

# **Praetorian Property Mutual Fund**

Consolidated Financial Statements

30 September 2021

*(Expressed in Trinidad and Tobago Dollars)*

# **Praetorian Property Mutual Fund**

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# Praetorian Property Mutual Fund

## Statement of Trustee's Responsibilities

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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 2021 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 2021, 14 November 2022, 14 November 2023, 14 November 2024 and 14 November 2025.

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



Trustee

28 March 2025



Trustee

28 March 2025



## Independent auditor's report

To the shareholders of Praetorian Property Mutual Fund

### 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 2021, 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 Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 30 September 2021;
- 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 and other explanatory information.

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### 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 Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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## **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 Ordinary Resolutions were signed by the Class B unitholders on 15 October 2020, 28 October 2021, 31 October 2022, 9 October 2023 and 7 November 2024 to fix the termination dates to the 14th day of November 2021, 14th day of November 2022, 14th day of November 2023, 14th day of November 2024 and 14th day of November 2025 respectively. 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.

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## **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.

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## **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 judgement 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.
- 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.

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

- 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. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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.



Port of Spain  
Trinidad, West Indies  
28 March 2025

# Praetorian Property Mutual Fund

## Consolidated Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

		As at 30 September	
	Notes	2021 \$	2020 \$
<b>Assets</b>			
Investment properties	5	14,546,995	15,219,940
Rental income receivable	6	6,860,708	6,339,344
Other receivables	7	140,363	372,141
Investments at fair value through profit or loss	8	2,953,950	2,967,967
Cash at bank		<u>5,088,536</u>	<u>5,131,198</u>
<b>Total assets</b>		<u>29,590,552</u>	<u>30,030,590</u>
<b>Liabilities</b>			
Other payables	9	6,717,955	6,616,667
Units – Class B	10	<u>200</u>	<u>200</u>
<b>Total liabilities</b>		<u>6,718,155</u>	<u>6,616,867</u>
<b>Total net assets</b>		<u>22,872,397</u>	<u>23,413,723</u>
<b>Fund value</b>			
Units – Class A	10	66,000,000	66,000,000
Accumulated deficit		<u>(43,127,603)</u>	<u>(42,586,277)</u>
<b>Total fund value</b>		<u>22,872,397</u>	<u>23,413,723</u>
<b>Net asset value per Class A unit</b>	11	<u>0.572</u>	<u>0.585</u>

The notes on pages 9 to 27 are an integral part of these consolidated financial statements.

On 28 March 2025, 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)

		Year ended 30 September	
	Notes	2021 \$	2020 \$
<b>Income</b>			
Interest		53,302	314,690
Dividend		--	22,394
Rental income		162,530	627,479
Market value appreciation in financial assets		1,003	--
Net foreign exchange gains		405,544	10,712
Fair value gains on financial assets	8	<u>--</u>	<u>85,553</u>
<b>Total income</b>		<u>622,379</u>	<u>1,060,828</u>
<b>Expenses</b>			
Market value depreciation in investment properties	5	(629,773)	(4,220,606)
Fees, commissions and service charges	12	(521,975)	(817,240)
Other administrative expenses		(4,030)	129,813
Fair value loss on financial assets	8	(7,165)	--
Realised loss from sale of financial assets		<u>--</u>	<u>(76,730)</u>
<b>Total expenses</b>		<u>(1,162,943)</u>	<u>(4,984,763)</u>
<b>Net investment loss before taxation</b>		(540,564)	(3,923,935)
<b>Taxation</b>	13	<u>(762)</u>	<u>(3,034)</u>
<b>Net investment loss after taxation</b>		<u>(541,326)</u>	<u>(3,926,969)</u>
<b>Total comprehensive loss for the year</b>		<u><u>(541,326)</u></u>	<u><u>(3,926,969)</u></u>

The notes on pages 9 to 27 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 \$
<b>Year ended 30 September 2021</b>				
Balance at beginning of year		66,000,000	(42,586,277)	23,413,723
Total comprehensive loss for the year		--	(541,326)	(541,326)
Balance at end of year		<u>66,000,000</u>	<u>(43,127,603)</u>	<u>22,872,397</u>
<b>Year ended 30 September 2020</b>				
Balance at beginning of year		120,000,000	(38,659,308)	81,340,692
Repurchase of units	10	(54,000,000)	--	(54,000,000)
Total comprehensive loss for the year		--	(3,926,969)	(3,926,969)
Balance at end of year		<u>66,000,000</u>	<u>(42,586,277)</u>	<u>23,413,723</u>

