Praetorian Property Mutual Fund

Consolidated Financial Statements

30 September 2019

(Expressed in Trinidad and Tobago Dollars)

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Praetorian Property Mutual Fund

Statement of Trustee's Responsibilities

The Trustee is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Praetorian Property Mutual Fund (the Fund) and its subsidiaries (together, the Group) which comprise the consolidated statement of financial position as at 30 September 2019 and the consolidated statements of comprehensive income, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;

- Ensuring that the Group keeps proper accounting records;

- Selecting appropriate accounting policies and applying them in a consistent manner;

- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of Group operational efficiencies;

- Ensuring that the system of internal control operated effectively during the reporting period;

- Producing reliable financial reporting that comply with laws and regulations, to which the Group is subject, but not limited to the Group's governing documentation; and

- Using reasonable and prudent judgement in the determination of estimates.

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

The financial statements are prepared on a non-going concern basis as the Class B unitholders have voted to fix the termination date in accordance with the Trust Deed and Rules to 14 November 2020.

The Trustee affirms that it has carried out its responsibilities as outlined above.

____________________ Trustee
31 December 2019

____________________ Trustee
31 December 2019

pwc

Independent Auditor's Report

To the Shareholders of Praetorian Property Mutual Fund

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Praetorian Property Mutual Fund (the "Fund") and its subsidiaries (together, the "Group") as at 30 September 2019, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Praetorian Property Mutual Fund's consolidated financial statements comprise:

- the consolidated statement of financial position as at 30 September 2019;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in net assets for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

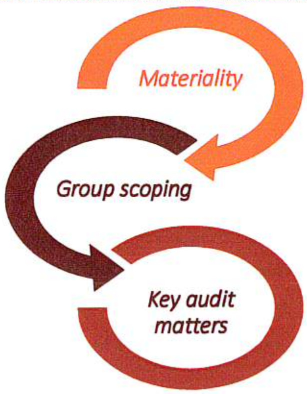
Emphasis of Matter – Use of non-going concern basis of preparation

We draw your attention to Note 2 to the consolidated financial statements which states that an Ordinary Resolution was passed on 14 August 2019 by the Class B unitholders to terminate the Fund and management have therefore prepared these consolidated financial statements using a non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

Independent Auditor's Report (Continued)

Our audit approach

Overview



- Overall Group materiality of $836,285, which represents 1% of the Group net asset value as at the financial year-end.

- The consolidated financial statements consist of the parent, Praetorian Property Mutual Fund and its fully owned subsidiaries, Stoneham Investments Incorporated, Yucca Limited, Parquet Limited and Poui Limited.

- Valuation of investment properties

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Independent Auditor's Report (Continued)

Materiality (continued)

Overall Group materiality	$836,285
How we determined it	1% of the Group net asset value as at 30 September 2019.
Rationale for the materiality benchmark applied	We chose net assets as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 1%, which is within a range of acceptable benchmark thresholds.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above $41,814, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Independent Auditor's Report (Continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the key audit matter*
Valuation of investment properties *Refer to notes 3f, 5 and 19 to the consolidated financial statements for disclosures of related accounting policies, balances and valuation processes.* Investment properties, carried at fair value, were $19.4 million as at 30 September 2019. Included in the Consolidated Statement of Comprehensive Income is a loss of $1 million arising from the revaluation of these properties. The investment properties represent a significant portion of the asset base of the Group. Management values these assets at fair value using market-based valuation models and information that is not publically available. Management, as they do annually, engaged independent external valuation firms to compute the fair value of investment properties used for financial reporting. There are judgements and estimates made in relation to the valuation of the Group's investment properties by the independent valuators. Management, through their valuation experts, primarily used the comparable sales approach to value investment properties. The most significant judgement affecting the valuations is the identification of similar properties with recent sales transactions. Management also assesses property valuation movements compared to the prior year valuation reports and holds discussions with the independent valuers. The existence of significant estimation uncertainty, coupled with the material value of the properties, is why we have given specific audit focus and attention to this area.	We read the valuation reports for all investment properties and observed that the valuation approach for each property was stated as being in accordance with professional valuation standards and appeared suitable for use in determining the carrying value of investment properties at 30 September 2019. It was evident from our discussions with management and our examination of the valuation reports that management has considered each property's individual characteristics and its overall quality, geographic location and desirability as a whole. In particular our procedures involved: • Assessing the independent valuation experts used by management to value the investment properties. In particular, we assessed their competence, capability and objectivity in carrying out their duties. • Assessing whether the methodology selected by management, through their independent valuation experts, is consistent with accepted practices for the relevant industry and business, and has been applied consistently with any historical valuations performed. • Assessing whether the valuation method was appropriate for the nature of the properties being valued and the intended use of the properties and further that the valuation method was correctly applied to support the final value conclusion. • Assessing the appropriateness of recent property sales transactions that were utilized in the fair market value determination of the properties for comparability with the subject properties. • Assessing the movements in valuation of the investment properties from prior year valuation reports that were assessed by independent auditor experts and whether these were consistent with our knowledge of economic conditions. No material misstatements were identified as a result of our testing.

