AUDITOR GENERAL'S REPORT

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

REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE TRINIDAD AND TOBAGO UNIT TRUST CORPORATION FOR THE YEAR ENDED 2006 DECEMBER 31

1. The accompanying Consolidated Financial Statements of the Trinidad and Tobago Unit Trust Corporation for the year ended 2006 December 31 have been audited. The Statements as set out on pages 1 to 41 comprise:

(i) a Consolidated Balance Sheet as at 2006 December 31, a Consolidated Income and Expenditure Statement, a Consolidated Statement of Changes in Equity and a Consolidated Cash Flow Statement for the year ended 2006 December 31 in respect of the Trinidad and Tobago Unit Trust Corporation;

(ii) a Balance Sheet as at 2006 December 31 and a Statement of Operations for the year ended 2006 December 31 in respect of the Growth and Income Fund (First Unit Scheme), the Money Market Fund (Second Unit Scheme), the Universal Retirement Fund and the US Dollar Money Market Fund respectively; and

(iii) Notes to the Consolidated Financial Statements numbered 1 to 33.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

3. The Auditor General's responsibility is to audit these Financial Statements in accordance with section 30 (1) of the Unit Trust Corporation of Trinidad and Tobago Act, Chapter 83:03 (the Act) and to report thereon in accordance with section 30 (4) of the said Act. The examination was conducted in accordance with generally accepted Auditing Standards. Those Standards require that the audit be planned and performed to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the comments made at paragraphs 5 to 7 of this Report.

Audit of Subsidiaries

5. The financial statements of the subsidiaries listed in Note 27 to the Consolidated Financial Statements which account for 1% of the consolidated total assets, consolidated total income and consolidated total net income respectively and 5% of the consolidated total liabilities have been audited, where applicable, by auditors other than the Auditor General. My opinion insofar as it relates to consolidation of balances in respect of the subsidiaries, is based solely on copies of the reports of the other auditors submitted by the Corporation.

OPINION

6. In my opinion the Consolidated Financial Statements as outlined at paragraph one above present fairly, in all material respects, the state of affairs of the Corporation as at 2006 December 31 and the results of its operations and its cash flows for the year ended 2006 December 31 in accordance with International Financial Reporting Standards.

Emphasis of Matter

7. Without qualifying the above opinion, attention is drawn to the following.

(i) Section 13 (3) of the Act states:

> *"In investing in securities the Board shall not invest more than ten per cent of the funds of any one unit scheme in the purchase of securities in any one company or other corporation, nor shall the investments of all Unit Schemes established by the Board include at any time more than ten per cent of the securities issued by any company or other corporation."*

(ii) During the financial year, investments of the First and Second Unit Schemes exceeded 10% of the securities issued by four (4) entities. Action was seen to be taken by the Corporation in 2006 December to be in compliance with the provisions of section 13 (3) of the Act. At 2006 December 31, however, in one instance, the investment exceeded the 10% limit imposed by the Act. Note 32 to the Consolidated Financial Statements refers.

(iii) The matter of non-compliance with the 10% statutory limit was raised previously at paragraph 5.2 of the 2005 Auditor General's Report.

2007 APRIL 30

REPUBLIC OF TRINIDAD AND TOBAGO
AUDITOR GENERAL
2007 04 30

SHARMAN OTTLEY
AUDITOR GENERAL

UNIT TRUST CORPORATION

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET
As at December 31, 2006

	Notes	2006	2005
		$'000	$'000
ASSETS			
Investment Funds	3	15,658,341	15,462,021
Cash and Cash Equivalents		162,257	177,581
Receivables		108,524	80,684
Prepayments and Other Assets		4,669	4,804
Investment Securities	4	1,333,783	866,855
Property, Plant and Equipment	5	186,423	185,487
Intangible Assets	6	11,961	13,191
TOTAL ASSETS		17,465,958	16,790,623
LIABILITIES			
CURRENT			
Accounts Payable and Short Term Liabilities		17,165	22,621
Other Liabilities		28,229	15,042
Short-Term Financial Instruments	7a	845,912	507,559
Current Portion of Finance Lease	8	2,454	2,880
TOTAL CURRENT LIABILITIES		893,760	548,102
LONG TERM			
Long-Term Financial Instruments	7b	259,646	195,260
Finance Lease	8	58,736	61,190
TOTAL LIABILITIES		1,212,142	804,552
CAPITAL AND RESERVES			
Initial Capital	9	4,811	4,811
Unit Capital	10	15,653,530	15,457,210
		15,658,341	15,462,021
Fund Reserves	11	60,368	51,894
Statutory Reserves	12	5,050	5,050
Revaluation Reserve	13	(3,904)	9,871
Retained Income		533,671	456,875
		595,185	523,690
Minority Interest		290	360
TOTAL LIABILITIES, CAPITAL AND RESERVES		17,465,958	16,790,623

CONSOLIDATED INCOME AND EXPENDITURE STATEMENT
For the year ended December 31, 2006

	Notes	2006	2005
		$'000	$'000
INCOME			
Investment Income:			
Growth and Income Fund		296,902	340,467
Money Market Fund		435,236	387,890
Universal Retirement Fund		7,397	7,737
US$ Money Market Fund		234,435	208,295
Net Investment Income - Group Operations	15	42,547	22,554
Initial Charge		21,367	57,977
Other Income		11,751	11,339
Rental Income		1,608	2,598
Total Income		1,051,243	1,038,857
EXPENSES			
Commissions		11,967	20,966
Impairment	17	-	5,618
Administrative	18	127,827	107,018
Depreciation and Amortisation	5&6	14,633	11,255
Total Expenses		154,427	144,857
Net Income before Finance Charges		896,816	894,000
Finance Charges	20	(12,435)	(11,767)
Net Income after Finance Charges		884,381	882,233
Undistributed Income at Beginning of Year		26,143	13,791
Distributions	21	(815,481)	(751,800)
Transfer from Investment Funds to Reserves	11	(5,261)	(3,436)
Income Capitalised		(4,485)	(4,939)
Undistributed Income at End of Year		(7,895)	(26,143)
Net Income before Taxation		77,402	109,706
Taxation	29	(262)	(269)
Net Income after Taxation		77,140	109,437
Minority Interest		71	69
Net Income after Minority Interest		77,211	109,506

