</u>
Total Equity and Liabilities			<u>14,008,058,234</u>	<u>14,538,066,937</u>

These financial statements were approved by the Board of Directors and authorised for issue on 23 October 2025, and signed on its behalf by



Director



Director

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

Consolidated Statement of Comprehensive Income

For the year ended 31 December, 2022

	Notes	For the year ended 31 December	
		2022 (\$)	2021 (\$)
Income:			
Hotel operations	24	208,917,124	97,498,751
Rental income	25	277,810,887	277,144,686
Project management fees		31,796,203	51,792,155
Development fees		4,183,104	-
Lease income		653,085	1,162,506
Other income	26	103,090,743	31,677,796
		<u>626,451,146</u>	<u>459,275,894</u>
Operating expenses:			
Loss on disposal of plant and equipment		-	-
Impairment allowance		40,875,326	113,895,437
Hyatt Regency Trinidad operating expenses		(155,613,184)	(105,776,813)
Other expenses	27	(752,866,512)	(262,994,629)
		<u>(867,604,370)</u>	<u>(254,876,005)</u>
Total operating expenses			
Operating profit		<u>(241,153,224)</u>	<u>204,399,889</u>
Government grant	29	277,311,873	285,287,694
Finance income	29	3,102,453	3,451,506
Finance cost	30	(336,006,367)	(316,711,290)
		<u>(55,592,041)</u>	<u>(27,972,090)</u>
Total non-operating expenses			
(Loss)/Profit before taxation		<u>(296,745,265)</u>	<u>176,427,799</u>
Taxation	31	(35,813,025)	(20,119,255)
Total comprehensive (loss)/income for the year		<u>(332,558,290)</u>	<u>156,308,544</u>

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

Consolidated Statement of Changes in Equity

31 December, 2022

	Stated Capital (\$)	Accumulated Deficit (\$)	Contributed Capital (\$)	Total Equity (\$)
Balance, 1 January 2021	999,502	(805,717,288)	5,754,836,957	4,950,119,171
Total comprehensive income for the year	-	156,308,544	-	156,308,544
Contributed capital for the year	-	-	541,207,503	541,207,503
Balance, 31 December 2021	999,502	(649,408,744)	6,296,044,460	5,647,635,218
Balance, 1 January 2022	999,502	(649,408,744)	6,296,044,460	5,647,635,218
Total comprehensive income for the year	-	(332,558,290)	-	(332,558,290)
Contributed capital for the year	-	-	287,371,379	287,371,379
Balance, 31 December 2022	999,502	(981,967,034)	6,583,415,839	5,602,448,307

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

Consolidated Statement of Cash Flows

For the year ended 31 December, 2022

	For the year ended 31 December	
	2022	2021
	(\$)	(\$)
Cash Flow from Operating Activities:		
(Loss)/Profit before taxation	(296,745,265)	176,427,799
Adjustment for:		
Depreciation	145,303,736	144,573,355
Depreciation - right of use asset	4,678,016	1,514,475
Interest in capital contribution	287,371,379	541,207,502
Lease - Interest expenses	754,469	332,829
Interest expense	288,411,186	299,007,912
Interest income	(277,311,873)	(285,287,694)
Changes in Operating Assets and Liabilities:	152,461,648	877,776,178
Accounts receivable and prepayments	99,739,331	1,790,517,822
Accounts payable and accruals	185,275,511	85,546,823
Inventory	476,939	1,462,413
Reserve development fund	(1,859,056)	(7,583,327)
Increase in value added tax recoverable	462,172,616	6,638,175
Project receivables	(126,494,650)	(2,270,783,678)
Deferred revenue	205,271	(573,556)
Taxation paid	(1,721,120)	(1,123,699)
Interest paid	(288,411,186)	(299,007,912)
Net cash provided by Operating Activities	481,845,304	182,869,239
Cash Flows From Investing Activities:		
Decrease in Hyatt Replacement Reserve Fund	(4,542,803)	7,056,328
Net change in investment securities	57,455,893	(61,670,094)
Net change in short term investments	(50,000,000)	55,446,000
Purchase of property, plant and equipment	(8,592,204)	(3,047,035)
Transfer to investment properties from properties, plant and equipment	(28,991,808)	(16,581,543)
Increase in construction in progress	(54,606,894)	(25,744,434)
Interest received	277,311,873	285,287,695
Net cash provided by Investing Activities	188,034,057	240,746,917

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

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December, 2022

	For the year ended 31 December	
	2022 (\$)	2021 (\$)
Cash Flows from Financing Activities		
Lease payments	(5,060,601)	(1,751,808)
Net proceeds from borrowings	(713,282,447)	(370,310,491)
Net cash used in financing activities	(718,343,048)	(372,062,299)
Net change in cash and cash equivalent	(48,463,687)	51,553,857
Cash and cash equivalent, beginning of year	102,064,774	50,510,917
Cash and cash equivalent, end of year	53,601,087	102,064,774
Represented by:		
Cash and cash equivalent	53,601,087	102,064,774

Notes to the Consolidated Financial Statements

31 December, 2022

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 38**.

The consolidated financial statements of the Corporation as at and for the year ended 31 December 2022 incorporate the operations of the Corporation and its subsidiaries (together referred to as "the Group").

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

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

(i) Project management activities -

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

(ii) Development of projects to be retained -

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

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

(iii) Hotel operations -

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

(iv) Facilities management activities -

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

(v) Car park operations -

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

Notes to the Consolidated Financial Statements

31 December, 2022

1. Incorporation and Principal Activities: (continued)**(vi) Sale of leasehold land -**

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

2. Summary of Material Accounting Policies:**a) Basis of financial statements preparation -**

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

b) Use of estimates -

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

c) Functional and presentation currency -

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 December, 2022

2. Summary of Material Accounting Policies: (continued)

d) New Accounting Standards and Interpretations -

- IFRS 16 Leases - Amendment to extend the exemption from assessing whether a COVID-19 related rent concession is a lease modification (effective for accounting periods beginning on or after 1 April 2021).
- IFRS 16 Leases - Amendments regarding the accounting treatment of lease incentives (effective for accounting periods beginning on or after 1 January 2022).
- IFRS 16 Leases - Amendments regarding a lease liability in sale and leaseback transactions (effective for accounting periods beginning on or after 1 January 2022).
- IFRS 17 Insurance Contracts (effective for accounting periods beginning on or after 1 January 2023).
- IAS 1 Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies (effective for accounting periods beginning on or after 1 January 2023).
- IAS 1 Presentation of Financial Statements - Amendments regarding the classification of liabilities as current and non-current (effective for accounting periods beginning on or after 1 January 2023).
- IAS 1 Presentation of Financial Statements - Amendments regarding non-current liabilities with covenants (effective for accounting periods beginning on or after 1 January 2024).
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates (effective for accounting periods beginning on or after 1 January 2023).
- IAS 12 Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations (effective for accounting periods beginning on or after 1 January 2023).
- IAS 16 Property, Plant and Equipment - Amendments regarding proceeds before intended use (effective for accounting periods beginning on or after 1 January 2022).
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding onerous contracts and cost of fulfilling a contract (effective for accounting periods beginning on or after 1 January 2022).
- IAS 41 Agriculture - Amendments regarding taxation in fair value measurements (effective for accounting periods beginning on or after 1 January 2022).

e) Going concern -

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

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

- (i) The gearing ratio of the Group is 53% (2021: 55.42%) which is comprised mainly of third party debt obligations guaranteed by the GORTT.

