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CORRIGENDA

IN “*Trinidad and Tobago Gazette*, Vol. 50, No. 175, dated Thursday 29th December, 2011, Page 1196, Items Nos. 2228 and 2229, under the heading “Notice of Intended Removal of Defunct Companies from Register, [Section 461(3) of the Companies Act, 1995, Chap. 81:01]” and under the heading “Notice of Removal of Defunct Companies from Register, [Section 461(5) of the Companies Act, 1995, Chap. 81:01]” the Deputy Registrar of Companies signature and acting Registrar of Companies signature are incorrectly printed as J. Sandy and should have been F.M. Sandy. The errors are regretted.

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SUPPLEMENT TO THIS ISSUE

THE DOCUMENT detailed hereunder has been issued and is published as a Supplement to this issue of the *Trinidad and Tobago Gazette*:

Legal Supplement Part B—

Emergency Ambulance Services and Emergency Medical Personnel Regulations, 2013—(Legal Notice No. 58 of 2013).

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APPOINTMENT TO ACT AS ATTORNEY GENERAL

IT IS HEREBY NOTIFIED for general information that His Excellency the President, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in him by subsection (2) of section 79 of the Constitution of the Republic of Trinidad and Tobago, has appointed DR. ROODLAL MOONILAL, a Member of the House of Representatives who is a Minister, to act in the Office of Senator the Honourable ANAND RAMLOGAN, Attorney General, with effect from the 11th April, 2013 and continuing during the absence from Trinidad and Tobago of the said Senator the Honourable Anand Ramlogan, in addition to the discharge of his normal duties.

E. DANIEL-LIVERPOOL
*Secretary to His Excellency
the President*

11th April, 2013.

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APPOINTMENT AS A TEMPORARY MEMBER OF THE SENATE

IT IS HEREBY NOTIFIED for general information that His Excellency the President, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in him by section 44 of the Constitution of the Republic of Trinidad and Tobago, has appointed DON SYLVESTER, to be temporarily a Member of the Senate, with effect from 9th April, 2013 and continuing during the absence from Trinidad and Tobago of Senator VASANT VIVEKANAN BHARATH.

E. DANIEL-LIVERPOOL
*Secretary to His Excellency
the President*

4th April, 2013.



**REPUBLIC OF TRINIDAD AND TOBAGO
AUDITOR GENERAL'S DEPARTMENT**

**REPORT
OF THE
AUDITOR GENERAL**

**ON THE CONSOLIDATED FINANCIAL STATEMENTS
OF THE
TRINIDAD AND TOBAGO UNIT TRUST CORPORATION**

FOR THE YEAR ENDED

31ST December, 2012



**TO: THE BOARD OF DIRECTORS
TRINIDAD AND TOBAGO UNIT TRUST CORPORATION**

**REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRINIDAD AND TOBAGO
UNIT TRUST CORPORATION FOR THE YEAR ENDED 31 DECEMBER, 2012**

The accompanying consolidated financial statements of the Trinidad and Tobago Unit Trust Corporation for the year ended 31 December, 2012 have been audited. The Statements as set out on pages 1 to 57 and on pages referenced A-1 to A-12 comprise:

- (i) a Consolidated Statement of Financial Position as at 31 December, 2012, a Consolidated Statement of Income, a Consolidated Statement of Comprehensive Income, a Consolidated Statement of Changes in Equity and a Consolidated Statement of Cash Flows for the year ended 31 December, 2012 in respect of the Trinidad and Tobago Unit Trust Corporation;
- (ii) Notes to the Consolidated Financial Statements for the year ended 31 December, 2012 numbered 1 to 39, and
- (iii) Additional Information comprising a Statement of Financial Position as at 31 December, 2012, a Statement of Comprehensive Income and a Statement of Cash Flows for the year ended 31 December, 2012 in respect of each of the following: the Growth and Income Fund (First Unit Scheme), the TT Dollar Income Fund, the Universal Retirement Fund and the US Dollar Income Fund respectively.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. The management of the Trinidad and Tobago Unit Trust Corporation is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

3. The Auditor General's responsibility is to express an opinion on these consolidated financial statements in accordance with section 30 (4) of the Unit Trust Corporation of Trinidad and Tobago Act, Chapter 83:03 (the Act) based on the audit. The audit which was carried out in accordance with section 30 (1) of the said Act was conducted in accordance with auditing standards which require that ethical requirements be complied with and that the audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

5. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the audit opinion.

OPINION

6. In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Trinidad and Tobago Unit Trust Corporation as at 31 December, 2012 and its financial performance and its cash flows for the year ended 31 December, 2012 in accordance with International Financial Reporting Standards.

28th March, 2013



Sharmar Ottley
SHARMAN OTTLEY
AUDITOR GENERAL

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Trinidad and Tobago Unit Trust Corporation
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December, 2012
Expressed in Trinidad and Tobago Dollars

	Notes	31-Dec-12 \$ '000	31-Dec-11 \$ '000
ASSETS			
Investment Funds	3	19,568,046	18,144,849
Cash and Cash Equivalents		615,584	308,035
Receivables		245,295	152,504
Prepayments and Other Assets		23,653	24,177
Investment Securities	4	2,145,254	2,882,455
Property, Plant and Equipment	5	172,260	184,322
Intangible Assets	6	16,015	20,829
TOTAL ASSETS		22,786,107	21,717,171
LIABILITIES			
Accounts Payable and Short Term Liabilities		248,370	66,167
Other Liabilities		10,033	39,690
Financial Instruments	7	1,580,377	2,462,426
Deferred Income Tax Liability	9	4,209	3,149
Sinking Fund Liability	10	13,587	7,805
Pension Liability	11	4,646	-
TOTAL LIABILITIES		1,861,222	2,579,237
CAPITAL AND RESERVES			
Initial Capital	12	4,766	4,766
Unit Capital	13	19,563,280	18,140,083
		19,568,046	18,144,849
Fund Reserves	14	151,480	113,436
Statutory Reserves	15	5,050	5,050
Revaluation Reserve	16	253,391	(3,502)
Retained Income		858,780	774,773
		1,268,701	889,757
Non-controlling Interest	17	88,138	103,328
TOTAL LIABILITIES, CAPITAL AND RESERVES		22,786,107	21,717,171




Chairman


Executive Director

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Trinidad and Tobago Unit Trust Corporation
CONSOLIDATED STATEMENT OF INCOME
as at 31 December, 2012
Expressed in Trinidad and Tobago Dollars

	Notes	31-Dec-12 \$ '000	31-Dec-11 \$ '000
CONTINUING OPERATIONS			
INCOME			
Investment Income -			
Growth & Income Fund		235,015	176,437
TTS Income Fund		440,894	360,604
Universal Retirement Fund		12,136	8,292
US\$ Income Fund	19	126,949	150,694
Net Investment Income - Group Operations	20	31,299	20,071
Realized Gains re-classified from Equity	21	154,989	-
Initial Charge		8,818	7,191
Other Income		23,720	13,229
Total Income		1,033,820	736,518
EXPENSES			
Commissions		(17,368)	(15,851)
Impairment	23	(314,322)	-
Administrative	24	(222,471)	(201,713)
Depreciation and Amortisation		(20,571)	(20,535)
Provision for Sinking Fund Liability		(5,782)	(7,805)
Total Expenses		(580,514)	(245,904)
Net Income before Finance Charges		453,306	490,614
Finance Charges	26	(235)	(324)
Net Income after Finance Charges		453,071	490,290
Undistributed Income at beginning of year		7,443	1,423
Distributions	27	(258,859)	(354,770)
Transfer from Investment Funds to Reserves		(76,729)	(23,565)
Income Capitalized		(5,883)	(4,475)
Undistributed Income at end of year		(13,522)	(7,443)
Net Income before Taxation from Continuing Operations		105,521	101,460
Taxation	8	(7,287)	(5,802)
Net Income after Taxation from Continuing Operations		98,234	95,658
DISCONTINUED OPERATIONS			
Net Loss from Discontinued Operations	28	-	(24,825)
Net Income for the year		98,234	70,833
Net Income Attributable to:			
Owners of the Parent		94,442	79,959
Non-controlling Interest		3,792	(9,126)
		98,234	70,833

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Trinidad and Tobago Unit Trust Corporation
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 For the year ended 31 December, 2012
 Expressed in Trinidad and Tobago Dollars

Notes	31-Dec-12 \$ '000	31-Dec-11 \$ '000
Net Income for the year	98,234	70,833
Other Comprehensive Income: <i>Amounts that may be transferred to Profit or Loss in the future:</i>		
Revaluation of Available-for-Sale financial assets	21 293,958	(1,294)
Exchange differences on translating foreign operations	(29,889)	(18,964)
<i>Amounts that will never be transferred to Profit or Loss in the future:</i>		
Remeasurements of net defined benefit liability	11(e) (7,176)	-
Other Comprehensive Income/(Loss) for the year	256,893	(20,258)
Total Comprehensive Income for the year	355,127	50,575
Total Comprehensive Income/(Loss) attributable to:		
Owners of the Parent	343,679	60,879
Non-controlling Interest	11,448	(10,304)
Total Comprehensive Income	355,127	50,575

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

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Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December, 2012

Expressed in Trinidad and Tobago Dollars

		<i>Fund Reserves</i>	<i>Statutory Reserves</i>	<i>Revaluation Reserve</i>	<i>Retained Income</i>	<i>Non-controlling Interest</i>	<i>Total</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
	Notes						
Balance as at 1 January, 2012		113,436	5,050	(3,502)	774,773	103,328	993,085
Total Comprehensive Income for the year		-	-	256,893	94,442	11,448	362,783
Exchange translation differences		-	-	-	-	57	57
Capital contributions from minority shareholders and other changes in non-controlling interest		-	-	-	-	(26,695)	(26,695)
Transfers from Investment Funds	14	76,729	-	-	-	-	76,729
Call on Reserves	14	(28,588)	-	-	-	-	(28,588)
Transfers from Retained Income	14	10,435	-	-	(10,435)	-	-
Guarantee Reserves Payments	14	(21,435)	-	-	-	-	(21,435)
Interest on Reserve Assets	14	903	-	-	-	-	903
Adjustment for Belize		-	-	-	-	-	-
Balance as at 31 December, 2012		151,480	5,050	253,391	858,780	88,138	1,356,839
Balance as at 1 January, 2011		88,793	5,050	16,756	704,637	98,355	913,591
Total Comprehensive Income for the year		-	-	(20,258)	79,959	(10,304)	49,397
Exchange translation differences		-	-	-	-	2,111	2,111
Capital contributions from minority shareholders and other changes in non-controlling interest		-	-	-	-	13,166	13,166
Transfers from Investment Funds		23,565	-	-	-	-	23,565
Transfers from Retained Income		26,371	-	-	(26,371)	-	-
Guarantee Reserves Payments		(27,371)	-	-	-	-	(27,371)
Interest on Reserve Assets		2,078	-	-	-	-	2,078
Adjustment for Belize		-	-	-	16,548	-	16,548
Balance as at 31 December, 2011		113,436	5,050	(3,502)	774,773	103,328	993,085

800—Continued

Trinidad and Tobago Unit Trust Corporation
CONSOLIDATED STATEMENT CASH FLOWS
For the year ended 31 December, 2012
Expressed in Trinidad and Tobago Dollars

	31-Dec-12 \$ '000	31-Dec-11 \$ '000
OPERATING ACTIVITIES		
Net Income before taxation	105,521	101,460
<i>Adjustment to reconcile net income to net cash and cash equivalents from operating activity:</i>		
Depreciation and Amortisation	20,571	20,535
Impairment loss non-financial assets	5,085	-
Impairment financial assets	160	-
Loss on sale of Property, Plant and Equipment	362	57
	<u>131,699</u>	<u>122,052</u>
<i>Movements in Working Capital</i>		
(Increase)/Decrease in Receivables	(92,790)	716,371
(Increase)/Decrease in Prepayments and Other Assets	(4,560)	1,312
Increase in Accounts Payable and Liabilities	125,017	43,378
Taxation paid	(7,287)	(5,802)
Loss on Discontinued Operations	-	(24,825)
Increase in Sinking Fund Liability	5,782	7,805
Decrease in pension liability prepayment	(2,531)	-
Net Cash Flow From Operating Activities	<u>155,330</u>	<u>860,291</u>
INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(3,547)	(13,194)
Proceeds from Disposal of Property, Plant and Equipment	171	516
Purchase of Intangible Assets	(679)	(1,340)
Purchase of Investment Securities	(152,093)	(838,371)
Proceeds from Disposal of Investments	1,134,220	136,192
Net Cash Flow From/(Used in) Investing Activities	<u>978,072</u>	<u>(716,197)</u>
FINANCING ACTIVITIES		
Financial Instruments	(882,049)	(94,887)
Reserve Receipts	77,631	25,642
Guarantee Reserve Payments	(21,435)	(27,371)
Net Cash Used in Financing Activities	<u>(825,853)</u>	<u>(96,616)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents at beginning of year	307,549	47,478
Cash and Cash Equivalents at end of year	<u>308,035</u>	<u>260,557</u>
Cash and Cash Equivalents at end of year	<u>615,584</u>	<u>308,035</u>

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

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

Expressed in Trinidad and Tobago dollars

1) INCORPORATION AND PRINCIPAL ACTIVITIES

The Trinidad & Tobago Unit Trust Corporation (the **Corporation**) was established by the Unit Trust Corporation of Trinidad and Tobago Act (the **Act**), Chapter 83:03 of the Laws of the Republic of Trinidad and Tobago, generally to provide facilities for participation by members of the public in investing in shares and securities approved by the Board. The Finance Act of 1997 permitted expansion of the Corporation's scope of business to include other financial services, such as merchant banking, trustee and card services.

The Corporation controlled eight (8) subsidiary companies during 2012.

2) SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these Consolidated Financial Statements are stated below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Basis of Preparation

- i. The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) and the Act, under the historical cost convention, except as modified in respect of security valuation. The accounting policies in all material respects conform to IFRS.
- ii. These Consolidated Financial Statements are presented in Trinidad and Tobago dollars, which is the functional currency of the Corporation. All financial information presented in Trinidad and Tobago dollars has been rounded to the nearest thousand except where otherwise indicated.
- iii. The preparation of Consolidated Financial Statements in accordance with IFRS requires management to make judgements, estimates and assumptions. Management reviews these estimates and underlying assumptions on a regular basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The significant areas in which management has had to exercise its judgement are: the determination of impairment charges with respect to fixed assets, intangible assets and investment securities.
- iv. The accounting policies applied in the preparation of these Consolidated Financial Statements are consistent with those of the previous financial year.
- v. The Group adopted the following improvements to IFRS during 2012:
 - IFRS 1 – First time adoption of IFRS (Amendment) – Severe Hyper-inflation and Removal of Fixed Dates for First-time Adopters (effective 1 July 2011). The amendment provides guidance on how an entity should resume presenting IFRS Financial Statements when its functional currency ceases to be subject to hyper-inflation. Adoption of the amendment had no impact on the Consolidated Financial Statements.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

Expressed in Trinidad and Tobago dollars

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of Preparation (continued)

v. (continued)

- IAS 1 – Presentation of Items of Other Comprehensive Income – Amendments to IAS 1 (effective 1 July 2012). The amendments to IAS 1 change the grouping of items presented in Other Comprehensive Income (OCI). Items that would be re-classified to profit or loss at a future point in time, e.g. upon disposal of the asset, must be presented separately from items that will never be re-classified.
 - IFRS 7 – Financial Instruments: Disclosures. These amendments introduced enhanced disclosure with respect to the transfer of financial instruments including disclosure of the possible effects of any risks that may remain with the entity after the transfer.
 - IAS 12 – Income Taxes (Amendment)/Deferred Taxes – Recovery of underlying assets (effective 1 January 2012). The amendment clarifies the determination of deferred tax in investment property measured at fair value under IAS 40. The Group does not hold any investment property as defined by IAS 40.
 - IAS 19 – Employee Benefits. Significant amendments were made to IAS 19 in June 2011. The amendments are mandatory on 1 January 2013. The Group has early adopted the amendments. The amendments *inter alia*: clarify the distinction between short-term and other long-term employee benefits; require entities to report in their Statements of Financial Position the net surplus or deficit of defined benefit plans; and require the recognition of actuarial gains and losses in Other Comprehensive Income (OCI).
- vi. There are new IFRS and amendments to IFRS which the Corporation opted not to early adopt in 2012. These new standards and amendments were not applied in the preparation of these Consolidated Financial Statements. The Standards and amendments are:
- IFRS 9, Financial Instruments. This standard is the first step in the process to replace IAS 39, 'Financial Instruments: recognition and measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets. Though initially announced as mandatory from 1 January 2013, the standard at present is not mandatory until 1 January 2015 but may be early adopted.
 - IFRS 10 – Consolidated Financial Statements. IFRS 10 establishes control as the single basis for consolidation of an entity. It states that an investor can control an entity with less than 50% of the voting rights and provides specific application guidance for agency relationships. IFRS 10 is mandatory from 1 January 2013 and is expected to have a significant impact on the presentation of the Group's Consolidated Financial Statements as the Group will be required to consolidate most of the Funds under management line by line.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

Expressed in Trinidad and Tobago dollars

2) SIGNIFICANT ACCOUNTING POLICIES (continued)**a) Basis of Preparation (continued)****vi. (continued)**

- IFRS 11 – Joint Arrangements. This standard deals with the classification of arrangements where two or more parties have joint control. The standard is not expected to have a material impact on the Group's financial statements in the immediate future. The standard is mandatory from 1 January 2013.
- IFRS 12 – Disclosure of Interests in Other Entities. This standard is mandatory from 1 January 2013 and extends the disclosure requirements of entities that have interests in subsidiaries, joint venture arrangements, associates or unconsolidated structured entities. Adoption of this standard is not expected to have a material impact on the Group's financial statements.
- IFRS 13 – Fair Value Measurement. This standard provides a single source of guidance for fair value measurements and related disclosures. In general, the disclosure requirements are more extensive than those under other standards. Adoption of this standard is expected to impact the presentation of the Group's Consolidated Financial Statements. The standard is mandatory from 1 January, 2013.

b) Basis of Consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Corporation and its subsidiaries drawn up as at 31 December, 2012 and include all the assets and liabilities and results of operations of the Group. Subsidiaries are entities over which the Group has the power to govern the financial and operating policies. 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.

'Non-controlling interest' represents the portion of the profit and net assets not owned directly or indirectly by the Corporation. It is presented in the Consolidated Statement of Income, the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position, separately from the parent's shareholding interest.

All material inter-company transactions and accounts have been eliminated in preparing the Consolidated Financial Statements. Accounting policies of the subsidiaries are consistent with the policies of the Group.

c) Investment Securities

The Group classifies its financial assets in the following categories: available-for-sale, held-to-maturity and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Investment securities intended to be held for an indefinite period of time but which may be sold in response to liquidity requirements or market conditions, are classified as available-for-sale. Available-for-sale investments are carried at fair value.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

Expressed in Trinidad and Tobago dollars

2) SIGNIFICANT ACCOUNTING POLICIES (continued)**c) Investment Securities (continued)**

Un-realised gains and losses from changes in the fair value of investments classified as available-for-sale are recognised in equity. When available-for-sale financial assets are disposed of or are impaired, the related fair value adjustments are re-classified to the Consolidated Statement of Income. Investment securities with fixed maturities that management has the intent and ability to hold to maturity are classified as held-to-maturity. Held-to-maturity investments are carried at amortised cost, less any adjustment necessary for impairment.

Investment securities with fixed and determinable payments, but not quoted in an active market, are classified as loans and receivables. Loans and receivables are carried at amortised cost, using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts for the life of the debt instrument to the net carrying amount on initial recognition.

Impairment adjustments are made to the amortized cost of loans and receivables where necessary.

Purchases and sales of equity investments are recognised at the trade date. Purchases and sales of all other security investments are recognised on the settlement date.

d) Security Valuation

The fair value of publicly traded securities is determined by reference to the prevailing closing market prices at the end of the reporting period.

The carrying amounts of financial assets and liabilities with a maturity of less than three months are assumed to approximate their nominal amounts.

The fair value of unquoted securities is determined using the last traded price, which is provided by the issuer.

e) Impairment of Financial Assets*Assets carried at amortised cost*

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets carried at amortised cost, is impaired. A financial asset or group of financial assets is considered impaired and impairment losses are recognised only if there is both:-

- i. 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
- ii. the loss event has an impact on the future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

Expressed in Trinidad and Tobago dollars

2) SIGNIFICANT ACCOUNTING POLICIES (continued)**e) Impairment of Financial Assets (continued)**

The criteria used by the Group to determine whether an impairment loss should be recognised include, evidence that:-

- a) the issuer, or obligor, is in significant financial difficulty;
- b) there has been a breach of contract, such as a default or delinquency in interest payments or principal repayments, by the issuer or obligor;
- c) the issuer's lender, for economic or legal reasons relating to the issuer's financial difficulty, has granted to the issuer a concession that the lender would not otherwise consider;
- d) it is probable that the borrower will enter bankruptcy or other financial reorganization;
- e) an active market for the financial asset has disappeared because of financial difficulties; or
- f) there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the portfolio, including:-
 - i) adverse changes in the payment status of borrowers in the portfolio; and
 - ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

Where there is objective evidence of impairment to financial assets carried at amortised cost, the Group measures the amount of the loss as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in the Consolidated Statement of Income. If a held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

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 an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Consolidated Statement of Income.

Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets classified as available-for-sale is impaired. For debt securities, the Group uses the criteria used for assets carried at amortised cost (see above). In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered evidence that the asset is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the Consolidated Statement of Income.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

Expressed in Trinidad and Tobago dollars

2) SIGNIFICANT ACCOUNTING POLICIES (continued)**e) Impairment of Financial Assets (continued)**

Impairment losses recognised in the Consolidated Statement of Income on equity investments are not reversed through the Consolidated Statement of Income. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the Consolidated Statement of Income, the impairment loss is reversed in the Consolidated Statement of Income.

f) Repurchase and Reverse Repurchase Agreements

A repurchase agreement is the sale of securities for cash with a simultaneous agreement to repurchase the securities at a fixed price on a contracted date. An interest rate is negotiated for the term of the agreement. A reverse repurchase agreement is the opposite of a repurchase agreement. A reverse repurchase agreement is the purchase of the securities for cash with a simultaneous agreement to re-sell them at a fixed price on a contracted date and at an agreed rate of interest.

A repurchase agreement may be construed as a borrowing. In the normal course of business the Corporation does not enter into repurchase agreements. As part of its short-term investment activity, it does enter into reverse repurchase agreements. Deterioration in the value of the securities bought under reverse repurchase agreements is materially covered through margin calls comprising cash and/or additional securities.

g) Property, Plant and Equipment

Property, plant and equipment 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 costs for repairs and maintenance are charged to the Consolidated Statement of Income during the financial period in which such costs are incurred.

Where the carrying amount of property, plant and equipment is greater than its estimated recoverable amount, this carrying amount is written down to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing the disposal proceeds with the carrying amounts. The resulting gains or losses are recognised in the Consolidated Statement of Income.

Freehold land is not depreciated. Leasehold land is capitalised and amortised over the term of the lease.

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2) SIGNIFICANT ACCOUNTING POLICIES (continued)**g) Property, Plant and Equipment**

Depreciation on other assets, except for motor vehicles, is calculated using the straight-line method to allocate their cost or revalued amounts over their estimated useful lives as follows:

Property, Plant and Equipment category:	Estimated useful life:
Building	50 years
Office Improvements	3-15 years
Computer Equipment	2-8 years
Office Equipment	3-13 years
Office Furniture & Fixtures	3-10 years

Motor vehicles are depreciated using a rate of 25% per annum on the reducing balance.

h) Intangible Assets

Acquired computer software and licenses are capitalised on the basis of the costs incurred to acquire and bring the specific software into operation. These costs are amortised over their estimated useful lives (three to ten years). Costs associated with maintaining computer software are recognised as an expense as incurred.

i) Impairment of Non-Financial Assets

Assets that are subject to 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 as the amount by which an asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Income.

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). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

j) Foreign Currency Translation

The Corporation's functional currency is Trinidad and Tobago dollars. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates 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 Income.

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency. All resulting exchange differences are recognised in the Consolidated Statement of Comprehensive Income.

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2) SIGNIFICANT ACCOUNTING POLICIES (continued)**k) Employee Benefits**

Short-term employee benefits such as wages are recognised in the accounting period during which services are rendered by employees. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. The Group's defined benefit obligations are calculated by estimating the value of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of the plan assets are deducted. The discount rate approximates either high quality corporate bonds or the long-term bond rate for government bonds for a duration similar to the defined benefit obligations.

The defined benefit obligation calculations are performed by an actuary regularly using the projected unit credit method. Should the calculation result in a surplus, the surplus is not recognized as an asset since the Group is not entitled to reduce its contributions to the pension plan.

l) Cash and Cash Equivalents

Cash and Cash Equivalents include cash in hand, deposits held at call with banks, other short-term investments with original maturities of ninety days or less and bank overdrafts.

m) Provisions

Provisions are recognised when: the Group has a present or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

n) Revenue Recognition

Income comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities. Income is shown net of value-added tax, discounts and after eliminating services within the Group.

Interest income is recognised in the Consolidated Statement of Income using the effective interest method. Dividend income is recognised when the right to receive payment is established. Realised investment gains and losses are also recognised in the Consolidated Statement of Income.

o) Borrowings

Borrowings are recognised initially at fair value, and are subsequently stated at amortised cost. The Corporation does not borrow to finance the acquisition, construction or production of qualifying assets.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2) SIGNIFICANT ACCOUNTING POLICIES (continued)**p) Segment Reporting**

A segment is a distinguishable component of the Group that is engaged in providing similar products or services which are subject to risks and rewards that are different from those of other segments. In this context the Group consists of one segment as all the Group's activities are incidental to its main activity of mutual fund management.

q) Separate Funds Under Management

The assets and liabilities pertaining to pension and other funds, which are managed in accordance with specific Investment Management Agreements, are not included in the Consolidated Statement of Financial Position of the Corporation. The market value of these portfolios as at 31 December, 2012 is \$650 million (2011: \$485 million).

r) Taxation

The Corporation is exempt from Corporation Tax; however, it is subject to the Green Fund Levy. Corporation tax is payable on profits realised by the subsidiaries and is recognised as an expense in the period in which profits arise.

Taxes are based on the applicable tax laws in each jurisdiction. The tax effects of taxation losses available for carry forward, are recognised as an asset when it is probable that future taxable profits will be available against which the losses can be utilized.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. Deferred tax is determined using tax rates that have been enacted by the date of the Consolidated Statement of Financial Position and are expected to apply when the related deferred tax asset is realised or the deferred corporation tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

s) Comparative Information

Certain changes in presentation have been made in these Financial Statements. These changes had no effect on the operating results or net income after tax of the Group for the previous year.

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Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

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3) INVESTMENT FUNDS

The portfolio values of the locally based investment funds are as follows:

	2012	2011
	\$'000	\$'000
Growth & Income Fund	3,681,924	3,302,751
TT\$ Income Fund	11,154,721	10,556,777
Universal Retirement Fund	212,709	186,917
US\$ Income Fund	<u>4,518,692</u>	<u>4,098,404</u>
Total	<u>19,568,046</u>	<u>18,144,849</u>

4) INVESTMENT SECURITIES

	2012	2011
	\$'000	\$'000
Held-to-maturity investments carried at amortized cost:		
‘	-	160
Equity	50,766	48,653
Mutual Funds	6	6
Short-term investments (ii)	<u>88,732</u>	<u>91,150</u>
	<u>139,504</u>	<u>139,969</u>
Available-for-sale assets carried at fair value:		
Bonds (i)	1,700,234	2,592,800
Equity	276,196	121,086
Mutual Funds	15,820	15,843
Short-term investments (ii)	<u>13,500</u>	<u>12,757</u>
	<u>2,005,750</u>	<u>2,742,486</u>
	<u>2,145,254</u>	<u>2,882,455</u>

(i) The weighted average rate of interest on the bonds at 31 December, 2012 was 1.6% (2011: 1.5%).

(ii) All short term securities had original maturities of more than three (3) months.

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Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5) PROPERTY, PLANT AND EQUIPMENT

	<i>Land</i> <i>\$'000</i>	<i>Building</i> <i>\$'000</i>	<i>Office</i> <i>Improvement</i> <i>\$'000</i>	<i>Motor</i> <i>Vehicles</i> <i>\$'000</i>	<i>Office &</i> <i>Computer</i> <i>Equipment</i> <i>\$'000</i>	<i>Office</i> <i>Furniture</i> <i>\$'000</i>	<i>TOTAL</i> <i>\$'000</i>
Year ended 31 Dec. 2012							
Opening Net Book Value	16,161	112,652	25,646	3,367	21,111	5,385	184,322
Additions	-	-	840	-	2,359	348	3,547
Reclassifications	-	-	(12)	-	14	(2)	-
Disposals	-	-	(151)	(163)	(215)	(3)	(532)
Depreciation/Amortisation	(21)	(2,809)	(4,923)	(806)	(5,564)	(954)	(15,077)
Closing Net Book Value	<u>16,140</u>	<u>109,843</u>	<u>21,400</u>	<u>2,398</u>	<u>17,705</u>	<u>4,774</u>	<u>172,260</u>
As at 31 Dec. 2012							
Cost	16,569	139,427	46,565	6,258	61,423	20,928	291,170
Accumulated Depreciation/Amortisation	(429)	(29,584)	(25,165)	(3,860)	(43,718)	(16,154)	(118,910)
Net Book Value	<u>16,140</u>	<u>109,843</u>	<u>21,400</u>	<u>2,398</u>	<u>17,705</u>	<u>4,774</u>	<u>172,260</u>
Year ended 31 Dec. 2011							
Opening Net Book Value	16,183	115,461	25,215	3,880	19,518	5,969	186,226
Additions	-	-	4,553	790	7,486	365	13,194
Reclassification	-	-	(30)	-	(99)	129	-
Disposals	-	-	(2)	(330)	(205)	(35)	(572)
Depreciation/Amortisation	(22)	(2,809)	(4,090)	(973)	(5,589)	(1,043)	(14,526)
Closing Net Book Value	<u>16,161</u>	<u>112,652</u>	<u>25,646</u>	<u>3,367</u>	<u>21,111</u>	<u>5,385</u>	<u>184,322</u>
As at 31 Dec. 2011							
Cost	16,292	139,427	46,668	6,658	64,266	19,085	292,396
Accumulated Depreciation/Amortisation	(131)	(26,775)	(21,022)	(3,291)	(43,155)	(13,700)	(108,074)
Net Book Value	<u>16,161</u>	<u>112,652</u>	<u>25,646</u>	<u>3,367</u>	<u>21,111</u>	<u>5,385</u>	<u>184,322</u>

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Trinidad and Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5) PROPERTY, PLANT AND EQUIPMENT (continued)

Land

Land includes leasehold land of \$2.2 million and freehold land of \$14.4 million.

Fair Value Land and Buildings

The fair value of Land and Buildings was estimated at \$187.5 million at 31 December, 2012 (2011: \$187.5 million). Land and buildings are independently valued every three years.