Independent Auditor's Report (Continued)

Other information

Management is responsible for the other information. The other information comprises the Praetorian Property Mutual Fund Trustee's Report (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Praetorian Property Mutual Fund Trustee's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report (Continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sean Ramirez.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
31 December 2019

Praetorian Property Mutual Fund

Consolidated Statement of Financial Position
(Expressed in Trinidad and Tobago Dollars)

	Notes	As at 30 September 2019 $	2018 $
Assets			
Investment properties	5	19,373,611	36,972,773
Rental income receivable	6	30,032,352	32,378,037
Other receivables	7	18,393,043	4,864,377
Investments at fair value through profit or loss	8	38,243,142	37,410,375
Cash at bank		7,762,252	5,360,946
Total assets		113,804,400	116,986,508
Liabilities			
Other payables	9	32,463,508	32,997,056
Units – Class B	10	200	200
Total liabilities		32,463,708	32,997,256
Total net assets		81,340,692	83,989,252
Fund value			
Units – Class A	10	120,000,000	120,000,000
Accumulated deficit		(38,659,308)	(36,010,748)
Total fund value		81,340,692	83,989,252
Net asset value per Class A unit	11	2.034	2.100

The notes on pages 12 to 35 are an integral part of these consolidated financial statements.

On 31 December 2019, the Trustees of Praetorian Property Mutual Fund authorised these consolidated financial statements for issue.

Trustee

Trustee

Praetorian Property Mutual Fund

Consolidated Statement of Comprehensive Income
(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 30 September 2019 $	2018 $
Income			
Interest		774,897	879,719
Dividend		38,999	113,279
Service charges		752,328	1,190,263
Rental income		1,297,486	1,535,973
Fair value gains on financial assets	8	461,220	--
Realised gains from sale of financial assets		--	187,807
Total income		3,324,930	3,907,041
Expenses			
Market value depreciation in investment properties	5	(1,040,600)	(1,063,435)
Fees, commissions and service charges	12	(3,087,371)	(2,571,562)
Other administrative expenses		(590,567)	(25,098)
Fair value losses on financial assets	8	--	(222,686)
Net foreign exchange losses		(1,364,723)	(736,924)
Total expenses		(6,083,261)	(4,619,705)
Net investment loss before taxation		(2,758,331)	(712,664)
Taxation	13	109,771	2,008,727
Net investment (loss)/income after taxation		(2,648,560)	1,296,063
Total comprehensive (loss)/income for the year		(2,648,560)	1,296,063

The notes on pages 12 to 35 are an integral part of these consolidated financial statements.

Praetorian Property Mutual Fund

Consolidated Statement of Changes in Net Assets
(Expressed in Trinidad and Tobago Dollars)

	Note	Units $	Accumulated deficit $	Total $
Year ended 30 September 2019				
Balance at beginning of year		120,000,000	(36,010,748)	83,989,252
Total comprehensive loss for the year		--	(2,648,560)	(2,648,560)
Balance at end of year		120,000,000	(38,659,308)	81,340,692
Year ended 30 September 2018				
Balance at beginning of year		200,000,000	(37,306,811)	162,693,189
Repurchase of units	10	(80,000,000)	--	(80,000,000)
Total comprehensive income for the year		--	1,296,063	1,296,063
Balance at end of year		120,000,000	(36,010,748)	83,989,252

The notes on pages 12 to 35 are an integral part of these consolidated financial statements.

Praetorian Property Mutual Fund

Consolidated Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Year ended 30 September 2019 $	2018 $
Cash flows from operating activities		
Net investment loss before taxation	(2,758,331)	(712,664)
Adjustments:		
Interest income	(774,897)	(879,719)
Dividend income	(38,999)	(113,279)
Realised gains on sale of financial assets	--	(187,807)
Unrealised exchange loss on investment properties	43,562	609,930
Foreign exchange loss/(gains)	1,175,334	(122,590)
Net loss on sale of investment property	1,908,349	--
Net fair value (gains)/loss on mutual funds	(461,219)	222,686
Market value depreciation in investment properties	1,040,600	1,063,435
Net investment income/(loss) before working capital changes	134,399	(120,008)
Decrease in receivables	2,273,682	10,493,841
(Decrease)/increase in payables	(199,542)	4,156,171
	2,208,539	14,530,004
Net taxation paid	(224,235)	(20,373)
	1,984,304	14,509,631
Interest received	774,885	880,110
Dividend received	38,999	113,279
Net cash flows generated from operating activities	2,798,188	15,503,020
Cash flows from investing activities		
Proceeds on sale of investments	257,274	68,944,157
Purchase of investments	(693,129)	(1,671,673)
Net cash flows (used in)/ generated from investing activities	(435,855)	67,272,484
Cash flows from financing activities		
Repurchase of units	--	(80,000,000)
Net cash flows used in financing activities	--	(80,000,000)
Net increase in cash and cash equivalents	2,362,233	2,775,504
Cash and cash equivalents at beginning of year	5,360,946	2,506,693
Exchange gains on cash and cash equivalents	38,973	78,749
Cash and cash equivalents at end of year	7,762,252	5,360,946
Represented by:		
Cash at bank	7,762,252	5,360,946

The notes on pages 12 to 35 are an integral part of these consolidated financial statements.

1 Description of the Fund

The following brief description of the Praetorian Property Mutual Fund (the Fund) is provided for general information purposes only. Reference should be made to the trust deed and rules of the Fund for more complete information.

General

The Fund is a Trinidad and Tobago based closed ended mutual fund, which provides an avenue for investment in a portfolio of real estate properties and other property-related securities, debt securities and money market investments in the Caribbean. The consolidated financial statements of the Fund for the year ended 30 September 2019 comprise the financial statements of the fund and its subsidiaries, Stoneham Investments Incorporated, Yucca Limited, Parquet Limited and Poui Limited.

The Trustee of the Fund is RBC Trust (Trinidad & Tobago) Limited, while the Portfolio Managers are RBC Investment Management (Caribbean) Limited and Guardian Group Trust Limited (formerly Guardian Asset Management Limited). The Fund is sponsored by RBC Royal Bank (Trinidad & Tobago) Limited and Guardian Life of the Caribbean Limited. The Fund Administrator is Guardian Group Trust Limited. The Fund began operations effective 22 November 2002 and had an initial finite life of 7-12 years.

