



TRINIDAD AND TOBAGO GAZETTE

(EXTRAORDINARY)

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SUPPLEMENT TO THIS ISSUE

THE DOCUMENTS detailed hereunder have been issued and are published as a Supplement to this issue of the *Trinidad and Tobago Gazette*:

Legal Supplement Part B—

Traffic Restriction (Temporary Provisions) (Point Fortin Borough Day Celebrations) Order, 2008—(Legal Notice No. 60 of 2008).

Notice of Submission for Public Comment on an Environmental Impact Assessment Report submitted by Royal Haskoning on behalf of The Rural Development Company Limited—(Legal Notice No. 61 of 2008).

Community Mediation Regulations, 2007—(Legal Notice No. 62 of 2008).

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APPOINTMENT TO ACT AS MINISTER OF PUBLIC ADMINISTRATION

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 Mr. NEIL PARSANLAL, a Member of the House of Representatives, to act in the Office of the Honourable KENNEDY SWARATSINGH, Minister of Public Administration, with effect from 22nd April, 2008 and continuing during the absence from Trinidad and Tobago of the said the Honourable Kennedy Swaratsingh, M.P., in addition to the discharge of his normal duties.

H. HEMNATH
*Secretary to His Excellency
the President*

22nd April, 2008.

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REVOCATION OF APPOINTMENT AS MINISTER OF TRADE AND INDUSTRY

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 (3) of section 76, subsection (1) of section 79 and subsection (9) of section 3 of the Constitution of the Republic of Trinidad and Tobago, has revoked the appointment of Dr. KEITH ROWLEY, M.P., as a Minister, and all directions assigning to him any responsibility for the Ministry of Trade and Industry with effect from 23rd April, 2008.

H. HEMNATH
*Secretary to His Excellency
the President*

23rd April, 2008.

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OFFICE OF THE PRIME MINISTER

RESIGNATION

THE following notice in accordance with the Director of Personnel Administration's Circular Memorandum No. E 26/06 dated August, 25, 2006, is published for general information:

Name	Rank of Officer	Ministry/Department	Date	Remarks
Ms. Michelle Belle	Temporary Clerk I ...	Office of the Prime Minister	17th March, 2008	Resignation

REGISTRATION RECOGNITION AND CERTIFICATION BOARD

PRACTICE NOTE NO. 2

RECORDS, DOCUMENTS AND EVIDENCE TO BE PRODUCED BY THE TRADE UNION AND THE EMPLOYER FOR PURPOSES IN SECTION 34 OF THE INDUSTRIAL RELATIONS ACT, CHAP. 88:01

IN ORDER to satisfy the requirements of section 34 of the Industrial Relations Act, Chap. 88:01, the records, documents and evidence to be furnished by the Trade Union and Employer shall be as follows:

THE TRADE UNION

1. An application form for membership in the Union signed by the worker.
2. Acceptable evidence to show that the worker has been admitted into membership of the Union in accordance with the Constitution and/or Rules of the Union.
3. Evidence that the applicant paid the required entrance fee and contributions, by:
 - (i) Entries on a Union's Collection Sheet which must include the actual dates monies were received by the Collector showing the periods and dates covered by the individual payments;
 - (ii) The Collection Sheet must be signed and dated by the Collector, and the entries therein must be made out by the Collector or other persons who collected monies from the workers.
 - (iii) Cash Book/Day Book.
 - (iv) Bank Book and/or Deposit Slips for stated periods.
4. Receipts or Receipt Books showing that monies collected by the Collector (or other person who collected same) were received in the Union's office and the actual date of such receipt.
5. Presentation of an Audit Certificate from Certified Auditors for the calendar year immediately past. However, in instances where such a Certificate is not available, the following would be acceptable:
 - (a) Cash Book(s) and Disbursement Vouchers.
 - (b) Petty Cash Book and Disbursement Vouchers.
6. A certified list (separate from the Collection Sheet above-mentioned) set out in alphabetical order of the Union's members who are in the determined Bargaining Unit.

(There should be no erasures on Application Forms or in Books of Accounts and any corrections should be duly initialled).

THE EMPLOYER

1. Pay Sheets or Pay Records for stipulated periods of all workers in the Bargaining Unit.
2. Such other documents as may be necessary to prove that such workers were in employment during the periods stipulated.
3. Where there are no signatures on the pay Sheets or Pay Records above-mentioned, copies of any document containing the signatures of such workers.
4. A certified list set out in alphabetical order of workers who are in the determined Bargaining Unit.

CASUAL WORKER

In order for a person, who is considered to be a casual worker, to be eligible to be counted for representative status, that person must satisfy the following criteria:

- (i) Must have worked with the particular Employer on the relevant date, i.e., the date on which the application for certification of recognition was received by the Board.
- (ii) Must have worked for the entire relevant eight (8) week period prior to the date of the receipt of the application for certification of recognition.

(This Practice Note No. 2 replaces Practice Note No. 2 issued on 3rd January, 1986 and 5th March, 1996 respectively).

ISSUED BY THE AUTHORITY OF THE BOARD.

Dated this 7th day of April, 2008.

J. HEPBURN
Secretary, Registration Recognition
and Certification Board



**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 2007 DECEMBER 31

The accompanying Consolidated Financial Statements of the Trinidad and Tobago Unit Trust Corporation for the year ended 2007 December 31 have been audited. The Statements as set out on pages 1 to 43 comprise:

- (i) a Consolidated Balance Sheet as at 2007 December 31, a Consolidated Income and Expenditure Statement, a Consolidated Statement of Changes in Equity and a Consolidated Cash Flow Statement for the year ended 2007 December 31 in respect of the Trinidad and Tobago Unit Trust Corporation;
- (ii) a Balance Sheet as at 2007 December 31 and a Statement of Operations for the year ended 2007 December 31 in respect of the Growth and Income Fund (First Unit Scheme), the TT\$ Income Fund (formerly TT\$ Money Market Fund) (Second Unit Scheme), the Universal Retirement Fund and the US\$ Income Fund (formerly US\$ Money Market Fund) respectively, and
- (iii) Notes to the Consolidated Financial Statements for the year ended 2007 December 31 numbered 1 to 33.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The management of the Trinidad and Tobago Unit Trust Corporation is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

3. The Auditor General's responsibility is to express an opinion on these 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 generally accepted Auditing Standards. Those Standards require that ethical requirements be complied with and that the audit be planned and performed to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

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AUDITOR'S RESPONSIBILITY—CONTINUED

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the opinion expressed at paragraph 6 of this Report.

AUDIT OF SUBSIDIARIES

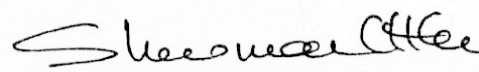
5. The financial statements of the subsidiaries listed in Note 27 to the Consolidated Financial Statements which account for 0.65% of the consolidated total assets, 3.45% of the consolidated total liabilities and 1.10% of the consolidated total income, have been audited, where applicable, by auditors other than the Auditor General. My opinion insofar as it relates to consolidation of balances in respect of the subsidiaries, is based solely on copies of the reports of the other auditors submitted by the Corporation.

OPINION

6. In my opinion the Consolidated Financial Statements as outlined at paragraph one above present fairly, in all material respects, the financial position of the Trinidad and Tobago Unit Trust Corporation as at 2007 December 31 and its financial performance and its cash flows for the year ended 2007 December 31 in accordance with International Financial Reporting Standards.

2008 APRIL 02




SHARMAR OTTEY
AUDITOR GENERAL

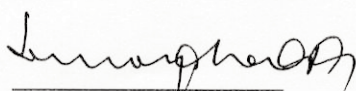
752—Continued

Trinidad & Tobago Unit Trust Corporation

CONSOLIDATED BALANCE SHEET

As at December 31, 2007

	Notes	2007 \$ '000	2006 \$ '000
ASSETS			
Investment Funds	3	16,401,111	15,658,341
Cash and Cash Equivalents		185,475	162,257
Receivables		107,965	108,524
Prepayments and Other Assets		13,060	4,669
Investment Securities	4	2,071,536	1,333,783
Property, plant and equipment	5	185,360	186,423
Intangible assets	6	10,477	11,961
TOTAL ASSETS		18,974,984	17,465,958
LIABILITIES			
CURRENT			
Accounts Payable and Short Term Liabilities		34,137	17,165
Other Liabilities		27,325	28,229
Short-term Financial Instruments	7a	1,489,417	845,912
Current Portion of Finance Lease	8	2,706	2,454
TOTAL CURRENT LIABILITIES		1,553,585	893,760
LONG TERM			
Long-term Financial Instruments	7b	257,396	259,646
Finance Lease	8	56,030	58,736
TOTAL LIABILITIES		1,867,011	1,212,142
CAPITAL AND RESERVES			
Initial Capital	9	4,766	4,811
Unit Capital	10	16,396,345	15,653,530
		16,401,111	15,658,341
Fund Reserves	11	69,981	60,368
Statutory Reserves	12	5,050	5,050
Revaluation Reserve	13	(2,849)	(3,904)
Retained Income		634,742	533,671
		706,924	595,185
Minority Interest		(62)	290
TOTAL LIABILITIES, CAPITAL AND RESERVES		18,974,984	17,465,958


