



Chartered Accountants
& Business Advisors

PKF LIMITED

**THE TRINIDAD AND TOBAGO
HOUSING DEVELOPMENT CORPORATION**

FINANCIAL STATEMENTS
(Expressed in Trinidad and Tobago dollars)

30 SEPTEMBER 2016



Chartered Accountants
& Business Advisors

PKF LIMITED

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

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The Trinidad and Tobago Housing Development Corporation

Management is responsible for the following:

- preparing and fairly presenting the accompanying financial statements of The Trinidad and Tobago Housing Development Corporation, which comprise the statement of financial position as at 30 September 2016, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- ensuring that the Corporation keeps proper accounting records;
- selecting appropriate accounting policies and applying them in a consistent manner;
- implementing, monitoring and evaluating the system of internal control that assures security of the Corporation's assets, detection/prevention of fraud, and the achievement of the Corporation's operational efficiencies;
- ensuring that the system of internal control operated effectively during the reporting period;
- producing reliable financial reporting that comply with laws and regulations; and
- using reasonable and prudent judgement in the determination of estimates.

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

Nothing has come to the attention of management to indicate that the Corporation 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.

Signed



Signed



Date: 21 July 2023

Date: 21 July 2023



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PKF LIMITED

INDEPENDENT AUDITORS' REPORT

The Trinidad and Tobago Housing Development Corporation

Qualified Opinion

We have audited the financial statements of The Trinidad and Tobago Housing Development Corporation, which comprise the statement of financial position as at 30 September 2016, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the **Basis for Qualified Opinion** section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of The Trinidad and Tobago Housing Development Corporation as at 30 September 2016 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

The auditors were not provided with an assessment of the Corporation's contingent liabilities and contingent assets as at the 30 September 2016. We did not obtain sufficient appropriate audit evidence about the existence, completeness, valuation, ownership and disclosure of contingent liabilities and contingent assets as at 30 September 2016 and were unable to confirm or verify by alternative means, their existence, completeness, valuation, ownership and disclosure. As a result of this matter, we were unable to determine whether any adjustments and disclosures might have been found necessary in respect of contingent liabilities and contingent assets in the financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the **Auditor's Responsibilities for the Audit of the Financial Statements** section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

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



Chartered Accountants
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PKF LIMITED

INDEPENDENT AUDITORS' REPORT (CONT'D)

Auditors' Responsibility for the Audit of the Financial Statements

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

A handwritten signature in blue ink that reads 'PKF'.

Barataria
21 July 2023


THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	30 September	
		<u>2016</u>	<u>2015</u>
		\$	\$
Non-current assets			
Property, plant and equipment	5	76,137,384	84,679,564
Assets held for transfer	6	162,801,977	158,311,989
Investment properties	7	2,956,288,175	2,903,620,875
Loans receivable	8	<u>42,350,769</u>	<u>58,930,123</u>
Total non-current assets		<u>3,237,578,305</u>	<u>3,205,542,551</u>
Current assets			
Inventories	9	8,117,061,953	8,661,664,020
Rent and other receivables	10	104,956,302	74,263,323
Cash in hand and at bank	11	<u>128,709,134</u>	<u>31,638,867</u>
Total current assets		<u>8,350,727,389</u>	<u>8,767,566,210</u>
Total assets		<u>11,588,305,694</u>	<u>11,973,108,761</u>
EQUITY AND LIABILITIES			
Equity			
Contributed capital	12	11,485,148,530	11,216,990,751
Accumulated deficit		<u>(7,078,652,302)</u>	<u>(6,256,003,646)</u>
Total equity		<u>4,406,496,228</u>	<u>4,960,987,105</u>
Non-current liabilities			
Deferred revenue	13	543,886,770	446,486,434
Bonds payable	14	2,539,373,487	2,537,389,733
Interest-bearing loans and borrowings	15	<u>1,500,693,125</u>	<u>1,823,877,395</u>
Total non-current liabilities		<u>4,583,953,382</u>	<u>4,807,753,562</u>
Current liabilities			
Interest-bearing loans and borrowings	15	329,304,271	84,830,418
Accounts payable and accruals	16	1,483,398,143	1,245,332,068
Pension liability	17	357,636,000	347,591,000
Bank overdraft	18	<u>427,517,670</u>	<u>526,614,608</u>
Total current liabilities		<u>2,597,856,084</u>	<u>2,204,368,094</u>
Total equity and liabilities		<u>11,588,305,694</u>	<u>11,973,108,761</u>

These financial statements were approved by the Board of Directors and authorised for issue on 21 July 2023 and signed on their behalf by


Chairman


Managing Director

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

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

STATEMENT OF COMPREHENSIVE INCOME

	Notes	For the year ended 30 September	
		<u>2016</u> \$	<u>2015</u> \$
Revenue	21	300,848,507	107,063,683
Cost of houses sold	22	<u>(676,394,766)</u>	<u>(963,404,325)</u>
Gross loss		(375,546,259)	(856,340,642)
Government subventions	23	81,220,689	100,733,757
Administrative and operating expenses	24	<u>(502,551,850)</u>	<u>(1,082,010,326)</u>
Operating loss before net financing expenses		<u>(796,877,420)</u>	<u>(1,837,617,211)</u>
Financial income – government grant	25	260,402,034	249,891,285
Financial expenses	26	<u>(298,199,270)</u>	<u>(264,411,700)</u>
Net financial expenses		<u>(37,797,236)</u>	<u>(14,520,415)</u>
Loss for the year		(834,674,656)	(1,852,137,626)
Other Comprehensive Income:			
<u>Items that will not be reclassified subsequently to profit or loss</u>			
Actuarial gain/(loss) on pension plan liability		<u>12,026,000</u>	<u>(1,750,000)</u>
Total Comprehensive Loss for the year		<u>(822,648,656)</u>	<u>(1,853,887,626)</u>

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

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Contributed Capital	Accumulated Deficit	Total Equity
	\$	\$	\$
Balance, 1 October 2014	10,824,272,245	(4,402,116,020)	6,422,156,225
Land vested during the year	53,049,881	-	53,049,881
Contributed capital for the year	339,668,625	-	339,668,625
Total comprehensive loss for the year	-	(1,853,887,626)	(1,853,887,626)
Balance, 30 September 2015	<u>11,216,990,751</u>	<u>(6,256,003,646)</u>	<u>4,960,987,105</u>
Balance, 1 October 2015	11,216,990,751	(6,256,003,646)	4,960,987,105
Land vested during the year	23,357,663	-	23,357,663
Contributed capital for the year	244,800,116	-	244,800,116
Total comprehensive loss for the year	-	(822,648,656)	(822,648,656)
Balance, 30 September 2016	<u>11,485,148,530</u>	<u>(7,078,652,302)</u>	<u>4,406,496,228</u>

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

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	For the year ended 30 September	
	<u>2016</u> \$	<u>2015</u> \$
Operating Activities		
Loss for the year	(834,674,656)	(1,852,137,626)
Adjustments:		
Actuarial gain/(loss) on pension plan liability	12,026,000	(1,750,000)
Depreciaton	99,184,110	93,785,470
Gain on disposal of property, plant and equipment	(8,501)	(942,275)
Write-off of construction in progress	254,453,683	873,467,376
Impairment (credit)/charge - mortgage	(1,274,200)	24,074,769
Impairment (credit)/charge - rent receivable	(4,204,799)	62,812,766
Net change in rent and other receivables	(26,488,180)	(12,494,913)
Net change in deferred revenue	97,400,336	77,879,099
Change in pension liability	10,045,000	347,591,000
Net changes in accounts payable and accruals	<u>238,066,075</u>	<u>176,778,968</u>
Cash used in operating activities	<u>(155,475,132)</u>	<u>(210,935,366)</u>
Investing Activities		
Purchase of property, plant and equipment	(5,891,021)	(35,247,263)
Proceeds from disposal of property, plant and equipment	100,754	1,078,924
Net change in Wastewater Treatment Plants	(4,489,988)	(11,535,902)
Net change in investment properties	(137,510,462)	(450,758,131)
Net change in construction in progress	290,148,384	(943,226,670)
Net change in loans receivable	<u>17,853,554</u>	<u>44,092,965</u>
Cash provided by/(used in) investing activities	<u>160,211,221</u>	<u>(1,395,596,077)</u>
Financing Activities		
Increase in Government Grants	268,157,779	392,718,506
Increase in bonds payable	1,983,754	1,972,907
Repayment of interest-bearing loans and borrowings	(84,830,417)	(41,292,187)
Proceeds from issue of interest-bearing loans and borrowings	<u>6,120,000</u>	<u>300,000,000</u>
Cash provided by financing activities	<u>191,431,116</u>	<u>653,399,226</u>
Net change in cash and cash equivalents	196,167,205	(953,132,217)
Cash and cash equivalents, beginning of year	<u>(494,975,741)</u>	<u>458,156,476</u>
Cash and cash equivalents, end of year	<u>(298,808,536)</u>	<u>(494,975,741)</u>
Represented by:		
Cash in hand and at bank	128,709,134	31,638,867
Bank overdraft	<u>(427,517,670)</u>	<u>(526,614,608)</u>
	<u>(298,808,536)</u>	<u>(494,975,741)</u>

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

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

1. Incorporation and Principal Activities:

The Trinidad and Tobago Housing Development Corporation (the "Corporation") was established by Act of Parliament No. 24 of 2005 (the "HDC Act"). The Corporation assumed the operation of the National Housing Authority (the "Authority") which was incorporated by Act of Parliament No. 3 of 1962. The Corporation operates as an agency of the Ministry of Housing and Urban Development.

The principal activities of the Corporation include:

- The provision of secured and unsecured housing loans.
- The development of low-cost housing for sale and/or rental.
- The maintenance of low-cost housing retained for rental.

2. Significant Accounting Policies:

(a) **Basis of financial statements preparation -**

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations issued and adopted by the International Accounting Standards Board. These financial statements are stated on the historical cost basis, except for the measurement at fair value of available-for-sale investments and certain other financial instruments. No account has been taken for the effects of inflation.

(b) **Functional and reporting currency -**

The financial statements are presented in Trinidad and Tobago dollars which is the Corporation's functional currency.