6) INTANGIBLE ASSETS

	2012	2011
	\$'000	\$'000
Year ended 31 December		
Opening Net Book Value	20,829	25,499
Additions	679	1,340
Depreciation Charge	<u>(5,493)</u>	<u>(6,010)</u>
Closing Net Book Value	<u>16,015</u>	<u>20,829</u>
As at 31 December		
Cost	49,991	49,311
Accumulated Depreciation	<u>(33,976)</u>	<u>(28,482)</u>
Net Book Value	<u>16,015</u>	<u>20,829</u>

7) FINANCIAL INSTRUMENTS

	Interest		2012	2011
	Rate	Term	\$'000	\$'000
Fixed-term funding	1.5%	Less than 1 year	1,577,918	2,284,305
Guaranteed Investment Certificate	12.6%	Less than 1 year	-	174,511
Long-term bond	8.0%	10 years	2,421	3,497
Long-term bond	8.0%	7.5 years	<u>38</u>	<u>113</u>
TOTAL			<u>1,580,377</u>	<u>2,462,426</u>

Fixed term funding represents financial liabilities in the form of Investment Note Certificates. The Guaranteed Investment Certificate was retired in early January 2012.

The long-term interest bearing bonds were issued by UTC Property Holdings Limited to finance the construction of two (2) of its properties.

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Trinidad and Tobago Unit Trust Corporation
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8) TAXATION

The local subsidiary companies are subject to Corporation Tax and foreign subsidiaries are subject to taxation relevant to their country of domicile.

	2012	2011
	\$'000	\$'000
Net income from continuing operations before taxation	<u>102,992</u>	<u>101,460</u>
Corporation tax rate 0% for the Corporation	-	-
Corporate tax at 25% for local subsidiaries	1,060	905
Corporate tax for foreign subsidiaries	349	232
Withholding tax	5,268	4,153
Business Levy payments	118	23
Green Fund Levy payments	<u>492</u>	<u>489</u>
Tax charge	<u><u>7,287</u></u>	<u><u>5,802</u></u>

9) DEFERRED TAX

Deferred taxes are calculated on all temporary differences under the liability method using the current rate of 25%.

Deferred tax assets and liabilities and deferred tax (credit)/charge in the profit and loss account are attributable to the following items:

	2012	2011
	\$'000	\$'000
Tax losses carried forward	(2,269)	(2,768)
Accelerated tax depreciation	<u>6,478</u>	<u>5,917</u>
Net deferred liability	<u><u>4,209</u></u>	<u><u>3,149</u></u>

The movement in deferred tax assets and liabilities during the year was as follows:

Deferred Tax Liability	Accelerated Tax Depreciation \$'000
Balance at 1 January 2011	5,253
Charged to the Consolidated Statement of Income 2011	<u>664</u>
Balance as at 31 December 2011	5,917
Charged to the Consolidated Statement of Income 2012	<u>561</u>
Balance as at 31 December 2012	<u><u>6,478</u></u>

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Trinidad and Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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9) DEFERRED TAX (continued)

Deferred Tax Asset	Tax Losses \$'000
Balance at 1 January 2011	(3,009)
Charged to the Consolidated Statement of Income 2011	<u>241</u>
Balance as at 31 December 2011	(2,768)
Charged to the Consolidated Statement of Income 2012	<u>499</u>
Balance as at 31 December 2012	<u>(2,269)</u>

10) SINKING FUND LIABILITY

The Corporation is contractually obligated to generate minimum returns on two (2) sinking funds that it manages. The sum of \$13.6 million represents the shortfall of the actual balances with respect to the targeted balances as at 31 December, 2012 (2011 \$7.8 million). The liability on one Sinking Fund (\$5.7 million) crystallises in December 2013.

11) RETIREMENT BENEFITS

Prior to 1 January, 2001 the Unit Trust Corporation Pension Fund Plan (the **Plan**) had been a defined benefit plan. The Plan received formal approval during 2002 for conversion to a defined contribution plan with effect from 1 January, 2001 with pre 1 January, 2001 benefits guaranteed. Retirement benefits are currently paid out of the Fund and are guaranteed for life. The defined benefits comprise a small portion of Plan benefits.

(a) Changes in the present value of the defined benefit obligations are as follows:

	2012 \$'000	2011 \$'000
Opening present value of defined benefit obligation	109,100	-
Current service cost	7,865	-
Plan participants' contributions	3,595	-
Interest cost	8,693	-
Actuarial Losses	10,618	-
Benefit paid	<u>(3,573)</u>	-
Closing present value of defined benefit obligation	<u>136,298</u>	<u>-</u>

Trinidad and Tobago Unit Trust Corporation
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11) RETIREMENT BENEFITS (continued)

(b) Changes in the fair value of Plan assets are as follows:

	2012 \$'000	2011 \$'000
Opening fair value of Plan assets	113,801	-
Expected return on Plan assets	9,022	-
Actuarial loss on Plan assets	(1,259)	-
Employer's contributions	10,066	-
Plan participants' contributions	3,595	-
Benefits paid	<u>(3,573)</u>	-
Closing fair value of Plan assets	<u>131,652</u>	<u>-</u>

(c) The amount recognised in the Consolidated Statement of Financial Position is as follows:

	2012 \$'000	2011 \$'000
Present value of the defined benefit obligation	(136,298)	(109,100)
Fair value of Plan assets	<u>131,652</u>	<u>113,801</u>
Sub-total	(4,646)	4,701
Un-recognised asset	<u>-</u>	<u>(4,701)</u>
Liability recognized in the Consolidated Statement of Financial Position	<u>(4,646)</u>	<u>-</u>

International Accounting Standard (IAS) 19 paragraph 64, prohibits recognition of the pension plan surplus unless it is available to the Corporation via reduction of its future contributions.

(d) The amount recognised in the Consolidated Statement of Income is as follows:

	2012 \$'000	2011 \$'000
Current service costs	7,865	-
Interest costs	8,693	-
Expected return on Plan assets	<u>(9,022)</u>	-
Total recognised in Staff Costs	<u>7,536</u>	<u>-</u>

(e) The amount recognised in the Consolidated Statement of Comprehensive Income is as follows:

	2012 \$'000	2011 \$'000
Actuarial Losses	(11,877)	-
The effect of the Limit in IAS 19 paragraph 64	<u>4,701</u>	-
	<u>(7,176)</u>	<u>-</u>

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Trinidad and Tobago Unit Trust Corporation
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11) RETIREMENT BENEFITS (continued)

(f) The major categories of Plan assets as a percentage of total Plan assets are as follows:

	2012	2011
	%	%
Universal Retirement Fund	75	75
TT\$ Income Fund	25	25

(g) The actual return on Plan assets was as follows:

	2012	2011
	\$'000	\$'000
Actual return	<u>7,763</u>	<u>-</u>

(h) The actuarial assumptions have been based on market expectations at 31 December annually for the period over which the obligations are to be settled. The principal actuarial assumptions used were as follows:

	2012	2011
	%	%
Discount rate at 31 December	5.0	7.0
Expected return on Plan assets	5.0	7.0
Future salary increases	5.0	6.5

(i) The Group expects to contribute \$10.6 million to the Plan in 2013.

12) INITIAL CAPITAL

Initial Capital is capital subscribed by the Initial Capital Contributors to the Trinidad and Tobago Unit Trust Corporation in accordance with Section 17 of the Act and invested in the Growth and Income Fund. Initial Capital at 31 December, 2012 was \$4.8 million (2011: \$4.8 million).

13) UNIT CAPITAL

Unit Capital represents the capital value of units issued by the four (4) Investment Funds domiciled in Trinidad and Tobago and managed by the Corporation. In respect of the Growth and Income Fund (First Unit Scheme), this excludes the acquisition cost of the units issued in respect of Initial Capital.

	2012	2011
	\$'000	\$'000
Growth and Income Fund	3,677,158	3,297,985
TT\$ Income Fund	11,154,721	10,556,777
Universal Retirement Fund	212,709	186,917
US\$ Income Fund	<u>4,518,692</u>	<u>4,098,404</u>
Total	<u>19,563,280</u>	<u>18,140,083</u>

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Trinidad and Tobago Unit Trust Corporation
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14) FUND RESERVES

	2012	2011
	\$'000	\$'000
Growth and Income Guarantee Reserve Fund	-	10,000
Growth and Income Fund Secondary Reserve Facility	53,000	-
TT\$ Income Fund	39,128	35,961
US\$ Income Fund	<u>59,352</u>	<u>67,475</u>
Total	<u>151,480</u>	<u>113,436</u>

Allocations from the Growth and Income Fund, TT\$ Income Fund and US\$ Income Fund are made to reserves established at the Corporation for the respective Funds.

Allocations from the Funds to the said reserves during 2012 totalled \$76.7 million (2011: \$23.4 million) as shown hereunder:

a) Growth and Income Guarantee Reserve Fund

In 1984, in accordance with the provisions of Section 26 (1) and (2) of the Act, the Corporation established a Guarantee Reserve Fund in respect of the Growth and Income Fund (First Unit Scheme) to ensure adequate funding of the Guarantee Pricing Plan. During 2012 the Growth and Income Fund made allocations in the amount of \$1.0 million to the Guarantee Reserve. Calls totalling \$21.4 million were made on the Reserve, of which the Corporation met \$10.4 million. The Corporation will continue to discharge its obligations under the Guarantee out of its reserves.

During 2012 the Board approved the establishment of a Secondary Reserve Facility for the Growth and Income Fund (First Unit Scheme). The Secondary Reserve Facility will be funded from: Income of the Growth and Income Fund, Income of the Corporation and the Retained Earnings of the Corporation. The Secondary Reserve will be used to fund any future requirements for capital reinstatement and/or distribution liabilities of the Growth and Income Fund.

A summary of the transactions in each of the Growth and Income Fund Reserves is provided below.

	2012	2011
	\$'000	\$'000
Guarantee Reserve Fund		
Fund reserve as at 1 January	10,000	-
Allocation to reserve (Growth and Income Fund)	1,000	11,000
Call on reserve	(21,435)	(27,371)
Allocation to reserve (Corporation)	<u>10,435</u>	<u>26,371</u>
Guarantee Reserve Fund at 31 December	<u>-</u>	<u>10,000</u>

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Trinidad and Tobago Unit Trust Corporation
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14) FUND RESERVES (continued)

	2012	2011
	\$'000	\$'000
Secondary Reserve Facility		
Fund reserve as at 1 January	-	-
Allocation to reserve (Growth and Income Fund)	<u>53,000</u>	<u>-</u>
Secondary Reserve Facility at 31 December	<u>53,000</u>	<u>-</u>

b) TT\$ Income Fund Reserves

In accordance with the provisions of Section 13 of the TT\$ Income Fund (Second Unit Scheme) Regulations issued under the Act, the Corporation established two reserves in respect of the TT\$ Income Fund, a Primary Reserve and a Secondary Reserve.

The Primary Reserve was established to satisfy any shortfall that may arise from the liquidation of securities in the portfolio of the Fund. The Secondary Reserve was established to augment the capital maintenance capability of the Fund and provide for the funding of any distribution liability which may arise.

TT\$ Income Fund - Primary Reserve	2012	2011
	\$'000	\$'000
Fund reserve as at 1 January	32,450	29,260
Allocation to primary reserve	2,800	2,800
Interest earned on the reserve	<u>332</u>	<u>390</u>
Primary Reserve as at 31 December	<u>35,582</u>	<u>32,450</u>
TT\$ Income Fund - Secondary Reserve	2012	2011
	\$'000	\$'000
Fund reserve as at 1 January	3,511	3,498
Interest earned on the reserve	<u>35</u>	<u>13</u>
Secondary Reserve as at 31 December	<u>3,546</u>	<u>3,511</u>
Total TT\$ Income Fund Reserves 31 December	<u>39,128</u>	<u>35,961</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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14) FUND RESERVES (continued)

c) US\$ Income Fund Reserves

In accordance with the provisions of Section 26 (1) and (2) of the Act, the Corporation has established two reserves in respect of the US\$ Income Fund, a Primary Reserve and a Secondary Reserve.

The Primary Reserve was established to satisfy any shortfall that may arise from the liquidation of securities in the portfolio of the Fund. There was a call on the Primary Reserve during the last quarter of 2012.

The Secondary Reserve was established to augment the capital maintenance capability of the Fund and to provide for the funding of any distribution liability which may arise.

US\$ Income Fund – Primary Reserve	2012	2011
	\$'000	\$'000
Fund reserve as at 1 January	58,685	49,411
Allocation to primary reserve	7,623	7,620
Call on reserve	(28,588)	-
Interest earned on the reserve	<u>466</u>	<u>1,654</u>
Primary Reserve at 31 December	<u>38,186</u>	<u>58,685</u>
US\$ Income Fund – Secondary Reserve	2012	2011
	\$'000	\$'000
Fund reserve as at 1 January	8,790	6,624
Allocation to secondary reserve	12,306	2,145
Interest earned on the reserve	<u>70</u>	<u>21</u>
Secondary Reserve at 31 December	<u>21,166</u>	<u>8,790</u>
Total US\$ Income Fund Reserves	<u>59,352</u>	<u>67,475</u>

15) STATUTORY RESERVES

In accordance with Section 59(3)(d)(ii) of the Securities Industry Act, Chapter 83:02 and Section 12(1)(a) and (b) of the Securities Industry By-Laws, Chapter 83:02, a reserve of \$5 million was established to satisfy the capital requirements for registration as an Underwriter and \$50,000 for registration as an Investment Adviser respectively.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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16) REVALUATION RESERVE

The revaluation reserve reflects un-realised capital appreciation and depreciation from changes in the fair values of available-for-sale financial instruments held by the Group. Foreign currency translation differences are also reflected therein. The revaluation of the investments held by the Investment Funds is reflected on the Statement of Financial Position of each of the Funds and is not included in this revaluation reserve.

17) NON-CONTROLLING INTEREST

Non-controlling interest represents the portion of the equity in UTC North America Fund Inc., and Unit Trust Corporation (Cayman) SPC Limited that is not owned by any entity within the UTC Group of companies. In both instances investors in the Collective Investment Schemes are shareholders, as the schemes are organized as legal entities within a corporate structure.

The movement in non-controlling interest is provided in the Consolidated Statement of Changes in Equity.

18) MANAGEMENT CHARGE

	2012	2011
	\$'000	\$'000
Growth and Income Fund	72,687	66,740
TT\$ Income Fund	200,257	157,113
Universal Retirement Fund	4,128	3,679
US\$ Income Fund	<u>30,323</u>	<u>61,887</u>
Total	<u>307,395</u>	<u>289,419</u>

- a) The Corporation - in accordance with the regulations governing the Growth and Income Fund, the TT\$ Income Fund, the Universal Retirement Fund and the US\$ Income Fund - may charge a management fee of up to 2% on the value of the funds under management in the respective schemes and funds. The average rate of management charge for the year was 1.6% (2011: 1.8%)
- b) In accordance with the prospectus governing the segregated portfolio funds of the Unit Trust Corporation (Cayman) SPC Limited, the Corporation may charge a management fee not exceeding 1.5% of funds under management. The management fee charged for the year was 1.3% (2011:1.3%).

In addition to the management charge of \$307 million, the Group earned management charge of \$2.6 million (2011: \$2.7 million) from its foreign investment portfolios and other funds under management. This is recognised in Other Income in the Consolidated Statement of Income.

19) INVESTMENT INCOME – INVESTMENT FUNDS

The Investment Income of the Funds reported in the Consolidated Statement of Income excludes transfers from the Corporation. During 2012 the Corporation transferred Income in the amount of \$178 million to the US\$ Income Fund.