Chairman




Executive Director

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Trinidad & Tobago Unit Trust Corporation CONSOLIDATED INCOME AND EXPENDITURE STATEMENT For the year ended December 31, 2007

	Notes	2007 \$ '000	2006 \$ '000
INCOME			
Investment Income -			
Growth & Income Fund		241,767	296,903
TT\$ Income Fund		522,452	435,235
Universal Retirement Fund		8,513	7,397
US\$ Income Fund		261,010	234,434
Net Investment Income - Group Operations	15	48,079	42,547
Initial Charge		16,149	21,367
Other Income		12,479	11,751
Rental Income		2,723	1,608
Total Income		1,113,172	1,051,242
EXPENSES			
Commissions		12,479	11,967
Impairment	17	2,166	-
Administrative	18	161,963	127,827
Depreciation and amortisation	5&6	15,403	14,633
Total Expenses		192,011	154,427
Net Income before Finance Charges		921,161	896,815
Finance Charges	20	(11,373)	(12,435)
Net Income after Finance Charges		909,788	884,380
Undistributed Income at beginning of year		7,895	26,143
Distributions	21	(777,160)	(815,481)
Transfer from Investment Funds to Reserves	11	(12,202)	(5,261)
Income Capitalized		(5,501)	(4,485)
Undistributed Income at end of year		(21,736)	(7,895)
Net Income before Taxation		101,084	77,401
Taxation	29	(327)	(262)
Net Income after taxation		100,757	77,139
Minority Interest		354	71
Net Income after Minority Interest		101,111	77,210

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

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Trinidad & Tobago Unit Trust Corporation

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2007

	<i>Fund Reserves \$'000</i>	<i>Statutory Reserves \$'000</i>	<i>Revaluation Reserve \$'000</i>	<i>Retained Income \$'000</i>	<i>Total \$'000</i>
Balance brought forward as at January 1, 2007	60,368	5,050	(3,904)	533,671	595,185
Unrealized capital appreciation on "Available for Sale" Financial Assets			1,006		1,006
Currency Translation Differences			49	(40)	9
Net Income after Minority Interest				101,111	101,111
Transfers from Investment Funds	12,202				12,202
Guarantee reserves payments	(5,846)				(5,846)
Interest on Reserve Assets	3,257				3,257
Balance carried forward as at December 31, 2007	69,981	5,050	(2,849)	634,742	706,924
Balance brought forward as at January 1, 2006	51,894	5,050	9,871	456,875	523,690
Unrealized capital depreciation on "Available for Sale" Financial Assets			(13,802)		(13,802)
Currency Translation Differences	(2)		27	(15)	10
Net Income after Minority Interest				77,211	77,211
Transfers from Investment Funds	5,261				5,261
Transfers from Corporation	400			(400)	-
Guarantee reserves payments	(28)				(28)
Interest on Reserve Assets	2,843				2,843
Balance carried forward as at December 31, 2006	60,368	5,050	(3,904)	533,671	595,185

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

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Trinidad & Tobago Unit Trust Corporation

CONSOLIDATED CASH FLOW STATEMENT

For the year ended December 31, 2007

	2007 \$ '000	2006 \$ '000
OPERATING ACTIVITIES		
Net Income before taxation and Minority Interest	101,084	77,402
<i>Adjustment to reconcile net income to net cash and cash equivalents from operating activity:</i>		
Depreciation Expense	15,403	14,633
Decrease/(Increase) in Receivables	558	(27,839)
(Increase) / Decrease in Prepayments and Other Assets	(8,390)	135
Increase/(Decrease) in Accounts Payable	16,972	(5,456)
(Decrease)/Increase in Other Liabilities	(904)	13,187
Taxation paid	(327)	(262)
Net Cash Inflow from Operating Activities	124,396	71,800
INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(10,944)	(12,479)
Proceeds from Disposal of Property, Plant and Equipment	235	271
Purchase of Intangible Assets	(2,148)	(2,131)
Purchase of Investment Securities	(998,461)	(809,972)
Proceeds from Disposal of Investments	261,726	329,254
Net Cash Outflow from Investing Activities	(749,592)	(495,057)
FINANCING ACTIVITIES		
Finance Lease Repayments	(2,454)	(2,880)
Increase in Short Term Financial Instruments	643,505	338,353
Decrease in Long Term Financial Instruments	(2,250)	64,386
Allocation to Reserves	9,613	8,074
Net Cash Inflow from Financing Activities	648,414	407,933
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	23,218	(15,324)
Cash and Cash Equivalents at beginning of year	162,257	177,581
Cash and Cash Equivalents at end of year	185,475	162,257

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

752—Continued

Trinidad & Tobago Unit Trust Corporation

**GROWTH AND INCOME FUND
(FIRST UNIT SCHEME)
BALANCE SHEET**

As at December 31, 2007

	Notes	2007 \$' 000	2006 \$' 000
<u>ASSETS</u>			
Investments	23	4,711,246	4,629,120
Cash and Cash Equivalents		126,658	181,328
Income Receivable		46,852	29,519
Total Assets		4,884,756	4,839,967
<u>LIABILITIES</u>			
Distribution Payable		58,671	102,740
Amount Due to Corporation		48,239	46,535
Other Liabilities		45,915	55,322
		152,825	204,597
<u>RESERVES</u>			
Undistributed Income		20,685	6,250
Total Liabilities and Reserves		173,510	210,847
NET ASSETS		4,711,246	4,629,120
CAPITAL ACCOUNT		3,412,439	3,415,288
UNREALISED CAPITAL APPRECIATION		1,298,807	1,213,832
		4,711,246	4,629,120

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

752—Continued

Trinidad & Tobago Unit Trust Corporation

**GROWTH AND INCOME FUND
(FIRST UNIT SCHEME)
STATEMENT OF OPERATIONS**

For the year ended December 31, 2007

	Notes	2007 \$ ' 000	2006 \$ ' 000
INVESTMENT INCOME			
Dividends		78,483	54,436
Interest		162,085	159,968
Realised Capital Gains		1,199	82,499
Total Investment Income		241,767	296,903
EXPENSES			
Management Charge	14	93,863	90,265
Total Expenses		93,863	90,265
NET INVESTMENT INCOME		147,904	206,638
UNDISTRIBUTED INCOME AT BEGINNING OF YEAR		6,250	20,616
		154,154	227,254
DISTRIBUTION EXPENSE:			
Distribution Paid to Initial Contributors 45c per unit (2006 - 75c per unit)		433	722
Distribution Paid to Unitholders 45c per unit (2006 - 75c per unit)		132,036	219,282
Total Distribution	21	132,469	220,004
UNDISTRIBUTED INCOME BEFORE RESERVES		21,685	7,250
Allocation to Guarantee Reserve Fund	11a	1,000	1,000
UNDISTRIBUTED INCOME AT END OF YEAR		20,685	6,250

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

752—Continued

Trinidad & Tobago Unit Trust Corporation

**TTS INCOME FUND (FORMERLY TTS MONEY MARKET FUND)
(SECOND UNIT SCHEME)
BALANCE SHEET**

As at December 31, 2007

	Notes	2007 \$ '000	2006 \$ '000
<u>ASSETS</u>			
Investments	24	7,192,855	6,934,146
Cash & Cash Equivalents		200,610	302,185
Interest Receivable		72,637	76,724
Total Assets		7,466,102	7,313,055
<u>LIABILITIES</u>			
Accruals for Distribution	21b	41,858	32,291
Amount Due to Corporation		14,210	10,578
Other Liabilities		207,279	326,139
		263,347	369,008
Reserves		9,900	9,901
Total Liabilities and Reserves		273,247	378,909
NET ASSETS		7,192,855	6,934,146
CAPITAL ACCOUNT		7,216,234	6,943,326
UNREALIZED CAPITAL DEPRECIATION		(23,379)	(9,180)
		7,192,855	6,934,146

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

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Trinidad & Tobago Unit Trust Corporation

TTS INCOME FUND (FORMERLY TTS MONEY MARKET FUND)
(SECOND UNIT SCHEME)
STATEMENT OF OPERATIONS

For the year ended December 31, 2007

	Notes	2007 \$ '000	2006 \$ '000
INVESTMENT INCOME			
Interest Income		522,452	435,235
Total Investment Income		522,452	435,235
EXPENSES			
Management Charge	14	80,649	31,800
Commissions		9,326	9,035
Total Expenses		89,975	40,835
NET INVESTMENT INCOME		432,477	394,400
Distribution Expense	21	381,919	359,709
Accruals for Distribution	21b	41,858	32,291
Allocation to Reserve	11b	8,700	2,400
UNDISTRIBUTED INCOME AT END OF THE YEAR		-	-

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

752—Continued

Trinidad & Tobago Unit Trust Corporation

UNIVERSAL RETIREMENT FUND

BALANCE SHEET

As at December 31, 2007

	Notes	2007 \$'000	2006 \$' 000
<u>ASSETS</u>			
Investments		143,176	124,940
Interest Receivable		1,364	770
Cash & Cash Equivalents		10,392	22,434
Total Assets		154,932	148,144
<u>LIABILITIES</u>			
Amount Due to Corporation		1,565	1,513
NET ASSETS OF THE FUND	25	153,367	146,631
CAPITAL ACCOUNT		123,136	119,859
UNREALISED CAPITAL APPRECIATION		30,231	26,772
		153,367	146,631