Notes to the Consolidated Financial Statements

31 December, 2022

2. Summary of Material Accounting Policies: (continued)**e) Going concern - (continued)**

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

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

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

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

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

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

f) Consolidation -

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

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

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

g) Financial instruments -

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

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

Notes to the Consolidated Financial Statements

31 December, 2022

2. Summary of Material Accounting Policies: (continued)

g) Financial instruments - (continued)

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

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

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

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

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

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

- i) Significant financial difficulty of the issuer or obligor.
- ii) A breach of contract, such as default or delinquency in interest or principal payments.
- iii) It becoming probable that the borrower will enter in bankruptcy or other financial reorganisation.
- iv) The disappearance of an active market for that financial asset because of financial difficulties.
- v) Observable data indicating that there is a measurable decrease in the estimated cash-flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified for individual financial assets within the group, including adverse changes in the payment status of borrowers in the Group or national or economic conditions that correlate with default on assets in the Group.

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

Notes to the Consolidated Financial Statements

31 December, 2022

2. Summary of Material Accounting Policies: (continued)

g) Financial instruments - (continued)

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.

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.

Notes to the Consolidated Financial Statements

31 December, 2022

2. Summary of Material Accounting Policies: (continued)

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.

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.

Notes to the Consolidated Financial Statements

31 December, 2022

2. Summary of Material Accounting Policies: (continued)**j) Contract works - (continued)**

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.

k) Investment property -

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

l) Property, plant and equipment -

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

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

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

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

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

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

m) Borrowings -

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

Notes to the Consolidated Financial Statements

31 December, 2022

2. Summary of Material Accounting Policies: (continued)

m) Borrowings - (continued)

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

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

n) Income -

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

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

i. Construction contract revenue and project management fees

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

ii. Interest income

Revenue is recognised using the amortised cost method.

iii. Rental income

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

iv. Income – hotel operations

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

v. Other Revenue

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

vi. Deferred Revenue

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

Notes to the Consolidated Financial Statements

31 December, 2022

2. Summary of Material 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, 2020. IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of IFRS 16 on the Group financial statements is described below. The date of initial application of IFRS16 for the Group is 1 January 2020.

a) Impact of the new definition of a lease

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

Notes to the Consolidated Financial Statements

31 December, 2022

2. Summary of Material Accounting Policies: (continued)**q) Leases - (continued)****a) Impact of the new definition of a lease (continued)****Policy applicable before 1 January 2020****i. Determining whether an arrangement contains a lease**

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

ii. Leased assets

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

iii. Leased payments

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

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

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

b) As a lessee

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

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

Notes to the Consolidated Financial Statements

31 December, 2022

2. Summary of Material Accounting Policies: (continued)**q) Leases - (continued)****b) As a lessee**

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

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

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

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

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

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

c) Former finance leases

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

r) Impairment of non-financial assets -

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

Notes to the Consolidated Financial Statements

31 December, 2022

2. Summary of Material Accounting Policies: (continued)**s) Intangible assets -**

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

t) Employee benefits -

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

u) Inventories -

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

v) Government grants -

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

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

w) Contributed capital -

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

x) Reserve development fund -

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

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;

Notes to the Consolidated Financial Statements

31 December, 2022

2. Summary of Material Accounting Policies: (continued)

y) Related parties - (continued)

- 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

31 December, 2022

3. Financial Risk Management: (continued)

a) Market Risk - (continued)

i) Currency risk (continued)

Effect on Income

US dollar denominated	Pre-Tax Effect on Income 2022		
	As reported (\$)	1% Appreciation (\$)	1% Depreciation (\$)
Cash and cash equivalent	46,249,302	(462,493)	462,493
Borrowings	(1,291,070,273)	12,910,703	(12,910,703)
Accounts payable and accruals	(25,668,174)	256,682	(256,682)
Total	(1,270,489,145)	12,704,892	(12,704,892)

Post-Tax Effect on Income			
Total	(889,342,401)	8,893,424	(8,893,424)

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

Post-Tax Effect on Income			
Total	(1,104,203,654)	11,042,037	(11,042,037)

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.

Notes to the Consolidated Financial Statements

31 December, 2022

3. Financial Risk Management: (continued)**a) Market Risk - (continued)****i) Currency risk (continued)**

The following significant exchange rates have been applied.

Year-end selling rate

	2022	2021
TTD to USD	6.7828	6.7970

ii) Interest rate risk

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

The Group's interest rate risk arises from long-term debt obligations. Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. As at the reporting date, sixty-seven percent (67%) of the Group's long-term borrowings are fixed rate instruments and thirty-three percent (33%) 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, 2022

3. Financial Risk Management: (continued)

a) Market Risk - (continued)

ii) Interest rate risk (continued)

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

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

	Current Carrying Amount (\$)	Effect of 1% Increase in Interest Rate (\$)	Effect of 1% Decrease in Interest Rates (\$)
Pre-tax Variable-rate instruments			
31 December 2022	2,090,932,818	20,909,328	(20,909,328)
31 December 2021	2,498,746,012	24,987,460	(24,987,460)
Post-tax Variable-rate instruments			
31 December 2022	1,463,652,972	14,636,529	(14,636,529)
31 December 2021	1,749,122,208	17,491,221	(17,491,221)

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

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

As at 31 December 2022

	Carrying Amount 2022 (\$)	Fair Value 2022 (\$)
Fixed rate instruments	4,225,819,048	4,225,819,048
Variable rate instruments	2,090,932,818	2,090,932,818
	6,316,751,866	6,316,751,866

As at 31 December 2021

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

Notes to the Consolidated Financial Statements

31 December, 2022

3. Financial Risk Management: (continued)**a) Market Risk - (continued)****ii) Interest rate risk (continued)**

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

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

iii) Other price risk

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

b) Liquidity risk -

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

Liquidity risk management

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

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.

Notes to the Consolidated Financial Statements

31 December, 2022

3. Financial Risk Management: (continued)

b) Liquidity Risk - (continued)

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

Financial Assets	Carrying Amount	Contractual Cash Flow	Less than one year	More than 1 Year but less than 5 Years	More than 5 years
	\$	\$	\$	\$	\$
As at 31 December 2022					
Borrowings	6,316,751,866	7,382,281,567	1,092,334,558	5,850,644,054	439,302,955
Accounts payable and accruals	1,762,013,079	1,762,013,079	1,762,013,079	-	-
Reserve development fund	48,096,688	48,096,688	48,096,688	-	-
Deposit on account	4,711,693	4,711,693	4,711,693	-	-
Deferred revenue	4,869,280	4,869,280	4,869,280	-	-
	8,136,442,606	9,201,972,307	2,912,025,298	5,850,644,054	439,302,955

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

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

c) Credit risk -

Credit risk is the potential for loss due to the failure of a counter-party to meet 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.

Notes to the Consolidated Financial Statements

31 December, 2022

3. Financial Risk Management: (continued)

c) Credit risk - (continued)

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.

