Consolidated Financial Statements of

URBAN DEVELOPMENT CORPORATION OF TRINIDAD AND TOBAGO LIMITED

December 31, 2012

(Presented in Trinidad and Tobago Dollars)

URBAN DEVELOPMENT CORPORATION OF TRINIDAD AND TOBAGO LIMITED

Consolidated financial Statements

December 31, 2012

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Independent Auditors' Report
To the shareholder of
Urban Development Corporation of Trinidad and Tobago Limited

We have audited the accompanying consolidated financial statements Urban Development Corporation of Trinidad and Tobago Limited (the "Corporation" or "UDeCOTT"), which comprise the consolidated statement of financial position as at December 31, 2012, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

KPMG

Basis for Qualified Opinion

Effect of possible adjustments from the Commission for Enquiry, when finalised, on opening balances

On May 23, 2008, the Government of the Republic of Trinidad and Tobago appointed a Commission of Enquiry (the 'Commission') into the construction sector and the Corporation. While management has taken action to implement certain recommendations, as at the date of approval of these separate financial statements, the investigations into the other findings of the Commission have not been concluded. We were therefore unable to determine the effect of possible adjustments from the Commission for Enquiry, when finalised, on balances at December 31, 2007 for which a disclaimer of opinion was issued. While our procedures for the audit of the financial statements for the year ended December 31, 2012 enabled us to conclude on the completeness, existence and accuracy of balances at that date, we were unable to satisfy ourselves by alternative means concerning opening balances and their effect on amounts charged to the profit and loss account.

Valuation of Investment Property

As explained in Note 3(d) to the financial statements, investment properties include several properties that were not valued at the current year end in accordance with International Accounting Standard 40 – Investment Property. This constitutes non-compliance with the applicable accounting framework. At the year end the effect of this matter, which may be material to the financial statements, could not be quantified. Consequently we are unable to determine the impact of adjustments necessary to the carrying amounts and changes in fair values of investment properties.

Recoverable amounts of construction-in-progress and property, plant and equipment

As explained in Note 3(l) to the financial statements, 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. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Management was unable to provide a valuation of the assets fair value and consequently the recoverable amount of these assets could not be determined. At the year end the effect of this matter, which may be material to the financial statements, could not be quantified. Consequently we are unable to determine the impact of adjustments necessary to the carrying amounts for construction-in- progress and property, plant and equipment and changes in accumulated deficits

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of Urban Development Corporation of Trinidad and Tobago Limited as at December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG

Chartered Accountants
Port of Spain
Trinidad and Tobago
March 26, 2019

URBAN DEVELOPMENT CORPORATION OF TRINIDAD AND TOBAGO LIMITED

Consolidated Statement of Financial Position

December 31, 2012

	Notes	2012	2011
		$	$
ASSETS			
Non-current assets			
Investment properties	7	1,266,605,963	1,267,064,698
Construction-in-progress	8	4,626,660,593	3,920,181,702
Property, plant and equipment	9	1,974,512,124	2,102,650,892
Value added tax recoverable	10	488,580,043	458,805,418
Restricted cash	11	20,918,528	13,815,674
		8,377,277,251	7,762,518,384
Current assets			
Project receivables	12	62,640,380	28,157,814
Accounts receivable and prepayments	13	615,384,843	554,071,673
Cash and cash equivalents	14	574,532,558	418,051,679
		1252,557,781	1,000,281,166
Total Assets		9,629,835,032	8,762,799,550
EQUITY AND LIABILITIES			
Capital and reserve			
Share capital	16	999,602	999,602
Accumulated deficit		(848,742,677)	(1,058,772,489)
Revaluation reserve		13,019,241	13,019,241
Contributed capital	17	1,457,245,132	746,813,524
		622,521,298	(297,940,122)
Non-current liabilities			
Borrowings	18	7,841,990,284	7,972,310,907
Other liability	19	10,350,000	10,350,000
Deferred tax liability	20	41,710,000	40,927,335
Deferred revenue	23	10,614,526	-
		7,904,664,810	8,023,588,242

URBAN DEVELOPMENT CORPORATION OF TRINIDAD AND TOBAGO LIMITED

Consolidated Statement of Financial Position (continued)

December 31, 2012

	Notes	2012	2011
		$	$
Current liabilities			
Accounts payable and accruals	21	784,389,996	695,148,176
Borrowings	18	311,115,604	234,468,409
Reserve development fund	22	2,389,412	103,619,852
Deposit on account	24	1,154,666	1,111,200
Tax payable		3,599,246	2,803,793
		1,102,648,924	1,037,151,430
Total Equity and Liabilities		9,629,835,032	8,762,799,550

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

Director

Director

URBAN DEVELOPMENT CORPORATION OF TRINIDAD AND TOBAGO LIMITED

Consolidated Statement of Comprehensive Income

Year ended December 31, 2012

	Notes	2012 $	2011 $
Income – hotel operations	25	260,207,845	228,077,767
Rental income	26	285,687,066	271,661,134
Project management fees		7,088,358	9,592,242
Other income	27	37,181,650	9,047,705
		590,164,919	518,378,848
Administrative expenses	28	(243,292,539)	(554,535,624)
Operating profit (loss)		346,872,380	(36,156,776)
Finance income	30	129,604,149	113,436,083
Finance costs	31	(264,840,376)	(309,519,774)
Finance costs - net		(135,236,227)	(196,083,691)
Profit (loss) before taxation		211,636,153	(232,240,467)
Taxation	32	(1,606,341)	(1,728,071)
Profit (loss) for the year being total comprehensive income for the year		210,029,812	(233,968,538)

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

URBAN DEVELOPMENT CORPORATION OF TRINIDAD AND TOBAGO LIMITED

Consolidated Statement of Changes in Equity

Year ended December 31, 2012

	Share Capital $	Accumulated Deficit $	Contributed Capital $	Revaluation Reserve $	Total Equity $
Year ended December 31, 2011					
Balance at January 1, 2011	999,602	(824,803,951)	698,752,024	7,796,567	(117,255,758)
Loss for the year	-	(233,968,538)	-	-	(233,968,538)
Revaluation surplus	-	-	-	5,222,674	5,222,674
Contributed capital for the year	-	-	48,061,500	-	48,061,500
Balance at December 31, 2011	999,602	(1,058,772,489)	746,813,524	13,019,241	(297,940,122)
Year ended December 31, 2012					
Balance at January 1, 2012	999,602	(1,058,772,489)	746,813,524	13,019,241	(297,940,122)
Profit for the year	-	210,029,812	-	-	210,029,812
Contributed capital for the year	-	-	710,431,608	-	710,431,608
Balance at December 31, 2012	999,602	(848,742,677)	1,457,245,132	13,019,241	622,521,298