The Termination Date of the Fund will be determined by Class B unitholders in accordance with the Declaration of Trust. If there is no resolution of unitholders to terminate the Fund on the 7th – 11th anniversary dates of the Fund's commencement, the Fund would automatically terminate on the 12th anniversary date unless Class B unitholders resolve to extend the termination date. The Termination Date may be extended for a further period up to 3 years from the 12th anniversary on the advice of the Portfolio Managers and annually thereafter, having regard to the economic climate and other market conditions. Class B unitholders have resolved to extend the Fund's termination date to 14 November 2020. Trading of the Fund's units on the Trinidad and Tobago Stock Exchange was suspended on 9 November 2017.

2 Basis of measurement

These financial statements have been prepared on a non-going concern basis in accordance with the accounting policies described in Note 3.

The going-concern basis has not been used because the Fund is in the process of winding down its operations as outlined:

- Ordinary Resolution of the Class B unitholders in accordance with the Trust deed and rules which was passed on the 7 August 2019 to fix the termination date to the 14th day of November 2020.

The Fund will be liquidated in an orderly manner which will take place over a period of time that is currently not ascertainable. However, to the extent that investment properties can be sold prior to the termination date of the Fund, these will be pursued and the net balance due to the Fund by the property managers will be settled at that point in time. The Trustee shall be entitled to retain out of any monies in its hands payments for all debts, liabilities, fees or commissions outstanding. The Trustee will then distribute to investors pro rata to the number of units held by them respectively all net assets of the Fund available.

There were no significant changes to the accounting policies, the carrying values of assets and liabilities or to income and expenses as a result of preparation of the financial statements on a non-going concern basis.

3 Summary of significant accounting policies

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

a. *Basis of preparation*

The consolidated financial statements of Praetorian Property Mutual Fund are prepared in accordance with International Financial Reporting Standards (IFRS). Refer to Note 2 for basis of measurement.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

No new or amended standards would have a significant impact on the Fund due to its current position.

b. *Consolidation*

(i) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Fund has control. The Fund controls an entity when the Fund is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Fund. They are deconsolidated from the date that control ceases.

The Fund applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Fund. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Fund recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Fund is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

3 **Summary of significant accounting policies (continued)**

b. *Consolidation (continued)*

(i) *Subsidiaries (continued)*

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

For acquisitions of subsidiaries not meeting the definition of a business, the Fund allocates the cost between the individual identifiable assets and liabilities in the Fund based on their relative fair values at the date of acquisition. Such transactions or events do not give rise to goodwill.

All the Fund companies have 30 September as their year-end. Consolidated financial statements are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Fund.

Inter-company transactions, balances and unrealised gains on transactions between Fund companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Funds accounting policies.

(ii) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) *Disposal of subsidiaries*

When the Fund ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Fund had directly disposed of the related assets or liabilities.

3 **Summary of significant accounting policies (continued)**

c. *Operating segments*

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

Operating segments are reported in a manner consistent with the internal reporting provided to the key operating decision-maker. The key operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Trustee has determined that the key operating decision-maker is the Fund's Management Committee.

Segment results that are reported to the Fund's Management Committee include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Investments and other unallocated amounts are included under "Other".

d. *Cash and cash equivalents*

Cash and cash equivalents are carried in the statement of financial position at cost.

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash at bank.

e. *Investment at fair value through profit or loss*

Investments are classified as investments at fair value through profit and loss. The Trustee determines the classification of its investments at initial recognition. An investment is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by the Trustee.

Purchases and sales of investments are recognised on the trade-date which is the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value excluding transaction costs. Investments are de-recognised when the rights to receive cash flows from the financial assets have expired or where the Fund has transferred substantially all risks and rewards of ownership.

Investments are subsequently carried at fair value. Gains and losses arising from changes in the fair value of investments are included in the consolidated statement of comprehensive income in the period in which they arise.

The Fund's investments in mutual funds are subject to the terms and conditions of the respective mutual fund's offering documentation. The investments in mutual funds are primarily valued based on the latest available redemption price of such units for each mutual fund, as determined by the administrator of each mutual fund. The Fund establishes fair value of its investment in treasury bills using valuation techniques. These include the use of comparable recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs. The Fund's investment in equity securities are based on current bid prices at the statement of financial position date. Changes in the fair value of investments are recognised in the consolidated statement of comprehensive income.

3 Summary of significant accounting policies (continued)

f. *Investment properties*

Investment properties refer to land or buildings held, whether by the owner or under a finance lease, to earn rentals or for capital appreciation or both. Investment properties are initially measured at cost, including transaction costs.

Investment properties are treated as long-term and are carried at fair value, representing open market value determined annually by external valuers. Open market values are determined by considering current market conditions and the use of the Sales Comparison Approach and/or Income Approach. The Sales Comparison approach uses recent sales of similar properties while the Income Approach capitalises the net income of subject properties at a rate obtained from the market. Changes in fair values are recorded in the consolidated statement of comprehensive income.

g. *Rental income receivable*

Rental income receivable arises from payments recoverable from rental customers and from property managers. A provision for impairment of rental income receivable is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the rental income receivable is impaired.

h. *Provisions*

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate of the amount of the obligation can be made.

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

i. Leases

Properties leased out under operating leases are included in investment property in the consolidated statement of financial position. They are carried at fair value.

Rental income is recognised on a straight-line basis over the lease term.

j. *Interest income*

Interest income is recognised in the consolidated statement of comprehensive income for all interest-bearing instruments on an accrual basis using the effective interest method.

k. *Service charges*

Service charges are accounted for on the accrual basis.