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20) NET INVESTMENT INCOME – GROUP CONTINUING OPERATIONS

Net Investment Income – Group Continuing Operations - includes the contribution to revenue of Treasury operations and the subsidiaries. It comprises the following:

Net Investment Income	2012	2011
	\$'000	\$'000
Interest and Other Fee Income	63,142	21,697
Interest Expense and Other Charges	<u>(31,843)</u>	<u>(1,626)</u>
Total	<u>31,299</u>	<u>20,071</u>

21) REALIZED GAINS RE-CLASSIFIED FROM EQUITY

Un-realised gains in the amount of \$392 million were recognised in Equity on the revaluation of available-for-sale bonds during 2012. On receipt of principal payments and on disposals with respect to the bonds, the relevant portion of the un-realised gains in Equity was re-classified to the Consolidated Statement of Income. The total un-realised gains re-classified from Equity to the Consolidated Statement of Income was \$155 million.

22) FOREIGN EXCHANGE GAINS/(LOSSES)

The exchange differences credited to the Consolidated Statement of Income are included in Other Income as follows:

	2012	2011
	\$'000	\$'000
Foreign exchange gains – continuing operations	<u>1,618</u>	<u>1,823</u>

23) IMPAIRMENT OF INVESTMENT SECURITIES

The Group recognised impairment charges in the amount of \$314 million during 2012. Impairment charges recognised by the Corporation and its subsidiaries totalled \$0.2 million.

Corporation and Subsidiaries

	2012	2011
	\$'000	\$'000
Impairment	<u>160</u>	<u>-</u>
Carrying value of impaired investments	Nil	Nil
Fair value of collateral held for impaired investments	Nil	Nil

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23) IMPAIRMENT OF INVESTMENT SECURITIES (continued)

Impairment charges recognised by the Investment Funds during 2012 totalled \$314 million. The impairment charges recognised in 2012 represent principally un-realised losses on available-for-sale financial assets which were transferred to the Consolidated Statement of Income. The losses were previously recognised in equity as un-realised losses but were re-classified to the Consolidated Statement of Income on the assets being adjudged impaired by management.

Investment Funds

	2012 \$'000	2011 \$'000
Impairment	<u>314,162</u>	<u>—</u>
Carrying value of impaired investments	61,120	Nil
Fair value of collateral held for impaired investments	Nil	Nil

24) ADMINISTRATIVE EXPENSES

Administrative expenses comprised:

	2012 \$'000	2011 \$'000
Audit fees	763	732
Bank charges	2,062	2,005
Building maintenance	4,522	4,704
Directors' fees	2,037	1,939
General administration	45,277	45,833
Insurance	2,410	2,278
Impairment loss - non-financial assets	5,085	-
Marketing and advertising	12,640	11,940
Professional services	30,359	19,415
Rental of premises	5,702	5,885
Security	12,732	12,423
Staff costs (Note 25)	<u>98,882</u>	<u>94,559</u>
TOTAL	<u>222,471</u>	<u>201,713</u>

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25) STAFF COSTS

	2012	2011
	\$'000	\$'000
Salaries and benefits	87,882	81,610
Pension costs	7,536	9,619
National insurance	<u>3,464</u>	<u>3,330</u>
Total	<u>98,882</u>	<u>94,559</u>
Number of employees	<u>495</u>	<u>516</u>

26) FINANCE CHARGES

	2012	2011
	\$'000	\$'000
Long-term bonds (Note 7)	<u>235</u>	<u>324</u>

27) DISTRIBUTIONS

	2012	2011
	\$'000	\$'000
Growth and Income Fund	73,758	88,896
TT\$ Income Fund	143,848	188,313
US\$ Income Fund	<u>41,253</u>	<u>77,561</u>
Total	<u>258,859</u>	<u>354,770</u>

a) Growth and Income Fund

The Growth and Income Fund paid \$73.8 million to its unit holders in respect of its June 2012 and December 2012 distributions (2011: \$88.9 million). Included in the \$73.8 million, referred to, are distributions to Initial Capital Contributors of \$0.3 million (2011: \$0.4 million).

b) TT\$ Income Fund

Distributions in the TT\$ Income Fund are made quarterly in February, May, August and November. Income accrued as at 31 December, 2012 for distribution in the quarter ending February 2013 amounted to \$12.6 million (2011: \$12.8 million).

c) US\$ Income Fund

Distributions in the US\$ Income Fund are paid by calendar quarters.

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28) NET LOSS FROM DISCONTINUED OPERATIONS

a) Unit Trust Corporation (Belize) Limited

During 2011 the Unit Trust Corporation (Belize) Limited ceased operations and appointed a Liquidator who disposed of the assets of both the Fund and the Company and has repaid both unit holders and creditors. The Liquidator expects to submit his final report during 2013. The Corporation does not expect to recover either its investment of \$17.7 million or the advances outstanding at December 2011 - \$0.4 million. These losses were recognised as a Loss on Discontinued Operations in the 2011 Consolidated Statement of Income.

b) Merchant Banking Department

During 2011 the Corporation disposed of 99% of its Merchant Banking Portfolio. The loss of the Merchant Banking Department for 2011 is provided below.

	2012 \$'000	2011 \$'000
Interest income	-	90,794
Other income	-	2,508
	<u>-</u>	<u>93,302</u>
Interest expense	-	(53,789)
Impairment	-	(17,517)
Administrative expenses	-	(17,203)
Loss on disposal of assets	-	(10,374)
Foreign exchange loss	-	(1,192)
	<u>-</u>	<u>(100,075)</u>
Net Loss from Discontinued Operations	<u>-</u>	<u>(6,773)</u>

29) FINANCIAL RISK MANAGEMENT

The Group's Collective Investment Schemes and proprietary investment activities expose it to a variety of financial risks, including security price risk, interest rate risk (fair value and cash flow), foreign exchange rate risk, credit risk, concentration risk and liquidity risk.

The Group's overall risk management programme seeks to minimize the potentially adverse effects which the unpredictability of the financial markets could have on the Group's financial performance.

The Board of Directors of the Trinidad and Tobago Unit Trust Corporation has overall responsibility for the management of the financial, operational and business risks. The Board is critically assisted in this regard by its Audit, Risk & Compliance Committee. This Committee meets quarterly in order to ensure that the overall risk profile and policy environment of the Corporation is consistent with its strategic objectives. It also has oversight of the key internal control systems affecting the Corporation's significant operating activities. The Committee also considers the specific risk issues highlighted by the Management Risk Committee, which is a management committee comprising the Corporation's executive leadership and chaired by the Executive Director.

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29) FINANCIAL RISK MANAGEMENT (continued)

The Management Risk Committee is supported in its deliberations by the Risk Unit led by the Assistant Vice President - Risk. The Risk Unit drives risk management policy setting, scenario and stress testing and risk exposure monitoring across all business and operating activities.

The Risk Unit, in consultation with relevant line management, may also make recommendations for the management and mitigation of financial and other risks. The Risk Unit reports to the General Counsel and Vice President – Corporate Affairs and is directed in its activities by the Management Risk Committee. In addition, the Investment Committee of the Board approves each Collective Investment Scheme’s investment policy statement which takes into account risk management considerations for the investment portfolios.

The financial risk management disclosures that follow focus on the investment activities of the Corporation’s Collective Investment Scheme products (the Growth & Income Fund, the TT\$ Income Fund, the US\$ Income Fund, the Universal Retirement Fund, the UTC Energy Fund, the UTC European Fund, the UTC Asia-Pacific Fund, the UTC Latin American Fund, the UTC Global Bond Fund and the UTC North American Fund) as well as its corporate investment activities.

Strategy in using financial instruments

Financial risks arise from the acquisition of various classes of financial instruments including equity and debt instruments (traded and non-traded). With regard to its Collective Investment Scheme business, the Corporation’s practice is to acquire financial assets that provide consistent risk-adjusted returns relative to specific investment objectives of the individual portfolios. In general, the investment activities of the Funds involve taking long positions in securities with a focus on medium term performance as opposed to short-term gains-taking. The Collective Investment Schemes neither use leverage nor sell securities short and have no financial liabilities arising out of their investment activities.

In respect of its Treasury function, the Corporation’s strategy focuses on cash management while earning intermediation income via the interest spread of its financial assets over its associated funding instruments.

Equity price risk

Collective Investment Schemes – Registered locally as unit trusts

The Growth & Income Fund and the Universal Retirement Fund may acquire equity instruments that are exposed to fluctuations in market value. These exposures create equity price risk for the portfolios and may contribute to substantial volatility in the value of their net assets. This risk is managed via careful asset allocation and security selection within specified limits.

Key influences on the asset allocation decision include domestic as well as global economic and financial market trends. In the case of equity, the security selection decision is typically influenced by consideration of fundamental and technical valuation factors as well as by the instrument’s historical price sensitivity to the stock market, otherwise known as its beta. The amount of a particular security eventually acquired takes into account the need to maintain appropriate levels of diversification at the overall portfolio level.

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29) FINANCIAL RISK MANAGEMENT (continued)

Equity price risk (continued)

The equity price risk exposure of the portfolios is monitored and measured via categorization of the stocks by their beta. Stocks that have a beta close of 1 would change by approximately 1% for every 1% move in the overall stock market.

By contrast, a stock with a beta of 0.5 would change by approximately 0.5% for every 1% change in the market while a stock with a beta of 1.5 would change by approximately 1.5% for every 1% change in the market. A stock with a beta below 0.9 is considered to have low equity price risk relative to the overall market whereas a stock with a beta above 1.1 is considered to have high equity price risk relative to the overall market. A stock with a beta between 0.9 and 1.1 is regarded as having equity price risk comparable to the overall market.

The categorization of the portfolios' equity holdings is provided below both in dollar terms and as a percentage of total equity holdings in the relevant Fund:

	Lower than market	Comparable to market	Higher than market
	\$'000	\$'000	\$'000
At 31 December, 2012			
Growth & Income Fund	1,322,528	826,752	306,320
	<i>53.8%</i>	<i>33.7%</i>	<i>12.5%</i>
Universal Retirement Fund	74,295	42,202	28,579
	<i>51.2%</i>	<i>29.1%</i>	<i>19.7%</i>
At 31 December, 2011			
Growth & Income Fund	1,181,108	686,758	404,223
	<i>52.0%</i>	<i>30.2%</i>	<i>17.8%</i>
Universal Retirement Fund	65,002	12,998	36,605
	<i>56.7%</i>	<i>11.3%</i>	<i>32.0%</i>

The following table presents the approximate sensitivity of the net asset value of the Growth & Income Fund and the Universal Retirement Fund to a 5% change in the TTSE Composite Index and the S&P 500 Composite Index respectively as at 31 December, 2012 and 31 December, 2011 with all other variables held constant. The sensitivity is provided in dollar amounts and as a percentage of net asset value:

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29) FINANCIAL RISK MANAGEMENT (continued)

Equity price risk (continued)

TTSE Composite Index	31 December, 2012	31 December, 2011
Growth & Income Fund	\$72.2 million (2.0%)	\$67.2 million (2.0%)
Universal Retirement Fund	\$3.9 million (1.9%)	\$3.4 million (1.7%)
S&P 500 Composite Index	31 December, 2012	31 December, 2011
Growth & Income Fund	\$35.3 million (1.0%)	\$30.2 million (0.9%)
Universal Retirement Fund	\$1.8 million (0.9%)	\$0.8 million (0.4%)

Collective Investment Schemes – Registered overseas as subsidiary open ended investment companies

The equity price risk exposure of the fund portfolios in the overseas subsidiary companies is also monitored and measured via categorization of the stocks by their historical price sensitivity to the overall market. The categorization of the portfolios' equity holdings is provided below both in dollar terms and as a percentage of total equity holdings in the relevant Fund:

	Lower than market	Comparable to market	Higher than market
	\$'000	\$'000	\$'000
At 31 December, 2012			
UTC Energy Fund	1,661 5.6%	18,077 60.8%	10,008 33.6%
UTC European Fund	1,502 27.2%	3,896 70.7%	115 2.1%
UTC Asia Pacific Fund	2,735 24.9%	8,138 74.2%	98 0.9%
UTC Latin American Fund	863 12.7%	4,587 67.8%	1,320 19.5%
UTC North American Fund	67,582 50.7%	50,533 37.9%	15,241 11.4%

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29) FINANCIAL RISK MANAGEMENT (continued)

Equity price risk (continued)

	Lower than market \$'000	Comparable to market \$'000	Higher than market \$'000
At 31 December, 2011			
UTC Energy Fund	663 2.6%	6,178 24.6%	18,291 72.8%
UTC European Fund	1,383 26.2%	692 13.1%	3,207 60.7%
UTC Asia Pacific Fund	8,091 74.5%	1,432 13.2%	1,336 12.3%
UTC Latin American Fund	839 12.6%	2,992 45.1%	2,812 42.3%
UTC North American Fund	97,711 67.2%	30,207 21.0%	16,919 11.8%

As at 31 December 2012 and 31 December 2011, using the S&P 500 Index, had US equity securities prices changed as a whole by 5% (with all other variables held constant), the respective net asset values would have changed in both dollar and percentage terms as follows:

	2012		2011	
	\$'000	%	\$'000	%
UTC Energy Fund	1,656	5.6	1,540	6.1
UTC European Fund	257	4.2	292	5.5
UTC Asia Pacific Fund	506	4.6	484	4.5
UTC Latin American Fund	341	5.1	353	5.3
UTC North American Fund	5,781	1.9	859	3.8

The Global Bond Fund does not hold equity positions.

Proprietary Investments

The Corporation holds shares/units in the Collective Investment Schemes that it has registered as overseas investment companies. This aggregate shareholding was valued at the equivalent of TT\$260.9 million and as such the exposure to equity price risk is proportionate to that disclosed in the preceding section.

In addition, the Corporation holds strategic positions in eight (8) unquoted equities with a total book value equivalent to TT\$73.3 million. These positions are assumed to be uncorrelated with recognised stock exchanges and as such equity price risk is deemed immaterial for these positions.

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29) FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

Collective Investment Schemes – Registered locally as unit trusts

The Collective Investment Schemes' holdings of listed and unlisted debt instruments are exposed to movements in market rates of interest. In general, rising interest rates expose the portfolios to deterioration in net assets arising out of lower carrying values for bonds (fair value interest rate risk). Conversely, falling interest rates can expose the portfolios to potential diminution in earnings on variable rate instruments (cash flow interest rate risk).

Given the general offsetting effect of exposures to fair value interest rate risk and cash flow interest rate risk, the overall interest rate risk is managed by making judicious adjustments of the overall weighted average term to maturity (i.e. duration) based on the relevant economic and financial market outlook.

Management monitors the duration of the portfolios by segregating the fixed income securities by the earlier of contractual maturity or interest rate reset dates that are less than or equal to one year, greater than one year but less than five years, and greater than or equal to five years. The degree of interest rate sensitivity in the overall portfolio is then reflected by the relative proportions in the given maturity terms/interest rate reset frequencies.

