



# TRINIDAD AND TOBAGO GAZETTE

## (EXTRAORDINARY)

VOL. 40

Port-of-Spain, Trinidad, Friday 27th April, 2001—Price \$1.00

No. 80

840

**REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD  
AND TOBAGO ON THE ACCOUNTS OF THE TRINIDAD AND TOBAGO UNIT  
TRUST CORPORATION FOR THE YEAR ENDED 2000 DECEMBER 31**

The accompanying Financial Statements of the Trinidad and Tobago Unit Trust Corporation for the year ended 2000 December 31 have been audited. The Statements as set out on pages one (1) to thirty-five (35) comprise:

a. **UNIT TRUST CORPORATION**

- Consolidated Balance Sheet as at 2000 December 31
- Income and Expenditure Account for the year ended 2000 December 31
- Income and Expenditure Account for Management Operations for the year ended 2000 December 31
- Cash Flow Statement for the year ended 2000 December 31

b. **FIRST UNIT SCHEME**

- Balance Sheet as at 2000 December 31
- Statement of Operations for the year ended 2000 December 31
- Income Distribution Account for the year ended 2000 December 31

c. **SECOND UNIT SCHEME**

- Balance Sheet as at 2000 December 31
- Statement of Operations for the year ended 2000 December 31
- Income Distribution Account as at 2000 December 31

d. **UNIVERSAL RETIREMENT FUND**

- Balance Sheet as at 2000 December 31
- Statement of Operations for the year ended 2000 December 31

e. **US DOLLAR MONEY MARKET FUND**

- Balance Sheet as at 2000 December 31
- Statement of Operations for the nine months ended 2000 December 31
- Income Distribution Account for the nine months ended 2000 December 31

f. Notes to the Accounts numbered one (1) to thirty-four (34).

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2. These Financial Statements are the responsibility of the Management of the Trinidad and Tobago Unit Trust Corporation. The Auditor General's responsibility is to audit these Financial Statements and to report thereon in accordance with section 30(1) and (4) of the Unit Trust Corporation of Trinidad and Tobago Act, 1981.

3. The examination was conducted in accordance with generally accepted Auditing Standards. These Standards require that the audit be planned and performed in order to obtain reasonable assurance about whether the Financial Statements are free of material mis-statement.

4. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of information in the Financial Statements. The Auditor General is of the view that the audit which was conducted provides a reasonable basis for the comment made in this Report at paragraph 5.

### OPINION

5. The Financial Statements and Notes to the Financial Statements, as outlined at paragraph 1 above, are in agreement with the books of the Trinidad and Tobago Unit Trust Corporation and present fairly, in all material respects, the state of affairs of the Corporation as at 2000 December 31 and the results of its operations and its cash flows for the year ended 2000 December 31 in accordance with generally accepted accounting principles.

2001 APRIL 26



*Jocelyn Thompson*  
JOCELYN THOMPSON  
AUDITOR GENERAL

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## TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED BALANCE SHEET

<b>ASSETS</b>	Notes	2000 \$ '000	1999 \$ '000
Investment Funds	5	3,730,012	2,963,767
Cash & Short Term Investments		44,048	61,288
Receivables	12	52,248	34,437
Prepayments and Other Assets	13	2,756	2,462
Investments	14	10,192	12,098
Investment in Subsidiaries	15	35,244	244
Long Term Investments	31	435,329	-
Fixed Assets	29	110,551	98,736
<b>TOTAL ASSETS</b>		<b>4,420,380</b>	<b>3,173,032</b>
 <b>LIABILITIES</b>			
<b>CURRENT</b>			
Accrued Expenses & Accounts Payable		16,849	3,152
Short Term Certificates of Interest	32	389,793	-
Current Portion of Long Term Debt	17	2,491	826
<b>TOTAL CURRENT LIABILITIES</b>		<b>409,133</b>	<b>3,978</b>
 <b>LONG TERM</b>			
Long Term Financial Instruments	33	17,828	-
Long Term Loans	16	35,000	-
Finance Lease	17	77,526	70,017
<b>TOTAL LIABILITIES</b>		<b>539,487</b>	<b>73,995</b>
 <b>CAPITAL AND RESERVES</b>			
Initial Capital	7	4,811	4,811
Unit Capital	8	3,725,201	2,958,956
Fund Reserves	9	13,209	11,426
Other Reserves	10	5,050	-
Capital Reserve	11	107	1,571
Retained Income		132,515	122,273
<b>TOTAL LIABILITIES, CAPITAL AND RESERVES</b>		<b>4,420,380</b>	<b>3,173,032</b>



*[Signature]*  
Chairman

*[Signature]*  
Executive Director

The following notes form an integral part of these Financial Statements

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**TRINIDAD & TOBAGO UNIT TRUST CORPORATION**