Analysis of financial assets that are exposed to credit risk:

	31 December	
	2022 (\$)	2021 (\$)
Contract works billed to GORTT	1,314,635,510	1,203,166,890
Advances to contractors	100,381,092	182,142,644
Other receivables excluding prepayments	455,637,797	586,593,175
Total accounts receivable - gross	1,870,654,399	1,971,902,709
Project receivables - gross	3,492,416,113	3,407,049,603
Cash and cash equivalent	53,601,087	102,064,774
Total	5,416,671,599	5,481,017,086

The analysis of the account receivable is as follows:

	31 December	
	2022 (\$)	2021 (\$)
Advances to contractors	100,381,092	182,142,644
Contract works billed to GORTT	1,314,635,510	1,203,166,890
Other receivables excluding prepayments	455,637,797	586,593,175
Total accounts receivable - gross	1,870,654,399	1,971,902,709
Less: Provision for impairment	(81,141,661)	(80,888,846)
Account receivables – net	1,789,512,738	1,891,013,863
Project receivables - gross	3,492,416,113	3,407,049,603
Less: Provision for impairment	(136,846,252)	(177,974,392)
Project receivables – net	3,355,569,861	3,229,075,211
Prepayments	7,815,501	6,053,606
Total	5,152,898,100	5,126,142,680

Notes to the Consolidated Financial Statements

31 December, 2022

3. Financial Risk Management: (continued)

c) Credit risk - (continued)

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

	2022	2021
	\$	\$
Past due 1-30 days	58,519,915	107,359,701
Past due 31-90 days	190,823,550	146,430,699
Past due 91-120 days	29,578,087	101,413,436
Over 120 but less than 365 days	262,957,293	281,884,956
Over 365 days	1,189,157,676	1,115,634,154
	1,731,036,521	1,752,722,946

The impairment allowance can be analysed as follows:

	Project Receivable 2022	Accounts Receivable 2022	Total 2022	Total 2021
	\$	\$	\$	\$
At beginning of year	177,974,392	80,888,846	258,863,238	372,758,675
Additional provision recognised (written off)	(41,128,140)	252,815	(40,875,325)	(113,895,437)
At end of year	136,846,252	81,141,661	217,987,913	258,863,238

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.

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.

Notes to the Consolidated Financial Statements

31 December, 2022

3. Financial Risk Management: (continued)

d) Capital Risk Management - (continued)

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

	31 December	
	2022 (\$)	2021 (\$)
Total borrowings	6,316,751,866	7,022,194,358
Less: deposit accounts	(197,973)	(197,973)
Net debt	<u>6,316,553,893</u>	<u>7,021,996,385</u>
Stated capital	999,502	999,502
Accumulated deficit	(981,967,034)	(649,408,744)
Contributed capital	<u>6,583,415,839</u>	<u>6,296,044,460</u>
Total capital	<u>5,602,448,307</u>	<u>5,647,635,218</u>
Capital and net debt	<u>11,919,002,200</u>	<u>12,669,631,603</u>
Gearing ratio	53.00%	55.42%

4. Critical Accounting Estimates and Judgments:

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

a) Critical accounting estimates and assumptions -

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

(i) Revenue recognition

The Group recognises revenue for work performed on behalf of GORTT by reference to recoverable costs incurred during the year plus the project management fees earned for the period which are measured based on surveys of work performed. If there was a 10% change in the amount of work surveyed by the Group compared to management's estimate, the amount of revenue and receivables recognised would change by approximately **\$3.2 million** (2021: **\$5.2 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.

Notes to the Consolidated Financial Statements

31 December, 2022

4. Critical Accounting Estimates and Judgments: (continued)**a) Critical accounting estimates and assumptions - (continued)****(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 valuers 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 **\$750,951,408** (2021: **\$748,052,227**).

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.

Notes to the Consolidated Financial Statements

31 December, 2022

4. Critical Accounting Estimates and Judgments: (continued)

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

(ii) Measurement of fair values

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

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

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

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

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

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

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

- (a) Where the principal and interest payments are being made towards loans that are being used to finance projects retained, the principal and interest payments are being treated as capital contributions into the Group by the GORTT (See Note 17).
- (b) Where the principal and interest payments are being made towards loans that are being used to finance projects being transferred on completion, the principal and interest payments are being set off against accounts receivable balances due from the GORTT in relation to these projects.

During the year principal and interest payments by the GORTT applied against receivable balances totalled **\$1,407,946,738** (2021: **\$1,955,486,454**).

Notes to the Consolidated Financial Statements

31 December, 2022

5. Investment Properties:

	31 December	
	2022	2021
	(\$)	(\$)
GP Plaza	3,686,340,740	3,647,113,268
Scarborough Tobago	102,000,000	102,000,000
Chancery Lane, San Fernando	1,168,176,751	1,168,176,751
The GCP Parkade	834,264,103	830,554,625
Memorial Park	87,000,000	87,000,000
NAPA South	16,000,000	16,000,000
Invaders Bay	56,829,247	56,829,247
13 – 15 St. Clair Avenue	119,643,586	119,643,586
Ministry of Health Building	54,000,000	56,000,000
Salvatori Building	23,377,465	23,311,465
Tower C & D outfit	376,385,386	376,385,386
Ministry of Education Tower	719,243,088	719,149,064
St. Vincent Place	20,792,214	20,792,214
Other properties	21,461,504	33,566,671
POSWDL - Port Authority Lands, Wrightson Road	224,000,000	224,000,000
	7,509,514,084	7,480,522,277

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

	31 December	
	2022	2021
	(\$)	(\$)
Opening net book amount	7,480,522,277	7,463,940,733
Net Additions	28,991,807	16,615,723
Correction of prior period invoice	–	(34,179)
Closing net book amount	7,509,514,084	7,480,522,277

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 valuers. When these properties were recognised as assets in the consolidated financial statements, the corresponding entry was made to a contributed capital account (**See Note 18**).

6. Inventory-Land:

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

Notes to the Consolidated Financial Statements

31 December, 2022

7. Construction in Progress:

	31 December	
	2022	2021
	(\$)	(\$)
Sackville Street Renovations	-	971,871
Ministry of Education	-	94,024
Board of Inland Revenue Tower	-	23,425,585
Invader's Bay	20,981,995	5,067,842
UDeCOTT Flagship Building	15,197,895	-
San Fernando General Hospital Car Park Extension	87,154,275	37,723,332
South Office Renovations	-	629,440
Water Front Development	86,625	86,625
Strategic Redevelopment POS – Health City	243,016	243,016
Queen's Park Savannah East	150,300	150,300
The Parkade	-	815,177
Memorial Park	28,750	28,750
West Park Recreational Savannah	15,000	15,000
	123,857,856	69,250,962

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

	31 December	
	2022	2021
	(\$)	(\$)
Opening net book amount	69,250,962	44,570,750
Additions	83,785,805	39,440,435
Transfers/Disposal/Write offs	(29,178,911)	(14,760,223)
Closing net book amount	123,857,856	69,250,962

Notes to the Consolidated Financial Statements

31 December, 2022

8. Property, Plant and Equipment:

Cost	WIP (\$)	Land (\$)	Building (\$)	Furniture, Fittings & Office Equipment (\$)	Computer Software & Equipment (\$)	Total (\$)
Balance, 1 January 2022	1,971,145	4,000,000	2,377,515,032	261,902,733	14,091,554	2,659,480,464
Additions	625,616	-	2,746,774	4,237,880	981,934	8,592,204
Balance, 31 December 2022	2,596,761	4,000,000	2,380,261,806	266,140,613	15,073,488	2,668,072,668
Accumulated Depreciation						
Balance, 1 January 2022	-	-	1,495,187,813	191,806,569	12,546,073	1,699,540,455
Charge for the year	-	-	118,939,012	25,329,675	1,035,049	145,303,736
Balance, 31 December 2022	-	-	1,614,126,825	217,136,244	13,581,122	1,844,844,19
Net Book Value						
Balance, 31 December 2022	2,596,761	4,000,000	766,134,981	49,004,369	1,492,366	823,228,477
Balance, 31 December 2021	1,971,145	4,000,000	882,327,219	70,096,164	1,545,481	959,940,009