(c) **Use of estimates and judgements -**

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Corporation's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. See **Note 3**.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

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

(d) **New Accounting Standards and Interpretations -**

The Corporation has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective or are effective but do not apply to the activities of the Corporation, do not have a material impact on its financial statements or have not been early adopted:

Effective for accounting periods beginning on or after 1 January 2015

IFRS 7 Financial Instruments: Disclosures - Mandatory effective date and transition disclosures

Effective for accounting periods beginning on or after 1 January 2016

IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations - Amendments regarding changes in methods of disposal

IFRS 7 Financial Instruments: Disclosures - Servicing contracts and applicability to condense interim financial statements

IFRS 10 Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture

IFRS 10 Consolidated Financial Statements - Amendments regarding the application of consolidation exception

IFRS 11 Joint Arrangements - Amendments regarding the accounting for acquisitions of an interest in a joint operation

IFRS 12 Disclosure of Interest in Other Entities - Amendments regarding the application of consolidation exception

IFRS 14 Regulatory Deferral Accounts

IAS 1 Presentation of Financial Statements - Amendments resulting from disclosure initiative

IAS 16 Property, Plant and Equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortisation

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

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

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

IAS 19 Employee Benefits: Disclosures - Amendments regarding discount rate: regional market issue

IAS 27 Separate Financial Statements - Amendments reinstalling the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements

IAS 28 Investment in Associates - Amendments regarding the sale or contribution of assets between investor and its associate or joint venture

IAS 28 Investment in Associates - Amendments regarding the application of consolidation exception

IAS 34 Interim Financial Reporting - Amendments regarding disclosure of information "elsewhere in the interim financial report"

IAS 38 Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation

IAS 41 Agriculture - Amendments bringing bearer plants into the scope of IAS 16

Effective for accounting periods beginning on or after 1 January 2017

IFRS 15 Revenue from Contracts with Customers

IAS 7 Statement of Cash Flows - Amendments resulting from disclosure initiative

IAS 12 Income Taxes - Amendments resulting from recognition of deferred tax assets for unrealised losses

Effective for accounting periods beginning on or after 1 January 2018

IFRS 9 Financial Instruments Effective for accounting periods beginning on or after 1 January 2019

IFRS 16 Leases

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

2. Significant Accounting Policies (Cont'd):

(e) **Going concern -**

The Corporation is dependent on the Government of the Republic of Trinidad and Tobago (GORTT) to provide guarantees in order for the Corporation to repay existing loan facilities and to obtain new loan facilities. However, these financial statements are prepared on the going concern basis, in accordance with International Accounting Standards (IAS) 1 - Presentation of Financial Statements, since the Board of Directors and Management are of the view that the Corporation can continue to rely on the support of GORTT, as required, in meeting its obligations as they fall due. This support is evidenced by the fact that all of the Corporation's borrowings have been guaranteed by GORTT and are being serviced in full by GORTT. This principal portion of debt service is accounted for as Contributed Capital and the interest portion of the debt service is accounted for as government grants and charged to profit and loss 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 Corporation along with assignment of various housing development projects of GORTT to the Corporation. The Corporation's strategic, corporate and business plans are noted by Cabinet. These plans were prepared by the Corporation's Management and are based on prudent assumptions which are considered realistic and achievable by the Board of Directors.

The ability of the Corporation to continue to operate and to meet its obligations is dependent on the continued support of GORTT 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.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

2. Significant Accounting Policies (Cont'd):

(f) **Property, plant and equipment -**

Buildings held for the Corporation's own use are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Items of property, plant and equipment are stated at cost less accumulated depreciation. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the carrying amount of an item of property, plant and equipment or recognised separately, when it is probable that future economic benefits will flow to the Corporation and the cost of the item of property, plant and equipment can be measured reliably.

Repair and maintenance costs are recognised in the Statement of Comprehensive Income.

Freehold land is not depreciated. Depreciation on all other items of property, plant and equipment is charged to the Statement of Comprehensive Income on a reducing balance basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives are as follows:

Building improvements	-	10%
Office furniture	-	10%
Computer equipment	-	25%
Motor vehicles	-	25%
Plant and equipment	-	25%
Software	-	33%
All other property, plant and equipment	-	12.5%

The residual values and useful lives of items of property, plant and equipment are reviewed and adjusted if appropriate, at each reporting date.

Where the carrying amount of an item of property, plant and equipment is greater than its recoverable amount, it is written down immediately to its recoverable amount.

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

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

2. Significant Accounting Policies (Cont'd):

(g) **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.

(h) **Assets held for transfer -**

There are assets held by the Corporation for which the eventual ownership is intended for another Ministry. The Corporation presents these assets at the lower of cost and net realisable value. Net realisable value is the estimated transfer price determined by the parties as a condition of the Asset Transfer agreement. Wastewater treatment plants are examples of such assets, which will be transferred to the Water and Sewerage Authority (WASA) upon receipt of instructions from the Ministry of Housing and Urban Development. However, before WASA may be approached to adopt these additional facilities, Cabinet approval must first be obtained.

(i) **Investment properties -**

Investment property is property held either to earn rental income with or without the eventual intention of sale and capital appreciation. Investment property is measured at cost less depreciation and impairment losses. Investment properties are depreciated on a straight-line basis at a rate of 2.5% per annum. No market value data was available for the investment properties as at 30 September 2016.

(j) **Inventories -**

The Corporation is engaged in providing housing solutions for low- income-earning and medium-income-earning citizens of the Republic of Trinidad and Tobago. Inventories represent the stock of completed housing solutions that are yet to be transferred to potential homeowners, as well as the stock of those in-progress.

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

(k) **Deferred revenue -**

Deferred revenue represents units allocated and sale agreement issued to customers, but a registered deed has not been issued to the customers. Risk and reward on the housing units are only transferred to the customer when a registered deed is issued, at this time the balances will be recognised as revenue.

(l) **Bonds payable -**

The Corporation's policy is to expense all interest accrued on bonds in the year that it relates to. All bonds are guaranteed by the Government of the Republic of Trinidad and Tobago and are repayable at maturity.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

2. Significant Accounting Policies (Cont'd):

(m) 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 Corporation's Statement of Financial Position when the Corporation becomes a party to the contractual provisions of the instrument.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, that is, the date on which the Corporation 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.

Financial Assets

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.

Impairment of financial assets

The Corporation 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 incurred 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 (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that 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 Corporation 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.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

2. Significant Accounting Policies (Cont'd):

(m) **Financial instruments (cont'd) -**

Financial Assets (cont'd)

Impairment of financial assets (cont'd)

- (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 with individual financial assets in the group, including adverse changes in the payment status of borrowers in the Corporation or national or economic conditions that correlate with defaults on assets in the Corporation.

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

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

o **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 at the date that the impairment is reversed. The amount of the reversal is recognised in the Statement of Comprehensive Income.

o **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.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

2. Significant Accounting Policies (Cont'd):

(m) Financial instruments (cont'd) -

Financial Assets (cont'd)

Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less and are carried at cost, which approximates market value. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call, other short-term highly liquid investments and bank overdrafts.

Accounts receivable

Accounts receivable are initially measured at fair value and subsequently measured at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of Comprehensive Income when there is objective evidence that the asset is impaired.

Rent and other receivables

Rent and other receivables are stated net of any specific provision established to recognise anticipated losses for bad and doubtful debts. Doubtful and bad debts are written off during the year in which they are identified.

Loans and receivables

Loans and receivables are recognised initially at fair value and subsequently measured at amortised less provision for impairment. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve (12) months after the reporting date.

Mortgage loans

Mortgage loans are stated at principal amounts outstanding net of any specific provision established to recognise anticipated losses for bad and doubtful debts. Doubtful and bad debts are written off during the year in which they are identified.

Financial Liabilities

When financial liabilities are recognised initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the liability. Financial liabilities are re-measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognised in the Statement of Comprehensive Income.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

2. Significant Accounting Policies (Cont'd):

(m) **Financial instruments (cont'd) -**

Financial Liabilities (cont'd)

Accounts payable

Accounts payable and accruals are stated at fair value and subsequently measured at amortised cost. Advances received from GORTT where work has not yet been undertaken are reflected as liabilities in the financial statements.

Borrowing

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently at amortised cost. Any difference between proceeds net of transaction costs and the redemption value is recognised in the separate Statement of Comprehensive Income over the period of the borrowings.

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

Borrowing costs incurred for the construction of any qualifying asset are capitalised over the period required to complete the asset and prepare it for its intended use. The total capitalised borrowing cost for the year was \$Nil (2015: \$Nil). Other borrowing costs are expensed.

(n) **Provisions -**

Provisions are recognised when:

- the Corporation 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
- the amount can be reliably estimated. Provisions are not recognised for future operating losses.

For 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 TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

2. Significant Accounting Policies (Cont'd):

(o) **Revenue recognition -**

Revenue is recognised to the extent that:

- it is probable that the economic benefits will flow to the Corporation; and
- the revenue can be reliably measured.

(i) *Sale of houses*

Revenue from the sale of houses is recognised in the Statement of Comprehensive Income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the associated costs or the possible return of the houses.

(ii) *Rental income*

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the rental agreement.

(iii) *Interest income*

Revenue is recognised using the amortised cost method. When a receivable is impaired, the Corporation reduces the carrying amount to its recoverable amount, being the estimated amortised cost net of loss allowance.

(iv) *Government grants*

Operating

Unconditional grants that relate to the ongoing operations of the Corporation are made by the Government of the Republic of Trinidad and Tobago (GORTT) to compensate the Corporation for expenses incurred. These grants are recognised in the Statement of Comprehensive Income on a systematic basis in the same periods in which the expenses are recognised.

Other grants are recognised initially as deferred income when there is reasonable assurance that they will be received, and that the Corporation will comply with the conditions associated with the grant. These are recognised in the Statement of Comprehensive Income when the related expense is incurred.

Capital

These grants compensate the Corporation for the cost of an asset, and are recognised in the Statement of Comprehensive Income on a systematic basis over the useful life of the asset.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

2. Significant Accounting Policies (Cont'd):

(p) Expenses -

(i) *Operating lease payments*

Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Income as an integral part of the total lease expense.

(ii) *Net financing costs*

Net financing costs comprise the following:

- interest payable on borrowings, calculated using the effective interest rate method; and
- foreign exchange gains and losses that are recognised in the Statement of Comprehensive Income.

(q) **Foreign currency transactions -**

Transactions in foreign currencies are translated to the functional currency of the Corporation at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate prevailing at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Monetary assets and liabilities denominated in foreign currencies (if any) are translated to the functional currency at the historic rate. Income and expenses denominated in foreign currencies are translated to the functional currency using the average rate at the date of the transactions.