An interest rate re-pricing analysis (as defined by the earlier of the contractual maturity or interest fixing date for each instrument) is provided below for the Collective Investment Schemes' fixed income portfolio as at 31 December, 2012 and 31 December, 2011:

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Total \$'000
At 31 December, 2012				
Growth and Income Fund				
Debt instruments – traded	-	-	27,519	27,519
Debt instruments – non-traded	52,468	67,961	691,034	811,463
Cash & other net assets	<u>387,342</u>	-	-	<u>387,342</u>
	<u>439,810</u>	<u>67,961</u>	<u>718,553</u>	<u>1,226,324</u>
TTS Income Fund				
Debt instruments – traded	139,595	91,085	-	230,680
Debt instruments – non-traded	1,464,618	1,360,389	1,924,423	4,749,430
Cash & other net assets	<u>6,174,611</u>	-	-	<u>6,174,611</u>
	<u>7,778,824</u>	<u>1,451,474</u>	<u>1,924,423</u>	<u>11,154,721</u>
Universal Retirement Fund				
Debt instruments – traded	-	-	-	-
Debt instruments – non-traded	8,018	7,141	31,846	47,005
Cash & other net assets	<u>22,522</u>	-	-	<u>22,522</u>
	<u>30,540</u>	<u>7,141</u>	<u>31,846</u>	<u>69,527</u>
USS Income Fund				
Debt instruments – traded	662,792	310,026	581,771	1,554,589
Debt instruments – non-traded	253,994	119,788	142,938	516,720
Cash & other net assets	<u>2,447,450</u>	-	-	<u>2,447,450</u>
	<u>3,364,236</u>	<u>429,814</u>	<u>724,709</u>	<u>4,518,759</u>

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29) FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk (continued)

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Total \$'000
At 31 December, 2011				
Growth & Income Fund				
Debt instruments – traded	-	-	8,614	8,614
Debt instruments – non-traded	310,134	103,532	291,246	704,912
Cash & other net assets	<u>324,574</u>	<u>-</u>	<u>-</u>	<u>324,574</u>
	<u>634,708</u>	<u>103,532</u>	<u>299,860</u>	<u>1,038,100</u>
TTS Income Fund				
Debt instruments – traded	161,533	-	111,759	273,292
Debt instruments – non-traded	4,861,990	802,471	3,041,934	8,706,395
Cash & other net assets	<u>1,577,090</u>	<u>-</u>	<u>-</u>	<u>1,577,090</u>
	<u>6,600,613</u>	<u>802,471</u>	<u>3,153,693</u>	<u>10,556,777</u>
Universal Retirement Fund				
Debt instruments – traded	-	-	-	-
Debt instruments – non-traded	10,464	18,747	27,582	56,793
Cash & other net assets	<u>15,586</u>	<u>-</u>	<u>-</u>	<u>15,586</u>
	<u>26,050</u>	<u>18,747</u>	<u>27,582</u>	<u>72,379</u>
USS Income Fund				
Debt instruments - traded	-	107,628	-	107,628
Debt instruments – non-traded	2,616,106	346,701	697,393	3,660,200
Cash & other net assets	<u>573,643</u>	<u>-</u>	<u>-</u>	<u>573,643</u>
	<u>3,189,749</u>	<u>454,329</u>	<u>697,393</u>	<u>4,341,471</u>

As at 31 December 2012, the Funds' TT dollar denominated fixed income positions were primarily categorized as held-to-maturity and as a consequence changes in TT dollar interest rates would not have materially affected the net assets of the portfolios given that this category of financial asset is always carried at amortized cost in accordance with IFRS.

On the other hand, a number of US dollar denominated fixed income positions held by the local TT domiciled Funds are categorized as available-for-sale and as such changes in US dollar interest rates would affect the net assets of the portfolios given that this category of financial asset is always carried at fair value in accordance with IFRS.

With all other variables held constant, sensitivity analysis performed for a 1% increase and decrease in US interest rates as at 31 December, 2012 and 31 December, 2011 would have had the following estimated impact on the net assets of the individual portfolios:

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29) FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk (continued)

100 basis point increase	31 December, 2012	31 December, 2011
Growth & Income Fund	(\$1.40 million)	(\$1.58 million)
TT\$ Income Fund	(\$3.27 million)	(\$18.22 million)
US\$ Income Fund	(\$37.49 million)	(\$23.47 million)
 100 basis point decrease	 31 December, 2012	 31 December, 2011
Growth & Income Fund	\$1.50 million	\$1.71 million
TT\$ Income Fund	\$3.47 million	\$19.20 million
US\$ Income Fund	\$36.61 million	\$24.95 million

The Universal Retirement Fund had no exposure to US interest rate movements as at 31 December, 2012 or as at 31 December, 2011.

Collective Investment Schemes – Registered as overseas subsidiary open ended investment companies

The Funds' US dollar denominated fixed income positions are exclusively categorized as available-for-sale and as a consequence changes in US dollar interest rates would have materially affected the net assets of the portfolios given that this category of financial asset is always carried at fair value in accordance with IFRS.

An interest rate re-pricing analysis (as defined by the earlier of the contractual maturity or interest fixing date for each instrument) is provided below for the Funds' fixed income portfolio as at 31 December, 2012 and 31 December, 2011:

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29) FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk (continued)

As at 31 December, 2012

	Up to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Non-Interest bearing \$'000	Total \$'000
Assets					
<u>Investment securities</u>					
UTC Energy Fund	29,746	-	-	-	29,746
UTC European Fund	6,130	232	-	-	6,362
UTC Asia Pacific Fund	10,792	-	-	-	10,972
UTC Latin American Fund	6,770	-	-	-	6,770
UTC Global Bond Fund	-	1,459	-	8,450	9,909
UTC North American Fund	27,613	1,353	34,905	-	63,871
<u>Interest income receivable</u>					
UTC Energy Fund	-	-	-	-	-
UTC European Fund	20	-	-	-	20
UTC Asia Pacific Fund	11	-	-	-	11
UTC Latin American Fund	36	-	-	-	36
UTC Global Bond Fund	51	-	-	-	51
<u>Other receivables</u>					
- UTC Energy Fund	38	-	-	-	38
- UTC European Fund	-	-	-	-	-
- UTC Asia Pacific Fund	2	-	-	-	2
- UTC Latin American Fund	-	-	-	-	-
- UTC Global Bond Fund	-	-	-	-	-
<u>Cash</u>					
- UTC Energy Fund	2,060	-	-	-	2,060
- UTC European Fund	463	-	-	-	463
- UTC Asia Pacific Fund	914	-	-	-	914
- UTC Latin American Fund	859	-	-	-	859
- UTC Global Bond Fund	884	-	-	-	884
- UTC North American Fund	6,572	-	-	-	6,572

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29) FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk (continued)

As at 31 December, 2011

	Up to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Non-Interest bearing \$'000	Total \$'000
Assets					
<u>Investment securities</u>					
UTC Energy Fund	-	-	-	-	-
UTC European Fund	863	-	-	-	863
UTC Asia Pacific Fund	-	-	-	-	-
UTC Latin American Fund	-	-	-	-	-
UTC Global Bond Fund	82	51	118	-	251
UTC North American Fund	89	3,118	30,785	-	33,992
<u>Interest income receivable</u>					
UTC Energy Fund	11	-	-	-	11
UTC European Fund	43	-	-	-	43
UTC Asia Pacific Fund	5	-	-	-	5
UTC Latin American Fund	31	-	-	-	31
UTC Global Bond Fund	51	-	-	-	51
<u>Other receivables</u>					
- UTC Energy Fund	5,013	-	-	-	5,013
- UTC European Fund	-	-	-	-	-
- UTC Asia Pacific Fund	-	-	-	-	-
- UTC Latin American Fund	-	-	-	-	-
- UTC Global Bond Fund	-	-	-	-	-
<u>Cash</u>					
- UTC Energy Fund	10,037	-	-	-	10,037
- UTC European Fund	601	-	-	-	601
- UTC Asia Pacific Fund	1,368	-	-	-	1,368
- UTC Latin American Fund	602	-	-	-	602
- UTC Global Bond Fund	1,742	-	-	-	1,742
- UTC North American Fund	12,758	-	-	-	12,758

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29) FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk (continued)

Sensitivity analysis was conducted to determine the effect had US interest rates changed by 1%. With all other variables held constant, net assets attributable to unit holders and equity would have decreased or increased as at 31 December, 2012 and 31 December, 2011 as follows:

100 basis point increase	31 December, 2012	31 December, 2011
	\$'000	\$'000
UTC Energy Fund	-	-
UTC European Fund	(1)	(7)
UTC Asia Pacific Fund	-	-
UTC Latin American Fund	-	-
UTC Global Bond Fund	(61)	(62)
UTC North American Fund	(231)	(1,685)
 100 basis point decrease	 \$'000	 \$'000
UTC Energy Fund	-	-
UTC European Fund	1	7
UTC Asia Pacific Fund	-	-
UTC Latin American Fund	-	-
UTC Global Bond Fund	65	66
UTC North American Fund	243	1,806

Proprietary Investments

The Corporation's proprietary interest bearing asset and liability positions are exposed to movements in market rates of interest.

A surplus of interest bearing assets in relation to interest bearing liabilities exposes intermediation earnings to declines in market interest rates. Conversely, a deficit of interest bearing assets in relation to interest bearing liabilities exposes intermediation earnings to increases in market interest rates.

In general, the Corporation focuses on controlling the rate re-pricing mis-match between assets and liabilities so as to maintain a stable, consistent spread over its cost of funds. This is achieved by maintaining a reasonably substantial variable rate asset portfolio, by active management of the maturity profile of funding instruments and by holding a minimum level of readily tradable assets.

The interest rate re-pricing exposures of Corporation assets and liabilities are provided below as at 31 December, 2012 and 31 December, 2011:

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29) FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk (continued)

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Non-Interest Bearing \$'000	Total \$'000
At 31 December, 2012					
Assets					
Cash & Cash Equivalents	615,584	-	-	-	615,584
Money Market Instruments	88,737	-	-	-	88,737
Fixed Income Securities	1,646,668	-	18,066	-	1,664,734
Equities & Mutual Funds	-	-	-	391,782	391,782
	-	-	-	-	-
Liabilities					
Financial Instruments	(1,577,918)	-	(2,459)	-	(1,580,377)
Other Liabilities	<u>(5,701)</u>	<u>(7,886)</u>	<u>-</u>	<u>-</u>	<u>(13,587)</u>
Rate Re-pricing Position	<u><u>767,370</u></u>	<u><u>(7,886)</u></u>	<u><u>15,607</u></u>	<u><u>391,782</u></u>	<u><u>1,166,873</u></u>
	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Non-Interest Bearing \$'000	Total \$'000
At 31 December, 2011					
Assets					
Cash & Cash Equivalents	308,035	-	-	-	308,035
Money Market Instruments	52,510	-	-	-	52,510
Fixed Income Securities	2,276,887	22,696	-	-	2,299,583
Equities & Mutual Funds	-	-	-	304,425	304,425
Liabilities					
Financial Instruments	(2,458,816)	-	(3,810)	-	(2,462,626)
Other Liabilities	<u>-</u>	<u>(7,805)</u>	<u>-</u>	<u>-</u>	<u>(7,805)</u>
Rate Re-pricing Position	<u><u>178,616</u></u>	<u><u>14,891</u></u>	<u><u>(3,810)</u></u>	<u><u>304,425</u></u>	<u><u>494,122</u></u>

Given the above rate re-pricing profile, a change in short term market rates of interest of 1% effective from 31 December, 2012 would have modified net interest income over the coming twelve months by an estimated TT\$1.8 million (2011: TT\$4.2 million) with all other variables held constant.

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29) FINANCIAL RISK MANAGEMENT (continued)

Exchange rate risk

Collective Investment Schemes - Registered as local unit trust schemes

The value of the net assets of the portfolios may fluctuate with changes in foreign exchange rates. This risk is currently limited to the Growth & Income Fund, the TT\$ Income Fund and the Universal Retirement Fund as these TT dollar-denominated Funds may hold financial assets denominated in other currencies. As a consequence, the value of the net assets and/or earnings of the TT\$ denominated portfolios could increase or decrease in value due to exchange rate fluctuations of individual currencies relative to the TT dollar. This risk is managed by restricting non-TT dollar holdings in the individual Funds to an appropriate proportion of net assets. The primary foreign exchange exposure in the Investment Funds is to the US\$/TT\$ exchange rate given the negligible holdings of other currencies in the portfolios.

The portfolios' foreign currency assets as at 31 December, 2012 and 31 December, 2011 were as follows:

	At 31 December, 2012		At 31 December, 2011	
	US\$ (Presented in TT\$) \$'000	OTHER (Presented in TT\$) \$'000	US\$ (Presented in TT\$) \$'000	OTHER (Presented in TT\$) \$'000
Growth & Income Fund				
Equities	953,078	14,668	768,187	20,814
Debt instruments - traded	27,519	-	8,614	-
Debt instruments – non-traded	81,394	-	66,334	-
Cash & other net assets	<u>322,980</u>	<u>-</u>	<u>269,699</u>	<u>-</u>
	<u>1,384,971</u>	<u>14,688</u>	<u>1,112,834</u>	<u>20,814</u>
TTS Income Fund				
Debt instruments - traded	230,682	-	273,292	-
Debt instruments – non-traded	451,952	-	399,987	-
Cash & other net assets	<u>609,230</u>	<u>-</u>	<u>82,039</u>	<u>-</u>
	<u>1,291,864</u>	<u>-</u>	<u>755,318</u>	<u>-</u>
Universal Retirement Fund				
Equities	60,556	-	36,679	-
Debt instruments - traded	-	-	-	-
Debt instruments – non-traded	-	-	5,467	-
Cash & other net assets	<u>18,199</u>	<u>-</u>	<u>10,716</u>	<u>-</u>
	<u>78,755</u>	<u>-</u>	<u>52,862</u>	<u>-</u>

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29) FINANCIAL RISK MANAGEMENT (continued)

Exchange rate risk (continued)

A 1% change in the TT dollar relative to the US dollar would have changed the net assets of the individual Funds as at 31 December, 2012 and 31 December, 2011 as follows:

	2012	2011
	\$'000	\$'000
Growth & Income Fund	13,850	11,128
TT\$ Income Fund	12,919	7,579
Universal Retirement Fund	788	528

Collective Investment Schemes – Registered as overseas subsidiary companies

The reporting currency of the overseas subsidiaries is the US dollar. Moreover, the portfolio assets of the Funds issued by these subsidiaries are denominated exclusively in US dollars. As a result, there is no material exchange rate risk in those Funds. Moreover, the translation effect of the subsidiaries on the Group's Consolidated Financial Statements is considered minimal.

Proprietary Investments

The proprietary foreign currency assets and liabilities of the Corporation as at 31 December, 2012 and as at 31 December, 2011 are provided below.

At 31 December, 2012	US\$	Other
	(Presented in TT\$)	(Presented in TT\$)
	\$'000	\$'000
Assets		
Cash & Cash Equivalents	374,400	-
Money Market Instruments	995	-
Fixed Income Securities	941,637	-
Equities & Mutual Funds	334,208	-
Liabilities		
Financial Instruments	(912,678)	-
Other liabilities	<u>(13,587)</u>	<u>-</u>
Total	<u><u>724,975</u></u>	<u><u>-</u></u>

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29) FINANCIAL RISK MANAGEMENT (continued)

Exchange rate risk (continued)

At 31 December, 2011	US\$ (Presented in TTS) \$'000	Other (Presented in TTS) \$'000
Assets		
Cash & Cash Equivalents	86,096	-
Money Market Instruments	52,510	-
Fixed Income Securities	1,700,569	-
Equities	248,950	-
Liabilities		
Financial Instruments	(1,802,843)	-
Other liabilities	<u>(7,805)</u>	<u>-</u>
Total	<u><u>277,477</u></u>	<u><u>-</u></u>

A 1% change in the TT dollar relative to the US dollar as at that date would have affected the net income position of the Corporation by TT\$7.25 million as at 31 December, 2012 and by TT\$2.77 million as at 31 December, 2011.

Credit risk

Collective Investment Schemes - Registered as local unit trust schemes

The Funds' holdings of debt instruments expose them to the risk that issuers or counterparties may default on their financial obligations, that is, fail to make full timely payments of scheduled interest and/or principal sums. Default risk has the potential to lower net asset value or fund earnings in the event that part or all of the scheduled cash flows become uncollectible after being past due for an extended period of time. This risk of loss may be tempered by the availability of realizable collateral that enhances the potential recovery value on the debt instrument.