Notes to the Consolidated Financial Statements

31 December, 2022

8. Property, Plant and Equipment: (continued)

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

Notes to the Consolidated Financial Statements

31 December, 2022

9. Leases:

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

Right of Use Assets

	Motor Vehicle	Office	Land	Total
	(\$)	Equipment (\$)	(\$)	(\$)
Cost				
Balance, 1 January 2022	6,315,964	622,679	-	6,938,643
New Leases acquired	184,360	-	9,283,220	9,467,580
Adjustment for HYATT	-	315,755	-	315,755
Balance, 31 December 2022	<u>6,500,324</u>	<u>938,434</u>	<u>9,283,220</u>	<u>16,721,978</u>
Accumulated Depreciation				
Balance, 1 January 2022	4,431,139	533,366	-	4,964,505
Charge for the year	1,325,686	257,923	3,094,407	4,678,016
Balance, 31 December 2022	<u>5,756,825</u>	<u>791,289</u>	<u>3,094,407</u>	<u>9,642,521</u>
Net Book Value				
Balance, 31 December 2022	<u>743,499</u>	<u>147,145</u>	<u>6,188,813</u>	<u>7,079,457</u>
Balance, 31 December 2021	<u>1,884,825</u>	<u>89,313</u>	<u>-</u>	<u>1,974,138</u>
Lease Liabilities				
Balance, 1 January 2022	1,660,934	677,827	1,170	2,339,931
New leases acquired	184,360	-	9,283,220	9,467,580
Effect of IFRS 16 - Leases	131,964	25,827	556,993	714,784
Adjustment for HYATT	-	106,715	-	106,715
Payments	(1,527,840)	(292,761)	(3,240,000)	(5,060,601)
Balance, 1 December 2022	<u>449,418</u>	<u>517,608</u>	<u>6,601,383</u>	<u>7,568,409</u>
Current portion				4,784,410
Non-current portion				<u>2,783,999</u>
				<u>7,568,409</u>

Notes to the Consolidated Financial Statements

31 December, 2022

9. Lease: (continued)

Right of Use Assets

	Motor Vehicle (\$)	Office Equipment (\$)	Land (\$)	Total (\$)
Cost				
Balance, 1 January 2021	6,315,964	552,329	-	6,868,293
Effect of IFRS 16 - Leases	-	162,700	-	162,700
Adjustment for HYATT	-	(92,350)	-	(92,350)
Balance, 31 December 2021	6,315,964	622,679	-	6,938,643
Accumulated Depreciation				
Balance, 1 January 2021	3,174,588	275,442	-	3,450,030
Charge for the year	1,256,551	257,924	-	1,514,475
Balance, 31 December 2021	4,431,139	533,366	-	4,964,505
Net Book Value				
Balance, 31 December 2021	1,884,825	89,313	-	1,974,138
Balance, 31 December 2020	3,141,376	276,887	-	3,418,263
Lease Liabilities				
Balance, 1 January 2021	2,884,454	802,937	1,170	3,688,561
Effect of IFRS 16 - Leases	227,820	172,462	-	400,282
Adjustment for HYATT	-	2,896	-	2,896
Payments	(1,451,340)	(300,468)	-	(1,751,808)
Balance, 1 December 2021	1,660,934	677,827	1,170	2,339,931
Current portion				1,514,475
Non-current portion				825,456
				2,339,931

Notes to the Consolidated Financial Statements

31 December, 2022

10. Value Added Tax (VAT) Recoverable:

	31 December	
	2022	2021
	(\$)	(\$)
VAT recoverable	111,004,559	573,177,175

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.

11. Accounts Receivable and Prepayments:

	31 December	
	2022	2021
	(\$)	(\$)
Amounts due from GORTT for Contract Works (a)	1,314,635,510	1,203,166,890
Prepayments and other receivables	463,453,298	592,646,882
Advances to contractors (b)	100,381,092	182,142,644
Allowance for expected credit losses (c)	(81,141,661)	(80,888,846)
	1,797,328,239	1,897,067,570
Non-current	1,155,650,633	1,013,019,916
Current	641,677,606	884,047,654
	1,797,328,239	1,897,067,570

- a) These amounts represent construction contract costs incurred on projects which have been billed to the GORTT and upon which the organisation is awaiting payment.
- b) These amounts represent payments made to contractors in advance of work being performed under the relevant construction contracts. The Group requires contractors to provide an advance payment bond issued by a reputable bonding agent for an amount equivalent to the amount of the advance being provided. These amounts are reduced when advance payments are offset against progress billings from the contractor for construction work performed.
- c) The allowance for expected credit losses included above represents the account balances which have not shown any movement in over twelve months.

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.

Notes to the Consolidated Financial Statements

31 December, 2022

12. Investment Securities:

	31 December	
	2022	2021
	(\$)	(\$)
Investment securities designated as at fair value through profit or loss	<u>52,362,870</u>	<u>59,818,763</u>

This represents an investment with the Clico Investment Fund (CIF) of **\$52,362,870** (2021: **\$59,818,763**). The loss on the investment securities at fair value recognised through profit or loss amounted to **\$7,455,893** for the year ending 31 December 2022. (2021 gain: **\$11,670,766**)

Short-Term Investment	<u>50,000,000</u>	<u>50,000,000</u>
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The short-term investment represents a six-month fixed deposit of **\$50,000,000** (2021: **\$50,000,000**) is invested at a rate of 1.50%.

13. 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	
	2022	2021
	(\$)	(\$)
Balance at beginning of year	46,430,650	90,365,267
Effect on the Statement of Comprehensive Income	5,518,547	(43,934,617)
Balances at the end of the year	<u>51,949,197</u>	<u>46,430,650</u>

Deferred tax asset is attributable to the following:

Taxable losses	<u>51,949,197</u>	<u>46,430,650</u>
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Deferred Tax Liability:

	31 December	
	2022	2021
	(\$)	(\$)
Balance at beginning of year	(202,996,455)	(230,961,711)
Effect on the Statement of Comprehensive Income	29,970,861	27,965,256
Balance at the end of the year	<u>(173,025,594)</u>	<u>(202,996,455)</u>

Deferred tax asset is attributable to the following:

Excess of Net Book Value over Written Down Tax Value	<u>173,025,594</u>	<u>202,996,455</u>
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Net deferred tax liability	<u>(121,076,397)</u>	<u>(156,565,805)</u>
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Notes to the Consolidated Financial Statements

31 December, 2022

14. Restricted Cash:

	31 December	
	2022	2021
	(\$)	(\$)
Restricted Cash	7,547,483	3,253,405

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.

15. Project Receivables:

	31 December	
	2022	2021
	(\$)	(\$)
Contract works billed to GORTT	3,041,506,703	3,012,305,464
Contract works not billed	43,121,488	51,418,705
Contract works receivable	296,005,707	231,002,956
Facilities work not billed	111,782,215	112,322,478
	3,492,416,113	3,407,049,603
Allowance for impairment	(136,846,252)	(177,974,392)
	3,355,569,861	3,229,075,211

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	
	2022	2021
	(\$)	(\$)
At the beginning of the year	177,974,392	182,421,535
Reversal	(41,128,140)	(4,447,143)
	136,846,252	177,974,392
Concentration of project receivables balance is as follows:		
Government	3,492,416,113	3,407,049,603

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

Project expenditure on the Brian Lara Cricket Academy	517,089,191	517,089,191
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These project expenditures relate to costs incurred on the construction and maintenance of the Brian Lara Cricket Academy (BLCA).