<b>INCOME</b>	Notes	<b>2000</b> <b>\$ '000</b>	<b>1999</b> <b>\$ '000</b>
<b>Investment Income -</b>			
First Unit Scheme		114,490	83,190
Second Unit Scheme		225,675	184,121
Universal Retirement Fund		969	501
US Dollar Money Market Fund Corporation	19	12,316	-
		8,685	7,045
Management Charge- Pension funds	21	141	-
Initial Charge	20	10,452	9,694
Other Income	18	4,145	4,379
Undistributed Income at start of period		5,959	450
<b>Total Income</b>		<b><u>382,832</u></b>	<b><u>289,380</u></b>
<b>EXPENSES</b>			
Distribution	6	294,969	218,076
Commission	23	2,985	2,233
Administrative	22	47,502	39,842
Depreciation and Amortisation	29	4,578	1,965
<b>Total Expenses</b>		<b><u>350,034</u></b>	<b><u>262,117</u></b>
<b>NET INCOME BEFORE FINANCE CHARGES</b>		<b>32,798</b>	<b>27,264</b>
Finance Charges	17	(12,082)	(1,068)
<b>NET INCOME AFTER FINANCE CHARGES</b>		<b><u>20,716</u></b>	<b><u>26,196</u></b>
Transfer to Reserves		(1,320)	(978)
Undistributed Income at end of period		(4,104)	(5,959)
<b>Income for the year</b>		<b><u>15,292</u></b>	<b><u>19,259</u></b>
Retained Income at start of year		122,273	103,014
Transfer to Reserve	10	(5,050)	
<b>Retained Income at end of year</b>		<b><u>132,515</u></b>	<b><u>122,273</u></b>

The following notes form an integral part of these Financial Statements

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## TRINIDAD &amp; TOBAGO UNIT TRUST CORPORATION



	Notes	2000 \$ ' 000	1999 \$ ' 000
<b>INCOME</b>			
Management Charge	21	55,760	40,400
Initial Charge	20	10,452	9,694
Investment	19	8,685	7,045
Loan Interest		1,289	1,494
Other	18	4,145	4,379
<b>Total Income</b>		<b>80,331</b>	<b>63,012</b>
<b>EXPENSES</b>			
Commission		877	878
Administrative	22	47,502	39,842
Depreciation	29	4,578	1,965
<b>Total Expenses</b>		<b>52,957</b>	<b>42,686</b>
Net Income before Finance Charges		27,374	20,327
Finance Charges	17	(12,082)	(1,068)
Income for the year		15,292	19,259
Retained Income at start of year		122,273	103,014
		137,565	122,273
Transfers to Reserves	10	(5,050)	-
<b>Retained Income at end of year</b>		<b>132,515</b>	<b>122,273</b>

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## TRINIDAD AND TOBAGO UNIT TRUST CORPORATION



	2000	1999
	<u>\$ '000</u>	<u>\$ '000</u>
<b>OPERATING ACTIVITIES</b>		
<b>NET INCOME</b>	<b>15,292</b>	<b>19,259</b>
Adjustment to reconcile net income to net cash from operating activity		
Depreciation Expense	4,578	1,965
Gain/(Loss) on Fixed Asset Disposals	(1)	67
Increase in Receivables	(17,811)	(6,970)
Increase in Prepayments and Other Assets	(294)	(513)
Increase/(Decrease) in Accounts Payable	13,697	(459)
Income Reinvested in Mutual Funds	(101)	(679)
Unrealised foreign currency loss / (gain)	126	38
Increase in Short Term certificates of Interest	407,621	-
Capitalised Interest on Investments	(6,769)	-
Net Cash Inflow from Operating Activities	<u>416,338</u>	<u>12,708</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of Long Term Investments	(428,560)	-
Establishment of subsidiaries	(35,000)	-
Purchase of Fixed Assets	(17,537)	(78,392)
Proceeds from Disposal of Fixed Assets	1,139	107
Proceeds from Disposal of Investments	1,073	-
Purchase of Investments	(650)	(1,988)
Net Cash outflow from Investing Activities	<u>(479,535)</u>	<u>(80,273)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from Loans from subsidiaries	35,000	-
Repayments of Lease payment	(826)	-
Proceeds from Finance Lease	10,000	70,843
Movement in Reserves	1,783	1,789
Net cash inflow from Financing Activities	<u>45,957</u>	<u>72,632</u>
<b>NET CASH OUTFLOW/ INFLOW FOR THE YEAR</b>	<b>(17,240)</b>	<b>5,067</b>
Cash & Cash Equivalents:		
Beginning of Year	<u>61,288</u>	<u>56,221</u>
End of Period	<u>44,048</u>	<u>61,288</u>

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## TRINIDAD &amp; TOBAGO UNIT TRUST CORPORATION



	Notes	2000 \$' 000	1999 \$' 000
<b><u>ASSETS</u></b>			
Investments	25	1,298,818	1,266,446
Cash and Short Term Investments		45,555	32,780
Income Receivable		29,173	15,444
Other Receivables		-	72
<b>Total assets</b>		<b><u>1,373,546</u></b>	<b><u>1,314,742</u></b>
<b><u>LIABILITIES</u></b>			
Distribution Payable	6	58,407	29,143
Amount Due Corporation		13,088	12,836
Other Payables		423	358
		<b><u>71,918</u></b>	<b><u>42,337</u></b>
<b><u>RESERVES</u></b>			
Undistributed Income		2,810	5,959
<b>Total Liabilities and Reserves</b>		<b><u>74,728</u></b>	<b><u>48,296</u></b>
<b>NET ASSETS</b>		<b><u>1,298,818</u></b>	<b><u>1,266,446</u></b>
<b>CAPITAL ACCOUNT</b>		<b>757,278</b>	<b>751,993</b>
<b>UNREALISED CAPITAL APPRECIATION</b>	30	<b>541,540</b>	<b>514,453</b>
		<b><u>1,298,818</u></b>	<b><u>1,266,446</u></b>