Default risk is managed at the outset by subjecting all issuers/counterparties to a robust credit risk assessment process that results in the assignment of a credit score or rating. The acquisition or retention of a debt issue is subject to the credit rating limits and constraints contained in each Fund's investment policy statement, and any other relevant factors. It is the Corporation's policy that a credit rating review of each issuer/counterparty be performed at least annually.

The overall Fund exposure to default risk is measured by monitoring the relative credit quality of the issuers making up the fixed income portfolio. Issuers/counterparties that are rated at least BBB- equivalent by international credit rating agencies or that have an internally determined credit score consistent with such a credit rating are deemed to have a high credit quality. Issuers/counterparties that are rated CCC equivalent and below by international agencies or have an internally determined score consistent with such a rating or that are past due or otherwise distressed or that are exposed to considerable short-term economic/industry/project risk

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29) FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

are all deemed low credit quality. All other issuers/counterparties are considered to be of moderate credit quality.

The internal credit quality rating is mapped to comparable external rating grades as per the following table:

Agency	High							Moderate						Low			
S&P	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC+ and below
Moody's	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1 and below
Fitch	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC and below
CariCris	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	C+ and below

The credit quality of the individual Funds' fixed income portfolio is given below:

	High \$'000	Moderate \$'000	Low \$'000	Total \$'000
At 31 December, 2012				
Growth & Income Fund				
Cash & Cash Equivalents	387,342	-	-	387,342
Debt instruments – traded	21,150	-	6,369	27,519
Debt instruments – non-traded	<u>796,288</u>	<u>11,247</u>	<u>17,450</u>	<u>824,985</u>
	<u>1,204,780</u>	<u>11,247</u>	<u>23,819</u>	<u>1,239,846</u>
TT\$ Income Fund				
Cash & Cash Equivalents	6,174,611	-	-	6,174,611
Debt instruments - traded	163,044	67,636	-	230,680
Debt instruments – non-traded	<u>4,537,941</u>	<u>68,666</u>	<u>142,823</u>	<u>4,749,430</u>
	<u>10,875,596</u>	<u>136,302</u>	<u>142,823</u>	<u>11,154,721</u>
Universal Retirement Fund				
Cash & Cash Equivalents	19,345	-	-	19,345
Debt instruments - traded	-	-	-	-
Debt instruments – non-traded	<u>40,550</u>	<u>6,267</u>	<u>187</u>	<u>47,004</u>
	<u>59,895</u>	<u>6,267</u>	<u>187</u>	<u>66,349</u>
US\$ Income Fund				
Cash & Cash Equivalents	2,447,450	-	-	2,447,450
Debt instruments - traded	1,515,320	39,269	-	1,554,589
Debt instruments – non-traded	<u>231,024</u>	<u>25,838</u>	<u>259,858</u>	<u>516,720</u>
	<u>4,193,794</u>	<u>65,107</u>	<u>259,858</u>	<u>4,518,759</u>

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29) FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

	High \$'000	Moderate \$'000	Low \$'000	Total \$'000
At 31 December, 2011				
Growth & Income Fund				
Cash & Cash Equivalents	324,574	-	-	324,574
Debt instruments - traded	-	-	8,614	8,614
Debt instruments – non-traded	<u>638,864</u>	<u>31,412</u>	<u>34,636</u>	<u>704,912</u>
	<u>963,438</u>	<u>31,412</u>	<u>43,250</u>	<u>1,038,100</u>
TTS Income Fund				
Cash & Cash Equivalents	1,577,091	-	-	1,577,091
Debt instruments - traded	1,262,502	66,018	32,809	1,361,329
Debt instruments – non-traded	<u>7,419,620</u>	<u>97,690</u>	<u>101,047</u>	<u>7,618,357</u>
	<u>10,259,213</u>	<u>163,708</u>	<u>133,856</u>	<u>10,556,777</u>
Universal Retirement Fund				
Cash & Cash Equivalents	15,587	-	-	15,587
Debt instruments - traded	-	-	-	-
Debt instruments – non-traded	<u>43,529</u>	<u>11,585</u>	<u>1,678</u>	<u>56,792</u>
	<u>59,116</u>	<u>11,585</u>	<u>1,678</u>	<u>72,379</u>
USS Income Fund				
Cash & Cash Equivalents	573,643	-	-	573,643
Debt instruments - traded	1,734,568	-	-	1,734,568
Debt instruments – non-traded	<u>1,364,714</u>	<u>178,376</u>	<u>490,170</u>	<u>2,033,260</u>
	<u>3,672,925</u>	<u>178,376</u>	<u>490,170</u>	<u>4,341,471</u>

Collective Investment Schemes – Registered as overseas subsidiary companies

The corresponding credit quality of the Funds registered as overseas subsidiary companies is presented below for 31 December, 2012 and 31 December, 2011:

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29) FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

As at 31 December, 2012	High \$'000	Moderate \$'000	Low \$'000	Total \$'000
Corporate debt securities				
UTC Energy Fund	-	-	-	-
UTC Global Bond Fund	1,459	-	-	1,459
UTC European Fund	233	-	-	233
UTC Asia Pacific Fund	-	-	-	-
UTC Latin American Fund	-	-	-	-
UTC North American Fund	37,679	-	-	37,679
Treasury bills				
UTC Energy Fund	-	-	-	-
UTC Global Bond Fund	-	-	-	-
UTC European Fund	-	-	-	-
UTC Asia Pacific Fund	-	-	-	-
UTC Latin American Fund	-	-	-	-
UTC North American Fund	-	-	-	-
Interest income receivable				
UTC Energy Fund	-	-	-	-
UTC Global Bond Fund	25	-	-	25
UTC European Fund	-	-	-	-
UTC Asia Pacific Fund	2	-	-	2
UTC Latin American Fund	-	-	-	-
UTC North American Fund	-	-	-	-
Other assets				
UTC Energy Fund	38	-	-	38
UTC Global Bond Fund	23	-	-	23
UTC European Fund	19	-	-	19
UTC Asia Pacific Fund	11	-	-	11
UTC Latin American Fund	36	-	-	36
UTC North American Fund	-	-	-	-
Cash				
UTC Energy Fund	2,060	-	-	2,060
UTC Global Bond Fund	884	-	-	884
UTC European Fund	463	-	-	463
UTC Asia Pacific Fund	914	-	-	914
UTC Latin American Fund	859,012	-	-	859,012
UTC North American Fund	6,572	-	-	6,572

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29) FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

As at 31 December, 2011	High \$'000	Moderate \$'000	Low \$'000	Total \$'000
Corporate debt securities				
UTC Energy Fund	-	-	-	-
UTC Global Bond Fund	251	-	-	251
UTC European Fund	31	-	-	31
UTC Asia Pacific Fund	-	-	-	-
UTC Latin American Fund	-	-	-	-
UTC North American Fund	33,396	-	596	33,992
Treasury bills				
UTC Energy Fund	-	-	-	-
UTC Global Bond Fund	-	-	-	-
UTC European Fund	-	-	-	-
UTC Asia Pacific Fund	-	-	-	-
UTC Latin American Fund	-	-	-	-
UTC North American Fund	-	-	-	-
Interest income receivable				
UTC Energy Fund	11	-	-	11
UTC Global Bond Fund	43	-	-	43
UTC European Fund	5	-	-	5
UTC Asia Pacific Fund	31	-	-	31
UTC Latin American Fund	51	-	-	51
UTC North American Fund	-	-	-	-
Other assets				
UTC Energy Fund	1	-	-	1
UTC Global Bond Fund	10	-	-	10
UTC European Fund	6	-	-	6
UTC Asia Pacific Fund	7	-	-	7
UTC Latin American Fund	-	-	-	-
UTC North American Fund	-	-	-	-
Cash				
UTC Energy Fund	10,037	-	-	10,037
UTC Global Bond Fund	601	-	-	601
UTC European Fund	1,368	-	-	1,368
UTC Asia Pacific Fund	602	-	-	602
UTC Latin American Fund	1,742	-	-	1,742
UTC North American Fund	12,758	-	-	12,758

Past due, impaired or other distressed investments held by the Collective Investment Schemes managed by the Corporation are monitored by management and reported to the Management Risk Committee, the Investment Committee and the Board. The carrying values of assets past due but not impaired at the 2012 year end for the Collective Investment Schemes are as follows:

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29) FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

	<u>Days past due as at 31 December, 2012</u>			
	1-30 days \$'000	31-90 days \$'000	91-180 days \$'000	Over 180 days \$'000
US\$ Income Fund				54,122
TT\$ Income Fund	-	-	-	-
Growth & Income Fund	-	-	-	-
Universal Retirement Fund	-	-	-	-
Total	-	-	-	54,122

	<u>Days past due as at 31 December, 2011</u>			
	1-30 days \$'000	31-90 days \$'000	91-180 days \$'000	Over 180 days \$'000
US\$ Income Fund	-	44,398	-	105,483
TT\$ Income Fund	-	-	-	54,459
Growth & Income Fund	-	-	-	14,608
Universal Retirement Fund	-	-	-	1,415
Total	-	44,398	-	175,965

Proprietary Investments

During the course of its proprietary investment activities, the Corporation may incur credit exposures through its fixed income securities and cash holdings. Except for a single instrument with a book value of approximately \$9.9 million, which has been deemed to be of low credit quality, substantially all of the Corporation's fixed income exposures, totalling roughly \$1.8 billion as at 31 December 2012, were with issuers/counterparties of a high credit quality - i.e. rated at least BBB- equivalent by international credit rating agencies or having an internally determined credit score consistent with such a credit rating.

Impaired assets

Impairment charges are computed in accordance with IFRS and the Group's accounting policies. In summary, an asset is considered impaired where there is no longer reasonable assurance of collection (within the contractually established timeframe) of the full amount of principal and interest due to deterioration in the credit quality of the counterparty or any other factor which may affect contractual performance. In other words, an asset is impaired if its estimated recoverable amount is less than its carrying amount.

The Corporation's accounting policies require review for impairment of all financial assets at each reporting period or more regularly when individual circumstances require. The assessment includes a review of the collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that financial asset.

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29) FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

Collective Investment Schemes - Registered as local unit trust schemes

During the course of 2012, seven assets were impaired across the Funds. The impairment charges recognised are summarized in the following Table. No impairment charge was required in respect of the local Collective Investment Schemes at 31 December, 2011.

	2012	2011
	\$'000	\$'000
Growth & Income Fund	21,811	-
TT\$ Income Fund	79,434	-
Universal Retirement Fund	1,900	-
US\$ Income Fund	<u>211,017</u>	-
Total	<u>314,162</u>	<u>-</u>

Collective Investment Schemes - Registered as overseas subsidiary companies

With regard to the overseas Funds, no impairment losses were recorded for the years ended 31 December, 2012 and 31 December, 2011.

Proprietary Investments

An impairment charge of \$160,000 was recognised for the proprietary investments of the Corporation in 2012. No impairment charge was required in respect of these investments as at 31 December, 2011.

Concentration risk

Collective Investment Schemes – Registered as local unit trust schemes

During the normal course of investment activity, the Funds may build up concentrations in single entities, groups of related/affiliated entities, sectors/industries and countries. Domination of the Funds individually and collectively in any one security, entity/group of entities, industry/sector or country/geographic region has the potential *inter alia* to magnify the impact of idiosyncratic events on net assets or earnings. In some cases, such concentrations may restrict the ability of the Funds to exit security positions without sustaining substantial loss.

Statutory restrictions limit the exposure of the Funds to any issuer to: (i) a maximum of 10% of the Fund's combined net assets; and (ii) a maximum of 10% of securities in issue. This prevents the undue build-up of issuer, sector and country concentrations in the Funds. As at 31 December, 2012 there were no exposures to any single entity or group of related entities exceeding 10% of the Funds' combined net assets.

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29) FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

Collective Investment Schemes – Registered as overseas subsidiary companies

The Collective Investment Scheme products issued by overseas subsidiary companies contain significant geographic, industry sector and/or asset class concentrations in compliance with regulatory prescriptions on fund nomenclature. In general, concentrations higher than 80% are usual in these Funds. As such there is significant concentration risk in the Fund portfolios of the overseas subsidiary companies.

Proprietary Investments

With respect to its proprietary financial assets, the Corporation is significantly exposed to TT government and government-owned entities. As at 31 December 2012, its exposure to such entities totalled approximately TT\$1.6 billion. This exposure is deemed manageable by the Corporation.

Liquidity risk

Proprietary Investments

Liquidity risk is the risk that the Group is unable to meet payment obligations associated with its financial liabilities when they fall due. The Corporation's treasury management activities include: (i) daily monitoring of future cash flow requirements; (ii) maintenance of a portfolio of investments that can be easily liquidated as protection against any unforeseen interruptions to cash flow; and (iii) management of the concentration and profile of debt maturities.

The following Table presents cash flows payable by the Group for financial liabilities. The amounts disclosed in the Table are the contractual undiscounted cash flows.

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000
At 31 December, 2012			
Sinking Fund Liabilities	5,701	7,866	-
Financial Instruments	<u>1,577,918</u>	<u>-</u>	<u>2,459</u>
Total	<u>1,583,619</u>	<u>7,866</u>	<u>2,459</u>

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29) FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000
At 31 December, 2011			
Sinking Fund Liabilities	-	7,805	-
Financial Instruments	2,458,816	-	3,810
Total	<u>2,458,816</u>	<u>7,805</u>	<u>3,810</u>

Collective Investment Schemes - Registered as local unit trust schemes and as overseas subsidiaries

Units in the Growth & Income Fund, the TT\$ Income Fund and the US\$ Income Fund are redeemable upon demand by investors. This is also true of the fund products issued by the overseas subsidiaries. Consequently, these Funds are exposed to daily unit redemptions. The Funds mitigate this risk by maintaining adequate portfolio liquidity through appropriate cash, near cash and other short-term investments. Given the tradable nature of a substantial proportion of the Fund portfolios, this risk is not deemed significant.