AMOY CHANG FONG
CHAIRMAN

REPUBLIC OF TRINIDAD AND TOBAGO
AUDITOR GENERAL
2007 04 30

MARLON HOLDER
EXECUTIVE DIRECTOR

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

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2006

	Fund Reserves $'000	Statutory Reserves $'000	Revaluation Reserve $'000	Retained Income $'000	Total $'000
Balance brought forward as at January 1, 2006	**51,894**	**5,050**	**9,871**	**456,875**	**523,690**
Unrealised Capital Depreciation on Available-for-Sale Financial Assets			(13,802)		**(13,802)**
Currency Translation Differences	(2)		27	(15)	**10**
Net Income after Minority Interest				77,211	**77,211**
Transfers from Investment Funds	5,261				**5,261**
Transfers from Corporation	400		-	(400)	**-**
Guarantee Reserves Payments	(28)				**(28)**
Interest on Reserve Assets	2,843				**2,843**
Balance carried forward as at December 31, 2006	**60,368**	**5,050**	**(3,904)**	**533,671**	**595,185**
Balance brought forward as at January 1, 2005	**46,360**	**5,050**	**58,994**	**347,638**	**458,042**
Prior period adjustment				(255)	**(255)**
Adjusted balance brought forward as at January 1, 2005	**46,360**	**5,050**	**58,994**	**347,383**	**457,787**
Net Loss on Available-for-Sale Financial Assets			(12,646)		**(12,646)**
Amortisation of Capital Appreciation on Reclassification of Investment from Available-for-Sale to Held-to-Maturity			(36,477)		**(36,477)**
Currency Translation Differences				(14)	**(14)**
Net Income after Minority Interest				109,506	**109,506**
Transfers from Investment Funds	3,435				**3,435**
Interest on Reserve Assets	2,099				**2,099**
Balance carried forward as at December 31, 2005	**51,894**	**5,050**	**9,871**	**456,875**	**523,690**

CONSOLIDATED CASH FLOW STATEMENT
For the year ended December 31, 2006

	2006 $'000	**2005** $'000
OPERATING ACTIVITIES		
Net Income before Taxation and Minority Interest	77,402	109,706
Adjustment to reconcile net income to net cash and cash equivalents from operating activity:		
Depreciation Expense	14,633	11,255
(Increase)/Decrease in Receivables	(27,839)	5,054
Decrease in Prepayments and Other Assets	135	5,738
(Decrease)/Increase in Accounts Payable	(5,456)	14,017
Increase/(Decrease) in Other Liabilities	13,187	(25,940)
Taxation Paid	(262)	(269)
Net Cash Inflow from Operating Activities	71,800	119,561
INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(12,479)	(22,992)
Proceeds from Disposal of Property, Plant and Equipment	271	733
Purchase of Intangible Assets	(2,131)	(14,470)
Purchase of Investments	(809,972)	(571,692)
Proceeds from Disposal of Investments	329,254	303,626
Net Cash Outflow from Investing Activities	(495,057)	(304,795)
FINANCING ACTIVITIES		
Finance Lease Repayments	(2,880)	(4,449)
Increase in Short-Term Financial Instruments	338,353	238,672
Increase in Long-Term Financial Instruments	64,386	14,355
Allocation to Reserves	8,074	5,534
Net Cash Inflow from Financing Activities	407,933	254,112
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(15,324)	68,878
Cash and Cash Equivalents at Beginning of Year	177,581	108,703
Cash and Cash Equivalents at End of Year	162,257	177,581

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

GROWTH AND INCOME FUND (FIRST UNIT SCHEME) BALANCE SHEET As at December 31, 2006

	Notes	2006 $'000	2005 $'000
ASSETS			
Investments	23	4,629,120	4,789,034
Cash and Cash Equivalents		181,328	192,402
Income Receivable		29,519	32,237
Total Assets		4,839,967	5,013,673
LIABILITIES			
Distribution Payable		102,740	115,304
Amount Due to Corporation		46,535	48,742
Other Liabilities		55,322	39,977
		204,597	204,023
RESERVES			
Undistributed Income		6,250	20,616
Total Liabilities and Reserves		210,847	224,639
NET ASSETS		4,629,120	4,789,034
CAPITAL ACCOUNT		3,415,288	3,333,888
UNREALISED CAPITAL APPRECIATION		1,213,832	1,455,146
		4,629,120	4,789,034

GROWTH AND INCOME FUND (FIRST UNIT SCHEME) STATEMENT OF OPERATIONS For the year ended December 31, 2006

	Notes	2006 $'000	2005 $'000
INVESTMENT INCOME:			
Dividends		54,436	56,573
Interest		159,968	145,008
Realised Capital Gains		82,499	138,885
Total Investment Income		296,903	340,466
EXPENSES			
Management Charge	14	90,265	97,878
Impairment	17	0	5,618
Total Expenses		90,265	103,496
NET INVESTMENT INCOME		206,638	236,970
UNDISTRIBUTED INCOME AT BEGINNING OF YEAR		20,616	11,501
		227,254	248,471
DISTRIBUTION EXPENSE:			
Distribution Paid to Initial Contributors			
75c per unit *(2005 - 80c per unit)*		722	770
Distribution Paid to Unitholders			
75c per unit *(2005 - 80c per unit)*		219,282	226,086
Total Distribution	21	220,004	226,856
UNDISTRIBUTED INCOME BEFORE RESERVES		7,250	21,616
Allocation to Guarantee Reserve Fund	11	1,000	1,000
UNDISTRIBUTED INCOME AT END OF YEAR		6,250	20,616

MONEY MARKET FUND (SECOND UNIT SCHEME) BALANCE SHEET As at December 31, 2006

	Notes	2006 $'000	2005 $'000
ASSETS			
Investments	24	6,934,146	6,803,973
Cash and Cash Equivalents		302,185	199,194
Interest Receivable		76,724	83,191
Total Assets		7,313,055	7,086,358
LIABILITIES			
Accruals for Distribution		32,291	28,190
Amount Due to Corporation		10,578	5,840
Other Liabilities		326,139	238,454
		369,008	272,484
Reserves		9,901	9,901
Total Liabilities and Reserves		378,909	282,385
NET ASSETS		6,934,146	6,803,973
CAPITAL ACCOUNT		6,943,326	6,808,502
UNREALISED CAPITAL DEPRECIATION		(9,180)	(4,529)
		6,934,146	6,803,973