3 **Summary of significant accounting policies (continued)**

l. *Expenses*

Expenses are accounted for on the accrual basis.

m. *Foreign currency transactions*

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income. Foreign exchange gains and losses that relate to cash and cash equivalents are presented net in the consolidated statement of comprehensive income.

Fund entities

The results and financial position of all the Fund's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that financial position;
(ii) income and expenses for each consolidated statement of income are translated at average exchange rates;
(iii) all resulting exchange differences are recognised in the consolidated statement of comprehensive income.

When a foreign entity is sold, liquidated or wound up, such exchange differences are recognized in the consolidated statement of income as part of the gain or loss on sale.

n. *Distribution of fund income*

Distributions of fund income are accounted for as an appropriation of the Accumulated Surplus in the period in which they are declared.

o. *Taxation*

The Fund is not subject to corporation tax on the income or profits derived from its unit trust business in Trinidad and Tobago nor is it subject to taxation in the territories outside of Trinidad and Tobago where it has an interest in investment properties.

3 **Summary of significant accounting policies (continued)**

p. *Units*

The units are not redeemable prior to the termination date or termination of the Fund.

References to net assets and fund value throughout these financial statements refer to net assets attributable to holders of Class A units. References to total liabilities in these financial statements refer to liabilities excluding amounts attributable to holders of Class A units. Net asset value per unit has been determined as total assets less total liabilities (excluding net assets attributable to holders of Class A units) divided by the number of units outstanding.

4 **Critical accounting estimates and judgements in applying accounting policies**

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

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets are addressed below.

Fair value of investment properties

The fair value of investment properties is determined annually by using independent external property valuers in accordance with the accounting policy stated in Note 3 f. The valuers use their judgement to select a variety of methods and make assumptions that are mainly based on current market conditions. The Fund has used external valuations based on sales comparison or income approach. Further details of judgements and assumptions are made in Note 19.

Taxation

Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Fund recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will affect the income tax and deferred tax provisions in the period in which such determination is made.

5 Investment properties

	2019 $	2018 $
Balance at beginning of year	36,972,773	38,646,138
Disposals	(16,515,000)	--
Exchange differences	(43,562)	(609,930)
Market value depreciation in investment properties	(1,040,600)	(1,063,435)
Balance at end of year	19,373,611	36,972,773

The investment properties consist of the following:

	2019 $	2018 $
Commercial freehold property		
Bush Hill - Barbados	--	16,515,000
	--	16,515,000
Leisure properties		
Port St. Charles Condominium - Barbados	12,319,845	12,680,438
Marigot Bay - St. Lucia	886,016	2,367,015
The Landings - St. Lucia	6,167,750	5,410,320
	19,373,611	20,457,773
Total	19,373,611	36,972,773

Bush Hill is legally owned by Yucca Limited, a company incorporated and registered in Barbados under the Companies Act, on 18 March 2008. Yucca Limited is wholly owned by RBC Trust (Trinidad and Tobago) Limited on behalf of Praetorian Property Mutual Fund. This property was disposed of in 2019.

The Port St. Charles Condominium is legally owned by Stoneham Investments Inc. Stoneham Investments Inc. is incorporated in the British Virgin Islands and was registered in Barbados as an external company under the Companies Act, on 16 March 1998. Stoneham Investments Inc. is wholly owned by Praetorian Property Mutual Fund.

Marigot Bay is legally owned by Parquet Limited, a company incorporated and registered in St. Lucia under the Companies Act, on 20 November 2007. Parquet Limited is wholly owned by RBC Trust (Trinidad and Tobago) Limited on behalf of Praetorian Property Mutual Fund.

The Landings is legally owned by Poui Limited, a company incorporated and registered in St. Lucia under the Companies Act, on 24 October 2007. Poui Limited is wholly owned by RBC Trust (Trinidad and Tobago) Limited on behalf of Praetorian Property Mutual Fund.

6 Rental income receivable

	2019 $	2018 $
Due from property managers	30,032,352	32,378,037

7 Other receivables

	2019 $	2018 $
Interest receivable	2,086	2,074
Sundry receivables	--	5,612
Amount due from sale of property	13,456,651	--
VAT balances	66,751	52,918
Amounts due from portfolio managers (Note 20b)	4,867,555	4,803,773
	18,393,043	4,864,377

8 Investments at fair value through profit or loss

	2019 $	2018 $
Exchange traded funds	2,012,906	1,961,008
Mutual funds		
Money Market Fund - TT$	2,254,630	2,220,454
Money Market Fund - US$	33,975,606	33,228,913
	38,243,142	37,410,375

The movements in investments may be summarised as follows:

	2019 $	2018 $
At beginning of year	37,410,375	104,673,897
Exchange differences	(64,307)	43,841
Additions	693,129	1,671,673
Disposals	(257,274)	(68,756,350)
Net fair value gains/(losses)	461,220	(222,686)
At end of year	38,243,142	37,410,375

9 Other payables

	2019 $	2018 $
Provision for taxation	22,428	356,434
Rental deposit	68,337	151,318
Service charges and facility management fees	29,450,695	29,299,455
Other accrued expenses	280,342	548,143
Distributions payable	2,641,706	2,641,706
	32,463,508	32,997,056

10 Units

	2019 $	2018 $
Class A		
Issued and fully paid 40,000,000 units	120,000,000	120,000,000
Class B		
Issued and fully paid 20 units	200	200

Pursuant to the Trust Deed, the Fund issued 40,000,000 Class A units at $5.00 each and 20 Class B units at $10.00 each on 22 November 2002.