30) INVESTMENT SECURITIES - GROWTH AND INCOME FUND (FIRST UNIT SCHEME)

Securities at market value:

	2012 \$'000	2011 \$'000
Government Securities	643,043	507,914
Corporate Securities	195,940	135,966
Equity (Local and Foreign)	2,455,600	2,272,089
Short Term Investments	-	69,647
Total	<u>3,294,583</u>	<u>2,985,616</u>

The Portfolio of the Growth and Income Fund is represented by:

	2012 \$'000	2011 \$'000
Held-to-Maturity Financial Assets	757,520	632,251
Available-for-Sale Financial Assets	2,537,063	2,353,365
Total	<u>3,294,583</u>	<u>2,985,616</u>

800—Continued

Trinidad and Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

Expressed in Trinidad and Tobago dollars

31) INVESTMENT SECURITIES - TT\$ INCOME FUND

Securities at market value:

	2012	2011
	\$'000	\$'000
Government Securities	2,332,533	2,804,114
Corporate Securities	2,696,374	2,274,209
Short Term Investments	<u>1,031,486</u>	<u>3,901,363</u>
Total	<u>6,060,393</u>	<u>8,979,686</u>

The Portfolio of the TT\$ Income Fund is represented by:

	2012	2011
	\$'000	\$'000
Held-to-Maturity Financial Assets	5,297,869	7,385,263
Available-for-Sale Financial Assets	<u>762,524</u>	<u>1,594,423</u>
Total	<u>6,060,393</u>	<u>8,979,686</u>

32) INVESTMENT SECURITIES – UNIVERSAL RETIREMENT FUND

Securities at market value:

	2012	2011
	\$'000	\$'000
Government Securities	24,161	20,886
Corporate Securities	22,843	35,906
Short Term Investments	<u>146,411</u>	<u>114,585</u>
Total	<u>193,415</u>	<u>171,377</u>

The Portfolio of the Universal Retirement Fund is represented by:

	2012	2011
	\$'000	\$'000
Held-to-Maturity Financial Assets	47,004	56,792
Available-for-Sale Financial Assets	<u>146,411</u>	<u>114,585</u>
Total	<u>193,415</u>	<u>171,377</u>

800—Continued

Trinidad and Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

Expressed in Trinidad and Tobago dollars

33) INVESTMENT SECURITIES - US\$ INCOME FUND

Securities at market value:

	2012	2011
	\$'000	\$'000
Government Securities	318,728	231,155
Corporate Securities	1,886,214	1,649,416
Cash and Short Term Investments	<u>1,036,541</u>	<u>1,626,939</u>
Total	<u>3,241,483</u>	<u>3,507,510</u>

The Portfolio of the US\$ Income Fund is represented by:

	2012	2011
	\$'000	\$'000
Held-to-Maturity Financial Assets	1,553,474	2,053,124
Available-for-Sale Financial Assets	<u>1,688,008</u>	<u>1,454,386</u>
Total	<u>3,241,482</u>	<u>3,507,510</u>

34) INVESTMENT IN SUBSIDIARIES

a) Local Subsidiaries

The Corporation established three (3) wholly-owned local subsidiary companies incorporated under the Companies Act Chapter 81:01 of the Laws of the Republic of Trinidad & Tobago as follows:

Company	Interest	Date of Incorporation
UTC Financial Services Limited	100%	23 March, 1999
UTC Trust Services Limited	100%	2 June, 1999
UTC Property Holdings Limited	100%	18 June, 2002

The UTC Financial Services Limited is a wholly-owned subsidiary of the Corporation and all the Directors of the Company are Directors of the Corporation. The Company carries on the business of a registrar and paying agent.

The UTC Property Holdings Limited is a wholly-owned subsidiary of the Corporation and all the Directors of this Company are Directors of the Corporation. It currently owns buildings constructed for rental to the Corporation to house its investment centres.

800—Continued

Trinidad and Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

Expressed in Trinidad and Tobago dollars

34) INVESTMENT IN SUBSIDIARIES (continued)

a) Local subsidiaries (continued)

The assets, liabilities and results of operations of these subsidiaries have been fully incorporated in these Financial Statements. UTC Trust Services Limited was activated on 31 December, 2012 to account for two immaterial transactions. The auditor for UTC Property Holdings Limited and UTC Financial Services Limited is PricewaterhouseCoopers.

b) Foreign Subsidiaries

The Corporation has five (5) foreign subsidiaries. These are:

Company	Interest	Date of Incorporation	Country of Incorporation
UTC Fund Services, Inc.	100%	8 December, 1997	Delaware, USA
UTC Financial Services USA, Inc.	100%	8 June, 1999	Rhode Island, USA
Unit Trust Corporation (Cayman) SPC Limited	100% voting shares 37% segregated portfolio shares	31 July, 2006	Cayman Islands
UTC Energy Investment Limited	90%	31 May, 2007	Delaware, USA
UTC North American Fund Inc.	71%	24 October, 1990	Maryland, USA

The auditors of these foreign subsidiaries are as follows:

Company	Auditors
UTC Financial Services USA, Inc	Mayer Hoffman McCann P.C. (formerly Kirkland, Russ, Murphy & Tapp, USA)
Unit Trust Corporation (Cayman) SPC Limited	PricewaterhouseCoopers, Cayman Islands
UTC North American Fund, Inc.	Cohen Fund Audit Services, Cleveland, Ohio

The UTC Energy Investment Limited and UTC Fund Services Inc., are not engaged in activities that require treatment as publicly traded entities and do not require audited statements for any regulatory purpose.

The Unit Trust Corporation (Cayman) SPC Limited was incorporated in 2006 and is authorised to issue voting and segregated portfolio shares. The Corporation has the sole right to hold 100% of the voting shares of the Company. As at 31 December, 2012 the Corporation held one voting share at a value of \$635.29 (2011 - \$634.95).

Trinidad and Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

Expressed in Trinidad and Tobago dollars

34) INVESTMENT IN SUBSIDIARIES (continued)

b) Foreign Subsidiaries (continued)

The segregated portfolio shares are held by various investors, including the Trinidad and Tobago Unit Trust Corporation, which has invested in the mutual funds issued by the Unit Trust Corporation (Cayman) SPC Limited. The Statement of Financial Position of this Company comprises the combined assets and liabilities of five mutual funds, plus the value of the voting share. The Corporation invested seed capital of \$25 million across the five mutual funds. Its holdings currently represent 37% (2011 - 31%) ownership of the segregated portfolio shares.

UTC Energy Investment Limited was incorporated in 2007 under the laws of Delaware, USA. The Corporation holds 90% of the Capital of this Company and the Growth and Income Fund holds the remaining 10%. All of the assets of this subsidiary are reported on the Consolidated Statement of Financial Position.

UTC Fund Services Inc., was inactive from its incorporation until 1 March, 2009 when it began operations as the investment advisor to the UTC North American Fund Inc.

The UTC North American Fund Inc., is registered as an open-end, diversified, management investment company under the Investment Act of 1940 of the United States of America, as amended.

Trinidad and Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

Expressed in Trinidad and Tobago dollars

35) RELATED-PARTY TRANSACTIONS

Related parties are persons or entities that are related to the Corporation. A person is related to the Corporation when that person or a close member of that person's family either:

- i. has significant influence over the Corporation or
- ii. is a key member of the management of the Corporation.

An entity is related to the Corporation because the entity is a subsidiary of the Corporation, is an associate of the Corporation, is in a joint venture with the Corporation or participates in a post employment benefit plan of either the Corporation or one of its related entities.

Balances and transactions between the Corporation and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

a) Loans

	2012	2011
	\$'000	\$'000
Key management personnel	<u>2,027</u>	<u>957</u>
Loans to key management of the Group:		
Balance at beginning of year	957	1,004
Loans advanced during year	1,626	531
Loan repayments received during year	(556)	(578)
Interest income during year	50	28
Interest received during year	<u>(50)</u>	<u>(28)</u>
Balance at end of year	<u>2,027</u>	<u>957</u>
b) Key management compensation:		
Salaries and other short-term benefits	17,583	15,785
c) Consultancy fees to Directors	1,527	1,820

Trinidad and Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

Expressed in Trinidad and Tobago dollars

36) RESTATEMENTS AND RECLASSIFICATIONS

Certain changes in presentation have been made in these Financial Statements. The changes had no effect on the operating results or profit after tax for the previous year.

37) COMMITMENTS

At 31 December, 2012, the Group had contractual obligations for capital contributions under two contracts. Under the first contract there was a capital commitment of \$13.4 million payable over the next five (5) years (2011: \$14.6 million). Under the second contract there was a contractual obligation in the amount of \$20.5 million (2011: \$26.2 million).

38) CONTINGENT LIABILITIES

During 2011 a claim was instituted against the Corporation with respect to the Dellis Cay Project. The statement of claim stated that the Corporation owed a duty of care to all the project investors (actual and potential) to ensure that the representations made with respect to the financial health, progress and status of the project were accurate.

Legal counsel has advised that though the claim has not been quantified, it may be substantial. Counsel has advised however that the claim has little probability of success.

Based on Counsel's opinions and the opinion of the Senior Counsel in this matter, the Corporation filed an application to strike out the proceedings on the grounds that the claim disclosed no cause of action against the Corporation. The plaintiffs are expected to file their response to the strike out application in due course. In the circumstances, no provision has been made in these Financial Statements in respect of the claim.

39) APPROVAL OF THE FINANCIAL STATEMENTS

These Financial Statements were approved by the Board of Directors and authorized for issue on 21 February, 2013.

800—Continued

Trinidad and Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

Expressed in Trinidad and Tobago dollars

ADDITIONAL INFORMATION

800—Continued

Trinidad and Tobago Unit Trust Corporation
GROWTH AND INCOME FUND
(FIRST UNIT SCHEME)
STATEMENT OF FINANCIAL POSITION
As at 31 December, 2012
Expressed in Trinidad and Tobago Dollars

ASSETS	31-Dec-12 \$ '000	31-Dec-11 \$ '000
Investment Securities	3,294,583	2,985,616
Cash and Cash Equivalents	528,529	420,768
Interest Receivable	24,091	21,580
Other Receivables	23,190	10,061
Total Assets	3,870,393	3,438,025
LIABILITIES		
Amount Due to Corporation	91,037	44,176
Distribution Payable	49,489	67,902
Other Liabilities	34,421	15,753
	174,947	127,831
RESERVES		
Undistributed Income	13,522	7,443
Total Liabilities and Reserves	188,469	135,274
NET ASSETS	3,681,924	3,302,751
CAPITAL ACCOUNT	2,728,151	2,527,868
UNREALISED CAPITAL APPRECIATION	953,773	774,883
NET ASSETS	3,681,924	3,302,751

800—Continued

Trinidad and Tobago Unit Trust Corporation
GROWTH AND INCOME FUND
(FIRST UNIT SCHEME)
STATEMENT OF COMPREHENSIVE INCOME

As at 31 December, 2012

Expressed in Trinidad and Tobago Dollars

	31-Dec-12 \$ '000	31-Dec-11 \$ '000
INVESTMENT INCOME		
Dividends	114,373	63,938
Interest	44,575	70,486
Realised Capital Gains	76,066	42,013
Total Investment Income	235,014	176,437
EXPENSES		
Management Charge	(72,687)	(66,739)
Impairment	(21,811)	0
Other Expenses	(2,518)	(41)
Total Expenses	(97,016)	(66,780)
NET INVESTMENT INCOME	137,998	109,657
Withholding Taxes	(4,162)	(3,741)
UNDISTRIBUTED INCOME AT BEGINNING OF YEAR	7,443	1,423
	141,279	107,339
DISTRIBUTION :		
Distribution Paid to Initial Contributors \$0.30c per unit (2011 - 0.37c per unit)	(286)	(353)
Distribution Paid to Unitholders \$0.30c per unit (2011 - 0.37c per unit)	(73,472)	(88,543)
Total Distribution	(73,758)	(88,896)
UNDISTRIBUTED INCOME BEFORE RESERVES	67,521	18,443
Allocation to Guarantee Reserve Fund	(1,000)	(11,000)
Allocation to Secondary Reserve Fund	(53,000)	-
UNDISTRIBUTED INCOME AT END OF YEAR	13,521	7,443

800—Continued

Trinidad and Tobago Unit Trust Corporation
GROWTH AND INCOME FUND
(FIRST UNIT SCHEME)
STATEMENT OF CASH FLOWS
As at 31 December, 2012
Expressed in Trinidad and Tobago Dollars

	31-Dec-12 \$ '000	31-Dec-11 \$ '000
OPERATING ACTIVITIES		
Net Investment Income	137,998	109,657
<i>Adjustments to reconcile Net Investment Income to Net Cash</i>		
<i>Flow From Operating Activities:</i>		
Impairment	21,811	-
Taxation Paid	(4,162)	(3,741)
	155,647	105,916
<i>Movements in Working Capital</i>		
(Increase)/Decrease in Receivables	(15,640)	142,413
Increase in Payables	47,116	75,132
Net Cash Flow From Operating Activities	187,123	323,461
INVESTING ACTIVITIES		
Purchase of Investment Securities	(382,684)	(883,930)
Disposal of Investment Securities	230,797	676,954
Net Cash Used In Investing Activities	(151,887)	(206,976)
FINANCING ACTIVITIES		
Subscriptions	278,638	151,644
Redemptions	(78,355)	(75,212)
Distributions	(73,758)	(88,896)
Allocation to Guarantee Reserve	(500)	(11,000)
Payment to Guarantee Reserve	(500)	-
Allocation to Secondary Reserve	(53,000)	-
Net Cash Flow From/(Used In) Financing Activities	72,525	(23,464)
NET INCREASE IN CASH AND CASH EQUIVALENTS	107,761	93,021
Cash and Cash Equivalents at beginning of year	420,768	327,747
Cash and Cash Equivalents at end of year	528,529	420,768

800—Continued

Trinidad and Tobago Unit Trust Corporation

TT DOLLAR INCOME FUND
STATEMENT OF FINANCIAL POSITION

As at 31 December, 2012

Expressed in Trinidad and Tobago Dollars

	31-Dec-12 \$ '000	31-Dec-11 \$ '000
ASSETS		
Investments	6,060,393	8,979,687
Cash and Cash Equivalents	5,071,626	1,374,500
Interest Receivable	64,735	84,952
Other Receivables	158,741	506,297
Total Assets	11,355,495	10,945,436
LIABILITIES		
Amount Due to Corporation	60,612	32,168
Provision for Distribution	12,615	12,782
Other Liabilities	117,629	333,792
	190,856	378,742
RESERVES		
Reserves	9,918	9,918
Total Liabilities and Reserves	200,774	388,660
NET ASSETS	11,154,721	10,556,776
CAPITAL ACCOUNT		
UNREALIZED CAPITAL APPRECIATION/(DEPRECIATION)	9,973	(54,300)
NET ASSETS	11,154,721	10,556,776

800—Continued

Trinidad and Tobago Unit Trust Corporation
 TT DOLLAR INCOME FUND
 STATEMENT OF COMPREHENSIVE INCOME
 For the year ended 31 December, 2012
 Expressed in Trinidad and Tobago Dollars

	31-Dec-12 \$ '000	31-Dec-11 \$ '000
INVESTMENT INCOME		
Interest	440,895	360,604
Total Investment Income	<u>440,895</u>	<u>360,604</u>
EXPENSES		
Management Charge	(200,257)	(157,113)
Impairment	(79,434)	-
Commissions	(12,798)	(11,669)
Other Expenses	(1,758)	(709)
Total Expenses	<u>(294,247)</u>	<u>(169,491)</u>
NET INVESTMENT INCOME AVAILABLE FOR DISTRIBUTION	146,648	191,113
Distribution	(131,233)	(175,531)
Provision for Distribution	(12,615)	(12,782)
Total Distribution	<u>(143,848)</u>	<u>(188,313)</u>
UNDISTRIBUTED INCOME BEFORE TRANSFER TO RESERVES	2,800	2,800
Allocation to Primary Reserve	(2,800)	(2,800)
UNDISTRIBUTED INCOME AT END OF YEAR	<u>-</u>	<u>-</u>

800—Continued

Trinidad and Tobago Unit Trust Corporation

TT DOLLAR INCOME FUND
STATEMENT OF CASH FLOWS

For the year ended 31 December, 2012

Expressed in Trinidad and Tobago Dollars

	31-Dec-12 \$ '000	31-Dec-11 \$ '000
OPERATING ACTIVITIES		
Net Investment Income	146,648	191,113
<i>Adjustments to reconcile Net Investment Income to Net Cash Flow From Operating Activities:</i>		
Impairment	79,434	-
Allocation to Distribution	(12,615)	(12,782)
Allocation to Primary Reserves	(700)	-
	212,767	178,331
<i>Movements in Working Capital</i>		
Decrease in Receivables	367,773	117,639
Decrease in Payables	(187,886)	(135,029)
Net Cash Flow From Operating Activities	392,654	160,941
INVESTING ACTIVITIES		
Purchase of Investment Securities	(3,895,981)	(7,664,074)
Disposal of Investment Securities	6,800,114	5,528,945
Net Cash Flow From/(Used In) Investing Activities	2,904,133	(2,135,129)
FINANCING ACTIVITIES		
Subscriptions	2,795,364	2,317,352
Redemptions	(2,261,692)	(1,870,938)
Distribution Payment	(131,233)	(175,531)
Payment to Reserves	(2,100)	(2,800)
Net Cash Flow From Financing Activities	400,339	268,083
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,697,126	(1,706,105)
Cash and Cash Equivalents at beginning of year	1,374,500	3,080,605
Cash and Cash Equivalents at end of year	5,071,626	1,374,500