Notes to the Consolidated Financial Statements

31 December, 2022

16. Cash and Cash Equivalent:

	31 December	
	2022	2021
	(\$)	(\$)
Bank accounts	13,250,360	78,657,156
Deposit accounts	40,299,677	23,356,868
Petty cash	51,050	50,750
	53,601,087	102,064,774

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

House Bank	368,000	316,500
Demand Deposits	40,101,704	23,345,750
	40,469,704	23,662,250

17. Stated Capital:

	31 December	
	2022	2021
	(\$)	(\$)
Authorised 1,000,000 ordinary shares of no par value		
Issued and fully paid 999,502 ordinary shares of no par value	999,502	999,502

18. Contributed Capital:

	31 December	
	2022	2021
	(\$)	(\$)
Leasehold properties	641,209,130	641,209,130
Loan and interest payments made by the GORTT on behalf of the Group	5,942,206,709	5,654,835,330
	6,583,415,839	6,296,044,460
<i>Movement in loan repayments guaranteed by the GORTT</i>		
Balance at beginning of year	5,654,835,330	5,113,627,827
Add loan payments made by the GORTT for the year	287,371,379	541,207,503
	5,942,206,709	5,654,835,330

Notes to the Consolidated Financial Statements

31 December, 2022

19. Borrowings:

	31 December	
	2022	2021
	(\$)	(\$)
Maturity of Borrowing:		
Not later than one year	979,761,633	1,618,619,018
More than one year	5,336,990,233	5,403,575,340
	6,316,751,866	7,022,194,358
a. Home Mortgage Bank \$108M	16,153,800	26,113,688
b. Republic Bank Limited \$3.4B	1,746,458,399	1,996,639,837
c. ANSA \$496M Refinance	396,800,000	446,400,000
d. FINCOR TTD \$227.14M Refinance	70,981,250	99,373,750
e. ANSA \$233.1M TTD Loan	81,617,194	104,936,392
f. RBC TTD \$512M	73,259,369	146,518,737
g. ANSA 90M BLCA Facility	-	90,000,000
h. Scotia TTD\$87.7M	87,778,246	87,778,246
i. NCB Global TTD \$180.3M Facility	180,300,000	180,300,000
j. RBL TTD \$199.6M Loan	199,641,382	199,641,382
k. FCB \$500M Syndicat Fx Rate Loan	500,000,000	500,000,000
l. ANSATT\$127.5m Sangre Grande Hospital	127,500,000	127,500,000
m. FCBTT\$101.99M POSGH Central Blk	101,993,931	101,993,931
n. ANSA USD 99.6M	676,320,677	676,988,004
o. RBC USD16.9M	115,039,232	115,152,741
p. FCIB USD 12.4M	84,345,392	84,428,616
q. RBC USD 8.2M	37,404,860	46,904,787
r. RBL TTD 213M Loan	-	213,000,000
s. FCIB TTD 70.3M	70,375,812	70,375,812
t. SBTT TTD 37.6M	37,690,537	37,690,538
u. RBC TTD 46.9M	31,278,139	39,097,674
v. Barclays US \$375M	135,670,235	395,929,087
Balance carried forward	4,770,608,455	5,786,763,222
Balance brought forward	4,770,608,455	5,786,763,222
w. FCB TTD 230.1M Loan – Refinance	184,080,000	230,100,000
x. ANSA TTD \$500M Loan Facility	500,000,000	500,000,000
y. FCB TTD 47.2M Refinance	-	23,643,358
z. FCBTTD 202.5M	202,500,000	202,500,000
aa. ANSA TTD 39.9M	29,993,591	36,658,834
ab. NCB Global USD 35.6M	242,289,877	242,528,944
ac. RBC TT 51.1M FxRT Bond Picadilly	42,787,633	-
ad. Scotia TT\$35M Clung Building	31,492,310	-
ae. ANSA TT\$100M	100,000,000	-
af. NCB TTD \$213M Loan Facility	213,000,000	-
	6,316,751,866	7,022,194,358

Notes to the Consolidated Financial Statements

31 December, 2022

19. Borrowings: (continued)

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
a)	Mortgage	Home Mortgage Bank	TT\$108,000,000.00	7.00%	15 Years	Mortgage over Property 13-15 St Clair Avenue	Amortised monthly starting one month after disbursement	To finance the Office of the Prime Minister (formerly known as the Ministry of Public Administration Building)
b)	Long Term Bond	Republic Bank Limited	TT\$3,457,773,340.00	4.75%	15 years	Government Guaranteed	Six (6) month moratorium on principal and interest payments; thereafter, the facility will be repaid via twenty-nine (29) semi-annual, equal principal and interest payments over the remaining tenor of the facility	Government Campus Plaza (Base Building)
c)	Fixed Rate Loan	ANSA Merchant Bank Limited	TT\$496,000,000.00	4.38%	10 years	Government Guaranteed	Calculated on a reducing balance, payable semi-annually in arrears, commencing six (6) months after issue date. Moratorium on Principal Payments for the first two (2) Years, thereafter Principal will be repayable semi-annually as follows: Year 3-Year 4 - 5% semi-annually to repay 20%; Year 5-Year 6 - 6% semi-annually to repay 24%; and Year 7-Year 10 - 7% semi-annually to repay 56%	To repay an existing facility utilised for funding the base building repair work and fit-out of the Government Campus Plaza

Notes to the Consolidated Financial Statements

31 December, 2022

19. Borrowings: (continued)

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
d)	Medium Term Loan	Republic Bank Limited	TT\$227,140,000.00	4.81%	8 Years	Government Guaranteed	Interest payment Semi-annually commencing six (6) months after the issue date. Principal Payment Via sixteen (16) semi-annual equal instalments	Ministry of Education (Fit Out)
e)	Fixed Rate Term Loan	ANSA Merchant Bank Limited	TT\$233,191,981.93	5.05%	10 years	Government Guaranteed	Interest will be calculated on a reducing balance, 30/360 day basis and will be payable quarterly or semi-annually in arrears. Principal will be amortised and repayable quarterly or semi-annually in instalments as mutually agreed	Proceeds of facility used to settle Bridge Loan used for the start-up costs and working capital for Projects under the Ministries of National Security and Health Portfolios
f)	Syndicated Term Loan	RBC Royal Bank (Trinidad & Tobago) Limited	TT\$512,815,580.80	4.92%	7 Years	Government Guaranteed	Payable semi-annually in arrears, commencing six (6) months from drawdown. Commencing six (6) months from the date of drawdown of this facility, fourteen (14) equal consecutive semi-annual principal payments	To refinance the existing Bridge Facility utilised to finance the fit-out of the Government Campus Plaza pending take-out, inclusive of capitalised interest

Notes to the Consolidated Financial Statements

31 December, 2022

19. Borrowings: (continued)

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
g)	Fixed Rate Loan	ANSA Merchant Bank Limited	TT\$90,000,000.00	3.30%	5 Years	Government Guaranteed	Interest payable semi-annually in arrears, commencing six (6) months after the disbursement date Bullet payment for principal at maturity	Brian Lara Cricket Stadium
h)	Non-Revolving Fixed Rate Loan	Scotiabank Trinidad and Tobago Limited	TT\$87,778,246.12	3.55%	5 Years	Government Guaranteed	Interest Payable semi-annually in arrears, commencing six (6) months from the date of drawdown and thereafter until maturity. Bullet payment for principal at maturity	Retrofit of Cabildo Chambers for the Office of Parliament
i)	Fixed Rate Loan	NCB Global Finance Limited	TT\$180,300,000.00	5.00%	10 Years	Government Guaranteed	Interest Paid semi-annually in arrears commencing six (6) months after the Initial Disbursement Day and calculated on the then outstanding principal balance. Bullet payment for principal at maturity	Repayment of an existing short term facility in respect of Phase 2B of the project for the design, construction and completion of the adaptation of the Chancery Lane Office Complex as an extension of the San Fernando General Hospital (San Fernando Teaching Hospital)
j)	Fixed Rate Loan	Republic Bank Limited	TT\$199,641,382.00	6.80%	10 Years	Government Guaranteed	Interest Payable semi-annually in arrears, commencing six (6) months from drawdown. Semi-annual equal principal payments commencing five (5) years after issue date	Arima Hospital