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

752—Continued

Trinidad & Tobago Unit Trust Corporation

UNIVERSAL RETIREMENT FUND
STATEMENT OF OPERATIONS

For the year ended December 31, 2007

	Notes	2007 \$'000	2006 \$' 000
INVESTMENT INCOME			
Dividends		2,056	1,714
Interest		6,444	5,620
Realised Capital (Losses)/Gains		(25)	8
Miscellaneous Income		38	55
Total Investment Income		8,513	7,397
EXPENSES			
Management Charge	14	3,012	2,912
Total Expenses		3,012	2,912
NET INCOME FOR CAPITALIZATION		5,501	4,485

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

752—Continued

Trinidad & Tobago Unit Trust Corporation

US\$ INCOME FUND (FORMERLY US\$ MONEY MARKET FUND)
BALANCE SHEET

As at December 31, 2007

	Notes	2007 \$' 000	2006 \$' 000
<u>ASSETS</u>			
Investments	26	4,343,643	3,948,444
Cash & Cash Equivalents		10,991	4,406
Interest Receivable		98,089	61,702
Total Assets		4,452,723	4,014,552
<u>LIABILITIES</u>			
Amount Due to Corporation		7,250	12,117
Distribution Payable		60,653	52,347
Other Liabilities		40,127	0
		108,030	64,464
<u>RESERVES</u>			
Undistributed Income		1,050	1,644
Total Liabilities and Reserves		109,080	66,108
NET ASSETS		4,343,643	3,948,444
CAPITAL ACCOUNT		4,369,749	3,963,317
UNREALIZED CAPITAL DEPRECIATION		(26,106)	(14,873)
		4,343,643	3,948,444

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

752—Continued

Trinidad & Tobago Unit Trust Corporation

US\$ INCOME FUND (FORMERLY US\$ MONEY MARKET FUND)
STATEMENT OF OPERATIONS

For the year ended December 31, 2007

	Notes	2007 \$' 000	2006 \$' 000
INVESTMENT INCOME			
Interest Income		261,010	234,434
Total Investment Income		261,010	234,434
EXPENSES			
Management Charge	14	34,511	32,271
Commissions		1,512	708
Impairment	17	2,166	-
Total Expenses		38,189	32,979
NET INVESTMENT INCOME		222,821	201,455
Undistributed Income at start of year		1,644	5,527
Distribution Expense	21	220,913	203,477
Allocation to Reserve	11c	2,502	1,861
UNDISTRIBUTED INCOME AT END OF YEAR		1,050	1,644

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

Trinidad & Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

1) INCORPORATION AND PRINCIPAL ACTIVITIES

The Trinidad & Tobago Unit Trust 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 activities to include other financial services, such as merchant banking, trustee services and card services.

The Corporation’s principal office is located at the UTC Financial Centre, 82 Independence Square, Port of Spain.

In addition to the Trinidad & Tobago Unit Trust Corporation, there are eight (8) subsidiary companies which comprise the Group. One of these subsidiary companies is a property development company, as detailed in Note 27.

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

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Unit Trust Corporation of Trinidad and Tobago Act, under the historical cost convention, except as modified in respect of security valuation (see (d) below). The accounting policies in all material respects conform to International Financial Reporting Standards (IFRS).

The following standards and interpretations have been issued but are not relevant to the Group:

IFRS	8	Operating Segments (effective January 1, 2008)
IFRIC	12	Service Concession Arrangements (effective January 1, 2009)

The Group has chosen to not adopt the revised version of IAS 1 Presentation of Financial Statements, which comes into effect for the annual periods beginning on or after January 1, 2009.

The Group has adopted IFRS 7 – Financial Instruments: Disclosures and the amendment to IAS 1- Capital Disclosures. The adoption of these standards did not have a quantitative impact on these financial statements, but impact disclosure requirements. These are reflected in Note 22, being expanded to provide more information on the nature and extent of the risks arising from financial instruments held by the Corporation and Investment Funds at the reporting date, and how these risks are managed.

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and assumptions are based on historical factors and management’s best knowledge of current events and actions. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, or in any future periods, if applicable.

Trinidad & Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007 —CONTINUED

b) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Corporation and its subsidiaries drawn up as at December 31, 2007 and include all the assets and liabilities and results of operations of the Group. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

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) Investments

Investment securities intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in exchange rates, are classified as available-for-sale. Investments available-for-sale are carried at fair value.

Investments 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.

Purchases and sales of equity investments are recognized at the trade date. Purchases and sales of all other security investments are recognized on the settlement date. Gains and losses from changes in fair value on investments classified as available-for-sale are recognized in equity. When the financial assets are disposed of or are impaired, the related fair value adjustments are included in the income and expenditure statement.

d) Security Valuation

The fair value of publicly traded securities is determined by reference to the prevailing closing market prices on the balance sheet date.

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) Repurchase and Reverse Repurchase Agreements

A repurchase agreement is the sale of securities for cash with a simultaneous agreement to repurchase them 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 corollary of this and 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 an agreed rate of interest.

A repurchase agreement may be construed as a borrowing and in the normal course of business, the Corporation does not enter into repurchase agreements. However, 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.

f) 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

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recognized 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 repairs and maintenance are charged to the income and expenditure statement during the financial period in which they 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 proceeds with the carrying amounts and are recognized within other income in the consolidated income and expenditure statement.

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

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	5-15 years
Computer Equipment	3-10 years
Office Equipment	4-15 years
Furniture & Fixtures	7-15 years

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

Contract work in progress comprises costs incurred in the development of the land and construction of buildings thereon and is recorded at certified cost. On completion, the cost is transferred to buildings.

The property, plant and equipment of the subsidiary Belize Unit Trust Corporation Limited are depreciated on a reducing balance basis, at the rates estimated to write off the value of the assets over their useful lives. Rates used are:

Computer Equipment	20% per annum
Office Equipment	20% per annum
Furniture	10% per annum
Motor Vehicles	25% per annum

g) Intangible Assets

Acquired computer software and licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to ten years).

h) 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 for the amount by which an asset's carrying amount exceeds its recoverable amount. Impairment losses are recognized in the income and expenditure statement. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For

Trinidad & Tobago Unit Trust Corporation
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FOR THE YEAR ENDED DECEMBER 31, 2007 — CONTINUED

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.

i) Foreign Currency Translation

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

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 recognized in the income and expenditure statement.

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 equity.

j) Leases

Assets held under finance leases are capitalized as property, plant and equipment and duly depreciated. The liability net of finance charges is shown on the balance sheet and the interest element is charged to the income and expenditure statement over the term of the lease.

k) 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.

l) 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.

m) 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 income and expenditure statement using the effective interest rate method. Dividend income is recognised when the right to receive payment is established. Realised investment gains and losses are recognised in the income and expenditure statement.

n) Borrowings

Borrowings are recognised initially at fair value, and are subsequently stated at amortised cost. Borrowing costs related to the acquisition, construction or production of qualifying assets are capitalized.

Trinidad & Tobago Unit Trust Corporation
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o) 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 balance sheet of the Corporation. The market value of these portfolios as at December 31, 2007 is \$539 million (2006: \$480 million).

p) Taxation

The Corporation is exempt from Corporation Tax, however, it is subject to the Green Fund Levy.

Income tax is payable on profits 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 income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilized.

3) INVESTMENT FUNDS

	2007	2006
	\$'000	\$'000
Growth & Income Fund	4,711,246	4,629,120
TT\$ Income Fund (formerly TT\$ Money Market Fund)	7,192,855	6,934,146
Universal Retirement Fund	153,367	146,631
US\$ Income Fund (formerly US\$ Money Market Fund)	4,343,643	3,948,444
Total	16,401,111	15,658,341

On June 1 2007, the name of the TT\$ Money Market Fund was changed to the TT\$ Income Fund and that of the US\$ Money Market Fund was changed to the US\$ Income Fund.

4) INVESTMENT SECURITIES

	2007	2006
	\$'000	\$'000
Held to maturity	1,139,584	612,903
Available for sale	931,952	720,880
Total	2,071,536	1,333,783

Investments represent short-term investments and equity securities held by the Corporation and the holdings of the Merchant Bank Department in local and regional government and corporate securities that will mature up to twenty-three (23) years.

An investment in the Chaconia Income and Growth Fund is included in investments available-for-sale. The Chaconia Income and Growth Inc. is sponsored by the Trinidad and Tobago Unit Trust Corporation and incorporated in the State of Maryland, United States of America. It is registered as an open-ended, non-diversified, no-load management investment company under the Investment Act of 1940 of the United States of America.