MONEY MARKET FUND (SECOND UNIT SCHEME) STATEMENT OF OPERATIONS For the year ended December 31, 2006

	Notes	2006 $'000	2005 $'000
INVESTMENT INCOME			
Interest Income		435,235	387,890
Total Investment Income		435,235	387,890
EXPENSES			
Management Charge	14	31,800	29,387
Commissions		9,035	8,669
Total Expenses		40,835	38,056
NET INVESTMENT INCOME		394,400	349,834
Distribution Expense	21	359,709	320,444
Accruals for Distribution	21	32,291	28,190
Allocation to Reserve	11	2,400	1,200
UNDISTRIBUTED INCOME AT END OF YEAR		0	0

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

UNIVERSAL RETIREMENT FUND
BALANCE SHEET
As at December 31, 2006

	Notes	2006 $'000	2005 $'000
ASSETS			
Investments		124,940	135,640
Interest Receivable		770	1,279
Cash and Cash Equivalents		22,434	10,042
Total Assets		148,144	146,961
LIABILITIES			
Amount Due to Corporation		1,513	1,607
NET ASSETS OF THE FUND	25	146,631	145,354
CAPITAL ACCOUNT		119,859	109,844
UNREALISED CAPITAL APPRECIATION		26,772	35,510
		146,631	145,354

UNIVERSAL RETIREMENT FUND
STATEMENT OF OPERATIONS
For the year ended December 31, 2006

	Notes	2006 $'000	2005 $'000
INVESTMENT INCOME			
Dividends		1,714	1,701
Interest		5,620	4,373
Realised Capital Gains		8	1,555
Miscellaneous Income		55	108
Total Investment Income		7,397	7,737
EXPENSES			
Management Charge	14	2,912	2,798
Total Expenses		2,912	2,798
NET INCOME FOR CAPITALISATION		4,485	4,939

US DOLLAR MONEY MARKET FUND
BALANCE SHEET
As at December 31, 2006

	Notes	2006 $'000	2005 $'000
ASSETS			
Investments	26	3,948,444	3,723,660
Cash and Cash Equivalents		4,406	1,392
Interest Receivable		61,702	70,613
Total Assets		4,014,552	3,795,665
LIABILITIES			
Amount Due to Corporation		12,117	9,234
Distribution Payable		52,347	48,218
Other Liabilities		0	9,026
		64,464	66,478
RESERVES			
Undistributed Income		1,644	5,527
Total Liabilities and Reserves		66,108	72,005
NET ASSETS		3,948,444	3,723,660
CAPITAL ACCOUNT		3,963,317	3,733,321
UNREALISED CAPITAL DEPRECIATION		(14,873)	(9,661)
		3,948,444	3,723,660

US DOLLAR MONEY MARKET FUND
STATEMENT OF OPERATIONS
For the year ended December 31, 2006

	Notes	2006 $'000	2005 $'000
INVESTMENT INCOME			
Interest Income		234,434	208,294
Total Investment Income		234,434	208,294
EXPENSES			
Management Charge	14	32,271	26,868
Commissions		708	644
Total Expenses		32,979	27,511
NET INVESTMENT INCOME		201,455	180,782
Undistributed Income at Beginning of Year		5,527	2,291
Distribution Expense	21	203,477	176,310
Allocation to Reserve	11	1,861	1,236
UNDISTRIBUTED INCOME AT END OF YEAR		1,644	5,527

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

Trinidad & Tobago Unit Trust Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

1) INCORPORATION AND PRINCIPAL ACTIVITIES

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

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

In addition to the Trinidad & Tobago Unit Trust Corporation, there are seven (7) subsidiary companies which comprise the Group. One of these subsidiary companies is a property development company, as detailed in Note 27.

2) SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Preparation

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

The following standards became effective in 2006 but are not relevant to the Corporation:

IFRS 2 Share-based Payment
IFRS 3 Business Combinations
IFRS 4 Insurance Contracts
IFRS 6 Explorations for and Evaluation of Mineral Resources
IAS 2 Inventories
IAS 11 Construction Contracts
IAS 14 Segmental Reporting
IAS 20 Accounting for Government Grants
IAS 28 Investments in Associates
IAS 29 Financial Reporting in Hyperinflationary Economies
IAS 31 Interests in Joint Ventures
IAS 33 Earnings per Share
IAS 41 Agriculture

The Group has not applied IFRS 7 – Financial Instruments: Disclosures, as this standard is applicable to financial periods beginning on or after January 1, 2007. The Group expects that adoption of this standard will have no quantitative impact on its financial statements but will impact the disclosure requirements.

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

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

b) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Corporation and its subsidiaries drawn up as at December 31, 2006 and include all the assets and liabilities and results of operations of the Group. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

All material inter-company transactions and accounts have been eliminated in preparing the consolidated financial statements. Accounting policies of the subsidiaries are consistent with the policies of the Group.

c) Investments

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

Investments with fixed maturities that management has the intent and ability to hold to maturity are classified as held-to-maturity. Held-to-maturity investments are carried at amortised cost, less any adjustment necessary for impairment.

Purchases and sales of equity investments are recognised at the trade date. Purchases and sales of all other security investments are recognised on the settlement date. Gains and losses from changes in fair value on investments classified as 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 and expenditure statement.

d) Security Valuation

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

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

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

e) Repurchase and Reverse Repurchase Agreements

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

The Unit Trust Act permits the Unit Trust to borrow against security and on terms and conditions as may be necessary for the sole purpose of redeeming units. A repurchase agreement may be construed as a borrowing and, in the normal course of business, the Corporation does not enter into repurchase agreements. However, as part of its short-term investment activity, it does enter into reverse repurchase agreements. Deterioration in the value of the securities bought under reverse repurchase agreements is materially covered through margin calls comprising cash and/or additional securities.

f) Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income and expenditure statement during the financial period in which they are incurred.

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

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amounts and are recognised within other income in the consolidated income and expenditure statement.