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

URBAN DEVELOPMENT CORPORATION OF TRINIDAD AND TOBAGO LIMITED

Consolidated Statement of Cash Flows

Year ended December 31, 2012

	2012	2011
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before taxation	211,636,153	(232,240,467)
Adjustments to reconcile loss to net cash from operating activities:		
Depreciation	128,882,465	129,855,156
Interest expenses	264,840,376	309,519,774
Interest income	(129,604,149)	(113,436,083)
	475,754,845	93,698,380
Changes in operating assets and liabilities:		
Value added tax recoverable	(29,774,625)	(36,340,667)
Accounts receivable and prepayments	(61,313,170)	108,959,537
Accounts payable and accruals	89,241,820	(92,875,014)
Project receivables	(34,482,566)	76,611,845
Reserve development fund	(101,230,440)	-
Deposit on account	43,466	21,730
Deferred revenue	10,614,526	-
Interest paid	(264,840,376)	(309,519,774)
Taxation paid	(28,224)	(17,752)
Net cash from (used in) operating activities	83,985,256	(159,461,715)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investment property	-	(23,215,016)
Increase in Construction-in-progress	(706,029,156)	(229,463,574)
Purchase of Property, plant and equipment	(1,304,936)	(772,147)
Proceeds from sale of property, plant and equipment	561,240	-
Interest received	129,604,149	113,436,083
Net cash used in investing activities	(577,159,703)	(140,014,654)

URBAN DEVELOPMENT CORPORATION OF TRINIDAD AND TOBAGO LIMITED

Consolidated Statement of Cash Flows (continued)

Year ended December 31, 2012

	2012	2011
	$	$
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in capital contributions for the year	706,431,608	48,061,500
(Repayment of) proceeds from borrowings, net	(53,673,428)	359,284,832
Net cash from financing activities	656,758,180	407,346,332
Net increase in cash and cash equivalents	163,583,733	107,869,963
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	431,867,353	323,997,390
CASH AND CASH EQUIVALENTS AT END OF YEAR	595,451,086	431,867,353
Represented by		
Restricted cash	20,918,528	13,815,674
Cash	574,532,558	417,960,104
Short-term investments	-	91,575
	595,451,086	431,867,353

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

1. Incorporation and Principal Activities

Urban Development Corporation of Trinidad and Tobago Limited (the "Company" or "UDeCOTT") is incorporated in Trinidad and Tobago and is wholly owned by the Government of the Republic of Trinidad and Tobago (the "GORTT"). The Company commenced operations on January 13, 1995. The address of its registered office is 38-40 Sackville Street, Port of Spain. Details of the subsidiary companies are included in Note 15.

The consolidated financial statements of the Company as at and for the year ended December 31, 2009 comprise the Company and its Subsidiaries (together referred to as "the Group").

On March 26, 2019, the Board of Directors of Urban Development Corporation of Trinidad and Tobago Limited authorised these consolidated financial statements for issue.

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

(i) ***Project management activities***

The Group provides full scale project development and management services which includes identification of appropriate site location, assisting in project design, selection of contractors, overseeing project execution and completion and procurement of funding. For these activities, the Group earns a project management fee.

(ii) ***Development of projects to be retained***

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

(iii) ***Hotel operations***

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

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

2. Basis of Preparation

(a) Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS).

(b) Basis of preparation

The consolidated financial statements have been prepared using the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies in Note 3.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 6.

(c) Functional and presentation currency

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

(d) Going concern

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

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

i. The Group experienced negative operating cash flows and incurred substantial operating losses for the year. The Group was in a net current liability position of at the end of the year.

ii. The gearing ratio of the Group is 92.4% (2011: 104%) which is comprised mainly of third party debt obligations guaranteed by the GORTT.

2. Basis of Preparation (continued)

(d) Going concern (continued)

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

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

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

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

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

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

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Consolidation

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. All subsidiaries were established by the Urban Development Corporation of Trinidad and Tobago Limited and are wholly-owned since incorporation. (See Note 15).

3. **Summary of Significant Accounting Policies** (continued)

(a) ***Consolidation*** (continued)

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

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

(b) ***Foreign currencies***

(i) *Functional and presentation currency*

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

(ii) *Transactions and balances*

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

(c) ***Financial assets***

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

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 12 months after the reporting date. Loans and receivables are recognised initially at fair value and subsequently measured at amortised less provision for impairment. A provision for impairment of accounts receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows.

3. **Summary of Significant Accounting Policies** (continued)

(c) ***Financial assets***

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

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 12 months after the reporting date. Loans and receivables are recognised initially at fair value and subsequently measured at amortised less provision for impairment. A provision for impairment of accounts receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. At the reporting date, the Group did not hold any available-for-sale financial assets.

The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the separate statement of comprehensive income. When an accounts receivable balance is uncollectible, it is written off against the allowance account for accounts receivable. Subsequent recoveries of amounts previously written off are credited in the separate statement of comprehensive income.

Dividends on available-for-sale equity instruments are recognised in the separate statement of comprehensive income as part of other income when the Group's right to receive payment is established.

3. Summary of Significant Accounting Policies (continued)

(d) Construction-in-progress

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

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

(e) Managed developments in progress

The Group carries out project management activities on behalf of the GORTT based on an agreement with the GORTT on a project by project basis. Instructions are provided to the Group regarding the projects that are to be executed. The following functions are performed by the Group in its project management role: assisting in project design, selection of and entering into contracts with sub-contractors, certification of work performed by sub-contractors and settlement of amounts due to the sub-contractors. The Group is responsible for transferring the project to the GORTT on completion.

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

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

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

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

Advances received from the GORTT where work has not yet been undertaken are reflected as liabilities in the separate financial statements.

3. **Summary of Significant Accounting Policies** (continued)

(f) ***Investment property***

Investment properties are initially recognised at cost and subsequently recognised at market value. Market value is either determined by management or an independent valuator. The market value is reviewed every three years.

(g) ***Property, plant and equipment***

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

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at each statement of financial position date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income in the year the asset is derecognised.

3. Summary of Significant Accounting Policies (continued)

(h) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks and investments in money market instruments and short-term investments with a maturity of three months or less, net of bank overdraft.

(i) Accounts receivable

Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of accounts receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of comprehensive income. When an accounts receivable balance is uncollectible, it is written off against the allowance account for accounts receivables. Subsequent recoveries of amounts previously written off are credited in the consolidated statement of comprehensive income.

(j) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

(k) Trade payables

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

(l) Borrowings

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

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

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

3. **Summary of Significant Accounting Policies** (continued)

(m) Revenue recognition

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

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

Construction contract revenue and project management fees

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

Interest income

Revenue is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

Rental income

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

(n) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

3. Summary of Significant Accounting Policies (continued)

(o) Current and deferred income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability that at the time of the transaction affects neither accounting nor the taxable profit or loss. Currently enacted rates are used to determine deferred income tax.

A deferred tax asset relating to the carry forward of unused tax losses is recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

(p) Employee benefits

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

(q) Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the period of the lease.