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Trinidad & Tobago Unit Trust Corporation
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FOR THE YEAR ENDED DECEMBER 31, 2007—CONTINUED

5) PROPERTY, PLANT AND EQUIPMENT

	<u>Land</u> <u>\$'000</u>	<u>Building</u> <u>\$'000</u>	<u>Contract</u> <u>Work in</u> <u>Progress</u> <u>\$'000</u>	<u>Office</u> <u>Improvement</u> <u>\$'000</u>	<u>Motor</u> <u>Vehicles</u> <u>\$'000</u>	<u>Office &</u> <u>Computer</u> <u>Equipment</u> <u>\$'000</u>	<u>Office</u> <u>Furniture</u> <u>\$'000</u>	<u>TOTAL</u> <u>\$'000</u>
Year ended Dec 31, 2007								
Opening Net Book Value	16,271	126,695	-	16,077	1,557	16,774	9,049	186,423
Additions	-	-	-	1,788	659	7,741	755	10,943
Disposals	-	-	-	-	(230)	(4)	(1)	(235)
Depreciation/Amortisation	(22)	(2,809)	-	(1,997)	(487)	(4,774)	(1,682)	(11,771)
Closing Net Book Value	16,249	123,886	-	15,868	1,499	19,737	8,121	185,360
As at Dec 31, 2007								
Cost	16,569	139,427	-	26,377	3,134	42,502	17,186	245,195
Accumulated Depreciation/Amortisation	(320)	(15,541)	-	(10,509)	(1,635)	(22,765)	(9,065)	(59,835)
Net Book Value	16,249	123,886	-	15,868	1,499	19,737	8,121	185,360
Year ended Dec 31, 2006								
Opening Net Book Value	14,293	117,310	8,505	16,479	2,175	17,279	9,446	185,487
Additions	-	2,219	3,353	1,498	262	3,737	1,411	12,480
Disposals	-	-	-	-	(271)	-	-	(271)
Transfers	2,000	9,858	(11,858)	-	-	-	-	-
Depreciation/Amortisation	(22)	(2,692)	-	(1,900)	(609)	(4,242)	(1,808)	(11,273)
Closing Net Book Value	16,271	126,695	-	16,077	1,557	16,774	9,049	186,423
As at Dec 31, 2006								
Cost	16,569	139,427	-	24,587	3,057	34,736	16,430	234,806
Accumulated Depreciation/Amortisation	(298)	(12,732)	-	(8,510)	(1,500)	(17,962)	(7,381)	(48,383)
Net Book Value	16,271	126,695	-	16,077	1,557	16,774	9,049	186,423

Land

Land includes leasehold land of \$1.89 million and freehold land of \$14.40 million.

a) Leasehold Land

This reflects the Corporation's interest in a ninety-nine (99)-year lease. On November 19, 1999 the Corporation entered into an arrangement with London Street Project Company Limited to transfer its interest for twenty (20) years to facilitate the construction of its Headquarters Building through a build, own, lease and transfer arrangement described in note 8 below.

b) Freehold Land

This reflects freehold land on which buildings have been constructed/renovated to facilitate the operations of the Parent company.

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Trinidad & Tobago Unit Trust Corporation
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FOR THE YEAR ENDED DECEMBER 31, 2007

6) INTANGIBLE ASSETS

	2007	2006
	<u>\$'000</u>	<u>\$'000</u>
Year ended December 31		
Opening Net Book Value	11,961	13,191
Additions	2,148	2,130
Depreciation Charge	(3,632)	(3,360)
Closing Net Book Value	10,477	11,961
<u>As at December 31</u>		
Cost	19,929	17,823
Accumulated Depreciation	(9,452)	(5,862)
Net Book Value	10,477	11,961

7) FINANCIAL INSTRUMENTS**a) Short-term Financial Instruments**

	2007	2006
	<u>\$'000</u>	<u>\$'000</u>
Fixed term borrowings	939,721	164,370
Borrowings at notice	85,391	360,074
Repo borrowings	464,305	321,468
Total	1,489,417	845,912

These instruments are Certificates of Interest falling due within one (1) year.

b) Long-term Financial Instruments

	Interest		2007	2006
	Rate	Term	<u>\$'000</u>	<u>\$'000</u>
Guaranteed Investment Certificates	8%-12.6%	3-23 years	207,215	204,005
Long-term bond	8%	10 years	32,294	35,624
Long-term bond	8%	7.5 years	10,124	11,965
Long-term loan	8.15%	10 years	7,763	8,052
Total			257,396	259,646

The long-term interest bearing bonds represent debt raised by the subsidiary UTC Property Holdings Limited (formerly UTC Property Development Limited) for financing the construction of its properties. No borrowing costs were

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capitalized in this period (2006: \$0.25 million). The cumulative borrowing costs as at December 31, 2007 amounted to \$3.9 million (2006: \$3.9 million).

8) FINANCE LEASE

	2007	2006
	\$'000	\$'000
Lease payments due:		
within 1 year	2,706	2,454
within 1 to 5 years	18,302	12,603
greater than 5 years	37,728	46,133
Total	58,736	61,190

- a) The Corporation entered into a finance lease agreement with London Street Project Company Limited effective November 19, 1999 through a build, own, lease and transfer arrangement. This agreement is for a term of 20 years, with purchase options at the end of the tenth and fifteenth years.
- b) The Corporation committed to a lease agreement with Republic Finance and Merchant Bank Limited (FINCOR) for the furniture, fittings and equipment at the UTC Financial Centre, effective April 1, 2001. This agreement was for a term of five years and expired on March 31, 2006.

9) INITIAL CAPITAL

Initial Capital is capital subscribed by the Initial Capital Contributors to the Unit Trust Corporation in accordance with Section 17 of the Act and invested in the Growth and Income Fund. Initial Capital at the balance sheet date was \$4.77 million (2006: \$4.81 million) due to redemption by an initial contributor.

10) UNIT CAPITAL

Unit Capital represents the capital value of units issued by the four Investment Funds operated 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.

	2007	2006
	\$'000	\$'000
Growth and Income Fund	4,706,480	4,624,309
TT\$ Income Fund (formerly TT\$ Money Market Fund)	7,192,855	6,934,146
Universal Retirement Fund	153,367	146,631
US\$ Income Fund (formerly US\$ Money Market Fund)	4,343,643	3,948,444
Total	16,396,345	15,653,530

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11) FUND RESERVES

	2007	2006
	\$'000	\$'000
Growth and Income Fund Guarantee Reserve	12,504	16,311
TT\$ Income Fund (formerly TT\$ Money Market Fund)	18,298	9,211
US\$ Income Fund (formerly US\$ Money Market Fund)	39,179	34,846
Total	69,981	60,368

a) Growth and Income Fund Guarantee Reserve

In accordance with the provisions of Section 26(1) and (2) of the Act, in 1984 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.

	2007	2006
	\$'000	\$'000
Fund reserve as at January 1	16,311	14,456
Allocation to reserves	1,000	1,000
Interest earned on reserves	1,039	883
Call on reserves	(5,846)	(28)
Fund reserve as at December 31	12,504	16,311

b) TT\$ Income Fund (formerly TT\$ Money Market Fund) Reserve

In accordance with the provisions of Section 13 of the TT\$ Income Fund (Second Unit Scheme) regulations issued under the Act, in 1991 the Corporation established a reserve to satisfy any shortfall that may arise from the liquidation of securities in the portfolio of the Scheme.

	2007	2006
	\$'000	\$'000
Fund reserve as at January 1	9,211	6,069
Allocation to reserves from Investment Funds	8,700	2,400
Allocation to reserves from Corporation	-	400
Interest earned on reserves	387	342
Fund reserve as at December 31	18,298	9,211

c) US\$ Income Fund (formerly US\$ Money Market Fund) Reserve

In accordance with the provisions of Section 26 (1) and (2) of the Act, in 2001 the Corporation established a special reserve fund in respect of the US\$ Income Fund to provide for maintenance of the capital value of the Fund.

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	2007 \$'000	2006 \$'000
Fund reserve as at January 1	34,846	31,369
Allocation to reserves	2,502	1,861
Interest earned on reserves	1,831	1,616
Fund reserve as at December 31	39,179	34,846

12) STATUTORY RESERVES

In accordance with Section 59(3)(d)(ii) of the Securities Industries Act By-Laws 1997, 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.

13) REVALUATION RESERVE

The revaluation reserve significantly reflects unrealized capital appreciation and depreciation from changes in the fair values of available-for-sale financial instruments held by the Corporation. Minor changes for foreign currency translations are also reflected therein. The revaluation of the investments held by the Investment Funds is reflected on the balance sheet of each of the Funds and is not included in this revaluation reserve.

14) MANAGEMENT CHARGE

	2007 \$'000	2006 \$'000
Growth and Income Fund	93,863	90,265
TT\$ Income Fund (formerly TT\$ Money Market Fund)	80,649	31,800
Universal Retirement Fund	3,012	2,912
US\$ Income Fund (formerly US\$ Money Market Fund)	34,511	32,271
Total	212,035	157,248

- a) The Corporation, in accordance with the regulations governing the Growth and Income Fund, the TT\$ Income Fund (formerly TT\$ Money Market Fund), the Universal Retirement Fund and the US\$ Income Fund (formerly US\$ Money Market 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 management fee charged for the year was 1.3% (2006: 1.0%).
- b) In accordance with the regulations governing the Belize Money Market Fund, the Belize UTC may charge a management fee not exceeding 2% of the funds under management. No management fee was charged for the year (2006: 2.0%).