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

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

Property, Plant and Equipment Category:	***Estimated Useful Life:***
Building	*50 years*
Office Improvements	*5-15 years*
Computer Equipment	*3-10 years*
Office Equipment	*4-15 years*
Furniture and Fixtures	*7-15 years*

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

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

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

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

g) Intangible Assets

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

h) Impairment of Non-Financial Assets

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

i) Foreign Currency Translation

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

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

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

j) Leases

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

k) Cash and Cash Equivalents

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

l) Provisions

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

m) Revenue Recognition

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

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

n) Borrowings

Borrowings are recognised initially at fair value, and are subsequently stated at amortised cost.

Borrowing costs related to the acquisition, construction or production of qualifying assets are capitalised.

o) Separate Funds Under Management

The assets and liabilities pertaining to pension and other funds, which are managed in accordance with specific Investment Management Agreements, are not included in the balance sheet of the Corporation. The market value of these portfolios as at December 31, 2006 is $480 million (2005: $457 million).

p) Taxation

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

Income tax is payable on profits by the subsidiaries and is recognised as an expense in the period in which profits arise. Taxes are based on the applicable tax laws in each jurisdiction. The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

q) Presentation

Capital Reserve within the capital and reserves portion of the Consolidated Balance Sheet has been renamed Revaluation Reserve to more properly reflect the nature of the reserves.

Comparative figures:
Certain changes in presentation have been made during the year and the comparative figures have been restated accordingly. These changes in presentation have no effect on the net profit of the previous year.

3) INVESTMENT FUNDS

	2006 $'000	2005 $'000
Growth and Income Fund	4,629,120	4,789,034
TT$ Money Market Fund	6,934,146	6,803,973
Universal Retirement Fund	146,631	145,354
US$ Money Market Fund	3,948,444	3,723,660
Total	**15,658,341**	**15,462,021**

4) INVESTMENT SECURITIES

	2006 $'000	2005 $'000
Held-to-maturity	612,903	493,917
Available-for-sale	720,880	372,938
Total	**1,333,783**	**866,855**

Investments represent short-term investments by the Corporation and the holdings of the merchant banking division in local and regional government and corporate securities that will mature in two (2) to twenty-four (24) years.

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

5) PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Contract Work in Progress	Office Improve -ments	Motor Vehicles	Office & Comp. Equip.	Office Furniture	TOTAL
Year ended Dec 31, 2006	$'000	$'000	$'000	$'000	$'000	$'000	$'000	**$'000**
Opening Net Book Value	14,293	117,310	8,505	16,479	2,175	17,279	9,446	**185,487**
Additions	-	2,219	3,353	1,498	262	3,737	1,411	**12,480**
Disposals	-	-	-	-	(271)	-	-	**(271)**
Transfers	2,000	9,858	(11,858)	-	-	-	-	**-**
Depreciation/Amortisation	(22)	(2,692)	-	(1,900)	(609)	(4,242)	(1,808)	**(11,273)**
Closing Net Book Value	**16,271**	**126,695**	**-**	**16,077**	**1,557**	**16,774**	**9,049**	**186,423**
As at Dec 31, 2006								
Cost	16,569	139,427	-	24,587	3,057	34,736	16,430	**234,806**
Accumulated Depreciation /Amortisation	(298)	(12,732)	-	(8,510)	(1,500)	(17,962)	(7,381)	**(48,383)**
Net Book Value	**16,271**	**126,695**	**-**	**16,077**	**1,557**	**16,774**	**9,049**	**186,423**
Year ended Dec 31, 2005								
Opening Net Book Value	14,315	108,982	8,466	16,071	2,923	12,745	8,934	**172,436**
Additions	-	5,195	5,536	2,048	628	7,543	2,018	**22,968**
Disposals	-	-	-	-	(696)	(11)	(2)	**(709)**
Transfers	-	5,497	(5,497)	-	-	-	-	**-**
Depreciation/Amortisation	(22)	(2,364)	-	(1,640)	(680)	(2,998)	(1,504)	**(9,208)**
Closing Net Book Value	**14,293**	**117,310**	**8,505**	**16,479**	**2,175**	**17,279**	**9,446**	**185,487**
As at Dec 31, 2005								
Cost	14,570	127,350	8,505	23,088	3,549	30,999	15,019	**223,080**
Accumulated Depreciation /Amortisation	(277)	(10,040)	-	(6,609)	(1,374)	(13,720)	(5,573)	**(37,593)**
Net Book Value	**14,293**	**117,310**	**8,505**	**16,479**	**2,175**	**17,279**	**9,446**	**185,487**

Land

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

a) Leasehold Land

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

IAS 17 requires that if the lease agreement is considered a finance lease, the amount allocated to the acquisition of the land must be capitalised and amortised over the lease term. Up to December 2004, leasehold land was capitalised but not amortised. The correction was done in 2005, with a $0.26 million change to prior period retained earnings. Property, Plant and Equipment were also restated in 2005.

b) Freehold Land

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

6) INTANGIBLE ASSETS

	2006	2005
Year Ended Dec 31	**$'000**	**$'000**
Computer Software:		
Opening Net Book Value	13,191	769
Additions	2,130	14,470
Amortisation Charge	(3,360)	(2,048)
Closing Net Book Value	**11,961**	**13,191**
As at Dec 31		
Cost	17,823	15,693
Accumulated amortisation	(5,862)	(2,502)
Net Book Value	**11,961**	**13,191**

7) FINANCIAL INSTRUMENTS

a) Short-term financial instruments

	2006 $'000	2005 $'000
Fixed-Term Borrowings	164,370	190,853
Borrowings at Notice	360,074	170,236
Repo Borrowings	321,468	146,470
Total	**845,912**	507,559

These instruments are certificates of interest falling due within one year.

b) Long-term financial instruments

	Interest Rate	Term	2006 $'000	2005 $'000
Guaranteed Investment Certificates	12%-12.5%	16 years	204,005	144,814
Long-Term Bond	8%	10 years	43,677	38,704
Long-Term Bond	8%	8.5 years	11,964	11,742
Total			**259,646**	195,260

The long-term interest bearing bonds represent debt raised by the subsidiary UTC Property Development Limited for financing the construction of its properties. Borrowing costs of $0.25 million was capitalised in this period ($0.7 million in 2005). The cumulative borrowing costs as at December 31, 2006 amounted to $3.9 million (2005: $3.7 million).