(r) Impairment of non-financial assets

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

3. **Summary of Significant Accounting Policies** (continued)

(s) ***Related parties***

A party is related to the Group, if:

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

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

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

(c) has joint control over the Group;

(ii) the party is an associate of the Group;

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

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

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

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

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

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

The Group has a related party relationship with its Directors and key Management personnel, representing certain senior officers of the Group, its parent company and all their affiliates.

3. Summary of Significant Accounting Policies (continued)

(s) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2012, and have not been applied in preparing these consolidated financial statements. None of these will have an effect on the financial statements of the Group, except:

- IFRS 9 Financial Instruments, published on November 12, 2009 as part of phase 1of the IASB's comprehensive project to replace IAS 39, which will be mandatory for the Group's 2016 financial statements and could change the classification and measurement of financial assets.

- IFRS 13 Fair Value Measurement (effective for periods beginning on or after January 1 2013). The standard clarifies the factors to be considered in estimating fair value in accordance with IFRSs. It includes descriptions of certain valuation approaches and techniques, but does not establish valuation standards on how valuations should be performed.

- IAS 32 and IFRS 7 (Amendments) Offsetting Financial Assets and Financial Liabilities (effective for periods beginning on or after January 1, 2014). These amendments clarify the offsetting criteria and address inconsistencies in their application. The amendments are to be applied retrospectively.

4. Commission of Enquiry

On May 23, 2008, the Government of the Republic of Trinidad and Tobago appointed a Commission of Enquiry (the 'Commission') into the construction sector and the Parent Company. The mandate of the Commission was to enquire into particular aspects of the Construction Sector in Trinidad & Tobago, including the practices and methods of UDeCOTT, and to make recommendations and observations (in summary) to promote (a) value for money, (b) high standards of workmanship, (c) free and fair competition and (d) integrity and transparency.

The report of the Commissioners dated March 29, 2010 made several recommendations regarding the construction sector and in particular regarding the Company. The recommendations made expressed concern over the Company's board, its senior staff and also recommended investigations by law enforcement authority into projects existing as at December 31, 2007.

As noted in Paragraph 35 of the report, the Commissioners "have identified a small but significant number of instances concerning UDeCOTT Projects where potential corruption has been alleged and where we (the Commissioners) have not been able to conclude that the allegations are unfounded. It is not the function of this Commission to make specific findings or to reach conclusions on such matters; but we regard it of the highest importance that the activities of UDECOTT, its Directors and Managers and all other Government agencies and their staff should be able to justify public confidence in their activities as being beyond reproach.·

The recommendations of the Commissioners relating to the operations of the Company and also to projects existing in UDeCOTT's financial records as at December 31, 2007 are all under investigation by the office of the Attorney General and include the following:

a) For the Government Campus project, there should be an investigation into what steps were taken by UDeCOTT's managers to control and reduce delay. (Paragraph 58).

b) UDeCOTT must avoid any breach or abuse of procurement rules through excessive and unfair use of sole selective tendering, in breach of obligations as to free and fair competition and transparency. (Paragraph 64).

c) There should be a full investigation by an appropriate law Enforcement Authority into the award of the MLA (Ministry of Legal Affairs) contract to CH Development (subcontractor) including the role of Mr. Calder Hart (Chairman of the Board of Directors) and the conduct of the Board in not ensuring that an enforceable guarantee was given by the Parent Company of CH development. (Paragraph 67).

4. **Commission of Enquiry** (continued)

d) There should be a full investigation by an appropriate law Enforcement Authority into the award of Packages 3 and 5-8 for the Brian Lara project, particularly as to (a) why no formal terms were drawn up dealing with advance payments (b) the manner in which UDeCOTT interpreted the right to advance payments including advice sought and received (c) the accounting procedures employed by UDeCOTT for making advance payments and repayments and why no vouched accounts were drawn up. (Paragraph 68).

e) There should be a full forensic audit of all sums advanced against the value of work and materials provided by HKL (Hafeez Karamath Limited) and of repayments made on the Brian Lara Project. (Paragraph 69).

f) The roles of Chairman and Chief Executive Officer of UDeCOTT should be separated. (Paragraph 70).

g) There should be an audit of the conduct of all UDeCOTT's senior staff and directors in the period 2004 to 2009, as to their involvement in errors and omissions concerning the Brian Lara Stadium Project in respect of which no action was taken by senior staff or by the board. (Paragraph 72).

h) There should be an investigation into the circumstances in which 9 hectares (22 acres) of land at Valsayn, sold to the National Union of Government and Federated Workers (the Union), at a reduced price, was re-sold at a profit by the Union to include the reasons for re-sale and the whereabouts of the profit from the re-sale. (Paragraph 74).

Management's response to the above as at the reporting date are as follows:

a) The majority of the relevant UDeCOTT's managers and the Project Manager are no longer associated with UDeCOTT. Hence UDeCOTT is unable to effectively investigate this matter. However, the Attorney General's Office has undertaken to investigate this matter.

b) A new redesigned procurement process was implemented in 2013 and a Contract and Procurement Manager was employed to oversee that the Tender Rules and Procurement Policies are strictly adhered to.

c) A new Chief Executive Officer was appointed on October 3, 2011.

As at the date of approval of these consolidated financial statements the investigations into the other findings of the Commission have not been concluded.

5. Financial Risk Management

Financial risk factors

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

a) Market Risk

i) Currency risk

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

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

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

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

		Effect on Income	
	As reported	1% Appreciation	1% Depreciation
	TT$	TT$	TT$
December 31, 2012			
US dollar denominated			
Cash and cash equivalents	6,707,346	(67,073)	67,073
Borrowings	(3,159,008,912)	31,590,089	(31,590,089)
Accounts payables and accruals	(230,866,384)	2,308,664	(2,308,664)
Total	(3,383,167,950)	33,831,680	(33,831,680)

5. **Financial Risk Management** (continued)

a) **Market Risk** (continued)

i) ***Currency risk*** (continued)

		Effect on Income	
	As reported	1% Appreciation	1% Depreciation
December 31, 2011	TT$	TT$	TT$
US dollar denominated			
Cash and cash equivalents	4,460,248	(44,602)	44,602
Borrowings	(3,421,612,415)	34,216,124	(34,216,124)
Accounts payables and accruals	(211,570,874)	2,115,709	(2,115,709)
Total	(3,628,723,041)	36,287,231	(36,287,231)

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

ii) ***Fair value and cash flow interest rate risk***

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

The Group's interest rate risk arises from long-term debt obligations. Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. As at the balance sheet date, sixty per cent of the Group's long-term borrowings are fixed rate instruments and forty per cent are floating rate instruments. During the year the Group's borrowings were denominated in the functional currency and the United States Dollar.

5. **Financial Risk Management** (continued)

a) **Market Risk** (continued)

ii) ***Fair value and cash flow interest rate risk*** (continued)

The Group manages its interest rate risk through the following mechanisms:

a) Repayment of certain loan obligations by the GORTT.