(r) **Impairment -**

The carrying amounts of the Corporation's assets are reviewed at each reporting date to determine whether there is any indication of impairment. 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. If there is an indication of impairment, the asset's recoverable amount is estimated.

The recoverable amount is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. For assets that are subject to depreciation and/or amortisation, the recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

2. **Significant Accounting Policies (Cont'd):**

(r) **Impairment (cont'd) -**

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, and is valued at the amount by which the asset amount exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(s) **Leases -**

The determination of whether an arrangement is or contains a lease is made at the inception date, and is based on the substance of the arrangement.

Finance leases are those which transfer substantially all the risks and benefits incidental to ownership of the leased item to the lessee. Such leases are capitalised at the inception of the lease at the fair value of the leased assets, or if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability, so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the Statement of Comprehensive Income.

Finance leased assets are capitalised and depreciated over the shorter of the estimated useful life of the asset or the lease term

Operating leases are those which do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the lessee. Operating lease payments are recognised as expenses in the Statement of Comprehensive Income on a straight-line basis over the lease term.

(t) **Income tax -**

The Corporation, by way of section 42 (2) (c) of the Income Tax Act, is not subject to income tax.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

2. Significant Accounting Policies (Cont'd):

(u) Employee benefits -

(i) *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Corporation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) *Share-based payment arrangements*

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of SARs, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the liability are recognised in profit or loss.

(iii) *Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iv) *Defined benefit plans*

The Corporation's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Corporation, the recognised asset is limited to the present value of economic benefits available in the form of future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

2. Significant Accounting Policies (Cont'd):

(u) **Employee benefits (cont'd)-**

(iv) *Defined benefit plans (cont'd)*

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. The Corporation determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Corporation recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(v) *Other long-term employee benefits*

The Corporation's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

(vi) *Termination benefits*

Termination benefits are expensed at the earlier of when the Corporation can no longer withdraw the offer of those benefits and when the Corporation recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

2. **Significant Accounting Policies (Cont'd):**

(v) **Related parties -**

A party is related to the Corporation, if:

- (i) Directly or indirectly through one or more intermediaries, the party:
 - is controlled by, or is under common control with, the Corporation (this includes parents, subsidiaries and fellow subsidiaries);
 - has a direct or indirect interest in the Corporation that gives it significant influence;
 - or
 - has joint control over the Corporation;
- (ii) the party is an associate of the Corporation;
- (iii) the party is a joint venture in which the Corporation is a venturer;
- (iv) the party is a member of the key management personnel of the Corporation 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 Corporation, or of any entity that is a related party of the Corporation.

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

The Corporation has a related party relationship with its Directors and Key Management personnel, representing certain senior officers of the Corporation, its parent company and all their affiliates. GORTT is not considered a related party.

(w) **Operating segments -**

The Corporation is considered to have one operating segment for reporting purposes. All departments are set up to enable the Corporation to provide subsidised housing solutions to citizens of Trinidad and Tobago. These departments do not offer different products and services, and are not managed separately or require different technology and marketing strategies.

(x) **Comparative information -**

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

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

3. Critical Accounting Estimates and Judgments:

The Corporation 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) *Net realisable value of inventories*

In assessing the net realisable values of inventories, the selling price approved for use by the Corporation is utilised. While this price may be significantly less than what the Corporation could have received if the unit was sold in the market, the approved selling price less selling cost is the net realisable value of these units to the Corporation.

(ii) *Impairment of loans and receivables*

Annually, the Corporation assesses whether its receivable balances due are impaired in accordance with the accounting policy stated in **Note 2(r)**. Loans and receivables are measured at amortised cost net of provision for doubtful debt.

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

GORTT has guaranteed certain loans on behalf of the Corporation and meets the principal and interest payments due on these loans on behalf of the Corporation. These loans are utilised by the Corporation to fund housing developments and the principal and interest payments are applied towards borrowings for the Corporations housing developments.

There is no formal agreement between GORTT and the Corporation for the treatment of the loan repayments. However, the payments are treated in accordance IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance. Principal payments are treated as capital contributions by GORTT and interest payments are offset against the interest expense in the Statement of Comprehensive Income.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

4. Financial Risk Management:

Financial risk factors

The Corporation's activities expose it to currency risk, interest rate risk, liquidity risk, credit risk, operational risk, compliance risk and reputation risk. The Corporation's risk management policies and procedures which seek to minimise the potential adverse effects of these financial risks on the Corporation's financial performance are as follows:

(a) **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 Corporation enters into a foreign currency contract, its exposure to currency risk is managed through the use of its available foreign currency cash resources and the sourcing of financing for its projects in the relevant foreign currency.

The Corporation is not exposed to significant currency risk as its assets and liabilities (including the Corporation's borrowings) are not denominated in foreign currencies.

(b) **Interest Rate Risk -**

The Corporation 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 value 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 Corporation's interest rate risk arises from long-term debt obligations. Borrowings issued at floating rates expose the Corporation to cash flow interest rate risk. Borrowings issued at fixed rates expose the Corporation to fair value interest rate risk.

As at the reporting date, 100% per cent of the Corporation's long-term borrowings are fixed rate instruments. During 2016 and 2015, the Corporation's borrowings were denominated in the functional currency.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

4. Financial Risk Management (Cont'd):

Financial risk factors (cont'd)

(b) Interest Rate Risk (cont'd) -

The Corporation manages its interest rate risk through the entering into fixed rate borrowing arrangements.

The carrying amounts and amortised cost of borrowings are as follows:

	2016	
	<u>Carrying Value</u>	<u>Amortised Cost</u>
	(\$)	(\$)
Fixed rate instruments:		
- Bonds payable	2,539,373,487	2,539,373,487
- Interest-bearing loans and Borrowings	1,829,997,396	1,829,997,396
	2015	
	<u>Carrying Value</u>	<u>Amortised Cost</u>
	(\$)	(\$)
Fixed rate instruments:		
- Bonds payable	2,537,389,733	2,537,389,733
- Interest-bearing loans and borrowings	1,908,707,813	1,908,707,813

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

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

4. Financial Risk Management (Cont'd):

(c) Liquidity Risk -

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

Liquidity risk management

The Corporation's main financial liabilities are its trade payables and borrowings. The Corporation monitors the expected repayment of these liabilities against its available cash resources and the expected timing of its cash inflows, as well as coordinate with GORTT to ensure guaranteed payments are made as they fall due.

The Corporation's trade payables comprise mainly of project payables. The Corporation finances these projects mainly through debt facilities. Exposure to liquidity risk is minimised as project payables are managed by ensuring the timing of drawdowns on these facilities coincides with the settlement terms on project payables.

The exposure to liquidity risk on its debt facilities is mitigated mainly through GORTT making timely repayments on debt facilities on behalf of the Corporation.

The table below summarises the Corporation's exposure to liquidity risk based on the contracted undiscounted cash flows on the instruments:

	Carrying Amount \$	Contractual Cash Flow \$	Less than 1 year \$	More than 1 year but less than 5 years \$	More than 5 years \$
As at 30 September 2016					
Bonds payable	2,539,373,487	4,406,046,130	210,324,486	800,697,432	3,395,024,212
Interest-bearing loans and borrowings	1,829,997,396	2,027,132,550	438,786,615	1,351,011,230	237,334,705
Accounts payable and accruals	1,483,398,143	1,483,398,143	1,483,398,143	-	-
Bank overdraft	427,517,670	427,517,670	427,517,670	-	-
As at 30 September 2015					
Bonds payable	2,537,389,733	4,616,722,260	210,676,131	841,890,616	3,564,155,513
Interest-bearing loans and borrowings	1,908,707,813	2,126,551,924	99,419,373	1,411,625,805	615,506,746
Accounts payable and accruals	1,245,332,068	1,245,332,068	1,245,332,068	-	-
Bank overdraft	526,614,608	526,614,608	526,614,608	-	-

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

4. Financial Risk Management (Cont'd):

(d) Credit risk -

Credit risk is the potential for loss due to the failure of a counter-party to meet its financial obligations. The Corporation's credit risk arises from cash and cash equivalents, 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 Corporation undertakes housing development work based on directives/instructions received from GORTT. These housing developments are owned by the Corporation and are sold as housing solutions to the citizens of the Republic of Trinidad and Tobago. The Corporation currently does not execute housing development work on behalf of third parties. Receivable balances for housing development work included in the separate financial statements relate to amounts due to the Corporation by GORTT and Government agencies.

The Corporation's customers are its mortgage holders and Licence to Occupy (LTO) and Rent to Own (RTO) customers. These persons are usually lower and medium income earners.

The Corporation also makes advance payments to contractors which are reflected as a receivable balance in the 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.

Analysis of financial assets that are exposed to credit risk:

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
LTO/RTO receivable	5,101,280	8,315,052
Mortgage receivables	42,350,769	58,930,123
Rent receivable	2,957,249	3,324,386
Cash in hand and at bank	<u>128,709,134</u>	<u>31,638,867</u>
	<u>179,118,432</u>	<u>102,208,428</u>
 <i>The analysis of the LTO/RTO balance is as follows:</i>		
LTO Receivables	58,868,211	62,555,564
Less: Provision for impairment	<u>(53,874,943)</u>	<u>(54,275,434)</u>
LTO Receivables - net	<u>4,993,268</u>	<u>8,280,130</u>
 RTO Receivables	 880,903	 603,437
Less: Provision for impairment	<u>(772,891)</u>	<u>(568,515)</u>
RTO Receivables - net	<u>108,012</u>	<u>34,922</u>
LTO/RTO receivable - net	<u>5,101,280</u>	<u>8,315,052</u>

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

4. Financial Risk Management (Cont'd):

(d) Credit risk (cont'd) -

Analysis of financial assets that are exposed to credit risk (cont'd):

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
<i>Analysis of mortgage receivable is as follows:</i>		
Mortgage receivables – gross	215,132,303	232,985,857
Less: Provision for impairment	<u>(172,781,534)</u>	<u>(174,055,734)</u>
Mortgage receivables – net	<u>42,350,769</u>	<u>58,930,123</u>
<i>Analysis of rent receivable is as follows:</i>		
Rent Receivables	35,325,580	39,701,400
Less: Provision for impairment	<u>(32,368,331)</u>	<u>(36,377,014)</u>
Rent Receivables – net	<u>2,957,249</u>	<u>3,324,386</u>
<i>Analysis of impairment is as follows:</i>		
Mortgage receivables	172,781,534	174,055,734
LTO receivables	53,874,943	54,275,434
RTO receivables	772,891	568,515
Rent receivables	<u>32,368,331</u>	<u>36,377,014</u>
	<u>259,797,699</u>	<u>265,276,697</u>
<i>The movement in impairment is as follows:</i>		
At beginning of year	265,276,697	178,389,162
(Reduction)/addition in provision recognised	<u>(5,478,998)</u>	<u>86,887,535</u>
	<u>259,797,699</u>	<u>265,276,697</u>

The Corporation'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 TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

4. Financial Risk Management (Cont'd):

(e) Operational risk -

Operational risk is the risk derived from deficiencies relating to the Corporation's information technology and control systems, as well as the risk of human error and natural disasters. The Corporation's systems are evaluated, maintained and upgraded continuously.