Notes to the Consolidated Financial Statements

31 December, 2022

19. Borrowings: (continued)

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
k)	Syndicated Loan Facility	First Citizens Bank Limited	TT\$500,000,000.00	4.50%	8 Years	Government Guaranteed	Interest due semi-annually beginning 6 months after the Disbursement Date based on the outstanding principal balance. Principal balance due at maturity	To facilitate payment of financial obligations in respect of various projects
l)	Fixed	ANSA Merchant Bank Limited	TT\$127,500,000.00	5.02%	10 Years	Government Guaranteed	Interest will be calculated on a reducing balance, 30/360 day basis and will be payable semi-annually in arrears commencing six (6) months after the disbursement date. Principal will be repayable in a single bullet payment at maturity	Advance Payment the Construction of the new Sangre Grande Hospital
m)	Fixed Rate TTD Loan	First Citizens Bank Limited	TT\$101,993,930.90	4.85%	11 Years	Government Guaranteed	Interest will be calculated on a reducing balance, Actual/365 day basis and will be payable semi-annually in arrears commencing six (6) months after the disbursement date. Principal will be repayable in a single bullet payment at maturity	Partial Financing for the Redevelopment of the Central Block at the Port of Spain General Hospital Project
n)	Fixed Rate USD Loan	ANSA Merchant Bank Limited	TT\$674,119,494.97/ US\$99,601,001.00	5.30%	10 Years	Government Guaranteed	Interest Payable semi-annually in arrears commencing six (6) months after the disbursement date. Five (5) year moratorium on principal, thereafter repayable in ten (10) semi-annual payments	Arima Hospital

Notes to the Consolidated Financial Statements
31 December, 2022

19. Borrowings: (continued)

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
o)	USD Term Loan	RBC Royal Bank (Trinidad and Tobago) Limited	TT\$115,191,706.93 / US\$16,941,700.90	4.95%	10 Years	Government Guaranteed	Payable via twenty (20) semi-annual interest payments commencing six (6) months after drawdown. One (1) Principal Payment of US\$16,941,700.90 at maturity	To assist with the completion of the construction and equipping of the Arima Hospital
p)	USD Term Loan	First Caribbean International Banking and Financial Corporation	TT\$84,166,524 / US\$12,421,453	6.5%	8 Years	Government Guaranteed	Interest will be payable semi-annually in arrears, Mar & Sep Principal payment bullet at maturity	Partial payment in respect of the Redevelopment of the Central Block at the Port of Spain General Hospital

Notes to the Consolidated Financial Statements

31 December, 2022

19. Borrowings: (continued)

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
q)	Dual Currency Fixed Rate Term Loan	RBC Royal Bank (Trinidad and Tobago) Limited	TT\$55,948,709/ US\$8,280,969	4.07	6 Years	Government Guaranteed	Interest Payable via twelve (12) semi-annual payment commencing 6 months after drawdown Principal Payable via twelve (12) semi-annual payment commencing 6-months after drawdown	To facilitate the partial payment in respect of the Redevelopment of the Central Block at the Port of Spain General Hospital
r)	Fixed Rate TTD Loan	Republic Bank Limited	TT\$213,000,000	3.31%	2 Years	Government Guaranteed	Interest will be payable semi-annually in arrears calculated on an actual/365 days basis, commencing six (6) months after issue date, Nov & May. Principal Payment Bullet at maturity	To facilitate repayment of existing UDeCOTT Fixed Rate Bond facility due October 31, 2020
s)	Fixed Rate TTD Loan	First Caribbean International Banking and Financial Corporation	TT\$70,375,812	4.75%	8 Years	Government Guaranteed	Interest will be payable semi-annually in arrears, Dec & Mar Principal payment Bullet at Maturity	Partial payment in respect of the Redevelopment of the Central Block at the Post of Spain General Hospital
t)	Fixed Rate TTD Loan	Scotiabank Trinidad and Tobago Limited	TT\$37,690,538	3.54%	4 Years	Government Guaranteed	Interest is payable semi-annually in arrears, commencing six (6) months from the date of drawdown and thereafter until Maturity date, Apr & Oct Principal Payment Bullet at Maturity	Partial payment in respect of the Redevelopment of the Central Block at the Post of Spain General Hospital
u)	Fixed Rate TTD Loan	RBC Royal Bank (Trinidad and Tobago) Limited	TT\$46,917,208	4.02%		Government Guaranteed	Interest payable via twelve (12) semi-annual payments commencing 6-months after drawdown. Principal payable via twelve (12) semi-annual payments commencing 6-months after drawdown	To facilitate the partial payment in respect of the Redevelopment of the Central Block at the Post of Spain General Hospital

Notes to the Consolidated Financial Statements
31 December, 2022

19. Borrowings: (continued)

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
v)	Fixed Rate Notes	US Private Placement (Wells Fargo)	TT\$2,372,303,000	6.09%	15 years	Land and Buildings Thereon and assignment of Sublease rentals		To finance construction and fit out costs of the Port of Spain International Waterfront Project and repayment of the interim facility
w)	Commercial Demand Loan	First Citizens Bank Limited	TTD 230,100,000	4.85%	5 Years	Government Guaranteed	Principal – Ten (10) equal Semi-annual principal payments of TTD 23,010,000.00 Interest to be paid semi-annually commencing six (6) months from date of disbursement	To refinance the loan facility in the amount of TT\$230.1M previously utilised for the payment of payables on several projects and refinancing of an existing short term facility

Notes to the Consolidated Financial Statements

31 December, 2022

19. Borrowings: (continued)

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
x)	Fixed Rate Loan	ANSA Merchant Bank Limited	TTD 500,000,000.00	3.78%	7 Years	Government Guaranteed	Principal Repayment – Three (3) year moratorium on payments. Thereafter to be repaid via eight (*) equal semi-annual payments, commencing six (6) months after the end of the moratorium period. Interest will be calculated on a reducing balance, 30/360 day basis and will be payable semi-annually on arrears commencing six (6) months after the disbursement date	To facilitate payment of outstanding amounts owed by various Client Ministries
y)	Fixed Rate Loan	First Citizens Bank Limited	TTD 47,286,716.23	4.75%	1 Years	Government Guaranteed	Two (2) equal semi-annual principal payments of TTD 23,643,358.12 Interest to be paid semi-annually commencing six (6) months from the date of disbursement	Refinance the current First Citizens Bank TTD Loan Facility \$47,286,716.23 to fund the restoration and the refurbishment of the Presidents House

Notes to the Consolidated Financial Statements

31 December, 2022

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

Notes to the Consolidated Financial Statements

31 December, 2022

19. Borrowings: (continued)

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
aa)	Fixed Rate Loan	ANSA Merchant Bank Limited	TTD 39,331,455.05	3.65%	6 Years	Government Guaranteed	Interest will be calculated on a reducing balance on a 30/360 day basis and will be payable semi-annually in arrears commencing six (6) months after the disbursement date. Principal will be paid via twelve (12) equal, semi-annual payments, commencing six (6) months after the disbursement date.	To finance Phase 11 of the outfitting works to be undertaken at Tower D, International Waterfront Centre. Located at 1A Wrightson Road, Port of Spain, to accommodate the relocation of the Civil High court, Port of Spain and the Civil Division of the Court of Appeal, Judiciary from the Hall of Justice
ab)	USD Term Loan	NCB Global Finance Limited	TTD 242,586,035.63 USD 35,681,763.25	5%	5 Years	Government Guaranteed	Principal Repayment- Bullet at Maturity. Interest is due in USD, Semi-annually in arrears and calculated on an actual /360 day basis on the outstanding principal balance, the first such interest payment due six (6) months after the issue date and subsequent interest payments due every six months thereafter, continuing over the tenor of the facility up to the maturity date	To Facilitate the repayment of an existing UDeCOTT US 35,681,763.25 Medium Term Demand Loan Due to mature September 3rd 2021