The following notes form an integral part of these Financial Statements

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## TRINIDAD AND TOBAGO UNIT TRUST CORPORATION



	Notes	2000 \$ ' 000	1999 \$ ' 000
<b>INVESTMENT INCOME</b>			
Dividends		37,318	29,454
Interest		42,143	41,042
Realised Capital Gains		35,029	12,694
<b>Total Investment Income</b>		<u>114,490</u>	<u>83,190</u>
<b>EXPENSES</b>			
Management Charge	21	27,102	24,789
<b>Total Expenses</b>		<u>27,102</u>	<u>24,789</u>
<b>NET INVESTMENT INCOME</b>		<u>87,388</u>	<u>58,401</u>



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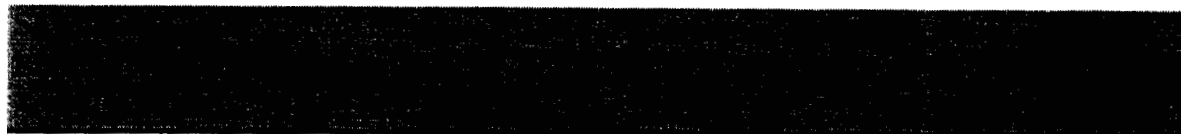
## TRINIDAD AND TOBAGO UNIT TRUST CORPORATION



	Notes	2000 \$ ' 000	1999 \$ ' 000
<b>NET INVESTMENT INCOME</b>		<b>87,388</b>	58,401
Distribution to Initial Contributors 77c per unit (1999 - 45c per unit)	6	741	433
Distribution to Unitholders 77c per unit (1999 - 45c per unit)	6	89,596	52,259
		<u>(2,949)</u>	<u>5,709</u>
Undistributed Income brought forward		5,959	450
		<u>3,010</u>	<u>6,159</u>
Allocation to Guarantee Reserve Fund	9	200	200
Undistributed Income at December 31st		<u><u>2,810</u></u>	<u><u>5,959</u></u>



## TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

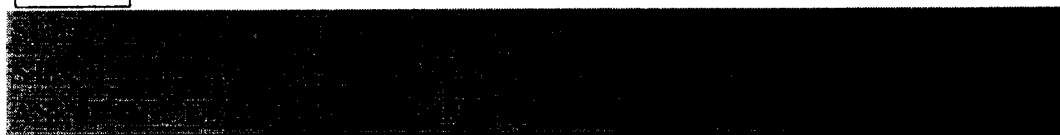


	Notes	2000 <u>\$' 000</u>	1999 <u>\$' 000</u>
<b><u>ASSETS</u></b>			
Investments	26	2,162,030	1,688,307
Cash		2,742	3,539
Interest Receivable		31,192	29,497
<b>TOTAL ASSETS</b>		<u><b>2,195,964</b></u>	<u><b>1,721,343</b></u>
<b><u>LIABILITIES</u></b>			
Accruals for Distribution	6	12,612	12,451
Amount Due Corporation		16,810	13,365
Other Liabilities		2,662	5,370
		<u>32,084</u>	<u>31,186</u>
Reserves		1,850	1,850
<b>Total Liabilities and Reserves</b>		<u><b>33,934</b></u>	<u><b>33,036</b></u>
<b>NET ASSETS</b>		<u><b>2,162,030</b></u>	<u><b>1,688,307</b></u>
Capital Account		<u><b>2,162,030</b></u>	<u><b>1,688,307</b></u>

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## TRINIDAD AND TOBAGO UNIT TRUST CORPORATION



	Notes	2000 <u>\$ ' 000</u>	1999 <u>\$ ' 000</u>
<b>INVESTMENT INCOME</b>			
Interest Income		225,675	184,121
<b>INVESTMENT INCOME</b>		<u>225,675</u>	<u>184,121</u>
<b>EXPENSES</b>			
Management Charge	21	26,066	15,488
Interest		1,289	1,494
Commission		1,994	1,355
<b>Total Expenses</b>		<u>29,349</u>	<u>18,337</u>
<b>NET INVESTMENT INCOME</b>		<u><u>196,326</u></u>	<u><u>165,784</u></u>

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**TRINIDAD AND TOBAGO UNIT TRUST CORPORATION**



	Notes	2000 \$ ' 000	1999 \$ ' 000
<b>NET INVESTMENT INCOME</b>		<u>196,326</u>	<u>165,784</u>
<b>DISTRIBUTION PAYMENT:</b>			
Distribution Paid	6	183,314	152,933
Accruals for Distribution	6	12,612	12,451
<b>TOTAL</b>		<u>195,926</u>	<u>165,384</u>
<b>Transfer to Reserves</b>	9	400	400
		<u>196,326</u>	<u>165,784</u>