(f) Compliance risk -

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the monitoring controls applied by the Corporation.

(g) Reputation risk -

The risk of loss of reputation arising from the negative publicity relating to the Corporation's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Corporation. The Corporation's support to the public minimises this risk.

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 Corporation monitors capital using a gearing ratio, which is debt divided by equity plus debt. Debt is calculated as total liabilities and equity includes both accumulated deficit and contributed capital.

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

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Non-Current Liabilities	4,583,953,382	4,807,753,562
Current Liabilities	<u>2,597,856,084</u>	<u>2,204,368,094</u>
Total debt	<u>7,181,809,466</u>	<u>7,012,121,656</u>
Contributed capital	11,485,148,530	11,216,990,751
Accumulated deficit	<u>(7,078,652,302)</u>	<u>(6,256,003,646)</u>
Total capital	<u>4,406,496,228</u>	<u>4,960,987,105</u>
Capital and net debt	<u>11,588,305,694</u>	<u>11,973,108,761</u>
Gearing ratio	62%	59%

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

5. Property, Plant and Equipment:

	Building Improvement \$	Plant & Equipment \$	Furniture & Fixtures \$	Computer Equipment \$	Office Equipment \$	Software \$	Motor Vehicles \$	Capital Work-in- Progress \$	Total \$
Cost/Valuation									
Balance, 1 October 2015	27,099,549	2,549,294	11,159,632	14,257,651	36,841,058	14,708,840	3,918,110	10,431,411	120,965,545
Additions	2,270,857	-	227,188	463,616	774,927	2,108,039	-	46,394	5,891,021
Disposals	-	-	-	(35,508)	(83,347)	-	-	-	(118,855)
Balance, 30 September 2016	<u>29,370,406</u>	<u>2,549,294</u>	<u>11,386,820</u>	<u>14,685,759</u>	<u>37,532,638</u>	<u>16,816,879</u>	<u>3,918,110</u>	<u>10,477,805</u>	<u>126,737,711</u>
Accumulated Depreciation									
Balance, 1 October 2015	2,370,457	2,509,695	2,769,754	7,182,758	14,267,116	6,256,516	929,685	-	36,285,981
Charge for the year	2,616,869	9,900	860,324	1,876,261	5,049,469	3,181,019	747,106	-	14,340,948
Disposals	-	-	-	(15,679)	(10,923)	-	-	-	(26,602)
Balance, 30 September 2016	<u>4,987,326</u>	<u>2,519,595</u>	<u>3,630,078</u>	<u>9,043,340</u>	<u>19,305,662</u>	<u>9,437,535</u>	<u>1,676,791</u>	<u>-</u>	<u>50,600,327</u>
Net Book Value									
Balance, 30 September 2016	<u><u>24,383,080</u></u>	<u><u>29,699</u></u>	<u><u>7,756,742</u></u>	<u><u>5,642,419</u></u>	<u><u>18,226,976</u></u>	<u><u>7,379,344</u></u>	<u><u>2,241,319</u></u>	<u><u>10,477,805</u></u>	<u><u>76,137,384</u></u>
Balance, 30 September 2015	<u><u>24,729,092</u></u>	<u><u>39,599</u></u>	<u><u>8,389,878</u></u>	<u><u>7,074,893</u></u>	<u><u>22,573,942</u></u>	<u><u>8,452,324</u></u>	<u><u>2,988,425</u></u>	<u><u>10,431,411</u></u>	<u><u>84,679,564</u></u>

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

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

Cost/Valuation	Building Improvement \$	Plant & Equipment \$	Furniture & Fixtures \$	Computer Equipment \$	Office Equipment \$	Software \$	Motor Vehicles \$	Capital Work-in- Progress \$	Total \$
Balance, 1 October 2014	19,802,717	2,549,294	9,684,679	9,912,440	34,470,082	8,541,022	3,640,896	-	88,601,130
Additions	7,296,832	-	1,474,953	4,345,211	2,370,976	6,167,818	3,160,062	10,431,411	35,247,263
Disposals	-	-	-	-	-	-	(2,882,848)	-	(2,882,848)
Balance, 30 September 2015	<u>27,099,549</u>	<u>2,549,294</u>	<u>11,159,632</u>	<u>14,257,651</u>	<u>36,841,058</u>	<u>14,708,840</u>	<u>3,918,110</u>	<u>10,431,411</u>	<u>120,965,545</u>
Accumulated Depreciation									
Balance, 1 October 2014	-	2,496,497	1,914,857	5,940,630	9,473,521	3,417,157	3,409,449	-	26,652,111
Charge for the year	2,370,457	13,198	854,897	1,242,128	4,793,595	2,839,359	266,435	-	12,380,069
Disposals	-	-	-	-	-	-	(2,746,199)	-	(2,746,199)
Balance, 30 September 2015	<u>2,370,457</u>	<u>2,509,695</u>	<u>2,769,754</u>	<u>7,182,758</u>	<u>14,267,116</u>	<u>6,256,516</u>	<u>929,685</u>	-	<u>36,285,981</u>
Net Book Value									
Balance, 30 September 2015	<u>24,729,092</u>	<u>39,599</u>	<u>8,389,878</u>	<u>7,074,893</u>	<u>22,573,942</u>	<u>8,452,324</u>	<u>2,988,425</u>	<u>10,431,411</u>	<u>84,679,564</u>
Balance, 30 September 2014	<u>19,802,717</u>	<u>52,797</u>	<u>7,769,822</u>	<u>3,971,810</u>	<u>24,996,561</u>	<u>5,123,865</u>	<u>231,447</u>	-	<u>61,949,019</u>

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

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6. Assets Held for Transfer:

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Balance as at beginning of year	158,311,989	146,776,087
Additions	4,489,988	13,144,715
Transfer to WASA	<u>-</u>	<u>(1,608,813)</u>
Balance as at end of year	<u>162,801,977</u>	<u>158,311,989</u>

This represents the Wastewater Treatment Plants (WWTP) that will be transferred to WASA subsequently.

7. Investment Properties:

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Cost		
Balance, 1 October	3,256,216,052	2,805,457,921
Transfer from inventories	<u>137,510,462</u>	<u>450,758,131</u>
Balance, 30 September	<u>3,393,726,514</u>	<u>3,256,216,052</u>
Accumulated Depreciation		
Balance, 1 October	352,595,177	271,189,776
Charge for the year	<u>84,843,162</u>	<u>81,405,401</u>
Balance, 30 September	<u>437,438,339</u>	<u>352,595,177</u>
Net Book Value		
Balance, 30 September	<u>2,956,288,175</u>	<u>2,903,620,875</u>
Rental Income (Note 21)	<u>51,579,851</u>	<u>48,009,301</u>

Details of the Investment Properties are disclosed in Note 31.

All property rental income was earned from the Corporation's investment properties under rental agreements.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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8. Loans Receivable:

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Mortgage loans	215,132,303	232,985,857
Less: Impairment allowance	<u>(172,781,534)</u>	<u>(174,055,734)</u>
	<u><u>42,350,769</u></u>	<u><u>58,930,123</u></u>

The movement in impairment is as follows:

At beginning of year	174,055,734	149,980,965
Addition in provision recognised	<u>(1,274,200)</u>	<u>24,074,769</u>
	<u><u>172,781,534</u></u>	<u><u>174,055,734</u></u>

9. Inventories:

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Opening balance	8,661,664,020	8,591,904,726
Additions: Housing	<u>274,341,759</u>	<u>1,497,066,466</u>
	8,936,005,779	10,088,971,192
Transferred to investment property	(137,510,462)	(450,758,131)
Transferred to Asset Held for Transfer (WWTP)	(4,489,988)	(13,144,715)
Inventory (reversal/write-off)	(254,453,683)	(873,467,376)
Cost of sales	<u>(422,489,693)</u>	<u>(89,936,950)</u>
	<u><u>8,117,061,953</u></u>	<u><u>8,661,664,020</u></u>

The Corporation's inventory balances represent the value of work done by contractors at the different developments. The balance was arrived at by compiling all approved payment certificates submitted by contractors during construction. Construction and other expenditure relating to such developments remain in inventory until the units are allocated to customers.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

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10. Rent and Other Receivables:

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Rent receivables	35,325,580	39,701,400
LTO receivable	58,868,211	62,555,564
RTO receivable	880,903	603,437
Allowance for impairment	<u>(87,016,164)</u>	<u>(91,220,963)</u>
	8,058,530	11,639,438
Public Sector Investment Programme (PSIP)	2,959,583	4,986,016
Receivables – sale of houses	13,007,249	13,377,541
Receivables - Hoop of life	-	323,244
TTMF receivables	381,907	-
Advances to contractors	24,271,950	24,271,950
Other receivables	<u>56,277,083</u>	<u>19,665,134</u>
	<u>104,956,302</u>	<u>74,263,323</u>

The movement in impairment is as follows:

At beginning of year	91,220,963	28,408,197
Credit/charge for the year	<u>(4,204,799)</u>	<u>62,812,766</u>
	<u>87,016,164</u>	<u>91,220,963</u>

11. Cash in Hand and at Bank:

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Treasury special deposits	24,408,320	24,408,320
Bank balances	104,280,942	7,211,430
Cash in hand	8,193	8,193
Float clearing	<u>11,679</u>	<u>10,924</u>
	<u>128,709,134</u>	<u>31,638,867</u>

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

11. Cash in Hand and at Bank (Cont'd):

The Treasury Special Deposits are funds deposited into several deposit accounts at the Treasury Division of the Central Bank of Trinidad and Tobago (CBTT). The accounts are listed below:

Account Number	Name of Account	30 September	
		<u>2016</u> (\$)	<u>2015</u> (\$)
111-85	Permanent Secretary Ministry of Housing	622,818	622,818
111-144	NHA Wardens deposit	1,628,756	1,628,756
111-560	Ministry of Housing and Settlement Disbursements	32,721	32,721
111-535	National Housing Authority	4,990	4,990
229-070-008	Housing	10,753	10,753
111-564	Credit account for NHA payment offset by Public Sector Employees	<u>22,108,282</u>	<u>22,108,282</u>
		<u>24,408,320</u>	<u>24,408,320</u>

12. Contributed Capital:

	30 September	
	<u>2016</u> (\$)	<u>2015</u> (\$)
Capital grant	318,267,124	233,436,706
Long-term development projects	<u>11,166,881,406</u>	<u>10,983,554,045</u>
	<u>11,485,148,530</u>	<u>11,216,990,751</u>

13. Deferred Revenue:

	30 September	
	<u>2016</u> (\$)	<u>2015</u> (\$)
Sale of houses	543,861,066	446,460,730
Sale of land	<u>25,704</u>	<u>25,704</u>
	<u>543,886,770</u>	<u>446,486,434</u>

This represent unit allocated and sale agreement issued to customers, but a registered deed has not been issued to the customers. Risk and reward on the housing units are only transferred to the customer when a registered deed is issued, at this time the balances will be recognised as revenue.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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14. Bonds Payable:

This represents balances on fixed rate bonds issued by the CBTT:

	30 September <u>2016</u>		30 September <u>2015</u>	
	Rate (%)	Value (\$)	Rate (%)	Value (\$)
CBTT \$306M Fixed Rate Bond	7.00	300,968,409	7.00	300,630,507
CBTT \$600M Fixed Rate Bond	7.75	568,341,580	7.75	567,344,128
CBTT \$700M Fixed Rate Bond	8.70	700,000,000	8.70	700,000,000
CBTT \$500M Fixed Rate Bond	8.25	500,000,000	8.25	500,000,000
CBTT \$475M Fixed Rate Bond	8.50	<u>470,063,498</u>	8.50	<u>469,415,098</u>
		<u>2,539,373,487</u>		<u>2,537,389,733</u>

Interest is payable semi-annually on all the bonds and the maturities of the bonds are as follows:

CBTT \$306M Fixed Rate Bond	– 23 August 2025
CBTT \$600M Fixed Rate Bond	– 12 December 2030
CBTT \$700M Fixed Rate Bond	– 19 September 2023
CBTT \$500M Fixed Rate Bond	– 17 February 2024
CBTT \$475M Fixed Rate Bond	– 10 October 2021

15. Interest Bearing Loans and Borrowings:

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Loan from First Citizens Bank Limited for TT\$450 million (a)	323,877,396	408,707,813
Bridging loan from ANSA Merchant Bank for \$1.5 billion (b)	<u>1,506,120,000</u>	<u>1,500,000,000</u>
	<u>1,829,997,396</u>	<u>1,908,707,813</u>

Maturity of borrowings:

Not later than one year	329,304,271	84,830,418
More than one year	<u>1,500,693,125</u>	<u>1,823,877,395</u>
	<u>1,829,997,396</u>	<u>1,908,707,813</u>

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

15. Significant Accounting Policies (Cont'd):

- (a) This loan bears interest at 5.75% per annum. The principal will become payable at maturity and interest is payable semi-annually. The loan is secured by Deed of Guarantee dated 2 November 2004 from the GORTT for **\$450 million** and the maturity date was extended and set to mature on 31 January 2020.
- (b) This loan is currently **\$1.5 billion** and bears interest at a fixed rate of 1.75% per annum. The principal will become payable on 25 October 2014. The loan is secured by Letter of Guarantee from the GORTT dated 25 April 2014. This loan was extended and set to mature in May 2022.

16. Accounts Payable and Accruals:

	30 September	
	<u>2016</u> (\$)	<u>2015</u> (\$)
RTO and LTO prepayments	60,171,068	30,337,567
RTO deposits	6,325,527	5,726,701
Deposits on houses	162,247,718	173,755,894
Deposits – Hanover project	10,091,730	10,091,730
License to occupy deposits	451,747,671	415,994,602
Security deposits	225,689	190,622
THA payables	17,021,880	12,185,195
Accounts payable and accrued liabilities	<u>775,566,860</u>	<u>597,049,757</u>
	<u>1,483,398,143</u>	<u>1,245,332,068</u>

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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17. Pension Liability:

This relates to pension liability estimate for services from 1 October 2007 up to the establishment of the Plan on 1 January 2016 and services rendered thereafter.

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Net Liability in the Statement of Financial Position		
i) Monthly paid plan	145,075,000	133,182,000
ii) Daily rated plan	<u>212,561,000</u>	<u>214,409,000</u>
	<u>357,636,000</u>	<u>347,591,000</u>
 i) Monthly Paid Plan		
Net Liability in the Statement of Financial Position		
Present Value of Defined Benefit Obligation	145,075,000	133,182,000
Fair value of Plan Assets	-	-
Deficit	<u>145,075,000</u>	<u>133,182,000</u>
Effect of Asset Ceiling	-	-
Net Defined Benefit Liability	<u>145,075,000</u>	<u>133,182,000</u>
 a) Movement in Present Value of Defined Benefit Obligation		
Defined Benefit Obligation at start of year	133,182,000	-
Current service cost	5,887,000	5,546,000
Past service cost	-	121,428,000
Interest cost	6,804,000	6,208,000
<i>Re-measurements:</i>		
Experience adjustments	8,370,000	-
Actuarial gains from changes in financial assumptions	<u>(9,168,000)</u>	<u>-</u>
Defined Benefit Obligation at end of year	<u>145,075,000</u>	<u>133,182,000</u>
 b) Movement in Fair Value of Plan Assets		
Company's contributions paid	334,000	315,000
Expense Allowance	<u>(334,000)</u>	<u>(315,000)</u>
Fair Value of Plan Assets at end of year	<u><u>-</u></u>	<u><u>-</u></u>

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

17. Pension Liability (Cont'd):

i) Monthly Paid Plan (cont'd)

c) Expense Recognised in Profit or Loss

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Current service cost	5,887,000	5,546,000
Past service cost	-	121,428,000
Net interest on Net defined Benefit Liability	6,804,000	6,208,000
Administrative Expenses	<u>334,000</u>	<u>315,000</u>
Net Pension Cost	<u><u>13,025,000</u></u>	<u><u>133,497,000</u></u>
d) Re-measurements recognized in Other Comprehensive Income		
Experience (gains)/losses	(798,000)	-
Effect of Asset Ceiling	<u>-</u>	<u>-</u>
Total amount recognized in Other Comprehensive Income	<u><u>(798,000)</u></u>	<u><u>-</u></u>
e) Total amount recognized in Other Comprehensive Income		
Opening Defined Benefit Liability/(Asset)	133,182,000	-
Net Pension Cost	13,025,000	133,497,000
Re-measurements recognised in Other Comprehensive Income	(798,000)	-
Company Contributions Paid	<u>(334,000)</u>	<u>(315,000)</u>
Closing Defined Benefit Liability	<u><u>145,075,000</u></u>	<u><u>133,182,000</u></u>
f) Summary of Principal Assumptions		
	%	%
Discount rate	5.5 pa	5.5 pa
Average individual salary increases	5.0 pa	5.0 pa
Future pension increases	-	-

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

17. Pension Liability (Cont'd):

i) Monthly Paid Plan (cont'd)

g) Sensitivity Analysis

The calculation of the defined benefit obligation is sensitive to the assumptions used. The following table summarises how the defined benefit obligation as at 30 September 2016 would have changed as a result of a change in the assumptions used.

	<u>1% higher</u> (\$)	<u>1% lower</u> (\$)
Discount rate	(15,521,000)	19,162,000
Future salary increases	8,892,000	(7,765,000)

An increase of one (1) year in the assumed life expectancies shown above would increase the defined benefit obligation at 30 September 2016 by **\$2.187 million**. These sensitivities were calculated by re-calculating the defined obligations using the revised assumptions.

ii) Daily Rated Plan

Net Liability in the Statement of Financial Position

	30 September	
	<u>2016</u> (\$)	<u>2015</u> (\$)
Present Value of Defined Benefit Obligation	226,679,000	231,970,000
Fair value of Plan Assets	(14,118,000)	(17,561,000)
Deficit	212,561,000	214,409,000
Effect of Asset Ceiling	-	-
Net defined benefit Liability	212,561,000	214,409,000

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NOTES TO THE FINANCIAL STATEMENTS

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17. Pension Liability (Cont'd):

ii) Daily Rated Plan (cont'd)

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
a) Movement in Present Value of Defined Benefit Obligation		
Defined Benefit Obligation at start of year	231,970,000	-
Current service cost	6,423,000	7,383,000
Past service cost	-	228,508,000
Interest Cost	11,480,000	11,202,000
<i>Re-measurements:</i>		
Experience adjustments	814,000	1,316,000
Actuarial gains from changes in financial assumptions	(12,771,000)	-
Benefits paid	<u>(11,237,000)</u>	<u>(16,439,000)</u>
Defined benefit obligation at end of year	<u>226,679,000</u>	<u>231,970,000</u>
b) Movement in Fair Value of Plan Assets		
Fair Value of Plan Assets at start of year	17,561,000	-
Interest income	791,000	434,000
Return on Plan assets, excluding interest income	(729,000)	(434,000)
Company Contributions	8,250,000	34,595,000
Benefits Paid	(11,237,000)	(16,439,000)
Expense Allowance	<u>(518,000)</u>	<u>(595,000)</u>
Fair Value of Plan Assets at end of year	<u>14,118,000</u>	<u>17,561,000</u>
Actual Return on plan assets	<u>0.062</u>	<u>-</u>

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

17. Pension Liability (Cont'd):

ii) Daily Rated Plan (cont'd)

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
c) Asset Allocation		
Cash and cash equivalents	<u>14,118,000</u>	<u>17,561,000</u>
d) Expense Recognised in Profit or Loss		
Current Service Cost	6,423,000	7,383,000
Past Service Cost	-	228,508,000
Net Interest on Net Defined Benefit Liability	10,689,000	10,768,000
Administrative expenses	<u>518,000</u>	<u>595,000</u>
Net Pension Cost	<u>17,630,000</u>	<u>247,254,000</u>
e) Re-measurement recognized in Other Comprehensive Income		
Experience (gains)/losses	(11,228,000)	1,750,000
Effect of Asset Ceiling	<u>-</u>	<u>-</u>
Total amount recognized in Other Comprehensive Income	<u>(11,228,000)</u>	<u>1,750,000</u>
f) Re-measurement recognized in Other Comprehensive Income		
Opening Defined Benefit Liability/(Asset)	214,409,000	-
Net Pension Cost	17,630,000	247,254,000
Re-measurements recognised	(11,228,000)	1,750,000
Company Contributions Paid	<u>(8,250,000)</u>	<u>(34,595,000)</u>
Closing Defined Benefit Liability	<u>212,561,000</u>	<u>214,409,000</u>

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

17. Pension Liability (Cont'd):

ii) Daily Rated Plan (cont'd)

g) Summary of Principal Assumptions as at 30 September

	<u>2016</u>	<u>2015</u>
	%	%
Discount rate	5.5 pa	5.0 pa
Average individual salary increases	4.0 pa	4.0 pa
Future pension increases	-	-

h) Sensitivity Analysis

The calculation of the defined benefit obligation is sensitive to the assumptions used. The following table summarises how the defined benefit obligation as at 30 September 2016 would have changed as a result of a change in the assumptions used.