In some instances, the Group's floating rate instruments are repaid by the GORTT. This injection by the GORTT is treated as capital contributions in the Company in the period of payment.

b) Structuring of its security arrangements

The Group's floating rate facilities are secured in some instances by lease agreements with the GORTT. The debt facilities are structured to allow a moratorium period for the repayment of the facility. This moratorium period is utilised to ensure that lease income and the timing of repayments on the facilities are synchronised. The lease agreements are also structured to ensure that both the principal and interest payments on the debt facility will be fully settled by the rental income gained from the lease.

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

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

	Current Carrying Amount	Effect of 1% Increase in Interest Rates	Effect of 1% Decrease in Interest Rates
	$	$	$
Variable-rate instruments			
December 31, 2012	3,273,883,594	32,738,836	(32,738,836)
December 31, 2011	3,412,355,327	34,123,553	(34,123,553)

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

5. Financial Risk Management (continued)

a) Market Risk (continued)

ii) Fair value and cash flow interest rate risk (continued)

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

	Carrying Amount		Fair Value	
	2012	2011	2012	2011
	$	$	$	$
Fixed rate instruments	4,879,222,294	4,794,423,989	4,879,222,294	4,794,423,989
Floating rate instruments	3,273,883,594	3,412,355,327	3,273,883,594	3,412,355,327
	8,153,105,888	8,206,779,316	8,153,105,888	8,206,779,316

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

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

iii) Other price risk

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

b) Liquidity Risk

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

Liquidity risk management

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

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

5. **Financial Risk Management** (continued)

b) **Liquidity Risk** (continued)

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

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

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

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

	Carrying Amount	Contractual Cash flow	Less than 1 year	More than 1 year but less than 5 years	More than 5 years
	$	$	$	$	$
As at December 31, 2012					
Borrowings	8,153,105,888	11,808,092,790	650,070,653	3,891,838,076	7,266,184,061
Accounts payable and accruals	784,389,996	784,389,996	784,389,996	-	-
Reserve development fund	2,389,412	2,389,412	2,389,412	-	-
Deposit on account	1,154,666	1,154,666	1,154,666	-	-
	8,941,039,962	12,596,026,864	1,438,004,727	3,891,838,076	7,266,184,061
As at December 31, 2011					
Borrowings	8,206,779,316	12,052,297,800	535,607,719	4,500913,485	7,015,776,596
Accounts payable and accruals	695,148,176	695,148,176	695,148,176	-	-
Reserve development fund	103,619,852	103,619,852	103,619,852	-	-
Deposit on account	1,111,200	1,111,200	1,111,200	-	-
	9,006,658,544	12,852,177,028	1,335,486,947	4,500,913,485	7,015,776,596

5. Financial Risk Management (continued)

c) Credit risk

Credit risk is the potential for loss due to the failure of a counter-party to meets its financial obligations. The Group's credit risk arises from cash and cash 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 Group undertakes project development work based on directives/instructions received from the GORTT. The Group currently does not execute project development work on behalf of third parties. Receivable balances for project development work included in the consolidated financial statements relate to amounts due to the Group by the GORTT and Government agencies.

The Group's major client is the Government of the Republic of Trinidad and Tobago (GORTT). The GORTT possesses an A+/A-1 (Standard and Poors) local currency credit rating and is considered to be creditworthy.

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

5. **Financial Risk Management** (continued)

c) **Credit risk** (continued)

Analysis of financial assets that are exposed to credit risk:

	2012	2011
	$	$
Project works billed to the GORTT	213,471,467	267,416,585
Contract works not billed	85,017,577	229,303,637
Contract works billed to the GORTT	163,712,212	74,050,320
Facilities works not billed	118,791,232	116,049,490
Advances to contractors	93,136,752	93,136,752
Other receivables excluding prepayments	547,458,543	490,304,690
	1,221,587,783	1,270,261,474
Cash and cash equivalents	574,532,558	418,051,679
	1,796,120,311	1,688,313,153

The analysis of the accounts receivable is as follows:

	2012	2011
Project works billed to the GORTT	213,471,467	267,416,585
Contract works not billed	85,017,577	229,303,637
Facilities works not billed	118,791,232	116,049,490
Advances to contractors	93,136,752	93,136,752
Amounts due from GORTT	163,712,212	74,050,320
Other receivables	547,458,543	490,304,690
Total accounts receivable	1,221,587,783	1,270,261,474
Less: Provision for impairment	(547,796,648)	(689,970,063)
Total	673,791,135	580,291,411

5. **Financial Risk Management** (continued)

c) **Credit risk** (continued)

The fair values of the accounts receivables balances are as follows:

	2012	2011
	$	$
Project works billed to the GORTT	196,997,695	246,779,823
Contract work billed to the GORTT	151,078,404	68,335,795
Contract costs to be recovered via loan repayments	78,456,699	211,608,083
Advances to contractors	85,949,311	85,949,311
Facilities works not billed	109,624,013	107,093,854
Other receivables excluding prepayments	505,210,709	452,467,467

The fair value of the balances due from the GORTT are based on future cash flows discounted using rates of 5.5%-8.04%.

Analysis of receivable balances (recoverability)*:*

	2012	2011
	$	$
Fully performing	200,619,561	178,342,962
Past due but not impaired (i)	324,121,782	286,123,269
Impaired (discounted balances) (ii)	149,049,792	115,825,180
	673,791,135	580,291,411
The impairment provision can be analysed as follows:		
At beginning of year	689,970,063	665,149,042
Additional provision recognized	87,798,586	24,821,021
Write-back of provisions	(229,972,001)	-
	547,796,648	689,970,063
Analysis of past due but not impaired		
6 to 12 months	34,406,335	33,529,230
Over 12 months	289,715,447	252,594,039
	324,121,782	286,123,269
Ageing analysis of impaired balances		
12 to 18 months	2,292,043	29,438,715
Over 18 months	146,757,749	86,386,465
	149,049,792	115,825,180

5. **Financial Risk Management** (continued)

c) **Credit risk** (continued)

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

d) **Capital risk management**

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

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

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

	2012 $	2011 $
Total borrowings	8,153,105,888	8,206,779,316
Less: Cash and cash equivalents	(574,532,558)	(418,051,679)
Net debt	7,578,573,330	7,788,727,637
Share capital	999,602	999,602
Accumulated deficit	(848,742,677)	(1,058,772,489)
Revaluation Reserve	13,019,241	13,019,241
Contributed capital	1,457,245,132	746,813,524
Total capital	622,521,298	(297,940,122)
Capital and net debt	8,201,094,628	7,490,787,515
Gearing ratio	92.41%	104.0%

6. Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

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

(i) Revenue recognition

The Group recognises revenue for work performed on behalf of GORTT by reference to recoverable costs incurred during the year plus the project management fees earned for the period which are measured based on surveys of work performed. If there was a 10% change in the amount of work surveyed by the Group compared to management's estimate, the amount of revenue and receivables recognised would change by approximately $19.3 million (2011: $15.1 million).