Class A units are issued to the public and are classified as equity. Trading of these units was suspended from the Trinidad and Tobago Stock Exchange on 9 November 2017. Class A unitholders are entitled to receive dividends at the discretion of the Trustee on the advice of the Portfolio Managers and have rights to the Fund's assets upon termination of the Fund. They also have the right to attend all unitholders meetings and vote on material matters except the winding up, liquidation and restructuring of the Fund. In the prior year, the Portfolio Managers made a partial repayment of capital of $2 per unit amounting to $80,000,000 to all Class A unitholders on register as at 9 November, 2017.

Class B units are only issued to the Fund Sponsors and are classified as a liability. These units are not traded on the Trinidad and Tobago Stock Exchange. Class B Unitholders are not entitled to receive dividends and have no rights to the Fund's assets upon termination of the Fund, save and except for their original investment. Class B Unitholders are entitled to one vote per unit with respect to winding up, liquidation and restructuring of the Fund.

11 Net asset value per Class A unit

	2019 $	2018 $
Total net assets	81,340,692	83,989,252
Number of units issued	40,000,000	40,000,000
Net asset value per unit	2.034	2.100

12 Fees, commissions and service charges

	2019	2018
Management fees	--	(33,706)
Administration fees	--	(8,314)
Trustee fees	--	(8,314)
Registrar fees	--	57,473
Property management and advisory fees	(10,417)	--
Professional fees	61,245	159,570
Legal fees	316,651	200
Listing fees and other expenses	148,724	112,652
Commissions	722,155	--
Service charges and facility management fees	1,849,013	2,292,001
	3,087,371	2,571,562

Pursuant to the terms of the Supplemental Deed dated 3 November 2017, management, trustee and administration fees paid to the two Portfolio Managers, the Trustee and Fund Administrator respectively ceased.

Property management and advisory fees are fees paid to the various property administrators for the services rendered.

Service charges and facility management fees relate to all other operational and maintenance costs that are paid to the property administrators.

13 Taxation

	2019	2018
Corporation tax		
- Prior year over provision	(116,959)	(2,022,759)
Business and green fund levies	7,188	14,032
	(109,771)	(2,008,727)

The tax on net investment loss differs from the theoretical amount that would arise using the basic rate of tax as follows:

	2019	2018
Net investment loss before taxation	(2,758,331)	(712,664)
Tax calculated at 30%	(827,499)	(213,799)
Business and green fund levies	7,188	14,032
Amounts not subject to tax	146,349	213,799
Prior year over provision	(827,499)	(2,022,759)
	(109,771)	(2,008,727)

14 Operating lease - rentals

The future minimum rental receivable under non-cancellable operating leases are as follows:

	2019 $	2018 $
Not later than 1 year	271,421	1,441,216
Later than 1 year and not later than 5 years	155,101	302,751
	426,522	1,743,967

15 Capital commitments

As at the statement of financial position date, there were no contracted capital commitments (2018: nil).

16 Financial risk management

The Fund's activities expose it to a variety of financial risks: credit risk, market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk, other price risk) and liquidity risk.

a. *Credit risk*

(i) *Definition*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

(ii) *Management of risk*

The Fund minimises its credit risk by limiting its counterparties to major banks, high credit quality financial institutions, recognised real estate property managers and rental customers.

(iii) *Maximum exposure to credit risk before collateral held or other credit enhancements*

The following table shows assets bearing credit risk for the Fund:

	2019 $	2018 $
Rental income receivable	30,032,352	32,378,037
Other receivables	18,393,043	4,864,377
Investments	36,230,236	35,449,367
Cash at bank	7,762,252	5,360,946
	92,417,883	78,052,727

16 Financial risk management (continued)

a. *Credit risk (continued)*

(iv) *Analysis of financial assets*

	Neither past due nor impaired $	Past due but not impaired $	Total $
As at 30 September 2019			
Rental income receivable	1,454,401	28,577,951	30,032,352
Other receivables	18,393,043	--	18,393,043
Investments	36,230,236	--	36,230,236
Cash at bank	7,762,252	--	7,762,252
	63,839,932	28,577,951	92,417,883
As at 30 September 2018			
Rental income receivable	188,540	32,189,497	32,378,037
Other receivables	4,864,377	--	4,864,377
Investments	35,449,367	--	35,449,367
Cash at bank	5,360,946	--	5,360,946
	45,863,230	32,189,497	78,052,727

(a) *Financial assets neither past due nor impaired*

Credit quality of financial assets

The credit quality of financial assets bearing credit risk can be assessed by reference to external credit ratings if available or to ratings assigned by the Fund Administrator using an approach that is consistent with that used by the rating agency. This is analysed as follows:

Financial assets are classified according to the long-term issuer credit ratings below

AAA: An obligor rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by Standard & Poor's.

AA: An obligor rated 'AA' has very strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree.

A: An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

BBB: An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

BBB-: An obligor rated 'BBB-" demonstrates adequate capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. However, adverse economic conditions or changing circumstances are more likely to lead to a reduced capacity to maintain principal stability.

16 **Financial risk management (continued)**

a. *Credit risk (continued)*

(iv) *Analysis of financial assets (continued)*

(a) *Financial assets neither past due nor impaired (continued)*

Credit quality of financial assets (continued)

BB, B, CCC, and CC: Obligors rated 'BB', 'B', 'CCC', and 'CC' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'CC' the highest. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

BB: An obligor rated 'BB' is less vulnerable in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions, which could lead to the obligor's inadequate capacity to meet its financial commitments.

B: An obligor rated 'B' is more vulnerable than the obligors rated 'BB', but the obligor currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.

CCC: An obligor rated 'CCC' is currently vulnerable, and is dependent upon favorable business, financial, and economic conditions to meet its financial commitments.

CC: An obligor rated 'CC' is currently highly vulnerable.

Not rated are financial assets held by a party that is not rated.