The following notes form an integral part of these Financial Statements

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**TRINIDAD & TOBAGO UNIT TRUST CORPORATION**


	NOTES	2000 <u>\$' 000</u>	1999 <u>\$' 000</u>
Cash & Short Term Investments		1,528	2734
Interest Receivable		947	293
Long Term Investments		11,897	6,110
<b>Total Assets</b>		<u>14,372</u>	<u>9,137</u>
<b>Liabilities</b>			
Amount Due to Corporation		143	123
<b>NET ASSETS OF THE FUND</b>	27	<u>14,229</u>	<u>9,014</u>
 <b>CAPITAL ACCOUNT</b>		 13,711	 9,227
<b>UNREALISED CAPITAL APPRECIATION/(DEPRECIATION)</b>		<u>518</u>	<u>(213)</u>
		<u>14,229</u>	<u>9,014</u>

The following notes form an integral part of these Financial Statements

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## TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

	NOTES	2000 <u>\$ ' 000</u>	1999 <u>\$ ' 000</u>
<b>INVESTMENT INCOME</b>			
Dividends		326	192
Interest		643	309
<b>Total Investment Income</b>		<u>969</u>	<u>501</u>
<b>EXPENSES</b>			
Management Charge	21	249	123
<b>Total Expenses</b>		<u>249</u>	<u>123</u>
<b>NET INCOME FOR CAPITALIZATION</b>		<u>720</u>	<u>378</u>

The following notes form an integral part of these Financial Statements

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## TRINIDAD AND TOBAGO UNIT TRUST CORPORATION



	Notes	2000 <u>TTS' 000</u>
<b><u>ASSETS</u></b>		
Investments	28	254,935
Cash		2,732
Interest Receivable		3,169
<b>TOTAL ASSETS</b>		<u><u>260,836</u></u>
<b><u>LIABILITIES</u></b>		
Due to Corporation		2,319
Distribution Payable	6	2,288
Un-Distributed Income		1,294
<b>TOTAL LIABILITIES</b>		<u><u>5,901</u></u>
<b>NET ASSETS</b>		<u><u>254,935</u></u>
Capital Account		<u><u>254,935</u></u>

The following notes form an integral part of these financial statements.

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## TRINIDAD AND TOBAGO UNIT TRUST CORPORATION



	Notes	2000 <u>TTS ' 000</u>
<b>INVESTMENT INCOME</b>		
Interest Income		12,316
<b>TOTAL INVESTMENT INCOME</b>		<u>12,316</u>
<b>EXPENSES</b>		
Management Charge	21	2,202
Commissions		114
<b>Total Expenses</b>		<u>2,316</u>
<b>NET INVESTMENT INCOME</b>		<u><u>10,000</u></u>

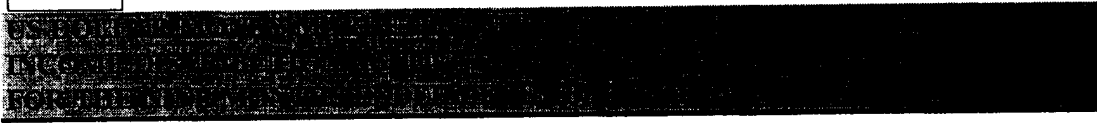
The following notes form an integral part of these financial statements.



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## TRINIDAD AND TOBAGO UNIT TRUST CORPORATION



	Notes	2000 <u>TT\$ ' 000</u>
<b>NET INVESTMENT INCOME</b>		<b>10,000</b>
Distribution Expense	6	8,706
<b>UNDISTRIBUTED INCOME AS AT 31ST DECEMBER , 2000</b>		<b><u>1,294</u></b>

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1) **CORPORATION AND PRINCIPAL ACTIVITIES**

The Trinidad and Tobago Unit Trust Corporation was established by the Unit Trust Corporation of Trinidad and Tobago Act Chapter 83:03 (“the Act”) 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, in the financial markets. The Finance Act of 1997 expanded the scope of activities to include other financial services including merchant banking and trustee business.

2) **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of these financial statements are stated below:

*a) Basis of Preparation*

These financial statements have been prepared under the historical cost convention except as modified in respect of security valuation. The accounting policies in all material respects conform with International Accounting Standards adopted by the Institute of Chartered Accountants of Trinidad and Tobago. All material income and expenditure items are accounted for on an accrual basis.

*b) 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 interest rates are classified as available-for-sale. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held –to-maturity. Investments available-for-sale are carried at fair value.

Held-to-Maturity investments are carried at amortised cost, less any adjustment necessary for impairment.

All purchases and sales of investment securities are recognised at the settlement date. Gains and losses from changes in the fair value of securities available-for-sale are recognised in equity. When the financial assets are disposed of or are impaired, the related fair value adjustments are included in the income statement.

An analysis of income, expenses, gains and losses on financial instruments recognised in the income statement of the various Investment Funds are given in their respective notes.

*c) Security Valuation*

The fair value of publicly traded securities is determined by the prevailing market prices on the last trading day on the offer basis.