(ii) Income taxes

Significant estimates are required in determining the Group's provision for income taxes. There are some transactions for which the ultimate tax determination may be uncertain in the ordinary course of business. Management has made estimates of tax deductions based on current information available. If these deductions were to be different from management's estimate, such differences may impact the current and deferred income tax in the period in which such determination is made.

(iii) Valuation of properties

Leased properties included in the consolidated financial statements are recognised at revalued amounts at the year end. In applying this method, the Group utilises advice from independent valuators regarding changes in market prices and other external factors which would have an impact on property prices for the current year. If the estimate of fair values were to change by 10%, this would result in a change in leased property value and the capital contribution account of approximately $126,660,596 (2011: $126,706,470).

6. Critical Accounting Estimates and Judgments (continued)

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

(i) Revenue recognition

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

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

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

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

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

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

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

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

6. Critical Accounting Estimates and Judgments (continued)

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

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

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

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

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

(a) Where the principal and interest payments are being made towards loans that are being used to finance projects retained, the principal and interest payments are being treated as capital contributions into the Group by the GORTT. (See Note 16).

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

During the year principal and interest payments by the GORTT applied against receivable balances totalled $23,020,712 (2011: $24,122,301).

7. Investment Properties

	2012 $	2011 $
The Corporation's investment properties include the following:		
Richmond Street	160,000,000	160,000,000
Scarborough Tobago	102,000,000	102,000,000
Chancery Lane, San Fernando	29,500,000	29,500,000
Government Campus Plaza Parkade	20,395,572	20,395,572
Memorial Park	60,020,301	60,020,301
NAPA South	13,000,000	13,000,000
Invaders Bay	38,554,332	38,542,792
13-15 St. Clair Avenue	119,644,706	120,114,982
Real Springs, Valsayn	13,000,000	13,000,000
Salvatori Building	2,702,184	2,702,184
Tower C & D Fit Out	376,385,386	376,385,386
St. Vincent Place	20,792,214	20,792,214
Other properties	16,903,327	16,903,327
POSWDL - Port Authority Lands, Wrightson Road	224,000,000	224,000,000
RINCON - North Coast Road, Las Cuevas	69,707,941	69,707,941
	1,266,605,963	1,267,064,698

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

	2012	2011
Opening net book amount	1,267,064,698	1,238,627,008
Additions	-	28,437,690
Reallocations	(458,735)	-
Closing net book amount	1,266,605,963	1,267,064,698

Included in Investment Properties are long-term leases for five properties which have lease terms ranging between 99-199 years. These properties have nominal rentals of $1.00 per annum. The Group has accounted for these leasehold properties at fair value since management is of the opinion that they have the risks and rewards associated with the properties for the current lease term and that the GORTT may renew the leases on the same terms and conditions. These properties are carried in the consolidated financial statements at fair value based on valuations performed by qualified independent valuators. When these properties were recognised as assets in the consolidated financial statements, the corresponding entry was made to a contributed capital account. (See Note 17).

8. Construction in Progress

	2012 $	2011 $
Various projects	223,665,641	252,147,890
Chancery Lane Complex	891,035,584	560,864,520
Ministry of Education office Tower	480,409,057	445,363,672
Government Campus Plaza	2,819,516,394	2,456,593,004
Invaders' Bay	13,026,391	13,026,391
Memorial Park	679,961	679,961
Real Springs	178,041,558	171,220,258
Water Front Development	86,625	86,625
Salvatori Building	20,199,382	20,199,382
	4,626,660,593	3,920,181,702

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

Opening net book amount	3,920,181,702	3,690,718,128
Additions	706,478,891	229,463,574
Closing net book amount	4,626,660,593	3,920,181,702

9. Property, Plant and Equipment

	Land and Buildings $	Other Equipment $	Computer Equipment $	Motor Vehicles $	Total $
Year ended December 31, 2011					
Opening net book amount	2,175,511,463	53,604,156	1,887,085	731,197	2,231,733,901
Additions	-	171,602	600,545	-	772,147
Depreciation charge	(118,219,152)	(9,823,999)	(1,274,114)	(537,891)	(129,855,156)
Closing net book amount	2,057,292,311	43,951,759	1,213,516	193,306	2,102,650,892
At December 31, 2011					
Cost or valuation	2,369,158,055	79,665,562	7,471,614	4,035,065	2,460,330,295
Accumulated depreciation	(311,865,744)	(35,713,803)	(6,258,098)	(3,841,759)	(357,679,404)
Net book amount	2,057,292,311	43,951,759	1,213,516	193,306	2,102,650,892
Year ended December 31, 2012					
Opening net book amount	2,057,292,310	43,951,759	1,213,517	193,307	2,102,650,893
Additions	-	72,202	832,714	400,020	1,304,936
Disposals	-	-	(561,240)	-	(561,240)
Depreciation charge	(118,219,153)	(9,795,464)	(639,010)	(228,838)	(128,882,465)
Closing net book amount	1,939,073,157	34,228,497	845,982	364,489	1,974,512,124
At December 31, 2012					
Cost or valuation	2,369,158,054	79,737,763	7,416,102	2,960,347	2,459,272,266
Accumulated depreciation	(430,084,897)	(45,509,266)	(6,570,121)	(2,595,858)	(484,760,142)
Net book amount	1,939,073,157	34,228,497	845,981	364,489	1,974,512,124

	2012	2011
	$	$

10. Value Added Tax (VAT) Recoverable

	2012 $	2011 $
VAT recoverable	488,580,043	458,805,418

The Group is VAT registered and will generate future taxable supplies in the form of lease rentals which will be subject to output VAT, the VAT previously capitalised in development work in progress was reclassified to VAT recoverable. The Group has initiated communication with the VAT authorities to commence the recovery process on this balance.

11. Restricted Cash

	2012 $	2011 $
Restricted cash	20,918,528	13,815,674

This relates to the hotel operations of the Company and includes the cash account related to the fund for replacement of and additions to fixtures, furniture, furnishings and equipment and other qualifying expenditures. This restricted cash balance is not available for use in the hotel operations of the Company and has therefore been classified as a non-current asset.

12. Project receivables

	2012	2011
	$	$
Contract works billed to GORTT	213,471,467	267,416,585
Contract works not billed	85,017,577	229,303,637
Facilities work not billed	118,791,232	116,049,490
	417,280,276	612,769,712
Provision for doubtful debt	(354,639,896)	(584,611,898)
	62,640,380	28,157,814

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

(i)	Project expenditure on NHA Refurbishment Projects	50,798,932	50,798,932
(ii)	Project expenditure on the Interchange Project	3,656,478	3,656,478
(iii)	Interest receivable	36,216,244	36,216,244
(iv)	Loan repayment made by the GORTT	(232,405,495)	(120,482,027)
(v)	Other project costs	2,106,261	2,106,261
(vi)	Project expenditure on the Brian Lara Cricket Academy	295,120,697	295,120,697
		155,493,117	267,416,585

12. Project receivables (continued)

(i) These project costs relate to expenditure incurred on the refurbishment of the National Housing Authority (NHA) apartments on behalf of the GORTT.