The rating of financial assets neither past due nor impaired are analysed as follows:

	BB $	BBB $	Not rated $	Total $
Year ended 30 September 2019				
Rental income receivable	--	--	1,454,401	1,454,401
Other receivable	4,867,555	2,086	13,523,402	18,393,043
Investments	5,208,476	31,021,760	--	36,230,236
Cash at bank	7,762,252	--	--	7,762,252
	17,838,283	31,023,846	14,977,803	63,839,932
Year ended 30 September 2018				
Rental income receivable	--	--	188,540	188,540
Other receivable	4,803,773	2,074	58,530	4,864,377
Investments	--	35,449,367	--	35,449,367
Cash at bank	5,360,946	--	--	5,360,946
	10,164,719	35,451,441	247,070	45,863,230

16 **Financial risk management (continued)**

a. *Credit risk (continued)*

(iv) *Analysis of financial assets (continued)*

(b) *Financial assets that are past due but not impaired*

As at 30 September 2019, rental income receivable of $28,577,951 (2018: $32,189,497) were past due but not impaired. These relate to a number of independent property managers for whom there is no recent history of default. The ageing analysis of these financial assets is as follows:

	2019 $	2018 $
Up to 3 months	116,323	19,864
3 to 6 months	76,002	29,836
Over 6 months	28,385,626	32,139,797
	28,577,951	32,189,497

Balances over six months relate mainly to amounts due from the entities set up to manage the Bush Hill and Port St Charles properties. These balances have corresponding amounts included in other payables of $29,450,695 (2018: $29,299,455). There is an intention to settle past due balances on a net basis. Dividend distributions paid by these entities will be applied against the net balances.

(v) *Concentration of risk of financial assets with credit exposure*

As at 30 September 2019	Financial institutions $	Property managers $	Other $	Total $
Rental income receivable	--	30,032,532	--	30,032,352
Other receivables	18,325,906	--	67,137	18,393,043
Investments	36,230,236	--	--	36,230,236
Cash at bank	7,762,252	--	--	7,762,252
	62,318,394	30,032,532	67,137	92,417,883

As at 30 September 2018	Financial institutions $	Property managers $	Other $	Total $
Rental income receivable	--	32,378,037	--	32,378,037
Other receivables	4,811,459	--	52,918	4,864,377
Investments	35,449,367	--	--	35,449,367
Cash at bank	5,360,946	--	--	5,360,946
	45,621,772	32,378,037	52,918	78,052,727

(vi) This fund does not hold any collateral against the balances bearing credit risk.

(vii) There were no changes in the policies and procedures in managing credit risk compared to the prior year.

16 Financial risk management (continued)

b. *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(i) *Currency risk*

(a) *Definition*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

(b) *Management of risk*

The strategy of dealing with currency risk is to as far as possible offset foreign currency liabilities with assets denominated in the same currency.

(c) *Concentration of currency risk*

	TT$	US$	BD$	Total
As at 30 September 2019				
Assets				
Rental income receivable	--	419,091	29,613,261	30,032,352
Other receivables	4,379,738	556,654	13,456,651	18,393,043
Investments	2,254,630	35,988,512	--	38,243,142
Cash at bank	3,345,029	--	4,417,223	7,762,252
Total assets	9,979,397	36,964,257	47,487,135	94,430,789
Liabilities				
Other payables	2,944,475	329,753	29,189,280	32,463,508
Total liabilities	2,944,475	329,753	29,189,280	32,463,508
Net statement of financial position	7,034,922	36,634,504	18,297,855	61,967,281
As at 30 September 2018				
Assets				
Rental income receivable	--	253,136	32,124,901	32,378,037
Other receivables	4,389,351	475,026	--	4,864,377
Investments	2,220,454	35,189,921	--	37,410,375
Cash at bank	1,453,895	--	3,907,051	5,360,946
Total assets	8,063,700	35,918,083	36,031,952	80,013,735
Liabilities				
Other payables	2,641,761	228,713	29,222,005	32,092,479
Total liabilities	2,641,761	228,713	29,222,005	32,092,479
Net statement of financial position	5,421,939	35,689,370	6,809,947	47,921,256

16 **Financial risk management (continued)**

b. *Market risk (continued)*

(i) *Currency risk (continued)*

(d) *Sensitivity analysis*

As at 30 September 2019, if the Trinidad and Tobago dollar had weakened/strengthened by 1% against the United States dollar with all other variables held constant, net investment income for the period and fund value would have been $366,349 (2018: $350,197) higher/lower, mainly as a result of foreign exchange gains/losses on translation of United States dollar denominated rental income receivable, mutual funds, investment at fair value through profit and loss and other payables.

As at 30 September 2019, if the Trinidad and Tobago dollar had weakened/strengthened by 1% against the Barbados dollar with all other variables held constant, net investment income for the period and fund value would have been $69,773 (2018: $65,922) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Barbados dollar denominated cash at bank, rental income receivable and other payables.

(e) There were no changes in the policies and procedures in managing currency risk compared to the prior year.

(ii) *Interest rate risk*

(a) *Definition*

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value and future cash flows of financial assets and liabilities. Fixed interest securities expose the Fund to fair value interest rate risk. Floating rate debt instruments and cash and cash equivalents expose the Fund to cash flow interest rate risk.

(b) *Management of risk*

The Fund has significant short term investments in money market funds which are impacted by interest rate changes. The risk is managed by maintaining an appropriate mix of fixed rate instruments and cash and cash equivalents. The money market funds allow flexibility in accessing funds as opportunities arise and market conditions change.

(c) *Concentration of interest rate risk*

The Fund's exposure to interest rate risk is limited to its mutual funds balances.