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15) NET INVESTMENT INCOME – GROUP OPERATIONS

Net Investment Income – Group Operations primarily reflects the results of the Merchant Banking line of business and comprises the following:

	2007	2006
	\$'000	\$'000
Interest and Other Fee Income	151,890	123,546
Interest Expense & Other Charges	(103,811)	(80,999)
Total	48,079	42,547

16) FOREIGN EXCHANGE GAINS/(LOSSES)

The exchange differences credited to the income and expenditure statement are included in other income and are as follows:

	2007	2006
	\$'000	\$'000
Foreign exchange gains	6,739	5,902

17) IMPAIRMENT

The Statement of Operations of the US\$ Income Fund (formerly US\$ Money Market Fund) accounted for an impairment loss on a fixed rate bond, which was previously reflected at \$5.3 million, including \$2.2 million in capitalised interest. The issuer had defaulted on its obligation and all negotiations with bondholders to exchange their positions for new bonds with lower rates and longer terms have become protracted. Consequently, the capitalised interest portion of the bond was impaired (43%), leaving a recoverable value of \$3.1 million.

18) ADMINISTRATIVE EXPENSES

Administrative expenses include:

	2007	2006
	\$'000	\$'000
Staff costs (Note 19)	78,906	57,238
Audit Fees	289	345
Directors' Fees	982	1,071

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FOR THE YEAR ENDED DECEMBER 31, 2007 — CONTINUED

19) STAFF COSTS

	2007	2006
	\$'000	\$'000
Salaries and benefits	77,330	55,816
National Insurance	1,576	1,422
Total	78,906	57,238

Number of employees	468	446
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20) FINANCE CHARGES

	2007	2006
	\$'000	\$'000
Long-term bonds (Note 7 b)	4,189	4,260
Finance lease (Note 8)	7,184	8,175
Total	11,373	12,435

21) DISTRIBUTIONS

	2007	2006
	\$'000	\$'000
Growth and Income Fund	132,469	220,004
TT\$ Income Fund (formerly TT\$ Money Market Fund)	423,778	392,000
US\$ Income Fund (formerly US\$ Money Market Fund)	220,913	203,477
Total	777,160	815,481

a) Growth and Income Fund

The Corporation declared its forty-ninth (49th) and fiftieth (50th) distributions in June 2007 and December 2007 respectively. Included in the above totals are distributions to Initial Capital Contributors of \$0.43 million in 2007 (2006: \$0.72 million).

b) TT\$ Income Fund (formerly TT\$ Money Market Fund)

Distributions in the TT\$ Income Fund are made quarterly in February, May, August and November. Income accrued as at December 31, 2007 for distribution in the quarter ended February 2008 amounted to \$41.86 million (2006: \$32.29 million).

c) US\$ Income Fund (formerly US\$ Money Market Fund)

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

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22) FINANCIAL RISK MANAGEMENT

The Group's activities, primarily in its Investment Funds and Merchant Banking lines of business expose it to a variety of financial risks, including security price risk, interest rate risk (fair value and cash flow), currency risk, credit risk, concentration risk, and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Board of Directors of the Trinidad & Tobago Unit Trust Corporation has overall responsibility for the management of the financial risks faced by the Investment Funds. It has established a Risk Committee composed wholly of Directors whose role *inter alia* is to ensure that the overall risk profiles of the Investment Funds are consistent with their investment objectives. The Board Risk Committee meets on a monthly basis to consider the specific risk issues highlighted by the internal risk management committees it has established as well as to monitor the overall progress of the risk management framework.

The Board Risk Committee has established two internal management committees, namely the Asset/Liability Committee and the Credit Risk Committee with respect to financial risk management. These committees are composed of multi-disciplinary senior management members whose collective experience and expertise are utilized in determining appropriate approaches for managing and mitigating the financial risks facing the Group, as well as the Investment Funds. The Committees meet on a monthly basis to consider various risk reports tabled by the relevant management personnel.

The identification, measurement and monitoring of financial risk exposures is the daily responsibility of the Risk Officer. The Risk Officer reports on these risks at the monthly meetings of the Asset/Liability and Credit Risk Committees and may also make recommendations for their management and mitigation.

Strategy in using financial instruments

Financial risks arise from the acquisition of various classes of financial instruments including equities and debt instruments (listed and unlisted). The Corporation's practice is to acquire financial assets, which provide consistent risk-adjusted returns relative to specific investment objectives of the individual Investment Funds. In general, the Investment Funds take long positions in securities and neither use leverage nor sell securities short. The Investment Funds have no financial liabilities arising out of their investment activity.

Market price risk

The Investment Funds may acquire securities that are exposed to fluctuations in market value. These exposures create market price risk for the Investment Funds and may contribute to substantial volatility 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 market. In the case of debt instruments, the security selection is typically influenced by consideration of the general interest rate outlook as well as the default likelihood of the issuer.

In respect of equities, the market price risk of the Investment Funds is monitored and measured via categorization of the stocks by their historical price sensitivity to the overall market. A historical price sensitivity below 95% is considered to

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be low whereas a historical sensitivity above 105% is considered to be high. A historical price sensitivity between 95% and 105% is regarded as comparable to the overall market.

The price sensitivity of the Investment Funds' equity portfolios is provided below:

PRICE SENSITIVITY			
	Lower than market \$'000	Comparable to market \$'000	Higher than market \$'000
At December 31, 2007			
Growth & Income Fund	1,522,373	606,148	748,827
Universal Retirement Fund	40,684	8,822	21,747
Total	1,563,057	614,970	770,574
At December 31, 2006			
Growth & Income Fund	1,801,839	41,594	292,291
Universal Retirement Fund	47,446	2,207	11,714
Total	1,849,285	43,801	304,005

If the TTSE Composite Index had increased/decreased by 1% as at December 31, 2007 with all other variables held constant, net assets attributable to unitholders would have risen/fallen by an estimated TT\$20 million for the Growth & Income Fund and by an estimated TT\$0.6 million for the Universal Retirement Fund. Neither the TT\$ Income Fund (formerly TT\$ Money Market Fund) nor the US\$ Income Fund (formerly US\$ Money Market Fund) had equity exposures over the reporting period.

In respect of debt instruments, the interaction of interest and exchange rates as well as default likelihoods is monitored in order to determine the overall security price risk. This is described in subsequent sections dealing with interest rate risk, currency risk and credit risk.

Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognized in the balance sheet. The Group's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The table below summarises the Group's exposure to interest rate risks. It includes the Group's assets and liabilities at fair values, categorized by maturity dates.

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	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over five years \$'000	Non-interest bearing \$'000	Total \$'000
At December 31, 2007					
Assets					
Cash and Cash Equivalents	185,475	-	-	-	185,475
Money Market Instruments	506,836	-	-	-	506,836
Floating Rate Instruments	-	21,619	256,498	-	278,117
Fixed Rate Instruments	258,715	133,433	817,856	-	1,210,004
Equities	-	-	-	213,367	213,367
Liabilities					-
Short Term Certificates of Interest	(1,489,417)	-	-	-	(1,489,417)
Long Term Financial Instruments	(12,668)	(86,307)	(231,154)	-	(330,129)
Other Liabilities	(33,502)	-	-	-	(33,502)
Total	(584,561)	68,745	843,200	213,367	540,751

At December 31, 2006

Assets					
Cash and Cash Equivalents	162,257	-	-	-	162,257
Money Market Instruments	469,002	-	-	-	469,002
Floating Rate Instruments	-	-	-	-	-
Fixed Rate Instruments	115,413	109,867	463,915	-	689,195
Equities	-	-	-	312,493	312,493
Liabilities					-
Short Term Certificates of Interest	(845,912)	-	-	-	(845,912)
Long Term Financial Instruments	(12,275)	(79,981)	(249,321)	-	(341,577)
Other Liabilities	(17,099)	-	-	-	(17,099)
Total	(128,614)	29,886	214,594	312,493	428,359

The Investment Funds' holdings of listed and unlisted debt instruments are exposed to movements in market rates of interest. In general, rising interest rates expose the Funds 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 Investment Funds 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 fixed income portfolio by segregating the securities by maturity terms of 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 is then reflected by the relative proportions in the given maturity terms.

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Trinidad & Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007 — CONTINUED

The maturity profile of the Investment Funds' fixed income portfolio is provided below:

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over five years \$'000	Total \$'000
At December 31, 2007				
Growth & Income Fund				
Debt instruments - listed	-	-	12,344	12,344
Debt instruments - unlisted	903,336	160,603	681,725	1,745,664
Cash & other net assets	96,575	-	-	96,575
	999,911	160,603	694,069	1,854,583
TTS Income Fund				
Debt instruments - listed	-	11,383	199,080	210,463
Debt instruments - unlisted	5,080,696	521,748	935,009	6,537,453
Cash & other net assets	444,939	-	-	444,939
	5,525,635	533,131	1,134,089	7,192,855
Universal Retirement Fund				
Debt instruments - listed	-	-	1,313	1,313
Debt instruments - unlisted	26,512	22,210	21,887	70,609
Cash & other net assets	10,191	-	-	10,191
	36,703	22,210	23,200	82,113
US\$ Income Fund				
Debt instruments - listed	-	204,092	361,467	565,559
Debt instruments - unlisted	3,214,420	280,860	152,402	3,647,682
Cash & other net assets	130,400	-	-	130,400
	3,344,820	484,952	513,869	4,343,641
Total	9,907,069	1,200,896	2,365,227	13,473,192
At December 31, 2006				
Growth & Income Fund				
Debt instruments - listed	-	-	8,993	8,993
Debt instruments - unlisted	1,508,357	118,776	718,367	2,345,500
Cash & other net assets	110,154	-	-	110,154
	1,618,511	118,776	727,360	2,464,647
TTS Income Fund				
Debt instruments - listed	-	46,156	102,071	148,227
Debt instruments - unlisted	4,680,063	621,695	920,097	6,221,855
Cash & other net assets	564,064	-	-	564,064
	5,244,127	667,851	1,022,168	6,934,146
Universal Retirement Fund				
Debt instruments - listed	-	-	-	-
Debt instruments - unlisted	25,986	4,069	33,518	63,573
Cash & other net assets	21,691	-	-	21,691
	47,677	4,069	33,518	85,264
US\$ Income Fund				
Debt instruments - listed	-	44,078	213,399	257,477
Debt instruments - unlisted	2,970,587	279,004	373,930	3,623,521
Cash & other net assets	67,448	-	-	67,448
	3,038,035	323,082	587,329	3,948,446
Total	9,948,350	1,113,778	2,370,375	13,432,503