Notes to the Consolidated Financial Statements

31 December, 2022

19. Borrowings: (continued)

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
ac)	Fixed Rate Loan	RBC Royal Bank (Trinidad and Tobago) Limited	TTD 51,155,000	1.50%	3 Years	Government Guaranteed	Interest will be calculated on a reducing balance on a 30/360 day basis and semi-annual will be payable in arrears commencing six (6) months after the disbursement date. Principal will be paid semi-annual via six (6) equal, payments, commencing six (6) months after the disbursement date.	To facilitate the design and construction of phase I of the Piccadilly Street Urban Regeneration Project
ad)	Fixed Rate Loan	Scotiabank Trinidad and Tobago	TTD 35,991,211.27	2.40%	4 Years	Government Guaranteed	Interest will be calculated on an actual/365 day basis and will be payable semi-annually in arrears commencing six (6) months after the disbursement date. Principal will be semi-annually paid via six (6) equal, payments, commencing six (6) months after the disbursement date.	To facilitate the restoration, renovation and retrofitting of the existing Sisters of St. Joseph of Cluny's Convent Building, San Fernando and the construction of an additional building for use by the Family Court on the unutilized land space on the compound of the said Sisters of St. Joseph of Cluny's Convent San Fernando.

Notes to the Consolidated Financial Statements

31 December, 2022

19. Borrowings: (continued)

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
ae)	Fixed Rate Loan	ANSA Merchant Bank Limited	TTD 100,000,000	2.95%	4 Years	Government Guaranteed	Interest will be calculated on a reducing balance on a 30/360 day basis and semi-annually will be payable in arrears commencing six (6) months after the disbursement date. Two (2) year Moratorium on Principal Payment. Thereafter, to be repaid semi-annually via four (4) equal, payments, commencing six(6) months after the end of the moratorium period.	To facilitate the completion of package I for the Re-development of the Central Block at the Port of Spain General Hospital
af)	Fixed Rate Loan	NCB Global Finance Limited	TTD 213,000,000	2.93%	5 Years	Government Guaranteed	Interest and Principal payments commencing six (6) months after the issue date. Interest shall be based on an actual/365 basis and will be paid semi-annually in arrears.	To Repay the existing RBL TTD 213M loan facility that matured in 2022

Notes to the Consolidated Financial Statements

31 December, 2022

19. Borrowings: (continued)

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

	31 December	
	2022	2021
	(\$)	(\$)
TT Dollar	5,025,681,593	5,460,262,178
US Dollar	1,291,070,273	1,561,932,180
	6,316,751,866	7,022,194,358

20. Deferred Revenue:

	31 December	
	2022	2021
	(\$)	(\$)
Deferred Revenue	4,869,280	4,664,009

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

21. Accounts Payable and Accruals:

	31 December	
	2022	2021
	(\$)	(\$)
Due to GORTT	889,594,908	730,146,322
Project payables	387,389,428	396,901,781
Retentions payable	155,718,000	148,915,450
Other payables	235,556,954	210,170,032
Accrued interest on loans	93,753,789	98,499,702
	1,762,013,079	1,584,633,287

22. Reserve Development Fund:

	31 December	
	2022	2021
	(\$)	(\$)
Other Development Projects	48,096,688	49,955,744

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	
	2022	2021
	(\$)	(\$)
Deposit on Account	4,711,693	4,655,931

These represent monies from our subsidiary Rincon. Rincon's \$4,711,693 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.

Notes to the Consolidated Financial Statements

31 December, 2022

24. Hotel Operations:

	31 December	
	2022	2021
	(\$)	(\$)
Hyatt Regency Fees	208,917,124	97,498,751

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

25. Rental Income:

	31 December	
	2022	2021
	(\$)	(\$)
Rental Income	277,810,887	277,144,686

26. Other Income:

	31 December	
	2022	2021
	(\$)	(\$)
Other	70,731,253	3,916,982
Carpark revenue	17,455,304	14,397,133
Restaurant and Auditorium	48,631	191,585
Management fees	14,855,555	13,172,096
	103,090,743	31,677,796

27. Other Expenses:

	31 December	
	2022	2021
	(\$)	(\$)
Employee benefit (Note 28)	68,644,116	70,011,209
Depreciation and amortisation	145,303,736	146,087,830
Office expenses	23,930,213	21,579,945
Rent and utilities	7,433,163	9,310,835
Advertising	2,055,133	1,942,933
Other expenses	505,500,151	14,061,877
	752,866,512	262,994,629

28. Employee Benefit Expense:

	31 December	
	2022	2021
	(\$)	(\$)
Wages and salaries	65,246,870	66,735,060
National insurance cost	3,397,246	3,276,149
	68,644,116	70,011,209

Number of employees at year end 836 (2021: 836)

Notes to the Consolidated Financial Statements

31 December, 2022

29. Government Grants/ Finance Income:

	31 December	
	2022	2021
	(\$)	(\$)
Government grants to cover interest expenses	277,311,873	285,287,694
Interest income	3,102,453	3,451,506
	280,414,326	288,739,200

30. Finance Costs:

	31 December	
	2022	2021
	(\$)	(\$)
Interest expense on GORTT borrowings	287,221,154	297,202,287
Interest expense on bank borrowings	13,452,377	29,674,162
Foreign exchange loss on bank borrowings	33,555,015	(13,390,353)
Interest on lease liabilities	714,783	237,582
Bank charges	1,063,038	2,987,612
	336,006,367	316,711,290

31. Taxation:

	31 December	
	2022	2021
	(\$)	(\$)
Deferred tax	(35,489,409)	15,969,361
Green Fund Levy	838,101	841,936
Corporation tax/Business Levy	70,464,333	3,307,958
	35,813,025	20,119,255
Profit/(Loss) before taxation	(296,745,265)	176,427,799
Tax deductible at 30%	89,023,579	(52,928,339)
Expense not-deductible for tax purposes	(124,512,988)	68,897,700
Green Fund Levy	838,101	841,936
Business Levy	70,464,333	3,307,958
	35,813,025	20,119,255

32. Related Party Balances:

- a) Key management compensation

	31 December	
	2022	2021
	(\$)	(\$)
Directors' fee	465,548	528,000
Senior Management remuneration	4,484,746	4,542,345

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

Notes to the Consolidated Financial Statements

31 December, 2022

32. Related Party Balances: (continued)

b) GORTT

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

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

	31 December	
	2022	2021
	(\$)	(\$)
Investment properties	7,509,514,084	7,480,522,277
Contributed capital	6,583,415,839	6,296,044,460
Contract works billed to the GORTT	1,314,635,510	1,203,166,890
Allowance for impairment	(136,846,252)	(177,974,392)
Amounts due from GORTT	3,041,506,703	3,012,305,464
Reserve development fund	48,096,688	49,955,744
Development work in progress expenditure not yet billed to GORTT	450,909,410	394,744,139

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:

Project management fees	35,979,307	51,792,155
Contract costs incurred	-	27,750

33. Financial Instruments by Category:

i. Receivables

	Carrying Value 2022	Fair Value 2022
	(\$)	(\$)
Receivables for contract work due from GORTT	3,041,506,703	3,041,506,703
Contractor work billed to the GORTT	1,314,635,510	1,314,635,510
Advances to contractors	100,381,092	100,381,092
Other receivables excluding prepayments	360,480,399	360,480,399
	4,817,003,704	4,817,003,704

Notes to the Consolidated Financial Statements

31 December, 2022

33. Financial Instruments by Category: (continued)**i. Receivables (continued)**

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

ii. Financial liabilities carried at amortised cost

	31 December	
	2022	2021
	(\$)	(\$)
Borrowings	6,316,751,866	7,022,194,358
Accounts payable and accruals	1,762,013,079	1,584,633,286
Reserve development fund	48,096,688	49,955,744
	8,126,861,633	8,656,783,388

34. Capital and Lease Commitments:

As at 31 December 2022, capital commitments amounting to approximately **\$784M** (2021: **\$185M**) existed.