(d) *Sensitivity analysis*

As at 30 September 2019, if interest rates had been 1% higher/lower with all other variables held constant, net investment income for the period and fund value would have been $358,248 (2018: $675,391) higher/lower, mainly as a result of higher/lower interest income on mutual funds.

(e) There were no changes in the policies and procedures in managing interest rate risk compared to the prior year.

16 **Financial risk management (continued)**

b. *Market risk (continued)*

(iii) *Other price risk*

(a) *Definition*

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or issuer, or factors affecting all similar financial instruments traded in the market.

(b) *Management of risk*

The Fund has limited exposure to price risk as its financial assets are substantially comprised of fixed Net Asset Value's (NAV) money market instruments with financial institutions. The limited exposure to price risk relates to Exchange Traded Funds.

(c) *Sensitivity analysis*

As at 30 September 2019, if prices had been 1% higher or lower with all other variables held constant, Net Investment Income for the period and the fund value would have been $20,129 (2018: $19,610) higher/lower mainly as a result of higher/lower interest income on Exchange Traded Funds.

(d) There were no changes in the policies and procedures in managing market risk compared to the prior year.

c. *Liquidity risk*

(i) *Definition*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

(ii) *Management of risk*

The Fund's financial assets portfolio is made up of highly liquid assets that can be quickly converted to cash. The Fund also has the ability to borrow monies in the short term. The Trust Deed limits the Fund's borrowings up to 50% of such part of the Deposited Property comprising real property of the Fund. No such borrowings have arisen during the year.

(iii) *Maturity analysis of financial liabilities*

The Fund's liabilities comprise other payables. Assets comprising rental income receivable, other receivables, investments at fair value through profit or loss, cash at bank are matched to these liabilities. All balances are due within twelve months and equal their carrying balances as the impact of discounting is not significant.

(iv) There were no changes in the policies and procedures in managing liquidity risk compared to the prior year.

17 Capital risk management

The capital of the Fund is represented by the net fund value due to unitholders. The Fund's objective when managing capital is to provide returns for unitholders and benefits of other stakeholders over the tenure of the Fund.

The Trustee of the Fund monitors capital on the basis of the net asset value per unit.

There were no changes in the policies and procedures in managing capital risk compared to the prior year.

18 Fair value of financial assets and liabilities

Cash and cash equivalents, rental income receivable and other current assets and liabilities are short term in nature and the recorded values are taken as indicative of fair value.

Financial assets carried at fair value comprise of investments in mutual funds. The classification of financial instruments at fair value can be determined by reference to the source of inputs used to derive the fair value. The classification uses the following three-level hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is sufficient to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The following table shows an analysis of financial instruments recorded at fair value by the level of fair value hierarchy:

Year ended 30 September 2019	**Level 1**	**Level 2**	**Total**
	$	**$**	**$**
Exchange traded funds	2,012,906	--	2,012,906
Mutual funds - TT$	--	2,254,630	2,254,630
Mutual funds - US$	--	33,975,606	33,975,606
	2,012,906	36,230,236	38,243,142

Year ended 30 September 2018	**Level 1**	**Level 2**	**Total**
	$	**$**	**$**
Exchange traded funds	1,961,008	--	1,961,008
Mutual funds - TT$	--	2,220,454	2,220,454
Mutual funds - US$	--	33,228,913	33,228,913
	1,961,008	35,449,367	37,410,375

19 Fair value hierarchy of investment properties

The Fund's investment properties are measured at fair value. The Fund holds leisure properties in Barbados and St. Lucia.

Country **Segment**	**Barbados** **Commercial**	**Barbados** **Leisure**	**St. Lucia** **Leisure**	**Total** **2019**
Fair value hierarchy	**2**	**3**	**3**	
	$	**$**	**$**	**$**
Fair value at 1 October 2018	16,515,000	12,680,438	7,777,335	36,972,773
Disposals	(16,515,000)	--	--	(16,515,000)
Market value depreciation	--	(335,738)	(704,862)	(1,040,600)
Exchange differences	--	(24,855)	(18,707)	(43,562)
Fair value at 30 September 2019	--	12,319,845	7,053,766	19,373,611

Country **Segment**	**Barbados** **Commercial**	**Barbados** **Leisure**	**St. Lucia** **Leisure**	**Total** **2018**
Fair value hierarchy	**2**	**3**	**3**	
	$	**$**	**$**	**$**
Fair value at 1 October 2017	17,982,264	12,898,039	7,765,835	38,646,138
Market value depreciation	(821,918)	(237,808)	(3,709)	(1,063,435)
Exchange differences	(645,346)	20,207	15,209	(609,930)
Fair value at 30 September 2018	16,515,000	12,680,438	7,777,335	36,972,773

Valuation processes

The Fund's investment properties were valued at 30 September 2019 by reference to sale offer under consideration where applicable and by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

At each financial year end the Fund's Management Committee:
- assesses property valuation movements when compared to the prior year valuation report; and
- holds discussions with the independent valuer.

Information about fair value measurements using significant unobservable inputs (Level 3):

Country	**Segment**	**Valuation** **$**	**Valuation** **technique**
St. Lucia	Leisure	886,016	Sales offer
St. Lucia	Leisure	8,438,250	Comparable sales
Barbados	Leisure	12,319,845	Comparable sales

20 Related party transactions

The Fund's portfolio managers are RBC Investment Management (Caribbean) Limited and Guardian Group Trust Limited (formerly Guardian Asset Management Limited). The Fund's administrator is Guardian Group Trust Limited (formerly Guardian Asset Management Limited). The Fund's Trustee is RBC Trust (Trinidad & Tobago) Limited.