Trinidad & Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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As at December 31, 2007 the Investment Funds' TT dollar denominated fixed income positions were all categorized as held to maturity. As a result, there was no exposure of net assets to changes in interest rates, since this category of financial assets are not mark-to-market. However, a 25 basis point increase in US interest rates at the same date would have reduced the net assets of the individual Funds as follows:

\$'000

Growth & Income Fund	246
TT\$ Income Fund (formerly TT\$ Money Market Fund)	3,789
US\$ Income Fund (formerly US\$ Money Market Fund)	6,079

Conversely, a 25 basis point decline in US interest rates would have increased the net assets of the individual Funds as follows:

\$'000

Growth & Income Fund	254
TT\$ Income Fund (formerly TT\$ Money Market Fund)	3,880
US\$ Income Fund (formerly US\$ Money Market Fund)	6,197

The Universal Retirement Fund had no material exposure to US interest rate movements as at December 31, 2007.

Currency risk

The Investment Funds' net assets may fluctuate due to changes in foreign exchange rates. This risk is currently limited to the Growth & Income Fund, the TT\$ Income Fund (formerly TT\$ Money Market Fund) and the Universal Retirement Fund as these TT dollar-denominated Funds may hold financial assets denominated in other currencies. The US\$ Income Fund's (formerly US\$ Money Market Fund's) investments are exclusively in US dollars. As a consequence, the net assets and/or earnings of the Investment Fund 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 USD/TTD exchange rate with relatively minimal holdings of assets denominated in other Caribbean currencies.

Management monitors these holdings on at least a monthly basis to ensure that the foreign currency holdings remain consistent with the overall investment strategy.

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Trinidad & Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007—CONTINUED

The Investment Funds' currency exposures were as follows:

	TTD \$'000	USD (Presented in TT\$) \$'000	OTHER (Presented in TT\$) \$'000
At December 31, 2007			
Growth & Income Fund			
Equities	2,036,448	818,492	22,409
Debt instruments - listed	-	12,345	-
Debt instruments - unlisted	1,406,694	338,970	-
Cash & other net assets	13,696	81,400	1,478
	3,456,838	1,251,207	23,887
TT\$ Income Fund			
Debt instruments - listed	-	210,463	-
Debt instruments - unlisted	6,087,289	450,165	-
Cash & other net assets	422,425	22,514	-
	6,509,714	683,142	-
Universal Retirement Fund			
Equities	63,592	7,660	-
Debt instruments - listed	-	1,313	-
Debt instruments - unlisted	57,098	13,511	-
Cash & other net assets	6,625	3,515	50
	127,315	25,999	50
US\$ Income Fund			
Debt instruments - listed	-	565,559	-
Debt instruments - unlisted	-	3,647,683	-
Cash & other net assets	-	130,400	-
	-	4,343,642	-
Total	10,093,867	6,303,990	23,937

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FOR THE YEAR ENDED DECEMBER 31, 2007

	TTD \$'000	USD (Presented in TT\$) \$'000	OTHER (Presented in TT\$) \$'000
At December 31, 2006			
Growth & Income Fund			
Equities	1,955,800	132,309	28,388
Debt instruments - listed	-	8,993	-
Debt instruments - unlisted	2,146,444	253,282	-
Cash & other net assets	(71,724)	181,879	-
	4,030,520	576,463	28,388
TT\$ Income Fund			
Debt instruments - listed	-	46,156	-
Debt instruments - unlisted	5,748,234	575,692	-
Cash & other net assets	323,115	240,949	-
	6,071,349	862,797	-
Universal Retirement Fund			
Equities	59,989	1,377	-
Debt instruments - listed	-	0	-
Debt instruments - unlisted	46,481	17,092	-
Cash & other net assets	20,086	1,605	-
	126,556	20,074	-
US\$ Income Fund			
Debt instruments - listed	-	257,476	-
Debt instruments - unlisted	-	3,623,521	-
Cash & other net assets	-	67,447	-
	-	3,948,444	-
Total	10,228,425	5,407,778	28,388

The Corporation's practice is to value the US dollar-denominated assets of the Funds at a "mid-rate" that is approximately equal to the average of ask and bid rates offered by local commercial banks. As at December 31, 2007, this rate stood at 6.25375 (2006: 6.20375)

A 1% depreciation of the TT dollar relative to the US dollar as at that date would have increased the net assets of the individual Funds as follows:

	\$'000
Growth & Income Fund	12,512
TT\$ Income Fund (formerly TT\$ Money Market Fund)	6,831
Universal Retirement Fund	259

Conversely, a 1% appreciation of the TT dollar relative to the US dollar would have decreased the net assets of the above Funds by the identical amounts, as the foreign exchange exposure is not hedged.

Trinidad & Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007—CONTINUED

Credit risk

Credit Risk is defined as the risk of loss due to default or the risk of diminution of value or loss due to poor asset quality. In particular, the Merchant Banking operation is exposed to credit risk arising out of its direct lending and underwriting operations. The credit risk exposure of the Merchant Banking Department is managed through credit administration policies and limits that are approved by the Merchant Banking Committee of the Board. The Merchant Banking Committee is also responsible for the approval of all credit advances and underwriting transactions. All existing facilities are relationship managed and reviewed annually. The credit portfolio is routinely monitored for compliance with approved policies, limits and acceptable risk parameters by a Risk Manager and reported to the internal Credit Risk Asset-Liability Committee.

The Investment 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 potential issuers/ counterparties to a robust credit risk assessment process that results in the assignment of a credit score or rating. The level of exposure to the issuer/counterparty is then set based on its credit score or rating. For existing issuers/counterparties, a credit review is performed on at least an annual basis. Based on the outcome of the review, exposure limits to the issuer or counterparty may be increased, decreased or maintained going forward. These limits may take into account the value of collateral or other credit enhancements.

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 past due or otherwise distressed or that are exposed to considerable short-term economic/industry/project risk are deemed to have a low credit quality. All other issuers/counterparties are considered to be of moderate credit risk quality.

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Trinidad & Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

	High \$'000	Moderate \$'000	Low \$'000
At December 31, 2007			
Growth & Income Fund			
Debt instruments - listed	-	-	12,345
Debt instruments - unlisted	1,259,749	342,902	143,012
	1,259,749	342,902	155,357
TT\$ Income Fund			
Debt instruments - listed	21,346	124,324	89,114
Debt instruments - unlisted	5,305,413	618,128	589,591
	5,326,759	742,452	678,705
Universal Retirement Fund			
Debt instruments - listed	-	1,313	-
Debt instruments - unlisted	49,796	18,184	2,630
	49,796	19,497	2,630
US\$ Income Fund			
Debt instruments - listed	309,477	177,247	78,835
Debt instruments - unlisted	2,571,392	738,033	338,259
	2,880,869	915,280	417,094
Total	9,517,173	2,020,131	1,253,786
At December 31, 2006			
Growth & Income Fund			
Debt instruments - listed	-	-	8,993
Debt instruments - unlisted	1,885,629	190,225	144,927
	1,885,629	190,225	153,920
TT\$ Income Fund			
Debt instruments - listed	20,832	94,365	33,029
Debt instruments - unlisted	4,444,027	683,879	1,093,949
	4,464,859	778,244	1,126,978
Universal Retirement Fund			
Debt instruments - listed	-	-	-
Debt instruments - unlisted	34,426	26,517	2,630
	34,426	26,517	2,630
US\$ Income Fund			
Debt instruments - listed	118,782	103,662	35,032
Debt instruments - unlisted	2,122,708	748,715	752,098
	2,241,490	852,377	787,130
Total	8,626,404	1,847,363	2,070,658

Trinidad & Tobago Unit Trust Corporation
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FOR THE YEAR ENDED DECEMBER 31, 2007—CONTINUED

As at financial year-end, there were two instruments, with a cumulative carrying value of \$63.5 million, held by the Investment Funds that were considered past due but not impaired. Of this total carrying value, \$14.8 million is collateralized sufficiently to cover the debt to the Corporation. These instruments are between 25 and 180 days past due.

As at December 31, 2007, there was one impaired financial asset recognized by the Corporation. This instrument was valued at \$5.3 million, including capitalized interest of \$2.2 million. The issuer had defaulted on the obligation and has offered bondholders an exchange of their positions for new bonds with longer tenors and much lower coupon rates of interest. However, negotiations among bondholders to belatedly accept the exchange have become protracted.