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

*d) Fixed Assets*

During the year 2000 Management reviewed the depreciation method applied to property, plant and equipment and made the decision to change to a depreciation method that will better reflect the expected pattern of the economic benefits of the assets. Consequently, the straight-line method, net of residual values has been adopted at rates estimated to write off the residual value of the assets over their useful lives. This is applied to all assets with the exception of motor-vehicles which is depreciated using the reducing balance basis.

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The Straight-line useful lives are as follows:

Building	50 years
Office Improvements	5-15 years
Computer Equipment	3-10years
Office Equipment	4-15years
Furniture & Fixtures	7-15years

Reducing balance basis:

Motor Vehicles	25%
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*e) Foreign Currencies*

Assets and liabilities in foreign currencies are expressed in Trinidad and Tobago dollars at the rates of exchange prevailing on December 31<sup>st</sup>, 2000.

Resulting translation differences and profits and losses from other transactions are disclosed within the income statement.

*f) Leases*

Assets held under finance leases are capitalised as fixed assets and duly depreciated. The liability net of finance charges are classified as current and long term liabilities and the financial elements are charged to the Profit and Loss account over the term of the lease.

*g) Funds under administration*

The assets and liabilities pertaining to pension funds which are managed in accordance with specific Investment Management

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Agreements are not included in the Balance sheet of the Corporation. The market value of the said managed portfolio for this financial year is \$91.4 million.

### 3) CHANGE IN ACCOUNTING ESTIMATE

The change in accounting estimate for the calculation of depreciation resulted in a reduction of the expense by \$1.914m in this reporting period.

### 4) TAXATION

The Corporation is exempted from Corporation Tax. By virtue of the provisions of the Finance Act of 1997 a 10% tax is applied to interest income at the point of distribution to Unitholders.

### 5) INVESTMENT FUNDS

	2000	1999
	<u>\$'000's</u>	<u>\$'000's</u>
First Unit Scheme	1,298,818	1,266,446
Second Unit Scheme	2,162,030	1,688,307
Universal Retirement Fund	14,229	9,014
US\$ Money Market Fund	<u>254,935</u>	<u>-</u>
<b>Investment Funds</b>	<u><b>3,730,012</b></u>	<u><b>2,963,767</b></u>

## 6) DISTRIBUTIONS

The Corporation declared its thirty-fifth (35th) and thirty-sixth (36th) distributions in respect of the First Unit Scheme for the year 2000 totalling \$90,337,986. The distribution to registered unitholders as at June 30<sup>th</sup>, 2000 amounted to \$31,670,431 and the distribution to December 31<sup>st</sup>, 2000 amounted to \$57,926,619. The total distribution to Initial Capital Contributors for the year amounted to \$740,934.

Distributions in the Second Unit Scheme are made quarterly. Four (4) payments were made in 2000 and total distributions paid for the period January - November 2000 totalled \$183,314,072. Accrued income as at December 31<sup>st</sup>, 2000 for distribution in the quarter ended February 28<sup>th</sup>, 2001 amounted to \$12,612,100.

Distributions in the US Money Market Fund are paid by calendar quarters. Total distributions for the nine months of operations of this fund amounted to TT\$8,705,508 (US\$1,392,892).

## 7) 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 units in the First Unit Scheme.

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**8) UNIT CAPITAL**

Unit Capital represents the capital value of units within the two Schemes and funds issued by the Corporation. In respect of the First Unit Scheme, this excludes units in respect of the Initial Capital.

	<b>2000</b>	1999
	<b><u>\$'000's</u></b>	<u>\$'000's</u>
Unit Capital - First Unit Scheme	1,294,007	1,261,635
Unit Capital - Second Unit Scheme	2,162,030	1,688,307
Universal Retirement Fund	14,229	9,014
US\$ Money Market Fund	254,935	-
<b>Total Unit Capital</b>	<b><u>3,725,201</u></b>	<u>2,958,955</u>

**9) FUND RESERVES**

	<b>2000</b>	1999
	<b><u>\$'000's</u></b>	<u>\$'000's</u>
Guarantee Reserve	7,552	6,621
Children's Investment Starter Plan	-	19
Second Unit Scheme Reserve	5,657	4,786
<b>Total</b>	<b><u>13,209</u></b>	<u>11,426</u>

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**a) GUARANTEE RESERVE**

In accordance with the provisions of Section 26 (1) and (2) of the Act, the Board of Directors established a Guarantee Reserve Fund in respect of the First Unit Scheme to ensure adequate funding of the Guarantee Pricing Plan which was introduced in January 1985. The Guarantee Reserve Fund is funded from an allocation out of the Investment Income of the Scheme.

**b) CHILDREN'S INVESTMENT STARTER PLAN (CISP) RESERVE**

In accordance with the provisions of Section 26 (1) and (2) of the Act, the Board of Directors established a Children's Investment Starter Plan Reserve Fund to provide for funding of the Children's Investment Starter Plan which was introduced on May 29<sup>th</sup>, 1985.

The fund was fully utilized in the year 2000 to write off expenses incurred by the Corporation in the execution of the plan.

**c) SECOND UNIT SCHEME RESERVE**

The Board, in accordance with the provision of Paragraph 13 of the Second Unit Scheme Regulations issued under the Act, has established a reserve to satisfy any shortfall likely to be created through the liquidation of securities in the portfolio of the Scheme.