The following transactions were carried out with the above parties:

		2019 $	2018 $
a.	*Income/(expenses)*		
	Interest Income:		
	- GAM Mutual Funds	525,219	593,426
	- Roytrin Mutual Funds	87,003	116,895
		612,222	710,321
	Management fees:		
	- Guardian Group Trust Limited	--	16,853
	- RBC Investment Management (Caribbean) Limited	--	16,853
		--	33,706
	Administration fees:		
	- Guardian Group Trust Limited	--	8,314
	Trustee fees:		
	- RBC Trust (Trinidad and Tobago) Limited	--	8,314
b.	*Year-end balances – (assets)*		
	Mutual funds:		
	- GAM Mutual Funds	30,536,796	30,358,766
	- Roytrin Mutual Funds	5,208,475	4,611,076
		35,745,271	34,969,842
	Other receivables:		
	- RBC Investment Management (Caribbean) Limited	4,867,555	4,803,773
c.	*Fund value*		
	Number of units – Class A:		
	- Guardian Life of the Caribbean (Sponsor)	7,413,650	7,413,650
	- Key management personnel	99,000	99,000
		7,512,650	7,512,650

These services are provided in accordance with the relevant agreements between the parties.

21 Operating segments

The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Trustee has determined that the chief operating decision-maker of the Fund is the management committee, which comprises members of the trustee and administrator.

The trustee has determined the operating segments based on the property manager reports reviewed by the management committee in making strategic decisions.

The management committee considers the business based on the following operating segments:

1. Barbados – Commercial and Residential
2. St Maarten – Leisure
3. St Lucia – Leisure

The operating segments derive their revenue primarily from rental income from lessees. The Fund's business activities and operating segments are reported within the above segments except for investments and other unallocated amounts are included under "Other".

During 2019 and 2018, there were no transactions between the Fund's operating segments.
The management committee assesses the performance of the operating segments based on a measure of operating profit which is measured in a manner consistent with that in profit or loss. A reconciliation of operating profit to profit before tax is therefore not presented separately.

21 Operating segments (continued)

a. The segment information provided to the Fund's Management Committee for the reportable segments is as follows:

Year ended 30 September 2019	**Barbados**		**St Maarten**	**St Lucia**		
	Commercial	**Residential**	**Leisure**	**Leisure**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Total segment revenue						
Revenue from external customers	1,543,964	338,355	--	167,495	--	2,049,814
Interest income	--	--	--	--	774,897	774,897
Other income	--	--	--	--	38,999	38,999
Realised loss on investments	(1,150,000)	(24,854)	--	(18,707)	(153,830)	(1,347,391)
Net investment (loss)/income before tax	(2,696,239)	(581,208)	240,383	(851,389)	1,130,122	(2,758,331)
Taxation	--	--	116,959	--	(7,188)	109,771
Net investment (loss)/income after tax	(2,696,239)	(581,208)	357,342	(851,389)	1,122,934	(2,648,560)
Included in operating profit						
Net loss from fair value adjustment on investment property	--	(335,738)	--	(704,862)	--	(1,040,600)
Unrealised foreign exchange loss	--	(24,855)	--	(18,707)	--	(43,562)
Total assets	25,196,401	17,775,149	--	7,473,969	63,358,881	113,804,400
Total liabilities	25,012,872	5,191,264	--	338,349	1,921,223	32,463,708

21 Operating segments (continued)

Year ended 30 September 2018	Barbados Commercial $	Barbados Residential $	St Maarten Leisure $	St Lucia Leisure $	Other $	Total $
Total segment revenue						
Revenue from external customers	2,352,947	220,947	–	97,375	54,967	2,726,236
Interest income	–	–	–	–	879,719	879,719
Other income	–	–	–	–	113,279	113,279
Realised loss on investments	(1,693,597)	20,207	–	15,209	(126,995)	(1,785,176)
Net investment (loss)/income before tax	(1,012,041)	(359,501)	–	(16,579)	675,457	(712,664)
Taxation	–	–	2,022,759	–	(14,032)	2,008,727
Net investment profit after tax	(1,012,041)	(359,501)	2,022,759	(16,579)	661,425	1,296,063
Included in operating profit						
Net loss from fair value adjustment on investment property	(821,918)	(237,808)	–	(3,709)	–	(1,063,435)
Unrealised foreign exchange loss	(645,346)	20,207	–	15,209	–	(609,930)
Total assets	43,444,401	17,875,938	–	8,030,471	47,635,698	116,986,508
Total liabilities	24,520,022	4,704,678	–	236,841	3,535,714	32,997,255

21 **Operating segments (continued)**

b. The breakdown of revenue from all segments is as follows:

Analysis of revenue by category	**2019** **$**	**2018** **$**
Rental income		
Commercial property	791,636	1,217,651
Residential property	338,355	220,947
Leisure property	167,495	97,375
Total rental income	1,297,486	1,535,973
Service and management charges	752,328	1,190,263
Total revenue	2,049,814	2,726,236

c. There are no properties held in Trinidad and Tobago and all the rental income is generated outside of Trinidad and Tobago.

d. Revenues of approximately TT$1,502,229 (2018: $1,117,396) are derived from tenants who contribute to more than 10% of the Fund's revenue from external customers. These revenues are attributable to the Barbados segment.

22 **Subsequent events**

On 7 August 2019, the Trustee of the Fund executed a Supplemental Deed to extend the termination date of the Fund to 14 November 2020. An Ordinary Resolution of the Class B unitholders was subsequently passed allowing the extension. The Trustee has advised unitholders of the revised termination date. Trading of the units was suspended on the Trinidad and Tobago Stock Exchange ("TTSE") as of 9 November 2017. The date of delisting is to be advised by the TTSE.

On 29 November 2019, the Portfolio Managers approved a partial repayment of capital of $1.35 per unit amounting to $54,000,000 to all Class A unitholders on register as at 9 November 2017.