8) FINANCE LEASE

	2006	2005
Lease payments due:	**$'000**	**$'000**
within 1 year	2,454	2,880
within 1 to 5 years	12,603	11,432
in more than 5 years	46,133	49,758
	61,190	64,070

a) The Corporation entered into a finance lease agreement with London Street Project Company Limited effective November 19, 1999 through a build, own, lease and transfer arrangement. This agreement is for a term of 20 years, with purchase options at the end of the tenth and fifteenth years.

b) The Corporation committed to a lease agreement with Republic Finance and Merchant Bank Limited (FINCOR) for the furniture, fittings and equipment at the UTC Financial Centre, effective April 1, 2001. This agreement was for a term of five years and expired on March 31, 2006.

9) INITIAL CAPITAL

Initial Capital is capital subscribed by the Initial Capital Contributors to the Unit Trust Corporation in accordance with Section 17 of the Act and invested in the Growth and Income Fund. Initial Capital at the balance sheet date was $4.8 million (2005: $4.8 million).

10) UNIT CAPITAL

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

	2006	2005
	$'000	**$'000**
Growth and Income Fund	4,624,309	4,784,223
TT$ Money Market Fund	6,934,146	6,803,973
Universal Retirement Fund	146,631	145,354
US$ Money Market Fund	3,948,444	3,723,660
Total	**15,653,530**	15,457,210

11) FUND RESERVES

	2006	2005
	$'000	**$'000**
Growth and Income Fund Guarantee Reserve	16,311	14,456
TT$ Money Market Fund Reserve	9,211	6,069
US$ Money Market Fund Reserve	34,846	31,369
Total	**60,368**	51,894

a) Growth and Income Fund Guarantee Reserve

In accordance with the provisions of Section 26(1) and (2) of the Act, in 1984 the Corporation established a Guarantee Reserve Fund in respect of the Growth and Income Fund (First Unit Scheme) to ensure adequate funding of the Guarantee Pricing Plan.

	2006	2005
	$'000	**$'000**
Fund Reserve as at January 1	14,456	12,849
Allocation to Reserves	1,000	1,000
Interest Earned on Reserves	883	607
Call on Reserves	(28)	-
Fund Reserve as at December 31	16,311	14,456

b) TT$ Money Market Fund Reserve

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

	2006	2005
	$'000	**$'000**
Fund Reserve as at January 1	6,069	4,684
Allocation to Reserves	2,800	1,200
Interest Earned on Reserves	342	185
Fund Reserve as at December 31	9,211	6,069

c) US$ Money Market Fund Reserve

In accordance with the provisions of Section 26(1) and (2) of the Act, in 2001 the Corporation established a Special Reserve Fund in respect of the US$ Money Market Fund (US$ MMF) to provide for maintenance of the capital value of the Fund.

	2006	2005
	$'000	**$'000**
Fund Reserve as at January 1	31,369	28,839
Allocation to Reserves	1,861	1,236
Interest Earned on Reserves	1,616	1,294
Fund Reserve as at December 31	34,846	31,369

12) STATUTORY RESERVES

In accordance with Section 59(3)(d)(ii) of the Securities Industries Act By-Laws 1997, a reserve of $5.0 million was established to satisfy the capital requirements for registration as an Underwriter and $50,000 for registration as an Investment Adviser.

13) REVALUATION RESERVE

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

14) MANAGEMENT CHARGE

	2006	2005
	$'000	**$'000**
Growth and Income Fund	90,265	97,878
TT$ Money Market Fund	31,800	29,387
Universal Retirement Fund	2,912	2,798
US$ Money Market Fund	32,271	26,868
Total	**157,248**	156,931

a) The Corporation, in accordance with the regulations governing the Growth and Income Fund, the TT$ Money Market Fund, the Universal Retirement Fund and the US$ Money Market Fund, may charge a management fee of up to 2% on the value of the funds under management in the respective schemes and funds.

b) In accordance with the regulations governing the Belize Money Market Fund, the Belize UTC may charge a management fee not exceeding 2% of the funds under management.

15) NET INVESTMENT INCOME – GROUP OPERATIONS

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

	2006 $'000	2005 $'000
Interest and Other Fee Income	123,546	66,789
Interest Expense and Other Charges	(80,999)	(44,235)
Total	**42,547**	22,554

16) FOREIGN EXCHANGE GAINS/(LOSSES)

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

	2006 $'000	2005 $'000
Foreign Exchange Gains	**5,902**	5,826

17) IMPAIRMENT

There are no impairment issues for the 2006 financial year. In 2005, the statement of operations of the Growth and Income Fund accounted for an impairment loss of $5.618 million on a loan facility, which was previously reflected at a carrying value of $12.485 million. During the year the debtor was placed in receivership and the recoverable amount was established as $6.867 million, based on a write-down of 45%.

18) ADMINISTRATIVE EXPENSES

Administrative expenses include:	2006 $'000	2005 $'000
Staff Costs (Note 19)	57,238	51,701
Audit Fees	345	277
Directors Fees	1,071	713

19) STAFF COSTS

	2006 $'000	2005 $'000
Salaries and Benefits	55,816	50,487
National Insurance	1,422	1,214
Total	**57,238**	51,701
Number of employees	**446**	418

20) FINANCE CHARGES

	2006 $'000	2005 $'000
Long-Term Bonds (Note 7b)	4,260	4,001
Finance Lease (Note 8)	8,175	7,766
Total	**12,435**	11,767

21) DISTRIBUTIONS

	2006 $'000	2005 $'000
Growth and Income Fund	220,004	226,856
TT$ Money Market Fund	392,000	348,634
US$ Money Market Fund	203,477	176,310
Total	**815,481**	751,800

a) Growth and Income Fund

The Corporation declared its forty-seventh (47th) and forty-eighth (48th) distributions in June 2006 and December 2006 respectively. Included in the above total are distributions to Initial Capital Contributors of $0.72 million in 2006 (2005: $0.77 million).

b) TT$ Money Market Fund

Distributions in the TT$ Money Market Fund are made quarterly in February, May, August and November. Income accrued as at December 31, 2006 for distribution in the quarter ended February 2007 amounted to $32.29 million (2006: $28.19 million).

c) US$ Money Market Fund

Distributions in the US$ Money Market Fund are paid by calendar quarters.

22) FINANCIAL RISK MANAGEMENT (INVESTMENT FUNDS)

The Funds' investment activities expose them to a number of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk, currency risk and price risk), credit risk (including default risk and concentration risk) and liquidity risk.