The notes on pages 9 to 27 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	
	2021	2020
	\$	\$
<b>Cash flows from operating activities</b>		
Net investment loss before taxation	(540,564)	(3,923,935)
Adjustments:		
Interest income	(53,302)	(314,690)
Dividend income	--	(22,394)
Realised loss on sale of financial assets	--	76,730
Unrealised exchange loss/(gain) on investment properties	43,172	(66,935)
Foreign exchange gain	--	(86,607)
Net fair value gains on mutual funds	(1,003)	(85,553)
Market value depreciation in investment properties	<u>629,773</u>	<u>4,220,606</u>
<b>Net investment income/(loss) before working capital changes</b>	78,076	(202,778)
(Increase)/decrease in receivables	(289,598)	41,713,910
(Decrease)/increase in payables	<u>100,526</u>	<u>(25,846,841)</u>
	(110,996)	15,664,291
Net taxation paid	<u>--</u>	<u>(1,815)</u>
	(110,996)	15,662,476
Interest received	53,314	260,275
Dividend received	<u>--</u>	<u>22,394</u>
<b>Net cash flows (used by)/generated from operating activities</b>	<u>(57,682)</u>	<u>15,945,145</u>
<b>Cash flows from investing activities</b>		
Proceeds on sale of investments	61,171	50,766,961
Purchase of investments	<u>(53,316)</u>	<u>(15,405,452)</u>
<b>Net cash flows generated from investing activities</b>	<u>7,855</u>	<u>35,361,509</u>
<b>Cash flows from financing activity</b>		
Repurchase of units	<u>--</u>	<u>(54,000,000)</u>
<b>Net cash flows used in financing activity</b>	<u>--</u>	<u>(54,000,000)</u>
<b>Net decrease in cash and cash equivalents</b>	(49,827)	(2,693,346)
<b>Cash and cash equivalents at beginning of year</b>	5,131,198	7,762,252
<b>Exchange gains on cash and cash equivalents</b>	<u>7,165</u>	<u>62,292</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>5,088,536</u></u>	<u><u>5,131,198</u></u>
<b>Represented by:</b>		
Cash at bank	<u><u>5,088,536</u></u>	<u><u>5,131,198</u></u>

The notes on pages 9 to 27 are an integral part of these consolidated financial statements.

# Praetorian Property Mutual Fund

## Notes to the Consolidated Financial Statements

**30 September 2021**

*(Expressed in Trinidad and Tobago Dollars)*

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### 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 2021 comprise the financial statements of the fund and its subsidiaries, Stoneham Investments Incorporated, 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 7<sup>th</sup> – 11<sup>th</sup> anniversary dates of the Fund's commencement, the Fund would automatically terminate on the 12<sup>th</sup> 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 12<sup>th</sup> 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 2021, 14 November 2022, 14 November 2023, 14 November 2024 and 14 November 2025. 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 Resolutions of the Class B unitholders in accordance with the Trust deed and rules which were passed on the 15 October 2020, 28 October 2021, 31 October 2022, 9 October 2023 and 7 November 2024 to fix the termination dates to the 14<sup>th</sup> day of November 2021, 14<sup>th</sup> day of November 2022, 14<sup>th</sup> day of November 2023, 14<sup>th</sup> day of November 2024 and 14<sup>th</sup> day of November 2025 respectively.

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.

# Praetorian Property Mutual Fund

## Notes to the Consolidated Financial Statements (continued)

30 September 2021

(Expressed in Trinidad and Tobago Dollars)

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### 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.

# Praetorian Property Mutual Fund

## Notes to the Consolidated Financial Statements (continued)

30 September 2021

(Expressed in Trinidad and Tobago Dollars)

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### 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.

# Praetorian Property Mutual Fund

## Notes to the Consolidated Financial Statements (continued)

30 September 2021

(Expressed in Trinidad and Tobago Dollars)

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

#### c. *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.

#### d. *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 is 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.

#### e. *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 by subsequent sales proceeds for such properties. Changes in fair values are recorded in the consolidated statement of comprehensive income.

#### f. *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.

# Praetorian Property Mutual Fund

## Notes to the Consolidated Financial Statements (continued)

30 September 2021

(Expressed in Trinidad and Tobago Dollars)

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

#### g. 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.

#### h. 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.

#### i. 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.

#### j. Service charges

Service charges are accounted for on the accrual basis.

#### k. Expenses

Expenses are accounted for on the accrual basis.

#### l. 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.

# Praetorian Property Mutual Fund

## Notes to the Consolidated Financial Statements (continued)

30 September 2021

(Expressed in Trinidad and Tobago Dollars)

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

#### l. *Foreign currency transactions (continued)*

##### *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 recognised in the consolidated statement of income as part of the gain or loss on sale.

#### m. *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.

#### n. *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.

#### o. *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 using subsequent sales contracts entered into for each property in accordance with the accounting policy stated in Note 3 e. Further details of judgements and assumptions are made in Note 19.