35. Contingent Liabilities:

The Corporation is a party to various legal actions, the final outcome of which is uncertain. Based on matters which have concluded during this audit, it should be noted that D. Geawan filed a claim of unlawful dismissal in the amount of TT \$350,000. The parties were reminded to make an effort at conciliation. Hearing was set for 19 October 2023. The matter is ongoing.

36. Subsequent Events:

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

- a) The Corporation has entered into several contracts amounting to approximately \$794M in the normal course of business.
- b) Mouche Ali filed a claim on 21 August 2019 of unlawful dismissal in the amount of TT\$2,398,960. Evidence and Arguments and Witness Statements to be filed and exchanged on 18 March and 28 March 2024 respectively. Matter is ongoing.
- c) Keisha Scrubb, Carol Hosein, Judy Gomez and Fulami Collingwood filed a claim for injunctive relief, trespass and nuisance as well as interest, costs and any other costs the Court may deem just and expedient. Trial scheduled for 26, 27 and 28 October 2022. Matter is listed for a status hearing on 15 March 2024. This matter is ongoing.

Notes to the Consolidated Financial Statements

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36. Subsequent Events: (continued)

- d) Craftmaster Limited filed a claim for breach of contract and unjust enrichment. Negotiations were undertaken between Craftmaster Limited and their representatives and QSS on behalf of UDeCOTT. On July 27, 2020 QSS submitted a final estimate of the sum completed by Craftmaster Limited in the sum of TT\$630,408 VAT Exclusive. Matter ongoing.
- e) Adam's Project Management & Construction Ltd filed a claim for monies owing for works done on the Black Rock Fire Station in the amount of TT \$2,535,984 plus legal fees. Pre-Action Protocol letter dated 7 January 2022. Response issued to Claimant's attorney on 29 March 2022: no response received to date. This matter is ongoing.
- f) Adam's Project Management & Construction Ltd filed a claim for monies owing for works done on the Mayaro Fire Station in the amount of TT \$1,108,897 plus legal fees. Pre-Action Protocol letter dated 27 January 2022. Response issued to the Claimant's attorney on 13th May 2022 denying that any further payments are due to the Claimant; no response received to date. This matter is ongoing.
- g) In January 2014, the Claimant claimed for damages in the amount of \$ 10,800,000, due to breach of contract for works done at Oropune Gardens, Phase II Project. On 24 January 2023 The Court of Appeal ordered the Appellant to pay UDeCOTT costs of the cross appeal in the sum of \$46,133. Dipcon issued a cheque dated 6 February 2023 in the aforementioned sum to UDeCOTT. On 13 February 2023, Dipcon filed a Notice of Motion for Conditional Leave to Appeal to the Judicial Committee of the Privy Council. Notice of Appeal filed in the Privy Council and served on UDeCOTT on 22 November 2023. Counsel advises that the Notice of Appeal was filed out of time and the Appeal contains an application for an extension of time to file the Appeal a Notice of Acknowledgement to be done within 21 days or by 14 December 2023. UDeCOTT'S Notice of Objection and Acknowledgement filed on 14 December 2023. Hearing scheduled for 13 November 2025. This matter is ongoing.
- h) Spancast Ltd files a claim in the amount of \$7,000,000 for unfair treatment in the tendering process. Appeal trial scheduled for 8 February 2023, has been rescheduled. Date to be given by the Court: to date, no date has been provided. This matter is ongoing.
- i) Sherma Ramoutar-Boodhoo filed a claim for unfair dismissal in the amount of \$771,427 plus exemplary damages. Judgement appealed. Hearing of the appeal rescheduled to 15 January 2025.
- j) Anidem General Contractors Ltd. Filed a claim for monies due and owing on various projects, being Roxborough Police Station, Bacolet Indoor Sporting Facility and Tobago Rehabilitation Center in the amount of \$1,425,255. Matter ongoing.
- k) Phoenix Structures Ltd filed a claim in the amount of \$2,039,130 VI for damages for wrongful termination of contract dated 3 August 2017. Pre Trial review on 7 July 2023 rescheduled to 14 December 2023. The Pre-Trial Review fixed for 14 December 2023 be vacated and rescheduled to 3 July 2024 at 9:00 am by Virtual Hearing. This matter is ongoing.
- l) Rozana Gaffoor-Ali filed a claim requesting \$10M for sale of land and \$2.5M in damages for trespass and/or nuisance and/or negligence on lands earmarked for the Construction of the Indian Trail Community Centre. UDeCOTT offered Claimant the sum of \$1.5M being the value of the property as determined by a valuation conducted by Linden Scott & Associates in November 2018, in full and final settlement of this matter. New Pre-Action protocol Letter dated 18 January 2022, received from potential claimant. Letter sent to Claimant's Attorney Che Dindial requesting an extension of time to investigate the matter and advising that UDeCOTT cannot settle the matter by purchase of the land. Letter dated May 19, 2022 sent to Claimant's Attorney responding to the matters that appear to be material to the Claimant's claim, and advising that we continue to review the claim and may respond further in more detail. No response has been received to our letter to from May 19, 2022 to date. This matter is ongoing.

Notes to the Consolidated Financial Statements

31 December, 2022

36. Subsequent Events: (continued)

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

37. Segment information:***Basis for segmentation***

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

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

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

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

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

	December 2022		
	Construction	Hotel Operation	Total
	(\$)	(\$)	(\$)
Revenue	417,534,022	208,917,124	626,451,146
Operating (loss)/profit	(294,457,164)	53,303,940	(241,153,224)
Assets	13,922,636,960	85,421,274	14,008,058,234
Liabilities	8,370,563,998	35,045,929	8,405,609,927
	December 2021		
	Construction	Hotel Operation	Total
	(\$)	(\$)	(\$)
Revenue	361,777,143	97,498,751	459,275,894
Operating (loss)/profit	212,677,951	(8,278,062)	204,399,889
Assets	14,464,870,613	73,196,324	14,538,066,937
Liabilities	8,873,265,592	17,166,127	8,890,431,719

Notes to the Consolidated Financial Statements

31 December, 2022

38. Subsidiary Companies:

	31 December	
	2022	2021
	(%)	(%)
(i) Rincon Development Limited	100	100
(ii) Port of Spain Waterfront Development Limited	100	100
(iii) International Waterfront Resources Limited	100	100
(iv) San Fernando Development Limited	100	100
	400	400

All subsidiary companies are incorporated in Trinidad and Tobago.

- (i) Rincon Development Limited was incorporated on 12 October 1999 with its principal activity being the development and sale of property.
- (ii) Port of Spain Waterfront Development Limited was incorporated on 12 October 1998 with its principal activity being the development of the Port of Spain Waterfront.
- (iii) International Waterfront Resources Limited was incorporated on 18 April 2007 with its principal activity being the management and operation of the Hyatt Regency Hotel.
- (iv) San Fernando Development Limited was incorporated on 7 September 1998 with its principal activity being the development of the city of San Fernando. This company is currently dormant.



udecott

Urban Development Corporation
of Trinidad and Tobago Limited