(ii) These costs relate to the net receivable amount due from the GORTT in relation to the expenditure incurred by the Group on the Interchange project on behalf of the GORTT.

(iii) The interest receivable balance represents interest capitalised which will be paid by the GORTT on behalf of the Group.

(iv) The loan repayment made by the GORTT relates to principal repayments made on the Fixed Rate Bonds 2006-2018 by the GORTT on behalf of the Group which are being offset against project expenditure that was funded from this loan.

(v) This relates to one-off costs incurred on small projects on behalf of the GORTT.

(vi) This relates to costs incurred on the Brian Lara Cricket Academy.

The impairment provision included above represents the difference between the recoverable amount and the carrying value after discounting the future cash flow.

	2012	2011
	$	$
13. Accounts Receivable and Prepayments		
Amounts due from GORTT for Contract works	163,712,212	74,050,320
Prepayments and other receivables	549,967,503	490,508,430
Advances to contractors (a)	93,136,752	93,136,752
Inventory – Hotel	1,607,328	1,734,336
Provision for doubtful debt	(193,038,952)	(105,358,165)
	615,384,843	554,071,673

The Group is responsible for executing projects on behalf of the GORTT. The Group's major source of funding for project development work is from debt financing. Some of the Group's debts are guaranteed by the GORTT with repayments being made by the Group or in some instances by the GORTT.

(a) These amounts represent payments made to contractors in advance of work being performed under the relevant construction contracts. The Group requires contractors to provide an advance payment bond issued by a reputable bonding agent for an amount equivalent to the amount of the advance being provided.

These amounts are reduced when advance payments are offset against progress billings from the contractor for construction work performed.

14. Cash and cash equivalents

	2012 $	2011 $
Short-term investments	109,075,024	109,075,024
Bank accounts	125,572,094	22,011,357
Deposit accounts	339,840,344	286,920,202
Petty cash	45,096	45,096
	574,532,558	418,051,679

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

	2012 $	2011 $
House Bank	307,279	317,457
Demand deposits	257,797,477	179,920,328
	258,104,756	180,237,795

15. Subsidiary Companies

	% of Equity Capital Held 2012	2011
(i) Rincon Development Limited	100	100
(ii) Port of Spain Waterfront Development Limited	100	100
(iii) Oropune Development Limited	100	100
(iv) San Fernando Development Limited	100	100

All subsidiary companies are incorporated in Trinidad and Tobago.

(i) Rincon Development Limited was incorporated on 12 October 1999 with its principal activity being the development and sale of property.

(ii) Port of Spain Waterfront Development Limited was incorporated on 12 October 1998 with its principal activity being the development of the Port of Spain Waterfront.

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

(iv) San Fernando Development Limited was incorporated on 7 September 1998 with its principal activity being the development of the city of San Fernando. This Company is currently dormant.

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

	2012	2011
16. Share Capital		
Authorised		
1,000,000 ordinary shares of no par value		
Issued and fully paid		
999,602 ordinary shares of no par value	999,602	999,602

17. Contributed Capital

	2012	2011
Leasehold properties	585,207,941	585,207,941
Loan and interest payments made by the GORTT on behalf of the Group	872,037,191	161,605,583
	1,457,245,132	746,813,524

Loan repayments guaranteed by the GORTT

	2012	2011
Balance at beginning of year	161,605,583	113,544,083
Add loan payments made by the GORTT for the year	710,431,608	48,061,500
Balance at end of year	872,037,191	161,605,583

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Notes to Consolidated Financial Statements

December 31, 2012

18. Borrowings

	2012 $	2011 $
Maturity of borrowing:		
Not later than one year	311,115,604	234,468,409
More than one year	7,841,990,284	7,972,310,907
	8,153,105,888	8,206,779,316
a) RBTT Trust Limited - fixed rate bonds	88,000,000	104,000,000
b) Central Bank of Trinidad and Tobago Limited	213,000,000	-
c) Republic Finance & Merchant Bank Limited	781,954,016	523,794,349
d) The Home Mortgage Bank - fixed rate bonds	-	198,502,966
e) Republic Finance & Merchant Bank Limited - floating rate bond	2,377,613,097	2,244,023,921
f) Scotiabank Trinidad and Tobago Limited - floating rate demand loan	-	522,052,203
g) The Home Mortgage Bank - fixed rate bond	214,537,636	192,703,182
h) Citibank USD	509,438,160	565,884,000
	53,151,657	-
i) First Citizens Bank – TTD facility	209,441,418	225,991,347
j) The Home Mortgage Bank	23,297,497	26,321,837
k) First Citizens Bank – USD facility	88,953,764	95,955,975
	331,785,590	-
l) First Caribbean Int'l Bank Limited -	546,745,500	610,897,500
m) First Caribbean Bank Limited BLCA $497M loan	380,197,092	421,514,089
n) The Home Mortgage Bank $108M OPM	91,018,974	96,163,017
o) First Citizens1 Bank Limited	230,100,000	230,100,000
p) Scotia Trust Merchant Bank	-	(10)
q) Barclays US $375 M	2,013,871,487	2,148,874,940
Total	8,153,105,888	8,206,779,316

18. Borrowings (continued)

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
(a)	Fixed Rate Bonds 2006-2018	RBTT Trust Limited	TT$192,000,000	7%	12 years	Guaranteed by the GORTT	24 equal semi-annual instalments of principal and Interest commencing July 18, 2006	To refinance previous bond to cover start-up costs for the Interchange project and the Housing Programme
(b)	Series A Floating Rate Bonds 2001-2008	Scotiabank Trinidad & Tobago Limited	TT$24,100,000	Prime lending less 4.5%, with ceiling of 13% and floor of 11% (31/12/07: 11%)	7 years	Guaranteed by the GORTT	8 equal semi-annual instalments of principal and interest commencing September 8, 2004. This loan was repaid during 2008.	To finance the Invaders Bay Development
	Series B Fixed Rate Bonds 2001-2008	Scotiabank Trinidad & Tobago Limited	TT$18,992,039	12.25%	7 years	Guaranteed by the GORTT	8 equal semi-annual instalments of principal and interest commencing September 8, 2004. This loan was repaid during 2008.	To finance the Invaders Bay Development
(c)	Fixed Rate Bonds 2002-2013	Republic Finance and Merchant Bank Limited	TT$45,000,000	6.85%	11 years	Letter of comfort from the Ministry of Finance	10 equal semi-annual instalments commencing June 22, 2006	To finance the Siparia Administrative Complex
(d)	Fixed Rate Bonds 2003-2010	Home Mortgage Bank	TT$300,000,000	7.5% - 9.5%	7 years	Development Properties	By bullet at maturity.	To finance various development projects