# Praetorian Property Mutual Fund

## Notes to the Consolidated Financial Statements (continued)

30 September 2021

(Expressed in Trinidad and Tobago Dollars)

5	Investment properties	2021 \$	2020 \$
	Balance at beginning of year	15,219,940	19,373,611
	Exchange differences	(43,172)	66,935
	Market value depreciation in investment properties	<u>(629,773)</u>	<u>(4,220,606)</u>
	Balance at end of year	<u>14,546,995</u>	<u>15,219,940</u>

The investment properties consist of the following:

### *Leisure properties*

Port St. Charles Condominium - Barbados	10,125,595	9,477,300
Marigot Bay - St. Lucia	371,160	--
The Landings - St. Lucia	<u>4,050,240</u>	<u>5,742,640</u>
Total	<u>14,546,995</u>	<u>15,219,940</u>

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	2021 \$	2020 \$
	Due from property managers	<u>6,860,708</u>	<u>6,339,344</u>

# Praetorian Property Mutual Fund

## Notes to the Consolidated Financial Statements (continued)

30 September 2021

(Expressed in Trinidad and Tobago Dollars)

7	Other receivables	2021 \$	2020 \$
	Interest receivable	1,819	1,831
	Sundry receivables	71,407	75,871
	VAT balances	67,137	67,137
	Amounts due from portfolio managers (Note 20b)	--	227,302
		<u>140,363</u>	<u>372,141</u>
8	Investments at fair value through profit or loss		
	<i>Mutual funds</i>		
	Money Market Fund - TT\$	41,188	40,537
	Money Market Fund - US\$	<u>2,912,762</u>	<u>2,927,430</u>
		<u>2,953,950</u>	<u>2,967,967</u>
	<i>The movements in investments may be summarized as follows:</i>		
	At beginning of year	2,967,967	38,243,142
	Exchange differences	--	781
	Additions	53,316	15,405,452
	Disposals	(60,168)	(50,766,961)
	Net fair value gains	<u>(7,165)</u>	<u>85,553</u>
	At end of year	<u>2,953,950</u>	<u>2,967,967</u>
9	Other payables		
	Provision for taxation	24,409	23,647
	Rental deposit	35,977	68,337
	Service charges and facility management fees	6,561,009	6,074,815
	Other accrued expenses	96,560	105,622
	Distributions payable	--	344,246
		<u>6,717,955</u>	<u>6,616,667</u>
10	Units		
	Class A		
	Issued and fully paid 40,000,000 units	<u>66,000,000</u>	<u>66,000,000</u>
	Class B		
	Issued and fully paid 20 units	<u>200</u>	<u>200</u>

# Praetorian Property Mutual Fund

## Notes to the Consolidated Financial Statements (continued)

30 September 2021

(Expressed in Trinidad and Tobago Dollars)

### 10 Units (continued)

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.

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

	2021 \$	2020 \$
Total net assets	<u>22,872,397</u>	<u>23,413,723</u>
Number of units issued	<u>40,000,000</u>	<u>40,000,000</u>
Net asset value per unit	<u>0.572</u>	<u>0.585</u>

### 12 Fees, commissions and service charges

Registrar fees	--	6,443
Professional fees	58,330	7,554
Listing fees and other expenses	50,000	96,313
Service charges and facility management fees	<u>413,645</u>	<u>706,930</u>
	<u>521,975</u>	<u>817,240</u>

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

### 13 Taxation

Business and green fund levies	<u>762</u>	<u>3,034</u>
	<u>762</u>	<u>3,034</u>

# Praetorian Property Mutual Fund

## Notes to the Consolidated Financial Statements (continued)

30 September 2021

(Expressed in Trinidad and Tobago Dollars)

### 13 Taxation (continued)

	2021 \$	2020 \$
The tax on net investment loss differs from the theoretical amount that would arise using the basic rate of tax as follows:		
Net investment loss before taxation	<u>(540,564)</u>	<u>(3,912,688)</u>
Tax calculated at 30%	(162,169)	(1,173,806)
Business and green fund levies	(762)	3,034
Amounts not subject to tax	162,169	1,173,806
Prior year over provision	<u>--</u>	<u>--</u>
	<u>(762)</u>	<u>3,034</u>

### 14 Operating lease - rentals

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

Not later than 1 year	--	352,299
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### 15 Capital commitments

As at the statement of financial position date, there were no contracted capital commitments (2020: 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 minimizes 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:

	2021 \$	2020 \$
Rental income receivable	6,860,708	6,339,344
Other receivables	140,363	372,141
Investments	2,953,950	2,967,967
Cash at bank	<u>5,088,536</u>	<u>5,131,198</u>
	<u>15,043,557</u>	<u>14,810,650</u>

# Praetorian Property Mutual Fund

## Notes to the Consolidated Financial Statements (continued)

30 September 2021

(Expressed in Trinidad and Tobago Dollars)