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Trinidad and Tobago Unit Trust Corporation

UNIVERSAL RETIREMENT FUND
STATEMENT OF FINANCIAL POSITION

As at 31 December, 2012

Expressed in Trinidad and Tobago Dollars

	31-Dec-12 \$ '000	31-Dec-11 \$ '000
ASSETS		
Investment Securities	193,416	171,377
Cash and Cash Equivalents	20,444	14,187
Income Receivable	946	1,115
Other Receivables	67	483
Total Assets	214,873	187,162
LIABILITIES		
Amount Due to Corporation	2,161	197
Other Payables	3	48
NET ASSETS	212,709	186,917
CAPITAL ACCOUNT	176,263	162,449
UNREALISED CAPITAL APPRECIATION	36,446	24,468
NET ASSETS	212,709	186,917

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Trinidad and Tobago Unit Trust Corporation		
UNIVERSAL RETIREMENT FUND		
STATEMENT OF COMPREHENSIVE INCOME		
For the year ended 31 December, 2012		
Expressed in Trinidad and Tobago Dollars		
	31-Dec-12	31-Dec-11
	\$ '000	\$ '000
INVESTMENT INCOME		
Dividends	6,549	3,141
Interest	6,308	4,929
Realised Capital (Loss)/Gains	(752)	222
Miscellaneous Income	30	-
Total Investment Income	12,135	8,292
EXPENSES		
Management Charge	(4,127)	(3,680)
Impairment	(1,900)	-
Other Expenses	(3)	(2)
Total Expenses	(6,030)	(3,682)
Net Investment Income	6,105	4,610
Withholding Tax	(222)	(135)
NET INCOME FOR CAPITALISATION	5,883	4,475

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Trinidad and Tobago Unit Trust Corporation		
UNIVERSAL RETIREMENT FUND		
STATEMENT OF CASH FLOWS		
For the year ended 31 December, 2012		
Expressed in Trinidad and Tobago Dollars		
	31-Dec-12 \$ '000	31-Dec-11 \$ '000
OPERATING ACTIVITIES		
Net Investment Income	6,105	4,610
<i>Adjustments to reconcile Net Investment Income to Net Cash Flow From Operating Activities:</i>		
Impairment	1,900	-
Taxation Paid	(222)	(135)
	<u>7,783</u>	<u>4,475</u>
<i>Movements in Working Capital</i>		
Decrease in Receivables	585	587
Increase/(Decrease) in Payables	1,919	(70)
	<u>10,287</u>	<u>4,992</u>
Net Cash Flow From Operating Activities		
INVESTING ACTIVITIES		
Purchase of Investment Securities	(55,784)	(41,998)
Disposal of Investment Securities	43,824	41,221
	<u>(11,960)</u>	<u>(777)</u>
Net Cash Used In Investing Activities		
FINANCING ACTIVITIES		
Subscriptions	20,448	20,136
Redemptions	(12,518)	(12,740)
	<u>7,930</u>	<u>7,396</u>
Net Cash Flow From Financing Activities		
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,257	11,611
Cash and Cash Equivalents at beginning of year	14,187	2,576
Cash and Cash Equivalents at end of year	<u>20,444</u>	<u>14,187</u>

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Trinidad and Tobago Unit Trust Corporation		
US DOLLAR INCOME FUND		
STATEMENT OF FINANCIAL POSITION		
For the year ended 31 December, 2012		
Expressed in Trinidad and Tobago Dollars		
	31-Dec-12	31-Dec-11
	\$'000	\$'000
ASSETS		
Investment Securities	3,241,482	3,507,510
Cash and Cash Equivalents	1,034,905	461,180
Interest Receivable	32,336	31,482
Other Receivables	347,639	251,286
Total Assets	4,656,362	4,251,458
LIABILITIES		
Amount Due to Corporation	16,093	38,716
Distribution Payable	11,332	20,665
Other Liabilities	110,066	93,495
	137,491	152,876
RESERVES		
Reserves	179	179
Total Liabilities and Reserves	137,670	153,055
NET ASSETS	4,518,692	4,098,403
CAPITAL ACCOUNT	4,504,255	4,335,138
UNREALIZED CAPITAL APPRECIATION/(DEPRECIATION)	14,437	(236,735)
NET ASSETS	4,518,692	4,098,403

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Trinidad and Tobago Unit Trust Corporation
 US DOLLAR INCOME FUND
 STATEMENT OF COMPREHENSIVE INCOME
 For the year ended 31 December, 2012
 Expressed in Trinidad and Tobago Dollars

	31-Dec-12 \$'000	31-Dec-11 \$'000
INCOME		
Investment Income	98,358	150,421
Other Income	206,470	272
Total Income	304,828	150,693
EXPENSES		
Management Charge	(30,323)	(61,887)
Impairment	(211,017)	-
Commissions	(1,293)	(1,165)
Other Expenses	(1,014)	(315)
Total Expenses	(243,647)	(63,367)
NET INVESTMENT INCOME AVAILABLE FOR DISTRIBUTION	61,181	87,326
Distribution	(41,253)	(77,561)
	(41,253)	(77,561)
UNDISTRIBUTED INCOME BEFORE TRANSFER TO RESERVES	19,928	9,765
Allocation to Primary Reserve	(7,623)	(7,620)
Allocation to Secondary Reserve	(12,305)	(2,145)
UNDISTRIBUTED INCOME AT END OF YEAR	-	-

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Trinidad and Tobago Unit Trust Corporation

US DOLLAR INCOME FUND
STATEMENT OF CASH FLOWS

For the year ended 31 December, 2012

Expressed in Trinidad and Tobago Dollars

	31-Dec-12 \$'000	31-Dec-11 \$'000
OPERATING ACTIVITIES		
Net Investment Income	61,181	87,326
<i>Adjustments to reconcile Net Investment Income to Net Cash Flow From Operating Activities:</i>		
Impairment	211,017	-
Allocation to Distribution	(11,332)	(20,665)
Allocation to Primary Reserves	(1,906)	(2,542)
Allocation to Secondary Reserves	(11,861)	(677)
	247,099	63,442
<i>Movements in Working Capital</i>		
(Increase)/Decrease in Receivables	(97,055)	22,631
(Decrease)/Increase in Payables	(15,468)	56,356
Net Cash Flow From Operating Activities	134,576	142,429
INVESTING ACTIVITIES		
Purchase of Investment Securities	(2,987,663)	(1,816,805)
Disposal of Investment Securities	3,295,864	1,644,593
Net Cash From/(Used in) Investing Activities	308,201	(172,212)
FINANCING ACTIVITIES		
Subscriptions	1,052,975	1,129,237
Redemptions	(886,193)	(1,111,548)
Distribution Payment	(29,921)	(56,896)
Payment to Reserves	(6,161)	(6,546)
Net Cash From/(Used in) Financing Activities	130,700	(45,753)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	573,477	(75,536)
Cash and Cash Equivalents at beginning of year	461,180	524,633
Translation Adjustment	248	12,083
Cash and Cash Equivalents at end of year	1,034,905	461,180

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EXTENSION OF CLOSING DATE FOR TENDERS FOR THE MANUFACTURE, SUPPLY AND DISTRIBUTION OF TWENTY-ONE THOUSAND, FIVE HUNDRED LAPTOPS, LAPTOP BAGS AND PERIPHERAL EQUIPMENT FOR THE MINISTRY OF EDUCATION

PROSPECTIVE tenderers are advised that the closing date for the receipt of tenders for the above-mentioned project has been extended from Thursday 11th April, 2013 to Thursday 18th April, 2013 at 1.00 p.m.

Tenderers are reminded that the dimensions of the slot on the Tenders Box are 37.5 cm x 5.5 cm and as such tenders should therefore be packaged accordingly.

Late tenders will not be considered in any circumstances.

I. RAMPERSAD
Chairman,
Central Tenders Board

28th March, 2013.

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TENDER FOR THE CONSTRUCTION OF THE BHUPSINGH PARK BANDSTAND (26M x 10M STRUCTURAL STEEL) FOR THE PENAL/DEBE REGIONAL CORPORATION, MINISTRY OF LOCAL GOVERNMENT

TENDERS are invited for Construction of the Bhupsingh Park Bandstand (26m x 10m Structural Steel) for the Penal/Debe Regional Corporation, Ministry of Local Government.

Tender documents can be obtained during normal working hours at the Central Tenders Board's Office, 116, Frederick Street, Port-of-Spain, Telephone Number 625-4330, Fax Number 625-1809.

Tenderers are required to pay a tender deposit of five hundred dollars (\$500.00) payable by cash or certified cheque to the Director of Contracts, Central Tenders Board. This deposit will be received from Monday to Friday between the hours of 9.00 a.m. to 12.00 noon and 1.00 p.m. to 3.00 p.m. The original receipt must be attached to the tender.

Any further technical information may be obtained during normal working hours from Mr. Adrian Komal, Engineer, Penal/Debe Regional Corporation, Ministry of Local Government at Telephone Number 730-4556.

A pre-tender meeting followed by a site visit will be held for prospective tenderers at 10.00 a.m. on Monday 22nd April, 2013 at the Penal/Debe Regional Corporation Office, No. 218 San Fernando-Siparia-Erin Road, Debe.

Tenders must be accompanied by the following:

- (a) valid Income Tax and Value Added Tax Clearance Certificates issued by the Board of Inland Revenue and dated not more than six (6) months prior to the closing date of the tender; and
- (b) a valid Certificate of Compliance issued in accordance with the National Insurance Act.

The original and one (1) copy of the Tender should be placed in sealed envelopes and clearly marked on the outside: "Tender for the Construction of the Bhupsingh Park Bandstand (26m x 10m Structural Steel) for the Penal/Debe Regional Corporation, Ministry of Local Government".

Envelopes must be addressed to the Chairman, Central Tenders Board, 116, Fredrick Street, Port-of-Spain. Tenders must be deposited in the Brown Tenders Box, located in the lobby of the Board's Office not later than 1.00 p.m. on Thursday 2nd May, 2013.

Tenders will be opened shortly thereafter. The tenderer or his representative may be present at the opening.

Tenderers should note that the dimensions of the slot on the Tenders Box are 37.5 cm x 5.5 cm and as such, tenders should be packaged accordingly.

Late tenders will not be considered in any circumstances.

The Board does not bind itself to accept the lowest or any other tender.

The Central Tenders Board reserves the right to cancel the bidding process in its entirety or even partially, without defraying any cost incurred by any firm in submitting their tender.

Prospective tenderers are advised that they can visit the website <http://www.finance.gov.tt> for all published Tender Notices.

I. RAMPERSAD
Chairman,
Central Tenders Board

8th April, 2013.

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SPECIAL LICENSING SESSIONS
(*Liquor Licences Act, Chap. 84:10*)

PORT-OF-SPAIN

NOTICE is hereby given that by lawful authority under the provisions of the Liquor Licences Act, Chap. 84:10, the Licensing Committee for the Licensing District of St. George West, Port-of-Spain Area, has appointed THURSDAY THE 2ND DAY OF MAY, 2013 at 1.00 o'clock in the afternoon at the Port-of-Spain Magistrates' Court as the day, hour and place at which a Special Session will be held to hear and determine the application of Makeba Ayanna John of Light Pole No. 5, Pelican Extension, La Pompe Road, Morvant, for a Certificate authorizing her to carry on the business of a Special Restaurant in respect of premises situate at No. 30 Nelson Street, Port-of-Spain.

Dated this 16th day of April, 2013 at the Port-of-Spain Magistrates' Court.

M. SMART
*Secretary, Licensing Committee,
St. George West*

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NOTICE is hereby given that by lawful authority under the provisions of the Liquor Licences Act, Chap. 84:10, the Licensing Committee for the Licensing District of St. George West, Port-of-Spain Area, has appointed THURSDAY THE 9TH DAY OF MAY, 2013 at 1.00 o'clock in the afternoon at the Port-of-Spain Magistrates' Court as the day, hour and place at which a Special Session will be held to hear and determine the application of Jason Jude George of No. 21 Atlantic Avenue, Shorelands, Glencoe, for a Certificate authorizing him to carry on the business of a Special Restaurant in respect of premises situate at No. 28 Fitt Street, Woodbrook.

Dated this 17th day of April, 2013 at the Port-of-Spain Magistrates' Court.

M. SMART
*Secretary, Licensing Committee,
St. George West*

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TUNAPUNA

NOTICE is hereby given that by lawful authority under the provisions of the Liquor Licences Act, Chap. 84:10, the Licensing Committee for the Licensing District of St. George East, Tunapuna Area, has appointed WEDNESDAY THE 24TH DAY OF APRIL, 2013 at 9.00 o'clock in the forenoon at the Tunapuna Magistrate's Court as the day, hour and place at which a Special Session will be held to hear and determine the application of Anderson Hazette, of 44, Eastern Main Road, St. Augustine, for a Certificate authorizing him to carry on the trade of a Spirit Grocer in respect of premises situate at 33C, Eastern Main Road, Tunapuna.

Dated this 28th day of March, 2013 at the Tunapuna Magistrate's Court.

J. DICKSON
*Secretary, Licensing Committee,
St. George East*

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SAN FERNANDO

NOTICE is hereby given that by lawful authority under the provisions of section 18(3) of the Liquor Licences Act, Chap. 84:10, the Licensing Committee for the Licensing District of Victoria West, San Fernando Area, has appointed THURSDAY THE 2ND DAY OF MAY, 2013 at the hour of 9.00 o'clock in the forenoon at the San Fernando Magistrates' Court as the day, hour and place at which a Special Session will be held to consider the application of Zinool Mohammed of No. 9 Holder Street, San Fernando for a Certificate authorizing him to obtain a Spirit Retailer's Licence in respect of premises situate at No. 5 Todd Street, San Fernando.

Dated this 9th day of April, 2013 at the San Fernando Magistrate's Court.

A. ALI
*Secretary, Licensing Committee,
Victoria West*

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TRANSFER OF LICENCES
(*Liquor Licences Ordinance, 1955*)

VICTORIA WEST

NOTICE is hereby given that a notification in writing has this day been lodged with me the undersigned Secretary of the Licensing Committee for the Licensing District of Victoria West, San Fernando Area, by Victor Junior Chinemilly of No. 7 Solomon Street, Vistabella, San Fernando, that it is his intention to apply to the Licensing Committee at the San Fernando Magistrates' Court on THURSDAY THE 9TH DAY OF MAY, 2013, for a transfer to him of the Licence to carry on the business of a Special Restaurant now held by Victor Chinemilly for premises situate at No. 7 Solomon Street, Vistabella, San Fernando in the said district.

Dated this 15th day of April, 2013 at the San Fernando Magistrates' Court.

A. ALI
*Secretary, Licensing Committee,
San Fernando*

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NORTH-EASTERN COUNTIES

NOTICE is hereby given that a notification in writing has this day been lodged with me the undersigned Secretary of the Licensing Committee for the Licensing District of North-Eastern Counties, Sangre Grande Area, by Ashford Subit of 5½ Mile Mark, Fishing Pond, via Sangre Grande, that it is his intention to apply to the Licensing Committee at the Sangre Grande Magistrates' Court on WEDNESDAY THE 24TH DAY OF APRIL, 2013, for a transfer to him of the Spirit Retailers' Licence now held by Verna Subit in respect of premises situate at 5½ Mile Mark, Fishing Pond Road, via Sangre Grande, in the said district.

Dated this 25th day of March, 2013 at the Sangre Grande Magistrate's Court.

R. SOOKOOL
*Secretary, Licensing Committee,
Sangre Grande*