	<u>1% higher</u>	<u>1% lower</u>
	(\$)	(\$)
(a) <i>Key management compensation</i>		
Discount rate	(22,054,000)	26,924,000
Future salary increases	9,191,000	(7,979,000)

An increase of one (1) year in the assumed life expectancies shown above would increase the defined benefit obligation at 30 September 2016 by **\$4.266 million**. These sensitivities were calculated by re-calculating the defined obligations using the revised assumptions.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

18. Bank Overdraft:

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Republic Bank Limited	<u>427,517,670</u>	<u>526,614,608</u>

This balance represents an overdraft facility taken with Republic Bank Limited. The limit has been set at \$120 Million at an interest rate of 4% per annum.

19. Contingent Liabilities:

In accordance with the provision of the National Housing Authority Regulations 1969, the National Housing Authority, acted as guarantor to certain approved institutions including the Trinidad and Tobago Mortgage Finance Company in connection with the provision of the approved mortgages.

The National Housing Authority charged a fee of \$3.00 for every \$1,000 or part thereof of the approved mortgage loan which sums is credited to the Mortgage Insurance Fund. In the event of default by the mortgagor, the National Housing Authority can either take over the mortgage or make good any loss arising as a result of the default. Any such losses are charged to the Fund as and when they arise.

The National Housing Authority continues to be at risk under these arrangements until the last mortgage entered into thereunder is paid off. No liability has been recognised on account of this.

Additionally, the Corporation is party to various litigations, the final outcomes of which are uncertain.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

20. Related Party Balances:

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
<i>(b) Key management compensation</i>		
Directors' fees	547,937	482,289
Senior management remuneration	4,705,143	5,717,896
<i>(c) Balance due from related parties</i>		
TTMF	381,907	-
Tobago House of Assembly (THA)	18,222,627	8,506,948
<i>(c) Balance due to related parties</i>		
TTMF	-	314,423
Tobago House of Assembly (THA)	17,021,880	12,185,195

21. Revenue:

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Sale of houses	239,656,907	53,249,977
Sale of lands	614,328	1,086,029
Mortgage payment interest	1,520,537	468,439
Other income	7,476,884	4,249,937
Rental income	51,579,851	48,009,301
	<u>300,848,507</u>	<u>107,063,683</u>

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30 SEPTEMBER 2016

22. Cost of Houses Sold:

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Cost of unit (house only)	421,941,083	87,540,522
Cost of land	-	2,396,427
Inventory written-off	<u>254,453,683</u>	<u>873,467,376</u>
	<u><u>676,394,766</u></u>	<u><u>963,404,325</u></u>

23. Government Subventions:

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Government subventions received	<u><u>81,220,689</u></u>	<u><u>100,733,757</u></u>

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

24. Administrative and Operating Expenses:

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Advertisements	625,636	457,767
Audit fees	280,500	351,525
Bank charges	2,965,201	3,076,746
Bad debt	7,679,434	105,086,750
Board and committee expenses	103,982	303,086
Board remuneration	547,938	482,289
Books periodical	5,929	3,779
Claims and settlements	10,669	100,267
Computer expenses	45,729	161,372
Conference services	35,951	362,093
Consulting fees	2,210,900	3,774,032
Contracted employees	39,122,026	42,980,133
Depreciation	99,184,110	93,785,470
Donation	40,650	441,516
Electricity	3,186,111	4,892,675
Entertainment	487,731	1,964,059
Gain on disposal of property, plant and equipment	(8,501)	(942,275)
Janitorial services	3,766,694	3,552,805
Loss on foreign exchange	15	67
Gratuities	8,276,358	6,137,225
Impairment	(1,274,200)	24,074,769
Insurances and claims	4,645,098	8,934,660
Legal and professional fees	22,716,974	24,914,696
Materials and supplies	5,521,811	12,171,059
Medical	265,485	644,783
Motor vehicle costs	356,758	379,650
National insurance	8,671,401	9,081,470
Office stationery	1,457,267	2,872,142
Other	(3,878,013)	(14,685,663)
Penalty and fees	151,388	200
Pension expense	31,448,823	380,870,000
Printing, publicity and promotions	1,955,431	18,131,549
PSIP expense	13,207,911	65,775,559
Rates and taxes	10,759,802	11,781,019
Rental of buildings	7,822,792	8,494,658
Rental of vehicles	6,619,069	6,205,801
Repairs and maintenance	58,984,784	69,452,211
Salaries and employee costs	112,268,759	120,771,552
Security	16,358,514	25,467,709
Subscription fees	149,186	61,845
Telephone	2,813,685	2,651,847
Training	97,499	1,046,720
Transport and freight	2,145,663	3,792,007
Travelling and subsistence	3,715,667	5,026,635
Uniforms	1,806,498	3,266,763
Waste removal	25,196,735	23,855,304
	<u>502,551,850</u>	<u>1,082,010,326</u>

**THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS**

30 SEPTEMBER 2016

25. Financial Income:

	30 September	
	<u>2016</u> (\$)	<u>2015</u> (\$)
Government grants to cover loan interest	260,325,860	248,883,734
Interest income	76,174	1,007,551
	<u>260,402,034</u>	<u>249,891,285</u>

26. Financial Expenses:

	30 September	
	<u>2016</u> (\$)	<u>2015</u> (\$)
Overdraft interest	22,380,928	10,359,137
Interest on loans	62,790,527	41,609,333
Bond interest and charges	213,027,815	212,443,230
	<u>298,199,270</u>	<u>264,411,700</u>

27. Carrying Values:

(i) Short-term financial assets and liabilities

The carrying amount of short-term financial assets and liabilities comprising cash in hand and in bank, rent and other receivables, bank overdraft (if any) and accounts payables and accruals are a reasonable estimate of their fair values because of the short maturity of these instruments. Where appropriate, these have been valued at amortised cost in accordance with IAS 39 – Financial Instruments: Recognition and Measurement. See *(iii)* and *(iv)* below.

(ii) Long-term financial assets and liabilities

The Corporation does not have any long-term financial assets and liabilities measured at fair value. The fair value hierarchy is therefore not used in determining and disclosing the fair value of financial instruments.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

27. Carrying Values (Cont'd):

(iii) *Financial assets carried at amortised cost*

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Advances to contractors	24,271,950	24,271,950
Cash in hand and at bank	128,709,134	31,638,867
Other receivables excluding prepayments	<u>69,284,332</u>	<u>33,042,675</u>
	<u>222,265,416</u>	<u>88,953,492</u>

(iv) *Financial liabilities carried at amortised cost*

Bonds payable	2,539,373,487	2,537,389,733
Interest-bearing loans and borrowings - non-current	1,500,693,125	1,823,877,395
Interest-bearing loans and borrowings - current	329,304,271	84,830,418
Accounts payable and accruals	1,483,398,143	1,245,332,068
Bank overdraft	<u>427,517,670</u>	<u>526,614,608</u>
	<u>6,280,286,696</u>	<u>6,218,044,222</u>

28. Capital Commitments:

Capital commitments as at 30 September 2016 approximate **\$4 Billion (2015: \$3 Billion)**.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

29. Subsequent Events:

Several events occurred subsequent to the year-end date, the most significant of which are stated below:

- (a) The Corporation awarded several contracts amounting to approximately **\$1.1 Billion** in the normal course of business between the period October 2016 to January 2018. Additionally, approvals were granted for variation works amounting to approximately **\$110 Million**.
- (b) Borrowing from First Citizens Bank Limited for **TT\$450,000,000** with a maturity date of 30 November 2014 was extended by way of Board resolution on 28 January 2015. The new agreement carried a fixed rate of interest at 3.7% per annum with semi-annual blended amortised payments comprising principal and interest of approximately **TT\$49,704,578** commencing six (6) months after the effective date of 31 January 2020. Its tenor was five (5) years and was set to mature on 31 January 2020. The loan was eventually settled in May 2020 due to additional charges and interest being incurred.
- (c) A bridging loan from ANSA Merchant Bank for **\$1.2 Billion** was set mature on 31 October 2014. It's extension to 25 October 2015 on the existing terms and conditions was approved by the Ministry of Finance and the Economy. On 8 July 2015, an additional **\$300 Million** was secured by Letter of Guarantee from GORTT. Both loans had several extensions. A fixed term loan facility was eventually entered into on 12 May 2016 in the amount of **\$1,206,120,000** to partially finance repayment of the existing bridging loans and finance costs in connection with this new facility. This loan was set to mature in May 2021. Additionally, a fixed term loan facility of **\$301,710,000** was entered into on 8 May 2017 to partially finance repayment of the existing bridging loans and finance costs in connection with this new facility. Its maturity date is May 2022.
- (d) It should be noted that on 11 March 2020, the World Health Organization declared the outbreak of Corona Virus (COVID-19), a global pandemic. Measures taken by our government to contain the virus, while having a positive impact on the spread of COVID 19, has affected economic activity. They have taken a number of measures to monitor and mitigate the effects of COVID 19, such as safety and health measures for our people (such as social distancing, working from home, closing borders). There was no major impact to the organisation except for more work from home arrangements with staff where applicable. Employees' salaries were unaffected thus far. There has been mass vaccination drives to curb the effects of COVID-19 on the population. Our Board of Directors and its senior management team do not believe that there is any significant financial impact on these financial statements as a result of this continuing event.