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**10) OTHER RESERVES**

In Accordance with section 59(3)(d)(ii) of the Securities Industry Act and section 12(1)(a) of the Securities Industries By Laws 1997, a reserve of \$5,000,000 was established to satisfy the capital requirements for registration as an Underwriter and \$50,000 as an Investment Adviser..

**11) CAPITAL RESERVE**

The unrealised Capital Appreciation from the investment in the Chaconia Income and Growth Fund has been taken to a Capital Reserve Account.

**12) RECEIVABLES**

<b>2000</b>	1999
<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>52,248</b>	34,437

These include amounts due to the Corporation from all Schemes , the Universal Retirement Fund and the US\$ Money Market Fund.

**13) PREPAYMENTS AND OTHER ASSETS**

<b>2000</b>	1999
<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>2,756</b>	2,462

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These include the preliminary expenses relating to the restructuring of the Unit Trust Corporation to a Limited Liability Company.

**14) INVESTMENTS**

<b>2000</b>	1999
<b><u>\$'000</u></b>	<u>\$'000</u>
<b>10,192</b>	12,342

This amount includes \$8.858 million in respect of the value of the Trinidad and Tobago Unit Trust Corporation investment in the Chaconia Income and Growth Fund Inc. and \$1.179 million in the Dominica Unit Trust Corporation Limited. The Chaconia Income and Growth Fund, sponsored by the Trinidad and Tobago Unit Trust Corporation is incorporated in the State of Maryland, United States of America and registered as an open-ended, non-diversified no-load management investment company under the Investment Company Act of 1940.

The Dominica Unit Trust Corporation Limited is a company incorporated under the Companies Act, no. 24 of 1994 of the laws of the Commonwealth of Dominica and has its registered office at Valley Road, Roseau, in the island of Dominica. The Corporation has an investment of EC\$500,000 in the equity of the Company.

**15) INVESTMENT IN SUBSIDIARIES**

***Local***

The Corporation has established two wholly owned subsidiaries- UTC Financial Services and UTC Trust Services.

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The UTC Financial Services and UTC Trust Services were incorporated on the 23<sup>rd</sup> March 1999 and the 2<sup>nd</sup> June 1999 respectively under the Companies Act, 1995 of Trinidad & Tobago. They are both licensed under the Financial Institutions Act, 1993 to carry on business of a financial nature such as merchant banking, mortgage institution, trust company, unit trust, credit card and financial services business and such other classes of business for which they may be licensed from time to time under the Act. The Companies shall not carry on any business which is prohibited by the said Act.

### *Foreign*

The Corporation established a wholly owned subsidiary – Chaconia Fund Services, Inc., a Delaware corporation formed in 1997. In 1999 Chaconia Fund Services acquired Chaconia Financial Services Inc., a Rhode Island corporation and registered broker-dealer.

#### 16) LONG TERM LOAN

The majority of this balance is Inter-company loans of \$35M from the two wholly owned local subsidiaries. They carry no fixed repayment date and are non-interest bearing.

#### 17) FINANCE LEASE

The Corporation committed to a lease agreement with FINCOR for the UTC Financial Center on the 19<sup>th</sup> November 1999. This agreement is for a term of 20 years, with purchase options at the end of the tenth and fifteenth years. The interest rate implicit on the lease is 3.5% below average Republic Bank Limited

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Prime lending rate, with a ceiling of 13.5% and a floor of 10%. The current effective rate is 13.0625% with reviews every five years. The lease payment of \$5,027,090.24 is paid semi annually on the 19th of May and November respectively.

**18) OTHER INCOME**

	<b>2000</b>	<b>1999</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Chaconia Fees	2,235	2,496
Bureau De Change	1,298	991
Consultancy	94	707
Commissions & Commitment Fees	185	102
Miscellaneous	333	83
	<u>4,145</u>	<u>4,379</u>

**19) INVESTMENT INCOME**

Included in this amount is \$3.78m related to Commission and Fee Income.

**20) INITIAL CHARGE**

The Corporation earns an Initial Charge of five percent (5%) on the sale of units in the First Unit Scheme.

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**2' MANAGEMENT CHARGE**

The Corporation in accordance with the regulations governing the First and Second Unit Schemes, Universal Retirement Fund and the US\$ Money Market Fund may charge a management fee of up to two per cent (2%) on the value of the funds held in each Scheme. For 2000 the Board applied a charge of 2% (1999 - 2%) to the First Unit Scheme and an average charge of 1.3% (1999 - 1.035%) to the Second Unit Scheme, 2% (1999 - 1.50%) to the Universal Retirement Fund and 1.86% to the US\$ Money Market Fund.