The Board of Directors has overall responsibility for the management of financial and other risks faced by the Corporation. Under the UTC Act, the Investment Committee is appointed by the Board to advise on matters affecting investment policy including financial risk management. In practice, the Committee provides broad guidance in respect of the level of exposure to financial risks that may be borne by the Funds. Day-to-day management of these risks is carried out by the Corporation's investment management professionals who report on the level of risk within the Funds to the Investment Committee on at least a quarterly basis. This information is reviewed by the Committee to allow for, where necessary, the execution of risk reduction strategies and/or increased allocations to the Fund Reserves (see Note 11).

The Corporation's overall strategy for managing financial risks is itemised below:

Interest rate risk

The exposure to deterioration in market value of the Funds' fixed income portfolios due to increases in market rates of interest is referred to as fair value interest rate risk. The exposure to decline in interest income from the Funds' fixed income portfolios due to reductions in market rates of interest is referred to as cash flow interest rate risk. The Funds manage both forms of interest rate risk by judicious adjustment of the duration of their fixed income portfolios.

Interest rate risk as at December 31, 2006

Assets	Up to one year $'000	One to five years $'000	Over five years $'000	Non-interest bearing $'000	Total $'000
Cash and Cash Equivalents	723,820	-	-	-	**723,820**
Money Market Instruments	7,706,353	-	-	-	**7,706,353**
Floating Rate Debt Holdings	292,336	-	-	-	**292,336**
Fixed Rate Debt Holdings	1,478,640	1,095,865	2,095,949	-	**4,670,455**
Equities	-	-	-	2,232,091	**2,232,091**
Other Assets	238,528	-	-	-	**238,528**
Liabilities					
Other Liabilities	(205,241)	-	-	-	**(205,241)**
	10,234,436	1,095,865	2,095,949	2,232,091	**15,658,341**

Interest rate risk as at December 31, 2005

Assets	Up to one year $'000	One to five years $'000	Over five years $'000	Non-interest bearing $'000	Total $'000
Cash and Cash Equivalents	967,325	-	-	-	**967,325**
Money Market Instruments	7,330,437	-	-	-	**7,330,437**
Floating Rate Debt Holdings	229,957	69,866	236	-	**300,059**
Fixed Rate Debt Holdings	1,292,780	1,062,574	2,096,580	-	**4,451,934**
Equities	-	-	-	2,323,981	**2,323,981**
Other Assets	318,667	-	-	-	**318,667**
Liabilities					
Other Liabilities	(230,382)	-	-	-	**(230,382)**
	9,908,784	1,132,440	2,096,816	2,323,981	**15,462,021**

Currency risk

The Funds' net assets may fluctuate due to changes in foreign exchange rates. This risk is currently limited to the TT$ Money Market Fund, the Growth and Income Fund and the Universal Retirement Fund. These Funds offer units that are denominated in TT dollars but hold a portion of their financial assets in currencies other than the TT dollar, including US and Jamaica dollars. The Corporation manages this risk by restricting foreign currency holdings in the aforementioned Funds to less than 15% of net assets. The US$ Money Market Fund offers units that are denominated in US dollars but is not exposed to currency risk as all of its financial assets are also denominated in US dollars. There are no foreign currency liabilities in any of the Funds.

Currency risk as at December 31, 2006

Assets	Up to one year $'000	One to five years $'000	Over five years $'000	Non-interest bearing $'000	Total $'000
USD	625,898	308,532	448,367	187,912	**1,570,709**
TTD	6,483,409	512,164	1,304,677	2,015,790	**10,316,040**
JMD	-	-	-	28,389	**28,389**
Liabilities					
USD	-	-	-	-	**-**
TTD	(205,242)	-	-	-	**(205,242)**
JMD	-	-	-	-	**-**
	6,904,065	820,696	1,753,044	2,232,091	**11,709,896**

Currency risk as at December 31, 2005

Assets	Up to one year $'000	One to five years $'000	Over five years $'000	Non-interest bearing $'000	Total $'000
USD	614,506	168,588	624,724	5,008	**1,412,826**
TTD	6,640,561	684,503	908,438	2,318,973	**10,552,475**
JMD	-	-	-	-	**-**
Liabilities					
USD	-	-	-	-	**-**
TTD	(226,941)	-	-	-	**(226,941)**
JMD	-	-	-	-	**-**
	7,028,126	853,091	1,533,162	2,323,981	**11,738,360**

Price risk

The value of the Funds' net assets may fluctuate due to changes in market prices of the quoted equity and debt securities. The Funds limit their equity price risk by avoiding investments in stocks that have a documented history of high price volatility. Equity price risk is also managed through geographic and sector/industry diversification and by the application of stop-loss limits. Bond price risk is typically driven by a combination of interest rate and credit factors. The Funds therefore manage the interest rate element of bond price risk via judicious portfolio duration adjustment; the credit element of bond price risk is managed by adherence to minimum credit quality investment criteria as outlined in the succeeding paragraph.

Default risk

The Funds' investments in both short and long-term debt securities expose them to the risk that a counterparty may default on its financial obligations i.e. fail to make full timely payments of scheduled interest and/or principal sums. The Funds mitigate this risk by ensuring that at least 60% of their long-term fixed income investments are rated investment grade by recognised rating agencies or have an internally determined low default risk rating. Subsequent to investing in these instruments, the financial performance of the debt issuer is reviewed on at least an annual basis in order to monitor changes in creditworthiness and the concomitant effect on overall portfolio credit quality.

Concentration risk

Statutory requirements limit the exposure to any given issuer to a maximum of 10% of the Funds' net assets and a maximum of 10% of securities in issue. Combined with robust internal limits, this prevents the undue build-up of credit risk concentrations in the Funds.

Liquidity risk

Units in the Corporation's Funds are redeemable upon demand. Consequently, the Funds in general maintain liquidity through appropriate cash, near cash and other short-term investments. With respect to the TT and US Dollar Money Market Funds, liquidity is further ensured through investing at least 50% of the net assets in instruments with maturities having an upper limit of 365 days. Given the tradable nature of other instruments within the Funds, liquidity risk is further mitigated.