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

30. GORTT:

GORTT, in its capacity as the sole shareholder of the Corporation, finances certain projects through the repayment of certain Government Guaranteed loans on behalf of the Corporation. GORTT is not considered a related party.

The balances in relation to these transactions are as follows:

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Contributed capital	11,485,148,530	11,216,990,751
Loan interest paid by GORTT on behalf of the Corporation	49,304,298	40,342,500
Bond payments made by GORTT on behalf of the Corporation	211,021,562	190,202,192

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

31. Investment Properties:

	30 September	
	2016	2015
	(\$)	(\$)
0 Young Street, San Fernando	23,735	23,735
1 180B Western Main Road, Cocorite	655,686	655,686
1 Bath Street, Port of Spain	794,771	794,771
1 Beetham Senior Citizen, Port of Spain	210,637	210,637
1 Beetham Trade Centres, Port of Spain	294,892	294,892
1 De Freitas Street, St. James	674,038	674,038
1 Dundonald Street, Port of Spain	476,863	476,863
1 Foster Quevado Road, Port of Spain	715,294	715,294
1 Harpe Place, Port of Spain	476,863	476,863
1 Methuen Street, Port of Spain	674,038	674,038
10 Beetham Phase 6, Port of Spain	89,412	89,412
11 Beetham Phase 6, Port of Spain	119,216	119,216
11th Street Beetham Estate	85,302	85,302
12 Beetham Phase 6, Port of Spain	119,216	119,216
13 Beetham Phase 6, Port of Spain	119,216	119,216
14 Beetham Phase 6, Port of Spain	119,216	119,216
14th Street Beetham Estate, Port of Spain	1,198,595	1,198,595
15 Beetham Phase 6, Port of Spain	119,216	119,216
15th Street Beetham Phase 3, Port of Spain	1,629,473	1,629,473
16th Street Beetham Phase 3, Port of Spain	1,714,775	1,714,775
17 17B Beetham Estate Phase 3 to 5, Port of Spain	29,804	29,804
17th A Street Beetham Phase 5, Port of Spain	1,714,775	1,714,775
17th B Street Beetham Phase 5, Port of Spain	1,544,171	1,544,171
17th C Street Beetham Phase 5, Port of Spain	1,629,473	1,629,473
17th D Street Beetham Phase 5, Port of Spain	1,635,298	1,635,298
17th E Street Beetham Phase 5, Port of Spain	857,388	857,388
17th Street Beetham Phase 5, Port of Spain	1,714,775	1,714,775
18 Beetham Phase 6, Port of Spain	89,412	89,412
180 B Western Main Road, Cocorite	3,155,099	3,155,099
18th Street Beetham Phase 5, Port of Spain	635,817	635,817
18th Street, Port of Spain	50,967	50,967
19 17B Beetham Estate Phase 3 to 5, Port of Spain	29,804	29,804
19 Beetham Phase 6, Port of Spain	89,412	89,412
19th Street Beetham Phase 4, Port of Spain	1,373,568	1,373,568
2 Beetham Phase 3 to 5, Port of Spain	29,804	29,804
2 Beetham Senior Citizen, Port of Spain	210,637	210,637
2 Beetham Trade Centres, Port of Spain	337,019	337,019
2 Dundonald Street, Port of Spain	476,863	476,863
2 Foster Quevado Road, Port of Spain	476,863	476,863
2 Harpe Place, Port of Spain	476,863	476,863
20 Beetham Phase 6, Port of Spain	119,216	119,216
20th Street Beetham Phase 4, Port of Spain	1,907,450	1,907,450
Balance carried forward	28,894,932	28,894,932

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

31. Investment Properties (Cont'd):

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Balance brought forward	28,894,932	28,894,932
20th Street, Port of Spain	152,901	152,901
21 Beetham Phase 6, Port of Spain	119,216	119,216
21st Street, Beetham Phase 4, Port of Spain	1,975,050	1,975,050
22nd Street, Beetham Phase 4, Port of Spain	2,060,351	2,060,351
23 25th Street, Beetham Phase 4, Port of Spain	29,804	29,804
23rd Street, Beetham Phase 4, Port of Spain	1,724,969	1,724,969
25th Street, Beetham, Port of Spain	2,184	2,184
3 Beetham Phase 3 to 5, Port of Spain	29,804	29,804
3 Beetham Senior Citizen, Port of Spain	210,637	210,637
3 Foster Quevado Road, Port of Spain	834,510	834,510
3 Harpe Place, Port of Spain	476,863	476,863
30 Beetham Phase 3 to 5, Port of Spain	89,412	89,412
4 10-12 Picadilly Street, Port of Spain	674,038	674,038
4 Beetham Phase 3 to 5, Port of Spain	79,477	79,477
4 Beetham Phase 6, Port of Spain	119,216	119,216
4 Beetham Senior Citizen, Port of Spain	210,637	210,637
4 Foster Quevado Road, Port of Spain	625,882	625,882
4 Harpe Place, Port of Spain	476,863	476,863
5 Beetham Phase 6, Port of Spain	119,216	119,216
5 Beetham Senior Citizen, Port of Spain	210,637	210,637
5 Foster Quevado Road, Port of Spain	536,470	536,470
5 Harpe Place, Port of Spain	635,817	635,817
6 Beetham Phase 6, Port of Spain	59,608	59,608
6 Beetham Senior Citizen, Port of Spain	337,019	337,019
6 Foster Quevado Road, Port of Spain	476,863	476,863
6 Harpe Place, Port of Spain	715,294	715,294
6 th Ave Ext. Barataria –New Way Home	12,344,211	12,344,211
6th Street Beetham Estate, Port of Spain	85,302	85,302
7 Beetham Phase 6, Port of Spain	89,412	89,412
7 Beetham Senior Citizen, Port of Spain	421,274	421,274
8 Picadally Street, Port of Spain	842,548	842,548
8 Beetham Phase 6, Port of Spain	119,216	119,216
8th Street Beetham Estate, Port of Spain	85,302	85,302
All Malls	500,447	500,447
Almond Court, Almond Drive, Morvant	25,151,558	25,151,558
Almond Drive, Morvant	1,040,303	1,040,303
Almond Drive, Morvant	3,304,642	3,304,642
Anabelle Street, Pt Lisas, Couva	3,103,611	3,103,611
Area 410 Ursula Street, (Lisas Gardens), Couva	29,804	29,804
Awai Lands, Port of Spain	<u>1,416,850</u>	<u>1,416,850</u>
Balance carried forward	90,412,150	90,412,150

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

31. Investment Properties (Cont'd):

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Balance brought forward	90,412,150	90,412,150
Barataria Housing Development	1,563,680	1,563,680
Basilon Court, Tunapuna	331,082	331,082
Fidelis Heights (a.k.a.Bates Trace), St. Augustine	9,512,712	9,512,712
Bath Street, Port of Spain	444,950	444,950
Beetham Estate Re-development, Port of Spain	1,696,317	1,696,317
Beetham Phase 3 to 5, Port of Spain	34,221	34,221
Beetham Phase 6, Port of Spain	152,901	152,901
Beetham Senior Citizen, Port of Spain	61,160	61,160
Beverly Hills, Laventille	111,094,602	111,094,602
Bon Air Gardens, (South), Arouca	51,926,143	51,926,143
Boys Lane (old) Phase 1, D'Abadie	1,452,605	1,452,605
Breezy Heights, Breezy Avenue, Mt. Hope	25,329,528	25,329,528
Breezy Heights, Breezy Avenue, Mt. Hope	343,495	343,495
Buen Intento - M1 Tasker Road, Princes Town	5,045,867	5,045,867
Bushe Village, Fyzabad	660,419	660,419
Cane Street, San Fernando	1,341,919	1,341,919
Carib Gardens, Arima	359,457	359,457
Carlsen Field Chaguanas - New Way Home	44,356,783	43,030,961
Carlton Lane, San Fernando	3,422,807	3,422,807
Ibis Gardens and La Paille Village, Caroni Village	696,930	696,930
Chaconia Crescent, Diego Martin	84,319,171	-
Chadee Street, San Fernando	19,416	19,416
Charlotte/Oxford Street, Port of Spain	29,526,924	29,526,924
Cipero Street, San Fernando	424,725	424,725
Cipriani Street, San Fernando	9,708	9,708
Cleaver Heights, Arima Old Road, Arima	24,806,411	24,806,411
Clifton Lane, Port of Spain	60,675	60,675
Clifton Street, East Dry River, Port of Spain	1,118,393	1,118,393
Coconut Grove, Ortoire, Mayaro	1,371,699	1,371,699
Coffee Street, San Fernando	254,835	254,835
Commission Street, San Fernando	9,708	9,708
Cooper & LeGrand Street, San Fernando	963,490	963,490
Cooper & LeGrand Street, San Fernando	169,890	169,890
Corinth A and C, Riverside North, San Fernando	240,642,664	240,642,664
Couva North - Infill, Couva	58,812,396	57,859,576
Cypress Hill, Union Hall	14,380,623	11,499,475
De Freitas Street, St. James	970,800	970,800
De Nobriega Street, Woodbrook, Port of Spain	9,708	9,708
Debe Phase 1 & 2 – Infill, Debe	31,787,072	31,787,072
Demerara Heights, Wallerfield	345,995	345,995
	<hr/>	<hr/>
Balance carried forward	840,244,031	750,765,070