	<b>2000</b>	<b>1999</b>
	<b><u>\$'000's</u></b>	<b><u>\$'000's</u></b>
First Unit Scheme	<b>27,102</b>	24,789
Second Unit Scheme	<b>26,066</b>	15,488
Universal Retirement Fund	<b>249</b>	123
US\$ Money Market Fund	<b>2,202</b>	-
Pension Funds	<b>141</b>	-
<b>TOTAL</b>	<b><u>55,760</u></b>	<b><u>40,400</u></b>

**22) ADMINISTRATIVE EXPENSES**

	<b>2000</b>	<b>1999</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
	<b>47,502</b>	39,842

These expenses include the following:

1. Directors' fees	<b>413</b>	328
2. Auditors' remuneration	<b>75</b>	75

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**23) COMMISSIONS**

<b>2000</b>	1999
<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>2,985</b>	2,233

Commission charges in respect to sales of units in the First Unit Scheme are met by the Initial Charge whilst Commission Charges in respect of sales of units in the Second Unit Scheme and the US\$ Money Market Fund are charged against the income of those Schemes.

**24) COMMITMENTS**

The Corporation has agreed to participate in the Government Project Financing Facility to the extent of \$19.36 million. As at December 31<sup>st</sup>, 2000 disbursements amounting to \$15.06 million had been made.

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## 25) INVESTMENT PORTFOLIO

## First Unit Scheme

EQUITY	SHAREHOLDING (STOCK UNITS)	MARKET VALUE (\$)
<b>FINANCIAL INSTITUTIONS</b>		
BANK OF NOVA SCOTIA TRINIDAD AND TOBAGO LIMITED	6,636,862	119,065,304
REPUBLIC BANK LIMITED	7,002,272	227,223,726
ROYAL BANK OF TRINIDAD AND TOBAGO LIMITED	14,639,960	185,927,492
ANSA FINANCE LIMITED	2,010,675	11,400,527
<b>MANUFACTURING</b>		
ANGOSTURA HOLDINGS LIMITED	6,987,207	40,525,801
BERGER PAINTS TRINIDAD LIMITED	54,058	156,768
LEVER BROTHERS WEST INDIES LIMITED	1,462,530	26,983,679
WEST INDIAN TOBACCO COMPANY LIMITED	2,683,060	14,434,863
TRINIDAD CEMENT LIMITED	14,563,078	66,262,005
READYMIX LTD	35,780	262,983
GRACE KENNEDY	1,000,000	3,550,000
NATIONAL FLOUR MILLS LIMITED	7,081,302	30,449,599
<b>CONGLOMERATES</b>		
ANSA MC AL LIMITED	5,234,869	57,845,302
AGOSTINI LTD	932,343	7,878,298
NEAL & MASSY HOLDINGS LIMITED	4,199,225	54,379,964
<b>INSURANCE</b>		
AMERICAN LIFE AND GENERAL INSURANCE COMPANY (TRINIDAD AND TOBAGO) LIMITED	462,416	3,579,100
GUARDIAN HOLDINGS LIMITED	1,803,573	26,458,416
<b>PROPERTY</b>		
POINT LISAS INDUSTRIAL PORT DEVELOPMENT CORPORATION LIMITED	2,191,880	12,932,092
<b>TRADING</b>		
L.J. WILLIAMS LIMITED	1,150,000	989,000
<b>TOTAL TT \$ EQUITY</b>		<b>890,304,919</b>
<b>TOTAL US \$ EQUITY</b>		<b>111,129,314</b>
<b>TOTAL B'DOS \$ EQUITY</b>		<b>24,811,792</b>
<b>TOTAL EQUITY</b>		<b>1,026,246,025</b>
<b>TOTAL DEBT SECURITIES</b>		<b>252,047,864</b>
<b>CASH AND SHORT TERM INVESTMENTS</b>		<b>1,278,293,889</b> <b>20,523,705</b>
<b>TOTAL VALUE OF PORTFOLIO</b>		<b><u>1,298,817,594</u></b>

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## 26) INVESTMENT PORTFOLIO

*SECOND UNIT SCHEME*

<b>SECURITIES</b>	<b>MARKET VALUE</b>
	<b>\$</b>
Government Securities	285,222,641
Government Guaranteed Securities	91,853,484
Corporate Securities	481,777,644
Cash and Short Term Investments	1,303,176,226
<b>TOTAL</b>	<b><u>2,162,029,995</u></b>



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## 27, UNIVERSAL RETIREMENT FUND

	SHAREHOLDING (STOCK UNITS)	MARKET VALUE (\$)
<b><u>SECURITIES</u></b>		
<b><i>FINANCIAL INSTITUTIONS</i></b>		
ANSA FINANCE	94,219	529,511
ROYAL BANK OF TRINIDAD AND TOBAGO LIMITED	199,164	2,519,425
REPUBLIC BANK OF TRINIDAD AND TOBAGO LIMITED	19,493	631,573
<b><i>MANUFACTURING</i></b>		
WEST INDIAN TOBACCO CO. LIMITED	56,210	299,599
LEVER BROTHERS W. I. LIMITED	30,975	569,940
TRINIDAD CEMENT LIMITED	62,498	281,241
NATIONAL FLOUR MILLS	44,742	190,153
READYMIX LTD	1,000	7,300
<b><i>INSURANCE</i></b>		
GUARDIAN HOLDINGS	61,050	892,551
<b><i>PROPERTY</i></b>		
PLIPDECO	94,435	552,445
<b><i>CONGLOMERATES</i></b>		
ANSA MC. AL	46,768	514,448
AGOSTINI LTD	16,252	136,517
NEAL & MASSY	62,131	801,490
<b>MARKET VALUE OF EQUITY</b>		<hr/> 7,926,193
<b>DEBT SECURITIES</b>		3,971,111
<b>CASH &amp; SHORT TERM INVESTMENTS</b>		2,475,635
<b>LIABILITIES</b>		(143,500)
<b>NET ASSET VALUE OF PORTFOLIO</b>		<hr/> <b>14,229,439</b> <hr/>