In the Corporation's judgment, there is considerable doubt as to what portion (if any) of the capitalised interest would be recognized in an exchange for new bonds. Consequently, the carrying value of the instrument was directly written down to \$3.1 million. In accordance with international financial reporting standards, the impairment amount of \$2.2 million was expensed to profit and loss.

Concentration risk

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 one issuer to a maximum of 10% of net assets and a maximum of 10% in securities in issue. Combined with additional internal risk limits, this prevents the undue build up of issuer, sector and country concentrations in the Funds. As at December 31, 2007 there were no exposures to any single entity or group of related entities exceeding 10% of the Funds' combined net assets.

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. The Group's liquidity management process includes day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met, maintaining a portfolio of short-term investments that can be easily liquidated as protection against any unforeseen interruptions to cash flow and managing the concentration and profile of debt maturities.

Trinidad & Tobago Unit Trust Corporation
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The table below presents cash flows payable by the Group for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 5 years	Over five years
	\$'000	\$'000	\$'000
At December 31, 2007			
Accounts Payable and Short Term Liabilities	33,502	-	-
Other Liabilities	27,325	-	-
Short-term Financial Instruments	1,489,417	-	-
Long-term Financial Instruments	9,962	68,005	195,709
Finance Lease	2,706	18,302	37,728
At December 31, 2006			
Accounts Payable and Short Term Liabilities	17,165	-	-
Other Liabilities	28,229	-	-
Short-term Financial Instruments	845,912	-	-
Long-term Financial Instruments	9,821	67,378	203,088
Finance Lease	2,454	12,603	46,133

Units in the Growth & Income Fund, the TT\$ Income Fund (formerly TT\$ Money Market Fund) and the US\$ Income Fund (formerly US\$ Money Market Fund) are available upon demand. 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.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns and benefits for all stakeholders and to maintain a strong capital base to support the development of its business.

To this end, the Group has the following reserves:

- a) Fund Reserves - This represents funds appropriated for the safeguarding of unit holders' investments in the Investment Funds (see Note 11).
- b) Statutory Reserves - This represents appropriations required by law (see Note 12).

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Trinidad & Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007—CONTINUED

23) INVESTMENTS - GROWTH AND INCOME FUND (FIRST UNIT SCHEME)

	SHAREHOLDING 2007 (STOCK UNITS)	MARKET VALUE 2007 \$	MARKET VALUE 2006 \$
FINANCIAL INSTITUTIONS			
Scotiabank Trinidad & Tobago Limited	6,287,859	186,686,534	169,960,829
Republic Bank Limited	3,063,166	244,961,385	257,305,944
RBTT Financial Holdings Limited	8,067,000	278,311,500	301,510,650
ANSA Merchant Bank Limited	1,798,833	41,822,867	33,612,708
First Caribbean International Bank Limited	7,248,662	94,377,579	82,995,016
National Commercial Bank of Jamaica	18,250,000	36,500,000	38,325,000
Sagicor Financial Corporation	8,598,579	135,771,563	115,456,374
Bank of Nova Scotia - Jamaica	11,750,000	22,409,224	28,388,265
MANUFACTURING			
Unilever Caribbean Limited	1,128,770	19,742,187	22,180,330
The West Indian Tobacco Company Limited	1,163,738	32,014,432	27,929,712
Trinidad Cement Limited	9,905,572	72,805,954	69,438,060
National Flour Mills Limited	6,656,598	5,924,372	10,650,557
CONGLOMERATES			
ANSA Mc Al Limited	5,463,064	262,172,441	239,009,050
Neal & Massy Holdings Limited	6,804,225	326,602,800	290,268,238
Barbados Shipping & Trading	1,973,333	55,115,191	31,375,995
Grace Kennedy & Company Limited	2,358,000	14,619,600	14,454,540
NON-BANKING FINANCIAL INSTITUTIONS			
American Life and General Insurance Company (Trinidad and Tobago) Limited	462,416	2,427,684	2,312,080
Guardian Holdings Limited	5,736,731	137,681,544	159,997,488
National Enterprises Limited	9,115,500	65,175,825	68,457,405
Savinvest Mutual Fund	278,698	20,910,709	35,000,007
Energy and Energy Related Industries			
Eastern Caribbean Gas Pipeline	1,223,831	7,653,531	2,176,703
PROPERTY			
Point Lisas Industrial Port Development Corporation Limited	2,966,876	23,735,008	20,560,451
Market Value TT\$ Equity	120,301,451	2,087,421,930	2,021,365,402
Market Value US\$ Equity	32,218,860	789,927,347	149,358,613
MARKET VALUE OF EQUITIES	152,520,311	2,877,349,277	2,170,724,015
TOTAL DEBT SECURITIES		937,497,423	1,039,757,035
		3,814,846,700	3,210,481,050
CASH & SHORT TERM INVESTMENTS		896,399,813	1,418,638,461
TOTAL VALUE OF PORTFOLIO		4,711,246,513	4,629,119,511

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Trinidad & Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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The Portfolio of the Growth and Income Fund is represented by:

	2007	2006
	\$	\$
Held to Maturity Financial Assets	1,741,362,703	2,446,027,927
Available for Sale Financial Assets	2,969,883,810	2,183,091,584
Total	4,711,246,513	4,629,119,511

24) INVESTMENTS - TT\$ INCOME FUND (FORMERLY TT\$ MONEY MARKET FUND)

Securities at market value:

	2007	2006
	\$	\$
Government Securities	1,232,979,226	1,674,301,648
Corporate Securities	571,218,295	623,477,937
Cash and Short Term Investments	5,388,657,689	4,636,366,206
Total	7,192,855,210	6,934,145,791

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

	2007	2006
	\$	\$
Held to Maturity Financial Assets	6,949,914,439	6,752,947,750
Available for Sale Financial Assets	242,940,771	181,198,041
Total	7,192,855,210	6,934,145,791

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Trinidad & Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007—CONTINUED

25) NET ASSETS – UNIVERSAL RETIREMENT FUND

	SHAREHOLDING 2007 (STOCK UNITS)	MARKET VALUE 2007 \$	MARKET VALUE 2006 \$
FINANCIAL INSTITUTIONS			
ANSA Merchant Bank Limited	368,372	8,564,649	6,888,556
First Caribbean International Bank Limited	171,788	2,236,680	1,970,408
National Commercial Bank - Jamaica	1,200,000	2,400,000	2,520,000
RBTT Financial Holdings Limited	183,778	6,340,341	6,891,675
Republic Bank Limited	22,617	1,808,681	1,899,828
Scotiabank Trinidad & Tobago Limited	4,466	132,581	120,702
MANUFACTURING			
National Flour Mills Limited	95,306	84,822	152,490
Readymix (West Indies) Limited	36,780	257,828	155,212
The West Indian Tobacco Company Limited	147,226	4,050,187	3,533,424
Trinidad Cement Limited	350,960	2,579,556	2,460,230
Unilever Caribbean Limited	20,975	366,853	412,159
CONGLOMERATES			
ANSA Mc Al Limited	152,454	7,316,267	6,669,862
Grace Kennedy & Company Limited	360,020	2,232,124	2,206,923
Neal & Massy Holdings Limited	210,393	10,098,864	8,975,365
NON-BANKING FINANCIAL INSTITUTIONS			
Guardian Holdings Limited	210,075	5,041,800	5,882,100
National Enterprises Limited	441,000	3,153,150	3,311,910
Sagicor Financial Corporation	265,000	4,184,350	3,561,600
PROPERTY			
Point Lisas Industrial Port Development Corporation Limited	343,014	2,744,112	2,377,087
Market Value TTS Equity	4,584,224	63,592,845	59,989,531
Chaconia Income and Growth Fund	1,007	76,180	74,259
Market Value US\$ Equity	1,287,400	7,583,717	1,302,788
MARKET VALUE OF EQUITIES	5,872,631	71,252,742	61,366,578
TOTAL DEBT SECURITIES		45,462,726	46,203,892
		116,715,468	107,570,470
OTHER ASSETS NET OF LIABILITIES		36,651,331	39,060,506
TOTAL VALUE OF PORTFOLIO		153,366,799	146,630,976

The Portfolio of the Universal Retirement Fund is represented by:

	2007 \$	2006 \$
Held to Maturity Financial Assets	80,800,769	85,264,398
Available for Sale Financial Assets	72,566,030	61,366,578
Total	153,366,799	146,630,976

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26) US\$ INCOME FUND (FORMERLY US\$ MONEY MARKET FUND)

Securities at market value:

	2007	2006
	\$	\$
Government Securities	351,080,907	415,481,220
Corporate Securities	772,266,104	497,058,863
Cash and Short Term Investments	3,220,295,135	3,035,904,493
Total	4,343,642,146	3,948,444,576

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

	2007	2006
	\$	\$
Held to Maturity Financial Assets	3,778,082,922	3,690,968,558
Available for Sale Financial Assets	565,559,224	257,476,018
Total	4,343,642,146	3,948,444,576

27) INVESTMENT IN SUBSIDIARIES

a) Local Subsidiaries

The Corporation established three (3) wholly-owned local subsidiary companies incorporated under the Companies Act 1995 of Trinidad & Tobago as follows:

Company	% Shareholding	Date of Incorporation
UTC Financial Services Limited	100%	March 23, 1999
UTC Trust Services Limited	100%	June 2, 1999
UTC Property Holdings Limited (formerly UTC Property Development Limited)	100%	June 18, 2002

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 has constructed and currently owns buildings for rental to the Corporation for its San Fernando, Chaguanas, Tobago and Arima branches. The name UTC Property Development Limited was changed to UTC Property Holdings Limited effective October 25, 2007.