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

31. Investment Properties (Cont'd):

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Balance brought forward	840,244,031	750,765,070
Leon & Dorata Street, Morvant	1,336,449	1,336,449
Leon & Dorata Street, Morvant	1,366,730	1,366,730
Dos Santos Street, San Fernando	544,004	544,004
Dove Avenue/Ballisier Street, (Pt Lisas), Couva	826,351	826,351
Duke Street, Port of Spain	2,340,713	2,340,713
Duncan Street, Port of Spain	8,883,630	8,883,630
Dundonald Street, Port of Spain	1,456,200	1,456,200
East Port of Spain	179,552,563	179,552,563
Edinburgh 500, Chaguanas	28,066,372	28,066,372
Edinburgh South, Chaguanas	180,492,400	180,492,400
Egypt Trace, Endeavour, Chaguanas	167,059,217	162,578,669
El Dorado Road, Tunapuna	23,083,074	21,075,044
El Guanapo, Rio Claro – New Way Home	6,580,178	6,580,178
Embacadere Street, San Fernando	1,891,521	1,891,521
Enterprise, Chaguanas – New Way Home	127,789,015	127,789,015
Ethel Street, St. James	1,339,259	1,339,259
Fairfield Estate, Princess Town	91,324,175	78,400,114
Farm Grove (East Grove), Valsayn	109,668,095	109,668,095
Flamingo Crescent, Lisas Gardens, Couva	247,554	247,554
Foster Quevado Road, Port of Spain	2,305,649	2,305,649
Foster Quevado Road, Port of Spain	10,240	10,240
Foster Street, Port of Spain	60,675	60,675
Francis Street, Lisas Gardens, Couva	14,562	14,562
George Street, Port of Spain	4,884,927	4,884,927
George Street, Port of Spain	2,619	2,619
Gilda Street, Lisas Gardens, Couva	3,112,413	3,112,413
Glenroy Settement, Princes Town	28,078,775	28,078,775
Ridgewood Gardens, Golconda, San Fernando	111,459,190	111,459,190
Ridge View Gomez Trace, Moruga	4,070,592	4,070,592
Goya Road, El Dorado	4,472,304	4,472,304
Graham Trace B, Sangre Grande	508,206	508,206
Harding Place, Cocorite	7,585,287	7,585,287
Harmony Hall, Marabella	3,517,387	3,517,387
Harpe Place, Port of Spain	8,445,957	8,445,957
HCP, La Horquetta	77,040,663	77,040,663
HCP, Medine Street, San Fernando	1,149,011	1,149,011
Hilda Street, Lisas Gardens, Couva	14,562	14,562
Hillcrest Gardens, Retrench	129,409,644	129,409,644
Hirondelle Street, Morvant	2,436,736	2,436,736
Hirondelle Street, Morvant	<u>752,481</u>	<u>752,481</u>
Balance carried forward	2,163,423,411	2,054,531,811

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

31. Investment Properties (Cont'd):

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Balance brought forward	2,163,423,411	2,054,531,811
Independence Square, North, Port of Spain	1,807,444	1,807,444
Irving Lane, East Dry River, Port of Spain	1,038,088	1,038,088
Jackson Place, Port of Spain	2,863,916	2,863,916
Jade Court, Lisas Gardens, Couva	708,495	708,495
Jamadar Street, San Fernando	2,388,856	2,388,856
Jennifer Street, Lisas Gardens, Couva	1,926,602	1,926,602
June Street, Lisas Gardens, Couva	2,834,243	2,834,243
La Croix Avenue, Malabar, Arima	3,603,730	3,603,730
La Fortune, Pt. Fortin	49,421,301	39,718,666
La Horquetta, South, Green Vale, Arima	126,841,150	116,267,818
Lady Hailes Ave, San Fernando	17,728,788	17,728,788
Lady Hailes Avenue, San Fernando	7,300,454	7,300,454
Lady Young Road, Morvant	1,175,114	1,175,114
Lady Young Road, Morvant	61,431,954	61,431,954
Lawrence Street, San Fernando	2,290,511	2,290,511
Lawrence Street, San Fernando	524,629	-
Leon & Dorata Street Morvant	975,568	975,568
Leon & Dorata Street, Morvant	2,197,384	2,197,384
Leotaud Street, San Fernando	1,229,213	1,229,213
Lisas Boulevard, Couva	2,084,650	2,084,650
LOT Flamingo Crescent (Lisas Gardens), Couva	387,451	387,451
LOT Francis Street, (Lisas Gardens), Couva	29,804	29,804
LOT Hilda Street, (Lisas Gardens), Couva	29,804	29,804
LOT Mary Street (Lisas Gardens), Couva	29,804	29,804
LOT Pelican Avenue (Lisas Gardens), Couva	29,804	29,804
LOT Susan Street, (Lisas Gardens), Couva	29,804	29,804
Lower Hillside, San Fernando	84,255	84,255
Madhoo Heights, El Dorado Road, El Dorado - New Way Home	67,491	67,491
Madoo Heights, El Dorado Road, El Dorado	144,697	144,697
Malabar, Arima	318,661	318,661
Lennox Yearwood Ex, Malabar, Arima	12,663,727	12,663,727
Malabar Phase 2, Arima	724	724
Malick 25, Barataria	2,987,865	2,987,865
Malick Decanting Centre, Morvant	322,400	322,400
Malick Decanting Centre, Barataria	15,725,323	15,725,323
Maloney Lands, off Churchill Roosevelt Highway, D'Abadie	77,709,235	77,709,235
Maracas, St. Joseph	1,621,378	1,621,378
Marcano Quarry Lands, Plaisance Quarry Road, Port of Spain	2,001,629	2,001,629
Marjorie Street (Lisas Gardens), Couva	<u>2,489,930</u>	<u>2,489,930</u>
Balance carried forward	2,570,469,287	2,440,777,091

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

31. Investment Properties (Cont'd):

	30 September	
	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Balance brought forward	2,570,469,287	2,440,777,091
Martha Street, (Lisas Gardens), Couva	404,374	404,374
Mary Street (Lisas Gardens), Couva	14,562	14,562
Mc Sween Street, San Fernando	1,529,009	1,529,009
Medine Street, San Fernando	1,569,816	1,569,816
Metheun Street, Port of Spain	728,100	728,100
Model Houses, Malick	94,941	94,941
Model Houses, Malick	10,921	10,921
Mora Heights, Rio Claro	6,397,362	6,397,362
Morvant	793,284	793,284
Mt. Hope Housing Dev.	236,722	236,722
Naparima Mayaro Mon Repos, San Fernando	8,297,090	8,297,090
Naparima Mayaro Road, San Fernando	2,077,837	2,077,837
Nelson Street, Port of Spain	14,543,961	14,543,961
New Bold Street, San Fernando	109,215	109,215
New Bold Street, San Fernando	71,206	71,206
Newbold Street Mon Repos, San Fernando	272,934	272,934
NWH Tarouba North	34,714,596	34,714,596
Oasis Diego Martin	174,626	174,626
Oasis Site B, Diego Martin	968,484	968,484
Ojoe Road, Sangre Grande - New Way Home	158,701	158,701
Old Malick Decanting Centre	3,329,101	3,329,101
Olera Heights, San Fernando	4,455,052	4,455,052
Olera Heights, San Fernando	6,202,793	6,202,793
Orchid Gardens, Pleasantville	1,063,490	1,063,490
Oropune, Piarco Phase 2 (IEC/NHIC/WACL)	287,158,075	284,364,267
Palo Seco- Infill (Lot #28)	292,799	292,799
Paradise Heights, Morvant	6,977,221	6,977,221
Paradise Heights, Morvant-URP	7,022,319	7,022,319
Parkside Apartments, (Spree Simon), Port of Spain	2,745,183	2,745,183
Pelican Avenue, Lisas Gardens, Couva	14,562	14,562
Piccadilly Street, Port of Spain	953,725	953,725
Piccadilly Street, Port of Spain	667,425	667,425
Piccadilly Street, Port of Spain	606,750	606,750
Piccadilly Street, Port of Spain	11,680	11,680
Picton Road, Sangre Grande	11,061,905	11,061,905
Pier Road, La Crea-Infill	4,929,431	-
Plaisance, Mayaro	111,550	111,550
Plaisance, Mayaro-Infill	4,730,276	4,730,276
Plaisance Terrace, Port of Spain	3,469,111	3,469,111
Pleasantville, San Fernando	6,923,127	6,923,127
Pleasantville, San Fernando	<u>129,449,618</u>	<u>129,354,618</u>
Balance carried forward	3,125,812,221	2,988,301,786

THE TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

31. Investment Properties (Cont'd):

	30 September	
	<u>2016</u> (\$)	<u>2015</u> (\$)
Balance brought forward	3,125,812,221	2,988,301,786
Powder Magazine, Cocorite	614,221	614,221
Powder Magazine, Cocorite	6,040,260	6,040,260
Powder Magazine Phase 1, Port of Spain	7,280,998	7,280,998
Powder Magazine Phase 2, Port of Spain	3,519,149	3,519,149
Powder Magazine Phase 2, Port of Spain	1,430,588	1,430,588
Prince Street, Port of Spain	2,089,027	2,089,027
Quarry Street, Port of Spain	3,779,701	3,779,701
Ramdial Mahabir Lands, San Juan	545,729	545,729
Ramdial Mahabir Lands, San Juan	3,596,820	3,596,820
Ramsaran Street, San Fernando	1,183,708	1,183,708
Roy Joseph Street, San Fernando - New Way Home	76,916,106	76,916,079
Roy Joseph Street, San Fernando	4,964,320	4,964,320
Rushworth Ext. San Fernando - New Way Home	1,045,553	1,045,553
Rushworth Street, San Fernando	1,928,764	1,928,764
Southern Gardens, Point Fortin	1,292,548	1,292,548
St Francois Valley Road, Port of Spain	91,741	91,741
Clifton Street, East Dry River, Port of Spain	125,674,004	125,674,004
St. Francois Valley Road, Port of Spain	3,159,215	3,159,215
St. Joseph Road, Port of Spain	20,000	20,000
St. Joseph Road, Port of Spain	8,336,146	8,336,146
Strikers Village, Point Fortin	1,680,681	1,680,681
Susan Street, Lisas Gardens, Couva	14,562	14,562
Tarouba Heights, St. John Road, San Fernando	385,411	385,411
Tarouba Phase 1, San Fernando	108,638	108,638
Thompson Gardens, San Fernando	582,480	582,480
Thompson Gardens, San Fernando	1,490,196	1,490,196
Trou Macaque, Morvant	2,189,568	2,189,568
Union Hall, San Fernando	113,893	113,893
St. Francois Valley Road, Port of Spain	93,400	93,400
Mountain View Heights, Upper Mendez Drive, Champ Fleurs	4,813,917	4,813,917
Ursula Street, Lisas Gardens, Couva	14,562	14,562
Victory Gardens, Arima	336,936	336,936
Wooding Street, San Fernando	29,124	29,124
Malick Decanting Centre, Barataria	2,515,922	2,515,922
Young Street, San Fernando	36,405	36,405
	<u>3,393,726,514</u>	<u>3,256,216,052</u>