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**28) US\$ MONEY MARKET FUND**

<b>SECURITIES</b>	<b>MARKET VALUE</b>
	<b>\$</b>
Government Securities	88,345,948
Corporate Securities	101,875,385
Cash and Short Term Investments	64,713,289
<b>TOTAL</b>	<b><u>254,934,622</u></b>

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## 29) FIXED ASSETS

	Freehold Land \$'000	Building \$'000	Leasehold Land \$'000	Office Improve \$'000	Motor Vehicles \$'000	Equipment \$'000	Furniture \$'000	Total \$'000
<i>Period ended December 31, 2000</i>								
Opening Net Book Value	12,305	72,421	3,020	2,334	1,458	3,940	3,258	98,736
Additions	-	-	-	10,350	1,815	1,774	3,598	17,537
Disposals	-	-	(755)	-	(363)	(26)	-	(1,144)
Transfers	-	95	(95)	-	6	(6)	-	-
Depreciation Charge	-	(1,467)	-	(765)	(497)	(1,238)	(611)	(4,578)
<b>Closing Net Book Value</b>	<b>12,305</b>	<b>71,049</b>	<b>2,170</b>	<b>11,919</b>	<b>2,419</b>	<b>4,444</b>	<b>6,245</b>	<b>110,551</b>
<i>As at December 31, 2000</i>								
Cost	12,305	72,844	2,170	14,453	3,273	8,777	7,640	121,462
Accumulated Depreciation	-	(1,795)	-	(2,534)	(854)	(4,333)	(1,395)	(10,911)
<b>Net Book Value</b>	<b>12,305</b>	<b>71,049</b>	<b>2,170</b>	<b>11,919</b>	<b>2,419</b>	<b>4,444</b>	<b>6,245</b>	<b>110,551</b>
<i>As at December 31st, 1999</i>								
Cost	12,305	72,749	3,020	4,103	2,324	7,049	4,043	105,593
Accumulated Depreciation	-	(328)	-	(1,769)	(866)	(3,109)	(785)	(6,857)
<b>Net Book Value</b>	<b>12,305</b>	<b>72,421</b>	<b>3,020</b>	<b>2,334</b>	<b>1,458</b>	<b>3,940</b>	<b>3,258</b>	<b>98,736</b>

The amount shown as Leasehold Land reflects the Corporation's interest in a ninety-nine (99) year lease granted by the Government of Trinidad and Tobago to the Unit Trust Corporation for land situated at the Corner of Richmond Street and Independence Square, Port of Spain for the construction of its headquarters building. In 1999 the Corporation completed construction of its Headquarters Building on a Build, Own, Lease and Transfer arrangement.

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**30) UNREALISED CAPITAL APPRECIATION**

This represents the net unrealised gain on the valuation of the Investment Portfolio at the year-end.

**31) LONG TERM INVESTMENTS**

The major portion of this amount represents the Corporation's holding in long term government bonds that will mature in fifteen (15) – twenty (20) years.

**32) SHORT TERM CERTIFICATES OF INTEREST**

This represents Guaranteed Investment Certificates backed by the underlying asset of the Government bonds. These instruments are due within one year.

**33) LONG TERM FINANCIAL INSTRUMENTS**

This represents zero coupon financial instruments that are derived from a portion of the Government long term bonds. These instruments are payable in fifteen (15) – twenty (20) years.

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**34) DEFINED BENEFIT PLAN ASSETS**

<b>a) Amounts recognised in the balance sheet</b>	<b>2000</b>	<b>1999</b>
	<u>\$</u>	\$
Present value of the Obligation	5,985,700	-
Fair Value of plan assets	<u>(14,077,200)</u>	-
	(8,091,500)	-
Unrecognised Transition Assets	8,037,800	-
Unrecognised Actuarial Gains	53,700	-
	<u>0</u>	<u>-</u>
<b>Asset recognised in Balance Sheet</b>		
	<u>0</u>	<u>-</u>
<b>b) Amount recognised in the Income Statement</b>	<b>2000</b>	<b>1999</b>
	\$	\$
Current Service Cost	233,300	-
Interest Cost	547,000	-
Expected Return on assets	(1,171,700)	-
Net actuarial gain/(loss) on plan Assets	-	-
Income Not Utilised due to asset Limit	391,400	-
	<u>0</u>	<u>-</u>
Income statement effect		
	<u>0</u>	<u>-</u>

**International Accounting Standard 19(revised) - Employee Benefits** defines the maximum allowable asset as equal to the economic value inherent, in future contribution reductions by the Employer. The Corporation has continued to maintain the contributions to the plan irrespective of the quantum of the surplus and thus there is no pension asset or gain.