18. Borrowings (continued)

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms	Purpose
(d) Cont'd	Fixed Rate Bond 2005-2010	Home Mortgage Bank	TT$44,000,000	9.5%	5 years	Debenture and Collateral Mortgage	By bullet at maturity	To finance the purchase of land
(e)	Floating Rate Bonds 2005 - 2013	Republic Finance & Merchant Bank Limited	TT$1,650,000,000	1.45% above the yield issue on the most recent GORTT Treasury bill. This is reset every six months. 31/12/2008: 8.88% (31/12/2007: 9.0625%)	8 years	a) Agreement to sub lease between UDeCOTT and the GORTT. b) 1st Mortgage over property situated at Queen, Edward and Richmond Streets stamped to cover TT$1,650,000,000 c) Assignment of Contractors All Risk Insurance	To be repaid via the issue of final bonds.	To finance the construction and fit out of the Government Campus Plaza
(f)	Floating rate Demand Loan	Scotiabank Trinidad and Tobago Ltd	TT$248,471,522	1% above the rate issue on the most recent GORTT 181 day. Treasury bill. This is reset every six months. (31/12/07:8.25%)	15 Years	a. Mortgage over Chancery Lane Administrative Complex stamped to cover $500,000,000 b. Assignment of Performance Bond	To be repaid via the issue of final bonds.	To finance the construction and fit out of the Chancery Lane Administrative Complex

18. Borrowings (continued)

	Loan Facility	Financial Institution	Original Facility Amount	Interest Rate	Tenure	Security of the Facility include the following:	Repayment Terms
(g)	Fixed Rate Bond 2006 - 2009	Home Mortgage Bank	TT$170,000,000	8%	3 years	Mortgage over Property at Real Springs, Valsayn	By bullet payment at maturity.
(h)	Interim Facility	Citibank N.A.	TT$294,681,670	LIBOR plus 0.75% (31/12/07:5.88%)	5 months	Letter of comfort from the Ministry of Finance	To be repaid via long term facility.
(i)	Commercial Paper	First Citizens Bank Limited	TT$374,000,000	9.61%	13 years	Guaranteed by the GORTT	
(j)	Mortgage	Home Mortgage Bank	$33,900,000	9.5%	10 years	Mortgage of land and buildings and assignment of sub-lease rentals	To finance the purchase of the Head Office building in Sackville Street, Port of Spain
(k)	Commercial Paper	First Citizens Bank Limited	TT$93,375,655	5.44%	13 years	Guaranteed by the GORTT	To finance various projects.
(l)	Short Term Bridge Loan	First Caribbean International Banking and Financial Corporation	TT$501,314,796	5.78%	3 years	Letter of Comfort	To finance the fit out of the Port of Spain Waterfront
(m)	Fixed Rate Notes	US Private Placement (Wells Fargo Bank)	TT$2,372,303,000	6.09%	15 years	Land and Buildings thereon and assignment of sublease rentals	To finance construction and fit out costs of the Port of Spain International Waterfront Project and repayment of the interim facility.

18. Borrowings (continued)

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

	2012	2011
	$	$
TT Dollar	4,994,096,976	4,785,166,901
US Dollar	3,159,008,912	3,421,612,415
	8,153,105,888	8,206,779,316

19. Deferred Liability

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

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

20. Deferred Tax Liability

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 25%.

Deferred income tax assets are recognised for tax losses carry forward to the extent that realisation of the related tax benefit through the future taxable profits is probable.

The movement on the deferred income tax account is as follows:

	2012	2011
	$	$
At beginning of year	40,927,335	40,020,201
Charge to income statement	782,665	907,134
At end of year	41,710,000	40,927,335

	2012 $	2011 $
21. Accounts Payable and Accruals		
Project payables	206,323,103	205,340,485
Retentions payable	158,595,876	148,789,007
Other payables	228,450,339	176,655,637
Accrued interest on loans	190,596,428	163,938,797
Provisions	424,250	424,250
	784,389,996	695,148,176
22. Reserve Development Fund		
Other development projects	2,389,412	103,619,852

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

23. Deferred Revenue

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

	2012	2011
24. Deposit on Account		
Deposit on account	1,154,666	1,111,200

These represent monies from our subsidiaries Rincon and Oropune. Rincon's $768,164 (2011:$724,698) represents deposits from their clients as consideration for the purchase of the land at Rincon. This amount is held on account until the finalisation and issue of the deeds. Oropune's portion of $386,502 (2011: $386,502) represents deposits for the housing project where the sales have not yet been finalised.

	2012	2011
25. Income from hotel operations		
Total Hyatt Regency Fees	260,207,845	228,077,767
26. Rental income	285,687,066	271,661,134

	2012 $	2011 $
27. Other Income		
Sale of tender documents	262,400	32,535
Carpark revenue	8,608,854	5,889,556
Other	26,002,534	1,457,833
Management fees	2,307,862	1,667,781
	37,181,650	9,047,705
28. Administrative Expenses		
Employee benefit (Note 29)	24,035,182	21,266,411
Depreciation and amortisation	128,882,465	129,855,156
Office expenses	38,669,744	65,811,513
Rent and utilities	3,506,693	7,017,376
Advertising	737,889	780,839
Other expenses	189,751,780	304,983,308
Bad debt expense	(142,291,214)	24,821,021
	243,292,539	554,535,624
29. Employee Benefit Expense		
Wages and salaries	23,261,811	20,675,375
National Insurance costs	769,567	587,232
Other costs	3,804	3,804
	24,035,182	21,266,411

Number of employees at year end 690 (2011: 679).