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

	SHAREHOLDING 2006 (STOCK UNITS)	MARKET VALUE 2006 $	MARKET VALUE 2005 $
FINANCIAL INSTITUTIONS			
Scotiabank Trinidad & Tobago Limited	6,287,859	169,960,829	169,772,193
Republic Bank Limited	3,063,166	257,305,944	365,684,940
RBTT Financial Holdings Limited	8,040,284	301,510,650	325,631,502
ANSA Merchant Bank Limited	1,797,471	33,612,708	38,645,627
First Caribbean International Bank Limited	7,235,834	82,995,016	96,400,030
National Commercial Bank of Jamaica	18,250,000	38,325,000	32,850,000
Sagicor Financial Corporation	8,590,504	115,456,374	99,252,446
Bank of Nova Scotia - Jamaica	11,750,000	28,388,265	22,713,075
MANUFACTURING			
Unilever Caribbean Limited	1,128,770	22,180,330	19,505,146
The West Indian Tobacco Company Limited	1,163,738	27,929,712	26,789,249
Trinidad Cement Limited	9,905,572	69,438,060	99,055,720
National Flour Mills Limited	6,656,598	10,650,557	11,720,933
CONGLOMERATES			
ANSA McAL Limited	5,463,064	239,009,050	221,254,092
Neal & Massy Holdings Limited	6,804,225	290,268,238	305,849,914
Barbados Shipping & Trading	1,973,333	31,375,995	42,353,190
NON-BANKING FINANCIAL INSTITUTIONS			
American Life and General Insurance Company (Trinidad and Tobago) Limited	462,416	2,312,080	2,080,872
Guardian Holdings Limited	5,714,196	159,997,488	160,448,986
National Enterprises Limited	9,115,500	68,457,405	102,458,220
Savinvest Mutual Fund	500,000	35,000,007	31,749,999
ENERGY AND ENERGY-RELATED INDUSTRIES			
Eastern Caribbean Gas Pipeline	350,869	2,176,703	11,610,230
PROPERTY			
Point Lisas Industrial Port Development Corporation Limited	2,966,876	20,560,451	43,019,702
TRADING			
Grace Kennedy & Company Limited	2,358,000	14,454,540	21,269,160
Market Value TT$ Equity	119,578,275	2,021,365,402	2,250,115,226
Market Value US$ Equity		149,358,613	5,007,790
MARKET VALUE OF EQUITIES		2,170,724,015	2,255,123,016
TOTAL DEBT SECURITIES		1,039,757,035	792,345,644
		3,210,481,050	3,047,468,660
CASH & SHORT-TERM INVESTMENTS		1,418,638,461	1,741,565,212
TOTAL VALUE OF PORTFOLIO		**4,629,119,511**	**4,789,033,872**

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

	2006 $	2005 $
Held-to-Maturity Financial Assets	2,446,027,927	2,215,082,496
Available-for-Sale Financial Assets	2,183,091,584	2,573,951,376
Total	**4,629,119,511**	**4,789,033,872**

24) INVESTMENTS – TT$ MONEY MARKET FUND (SECOND UNIT SCHEME)

Securities at market value:

	2006 $	2005 $
Government Securities	1,674,301,648	1,465,944,079
Corporate Securities	623,477,937	789,681,337
Cash and Short-Term Investments	4,636,366,206	4,548,347,711
Total	**6,934,145,791**	6,803,973,127

The Portfolio of the TT$ Money Market Fund is represented by:

	2006 $	2005 $
Held-to-Maturity Financial Assets	6,752,947,750	6,617,332,378
Available-for-Sale Financial Assets	181,198,041	186,640,749
Total	**6,934,145,791**	6,803,973,127

25) NET ASSETS – UNIVERSAL RETIREMENT FUND

	SHAREHOLDING 2006 (STOCK UNITS)	MARKET VALUE 2006 $	MARKET VALUE 2005 $
FINANCIAL INSTITUTIONS			
ANSA Merchant Bank Limited	368,372	6,888,556	7,919,998
First Caribbean International Bank Limited	171,788	1,970,408	2,308,831
National Commercial Bank of Jamaica	1,200,000	2,520,000	2,160,000
RBTT Financial Holdings Limited	183,778	6,891,675	7,443,009
Republic Bank Limited	22,617	1,899,828	2,035,530
Scotiabank Trinidad & Tobago Limited	4,466	120,702	120,569
MANUFACTURING			
National Flour Mills Limited	95,306	152,490	169,645
Readymix (West Indies) Limited	36,780	155,212	139,764
The West Indian Tobacco Company Limited	147,226	3,533,424	3,389,143
Trinidad Cement Limited	350,960	2,460,230	3,509,600
Unilever Caribbean Limited	20,975	412,159	362,448
CONGLOMERATES			
ANSA McAL Limited	152,454	6,669,862	6,174,387
Grace Kennedy & Company Limited	360,020	2,206,923	3,247,380
Neal & Massy Holdings Limited	210,393	8,975,365	9,457,165
NON-BANKING FINANCIAL INSTITUTIONS			
Guardian Holdings Limited	210,075	5,882,100	6,739,206
National Enterprises Limited	441,000	3,311,910	4,956,840
Sagicor Financial Corporation	265,000	3,561,600	3,686,150
PROPERTY			
Point Lisas Industrial Port Development Corporation Limited	343,014	2,377,087	4,973,703
Market Value TT$ Equity	4,584,224	59,989,531	68,793,367
Chaconia Income and Growth Fund	1,006	74,259	64,727
Market Value US$ Equity	210,000	1,302,788	-
MARKET VALUE OF EQUITIES	**4,795,230**	**61,366,578**	**68,858,094**
TOTAL DEBT SECURITIES		**46,203,892**	**52,627,920**
		107,570,470	**121,486,014**
OTHER ASSETS NET OF LIABILITIES		**39,060,506**	**23,867,746**
TOTAL VALUE OF PORTFOLIO		**146,630,976**	**145,353,760**

The Portfolio of the Universal Retirement Fund is represented by:

	2006 $	2005 $
Held-to-Maturity Financial Assets	85,264,398	76,495,666
Available-for-Sale Financial Assets	61,366,578	68,858,094
Total	**146,630,976**	145,353,760

26) US$ MONEY MARKET FUND

Securities at market value:

	2006 $	2005 $
Government Securities	415,481,220	496,875,084
Corporate Securities	497,058,863	402,821,060
Cash and Short-Term Investments	3,035,904,493	2,823,964,117
Total	**3,948,444,576**	3,723,660,261

The Portfolio of the US$ Money Market Fund is represented by:

	2006 $	2005 $
Held-to-Maturity Financial Assets	3,690,968,558	3,515,255,502
Available-for-Sale Financial Assets	257,476,018	208,404,759
Total	**3,948,444,576**	3,723,660,261

27) INVESTMENT IN SUBSIDIARIES

Company	% Shareholding	Country of Incorporation
Belize Unit Trust Corporation Limited	83%	Belize
Chaconia Financial Services Inc.	100%	USA
Chaconia Fund Services Inc.	100%	USA
UTC Financial Services Limited	100%	T&T
UTC Trust Services Limited	100%	T&T
UTC Property Development Limited	100%	T&T
UTC Mutual Funds SPC Limited	100%	Cayman Islands

a) Local Subsidiaries

The Corporation has three (3) wholly-owned local subsidiary companies – UTC Financial Services Limited, UTC Trust Services Limited and UTC Property Development Limited, which were incorporated under the Companies Act 1995 of Trinidad & Tobago on March 23, 1999, June 2, 1999 and June 18, 2002 respectively. These companies are capitalised as follows:

	2006 $'000	2005 $'000
UTC Financial Services Limited	20,000	20,000
UTC Trust Services Limited	15,000	15,000
UTC Property Development Limited	20,370	20,370
Total	**55,370**	55,370

The UTC Property Development Limited is a wholly-owned subsidiary of the Corporation and all the Directors of this company are Directors of the Corporation. UTC Property Development Limited was established as a property development company and it has constructed and currently owns buildings for rental to the Corporation for its San Fernando, Chaguanas, Tobago and Arima branches.

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

b) Foreign Subsidiaries

The Corporation established a wholly-owned subsidiary in Delaware in 1997 – Chaconia Fund Services Inc. In 1999 Chaconia Fund Services Inc. acquired Chaconia Financial Services Inc., a Rhode Island corporation and registered broker-dealer. There were no transactions in Chaconia Fund Services Inc. The net assets in Chaconia Financial Services Inc. have been incorporated in these Financial Statements. The auditor for this subsidiary company is Kirkland, Russ, Murphy & Tapp of the United States of America.

As at December 31, 2006 the Corporation invested US$1.0 million (2005: US$1.0 million) in the Belize Unit Trust Corporation, a company incorporated on August 24, 2001 under the Companies Act, Chapter 206, of the Laws of Belize, with registered offices at 77 Central American Boulevard, Belize City. At December 31, 2006 the Corporation's shareholding represented 83% (2005: 83%) of the issued shares of the Belize Unit Trust Corporation. The assets and liabilities and results of the Belize Unit Trust Corporation as at December 31, 2006 have been incorporated in these Financial Statements. The auditor for this subsidiary company is Pannell Kerr Forster of Belize.

UTC Mutual Funds SPC Limited is a wholly-owned subsidiary, incorporated in the Cayman Islands as an exempted segregated portfolio company with limited liability under the provisions of the Law, on July 31, 2006. There were no transactions in this company during 2006.

28) RETIREMENT BENEFIT PLAN ASSETS

Prior to January 1, 2001 the Unit Trust Corporation Pension Fund Plan (the Plan) had been a defined benefit plan. The Plan received formal approval during 2002 for conversion to a defined contribution plan with effect from January 1, 2001. During the year the Corporation contributed $4.707 million (2005: $4.092 million) to the Plan, which has been charged against Income.

29) TAXATION

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

	2006 $'000	2005 $'000
Net Income Before Taxation	77,402	109,706
Corporation Tax Rate 0%	-	-
Corporate Tax at 25% for Local Subsidiaries	355	62
Corporate Tax for Foreign Subsidiaries	3	-
Utilisation of Previously Unrecognised Tax Losses	(355)	(62)
Effective Difference in Tax at 42% of Foreign Subsidiary	-	3
Business Levy Payments	23	-
Green Fund Levy Payments	236	266
Tax Charge	**262**	269

30) RELATED-PARTY TRANSACTIONS

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

The following transactions were carried out with related parties:

	2006 $'000	2005 $'000
a) Rental of premises from:		
- Subsidiary Company	12,161	9,530
b) Administrative services to:		
- Subsidiary Company	3,212	3,129
c) Key management compensation:		
Salaries and other short-term employee benefits	8,900	8,081
Post-employment benefits	700	608
	9,600	8,689
d) Loans to related parties		
Loans to key management of the Group:		
Balance at beginning of year	422	338
Loans advanced during year	394	277
Loan repayments received	(190)	(193)
Interest income	18	18
Interest received	(18)	(18)
Balance at end of year	626	422
Other loans to related parties:		
Balance at beginning of year	88,693	79,975
Loans advanced during year	6,866	13,226
Loan repayments received	(4,919)	(4,508)
Balance at end of year	90,640	88,693
Total loans to related parties		
Balance at beginning of year	89,115	80,313
Loans advanced during year	7,260	13,503
Loan repayments received	(5,109)	(4,701)
Interest income	18	18
Interest received	(18)	(18)
Balance at end of year	91,266	89,115

The Investment Funds managed by the Trinidad and Tobago Unit Trust Corporation have invested in bonds issued by its subsidiary company, UTC Property Development Company. As at December 31, 2006, the Investment Funds held $4.27 million (2005: $45.64 million).

31) COMMITMENTS

As at December 31, 2006, the Group had no commitments (2005: $5.65 million for construction projects).

32) POST-BALANCE SHEET EVENTS

These financial statements were approved by the Board of Directors for issue on March 22, 2007. The Trinidad and Tobago Unit Trust Corporation further represents that as at April 30, 2007 there were no post-balance sheet events which have a material bearing on these financial statements.

Subsequent to December 31, 2006, the Corporation disposed of an investment in the Growth and Income Fund (First Unit Scheme) on April 27, 2007 to ensure compliance with Section 13 (3) of the Trinidad and Tobago Unit Trust Corporation Act.

33) CONTINGENT LIABILITIES

As at December 31, 2006 there were two legal proceedings outstanding against the Corporation. No provision has been made in these financial statements for the costs arising from these proceedings.