The assets, liabilities and results of operations of these subsidiaries have been fully incorporated in these Financial Statements. The auditor for these subsidiary companies is PriceWaterhouseCoopers.

Trinidad & Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007—CONTINUED

b) Foreign Subsidiaries

The Corporation established five (5) foreign subsidiaries as follows:

Company	% Shareholding	Date of Incorporation	Country of Incorporation
Belize Unit Trust Corporation Limited	84%	August 24, 2001	Belize
Chaconia Financial Services Inc.	100%	June 8, 1999	Rhode Island, USA
Chaconia Fund Services Inc.	100%	December 8, 1997	Delaware, USA
UTC Mutual Funds SPC Limited (voting shares)	100%	July 31, 2006	Cayman Islands
UTC Energy Investments Limited	90%	May 31, 2007	Delaware, USA

In 1997, Chaconia Fund Services Inc. was established and in 1999 it acquired Chaconia Financial Services Inc., a Rhode Island corporation and registered broker-dealer. There are no transactions in Chaconia Fund Services Inc.

The auditors of these foreign subsidiaries are as follows:

Company	Auditors
Belize Unit Trust Corporation Limited	Pannell Kerr Forster, Belize
Chaconia Financial Services Inc.	Kirkland, Russ, Murphy & Tapp, USA
Chaconia Fund Services Inc.	Kirkland, Russ, Murphy & Tapp, USA
UTC Mutual Funds SPC Limited	PriceWaterhouseCoopers, Cayman Islands

The UTC Mutual Funds SPC Limited was incorporated in 2006 and is authorised to issue voting and segregated portfolio shares. The Trinidad & Tobago Unit Trust Corporation has the sole right to hold 100% of the voting shares of the Company, hence the requirement to be treated as a subsidiary. The segregated portfolio shares are widely issued.

UTC Energy Investments Limited was incorporated under the Laws of Delaware, USA. The Growth and Income Fund holds the additional 10% of this subsidiary. Since the assets of the Growth and Income Fund are included in the consolidated assets of the Group, 100% of this subsidiary's assets are incorporated in these Financial Statements, resulting in no minority interest from this investment.

The assets, liabilities and results of operations of these subsidiaries have been incorporated in these Financial Statements as appropriate.

28) RETIREMENT BENEFIT PLAN ASSETS

Prior to January 1, 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 January 1, 2001. During the year the Corporation contributed \$5.974 million (2006: \$4.707 million) to the Plan, which has been charged against Income.

Trinidad & Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

29) TAXATION

The local subsidiary companies are subject to Corporation Tax and foreign subsidiaries are subject to taxation relevant to the domiciled country.

	2007	2006
	\$'000	\$'000
Net income before taxation	101,084	77,401
Corporation tax rate 0%	-	-
Corporate tax at 25% for local subsidiaries	558	355
Corporate tax for foreign subsidiaries	3	3
Utilisation of previously unrecognised tax losses	(558)	(355)
Business Levy payments	23	23
Green Fund Levy payments	301	236
Tax charge	327	262

Trinidad & Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007—CONTINUED

30) RELATED-PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The parent of the Group is Trinidad & Tobago Unit Trust Corporation.

The following transactions were carried out with related parties:

	2,007	2,006
	\$'000	\$'000

a) Loans

Key management personnel	1,209	626
Subsidiaries	85,181	90,640
Total	86,390	91,266

Loans: key management of the Group

Balance at beginning of year	626	422
Loans advanced during year	1,078	394
Loan repayments received	(495)	(190)
Interest income	36	18
Interest received	(36)	(18)
Balance at end of year	1,209	626

Loans: subsidiaries

Balance at beginning of year	90,640	88,693
Loans advanced during year	-	6,866
Loan repayments received	(5,459)	(4,919)
Balance at end of year	85,181	90,640

b) Rental of premises from:

Subsidiary Company	12,556	12,161
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c) Administrative services to:

Subsidiary Company	3,343	3,212
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d) Key management compensation:

Salaries and other short-term benefits	10,409	8,900
Post-employment benefits	-	700
Total	10,409	9,600

Trinidad & Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

The Investment Funds managed by the Trinidad & Tobago Unit Trust Corporation have invested in bonds issued by its subsidiary company, UTC Property Holdings Limited (formerly UTC Property Development Limited). As at December 31, 2007 the Investments Funds held \$3.84 million (2006: \$4.27 million).

31) COMMITMENTS

At December 31, 2007, the Group had contractual obligations for capital contributions of \$62.5 million over the next ten (10) years.

32) POST-BALANCE SHEET EVENTS

These financial statements were approved by the Board of Directors on March 25, 2007. The Trinidad & Tobago Unit Trust Corporation further represents that, as at March 28, 2007 there were no post-balance sheet events, which have a material bearing on these financial statements.

33) CONTINGENT LIABILITIES

As at December 31, 2007 there were three legal proceedings outstanding against the Corporation. No provision has been made, as professional advice indicates that it is unlikely that any significant loss will arise.

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LOSS OF SAGICOR LIFE INC. POLICIES

CURTIS DEREK GAYADEEN having made sworn deposition that Policy Number 07002583 issued by SAGICOR LIFE INC. on the life of CURTIS DEREK GAYADEEN has been lost, and having made application to the Directors to grant a duplicate of the same, notice is hereby given that unless objection is raised within one month of the date hereof, the duplicate policy asked for will be issued.

SAGICOR LIFE INC.

754

TANA GAYADEEN having made sworn deposition that Policy Number 07002592 issued by SAGICOR LIFE INC. on the life of TANA GAYADEEN has been lost, and having made application to the Directors to grant a duplicate of the same, notice is hereby given that unless objection is raised within one month of the date hereof, the duplicate policy asked for will be issued.

SAGICOR LIFE INC.

755

DAVE MAHARAJ having made sworn deposition that Policy Number 06985161 issued by SAGICOR LIFE INC. on the life of DAVE MAHARAJ has been lost, and having made application to the Directors to grant a duplicate of the same, notice is hereby given that unless objection is raised within one month of the date hereof, the duplicate policy asked for will be issued.

SAGICOR LIFE INC

756

PAMELA RAJAH having made sworn deposition that Policy Number 05879515 issued by SAGICOR LIFE INC. on the life of JEROME RAJAH has been lost, and having made application to the Directors to grant a duplicate of the same, notice is hereby given that unless objection is raised within one month of the date hereof, the duplicate policy asked for will be issued.

SAGICOR LIFE INC.

757

DOMINIC SURAJ having made sworn deposition that Policy Number 06745802 issued by SAGICOR LIFE INC. on the life of DOMINIC SURAJ has been lost, and having made application to the Directors to grant a duplicate of the same, notice is hereby given that unless objection is raised within one month of the date hereof, the duplicate policy asked for will be issued.

SAGICOR LIFE INC

758

MAIRYM PANTIN having made sworn deposition that Policy Number 06816913 issued by SAGICOR LIFE INC. on the life of CANDAUL PANTIN has been lost, and having made application to the Directors to grant a duplicate of the same, notice is hereby given that unless objection is raised within one month of the date hereof, the duplicate policy asked for will be issued.

SAGICOR LIFE INC

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

MAYARO

NOTICE is hereby given that the Licensing Committee for the Licensing District of South-Eastern Counties, Nariva-Mayaro Area, has appointed WEDNESDAY THE 11TH DAY OF JUNE, 2008 at 9.00 o'clock in the forenoon at the Mayaro Magistrate's Court as the day, date, hour and place at which a Session will be held for the granting of Certificates for the issue of Licences for the period 1st July, 2008 to 31st March, 2009, in pursuance of the provisions of the above Act.

All applications for New Licences must be submitted in triplicate on the prescribed form and accompanied by an approved plan of the premises sought to be licensed, together with the prescribed fee of forty dollars (\$40.00) and should reach the Secretary, Licensing Committee, Mayaro, on or before Wednesday 21st May, 2008.

Dated this 4th day of April, 2008 at the Mayaro Magistrate's Court.

L. SAISBHAN
*Secretary, Licensing Committee,
South-Eastern Counties*

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(*Sale of Produce Act, Chap. 63:52*)

MAYARO

NOTICE is hereby given that the undersigned Senior Magistrate has appointed WEDNESDAY THE 11TH DAY OF JUNE, 2008 at 9.00 o'clock in the forenoon at the Mayaro Magistrate's Court as the day, date, hour and place at which a Session will be held for the granting of Licences as Dealers in Licensable Produce in the Licensing District of Nariva/Mayaro, for the period 1st July, 2008 to 31st December, 2008, in pursuance of the provisions of the above Act.

All applications for such Licences must be submitted to the Magistrate in duplicate form and should reach him/her on or before 21st May, 2008.

Dated this 4th day of April, 2008 at the Mayaro Magistrate's Court.

J. NARINE
*Senior Magistrate,
South-Eastern Counties*