	2012 $	2011 $
30. Finance Income		
Government grants to cover interest expense	128,538,611	112,185,216
Interest income	1,065,538	1,250,867
	129,604,149	113,436,083
31. Finance Costs		
Interest expense on GORTT borrowings	128,538,611	112,185,216
Interest expense on bank borrowings	136,153,827	143,925,327
Foreign exchange loss on bank borrowings	97,938	53,368,419
Bank charges	50,000	40,812
	264,840,376	309,519,774

32. Taxation

	2012	2011
	$	$
Deferred tax	782,663	907,134
Green Fund levy	293,398	290,788
Business levy	530,280	530,149
Total taxation	1,606,341	1,728,071

The following reconciliation between tax and accounting profit multiplied by the applicable tax rate:

	2012	2011
	$	$
Profit/(loss) before taxation	211,636,153	(232,240,467)
Tax deductible at 25%	52,909,038	(58,060,117)
Expense (deductible) non-deductible for tax purposes	(52,126,375)	(58,967,257)
Green fund levy	293,398	290,788
Business levy	530,280	530,149
	(1,606,341)	(1,728,071)

33. Related Party Balances

(a) *Key management compensation*

	2012	2011
Directors' fees	646,000	667,452
Senior management remuneration	3,463,862	5,085,333

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

33. **Related Party Balances** (continued)

(b) ***GORTT***

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

	2012	2011
	$	$
Investment properties	1,266,605,963	1,267,064,698
Construction in progress	4,626,660,593	3,920,181,702
Facilities works not billed	118,791,230	116,049,490
Contributed capital	1,457,245,132	746,813,524
Amounts due from the GORTT	213,471,467	267,416,585
Accounts receivable for contract work	85,017,577	229,303,637
Reserve development fund	2,389,412	103,619,852
Loan repayments made by the GORTT on behalf of the Corportion	16,000,000	16,000,000
Deferred liability payable to the GORTT	10,350,000	10,350,000

(c) ***Other transactions with the GORTT***

In addition to the balances in (b) above, the Group in the ordinary course of its business carries out project development work solely for the GORTI and state agencies. Transactions and balances between the Group and these related parties are as follows:

	2012	2011
	$	$
Project management fees	7,088,358	9,592,242
Contract revenue	186,024,389	141,484,952
Contract costs incurred	186,024,389	141,484,952

34. Financial Instruments by Category

(i) *Loans and receivables*

Amounts due from GORTT	213,471,467	267,416,585
Receivables for contract work billed to GORTT	163,712,212	74,050,320
Advances to contractors	93,136,752	93,136,752
Cash and cash equivalent	574,532,558	418,051,679
Other receivables excluding prepayments	547,458,543	490,304,690
	1,592,311,532	1,342,960,026

(ii) *Financial liabilities carried at amortised cost*

Borrowings	8,153,105,888	8,206,779,316
Accounts payables and accruals	784,389,996	695,148,176
Reserve development fund	2,389,412	103,619,852
	8,939,885,296	9,005,547,344

35. Capital Commitments

The following represents the unpaid portion of contractual obligations undertaken by the Company in carrying out its business activities:

As at December 31, 2012, capital commitments amounting to approximately $656 million (2011:$50 million) existed.

36. Contingent Liabilities

The Group companies are parties to various legal actions, the final outcome of which is uncertain. Based on appropriate legal advice, the directors have concluded that no significant unrecognised liability is expected to crystallise.

37. Subsequent Events

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

a) The Group has entered into several contracts amounting to approximately $656 million in the normal course of business.

b) Design Collaborative Associates and Genivar TT Limited filed a claim for works done on the Port of Spain Waterfront Masterplan in the mount of TT$22,792,127.05. This matter was settled for TT$ 24,721,741.76 in May 2013.

c) The Environmental Management Authority served notice of violation dated 24 February 2010 against the Group in contravention of several sections of the Environmental Management Act. The violations were allegedly with respect to unauthorized works being carried out at the National Academy for the Performing Arts, South Campus site without a Certificate of Environment Clearance being issued. The estimated payout is TT$1,613,891 should the action be successful. The final payment was made in April 2013.

d) Communications Workers' Union - Kenneth Crichlow issued a pre-action protocol letter seeking damages for breach of contract due to dismissal. This matter is currently before the industrial court. It has been adjourned to October 05, 2017.

e) Banking Insurance and General Workers Union - Samantha Young engaged in action against the Corporation for wrongful dismissal for TT$450,000. The Group settled this matter for TT$245,000 in 2014.

f) Genivar TT and Genivar Inc filed a claim for payment for services rendered on a number of sites including Chancery Lane, Stollmeyer's Castle, Mille Fleurs, etc, in the amount of TT$102,000,000.00 inclusive of interest, damages and costs. The claim was finally settled for TT$71,000,000.00 in August 2013.

37. Subsequent Events (continued)

g) Sunway issued a pre-action protocol letter with respect of claim for damages for breach of contract for the schematic Design and Fit out of the Ministry of Legal Affairs office tower for TT$55,006,143. This matter was last heard on April 04, 2017 in the High Court. It has been sent to a Judicial Settlement conference set for September 26, 2017.

h) Dipcon Engineering filed claim against the Group relating to the Oropune Housing Project for outstanding amounts. The judgement is to be delivered in October 2017.

i) Atlas Engineering Ltd brought action against the Group relating to the Manzanilla, Matelot and Matura Police Stations in the amount of TT$25,928,870.96. The claim was settled for TT$2,000,000.00 in November 2016.

j) The Banking, Insurance and General Workers' Union – A claim was filed for wrongful dismissal in the amount of TT$200,000.00. This claim was settled for TT$120,000.00 in July 2014.

k) Jasphal Bhogal Associates Limited submitted a claim for design works on the St. Vincent Place project in the amount of TT$7,892,678.51. This claim was settled for TT$7,615,000.00 on 6th November 2012.

l) Spancrete Ltd filed a claim for $7,000,000.00 on April 05 2017. Next hearing January 17 2018.

m) Sherma Ramoutar Boodhoo filed a claim for wrongful dismissal in the amount of $771,427.00 plus exemplary damages in 2016.The matter will be heard on April 16 and 18 2018.

n) Orlando Forde accused UDeCOTT of wrongful dismissal. Certificate of Trade dispute filed on September 12 2017. First hearing date is January 9 2018.

37. Subsequent Events (continued)

o) Patrick Audie Batiste filed a claim of injury while at Hyatt against UDeCOTT and Hyatt. The matter was settled by consent order on June 27 2017. Hyatt was ordered to pay $15,000.00 to Mr. Baptiste.

p) GYM Ltd filed a claim against UDeCOTT for breach of contract and monies owed for general maintenance services undertaken at the Government Campus Plaza Parkade in the amount of $672,736.48. The matter was settled by consent order on May 02 2017. UDeCOTT made an agreed payment of $493,182.63 on June 30th 2017.

q) UDeCOTT filed a claim in the amount of $2,348,240.00 against Servus Limited for unremitted monies collected on behalf of UDeCOTT and the management of Parkade. A counter claim was filed for money due under contract in the amount of $970,527.79. A consent order was entered on June 21 2017, both parties withdrew their claim and counterclaim and agreed to pay their own costs.

38. Segment Information

	Construction works	Hotel operation	Total
	$	$	$
December 31, 2012			
Revenue	329,957,074	260,207,845	590,164,919
Operating profit	276,024,841	70,847,539	346,872,380
Assets	9,309,911,924	319,923,108	9,629,835,032
Liabilities	8,966,221,239	41,092,495	9,007,313,734
December 31, 2011			
Revenue	290,301,081	228,077,767	518,378,848
Operating profit (loss)	(93,351,999)	57,195,223	(36,156,776)
Assets	8,523,884,936	238,914,614	8,762,799,550
Liabilities	9,030,590,795	30,148,877	9,060,739,672