### 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 \$
<b>As at 30 September 2021</b>			
Rental income receivable	37,269	6,823,439	6,860,708
Other receivables	140,363	--	140,363
Investments	2,953,950	--	2,953,950
Cash at bank	5,088,536	--	5,088,536
	<u>8,220,118</u>	<u>6,823,439</u>	<u>15,043,557</u>
<b>As at 30 September 2020</b>			
Rental income receivable	432,690	5,906,654	6,339,344
Other receivables	372,141	--	372,141
Investments	2,967,967	--	2,967,967
Cash at bank	5,131,198	--	5,131,198
	<u>8,903,996</u>	<u>5,906,654</u>	<u>14,810,650</u>

#### (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.

# Praetorian Property Mutual Fund

## Notes to the Consolidated Financial Statements (continued)

30 September 2021

(Expressed in Trinidad and Tobago Dollars)

### 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 \$
<b>Year ended 30 September 2021</b>				
Rental income receivable	--	--	37,269	37,269
Other receivable	--	1,819	138,544	140,363
Investments	2,951,312	2,638	--	2,953,950
Cash at bank	5,088,536	--	--	5,088,536
	<u>8,039,848</u>	<u>4,457</u>	<u>175,813</u>	<u>8,220,118</u>
<b>Year ended 30 September 2020</b>				
Rental income receivable	--	--	432,690	432,690
Other receivable	227,302	1,831	143,008	372,141
Investments	107,413	2,860,554	--	2,967,967
Cash at bank	5,131,198	--	--	5,131,198
	<u>5,465,913</u>	<u>2,862,385</u>	<u>575,698</u>	<u>8,903,996</u>

# Praetorian Property Mutual Fund

## Notes to the Consolidated Financial Statements (continued)

30 September 2021

(Expressed in Trinidad and Tobago Dollars)

### 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 2021, rental income receivable of \$6,823,439 (2020: \$5,906,654) 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:

	2021 \$	2020 \$
Up to 3 months	120,496	112,486
3 to 6 months	40,991	38,266
Over 6 months	<u>6,661,952</u>	<u>5,755,902</u>
	<u>6,823,439</u>	<u>5,906,654</u>

Balances over six months relate mainly to amounts due from the entities set up to manage the Port St Charles and The Landings properties. These balances have corresponding amounts included in other payables of \$6,567,536 (2020: \$4,932,762). 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

	Financial institutions \$	Property managers \$	Other \$	Total \$
<b>As at 30 September 2021</b>				
Rental income receivable	--	6,860,708	--	6,860,708
Other receivables	--	--	140,363	140,363
Investments	2,953,950	--	--	2,953,950
Cash at bank	5,088,536	--	--	5,088,536
	<u>8,042,486</u>	<u>6,860,708</u>	<u>140,363</u>	<u>15,043,557</u>

	Financial institutions \$	Property managers \$	Other \$	Total \$
<b>As at 30 September 2020</b>				
Rental income receivable	--	6,339,344	--	6,339,344
Other receivables	305,004	--	67,137	372,141
Investments	2,967,967	--	--	2,967,967
Cash at bank	5,131,198	--	--	5,131,198
	<u>8,404,169</u>	<u>6,339,344</u>	<u>67,137</u>	<u>14,810,650</u>

(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.

# Praetorian Property Mutual Fund

## Notes to the Consolidated Financial Statements (continued)

30 September 2021

(Expressed in Trinidad and Tobago Dollars)

### 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
<b>As at 30 September 2021</b>				
<i>Assets</i>				
Rental income receivable	--	756,246	6,104,462	6,860,708
Other receivables	140,363	--	--	140,363
Investments	2,912,762	41,188	--	2,953,950
Cash at bank	210,876	--	4,877,660	5,088,536
<b>Total assets</b>	<b>3,264,001</b>	<b>797,434</b>	<b>10,982,122</b>	<b>15,043,557</b>
<i>Liabilities</i>				
Other payables	156,946	536,014	6,024,995	6,717,955
<b>Total liabilities</b>	<b>156,946</b>	<b>536,014</b>	<b>6,024,995</b>	<b>6,717,955</b>
<b>Net statement of financial position</b>	<b>3,107,055</b>	<b>261,420</b>	<b>4,957,127</b>	<b>8,325,602</b>
<b>As at 30 September 2020</b>				
<i>Assets</i>				
Rental income receivable	--	2,069,484	4,269,860	6,339,344
Other receivables	372,141	--	--	372,141
Investments	40,537	2,927,430	--	2,967,967
Cash at bank	263,485	--	4,867,713	5,131,198
<b>Total assets</b>	<b>676,163</b>	<b>4,996,914</b>	<b>9,137,573</b>	<b>14,810,650</b>
<i>Liabilities</i>				
Other payables	473,515	431,667	5,711,485	6,616,667
<b>Total liabilities</b>	<b>473,515</b>	<b>431,667</b>	<b>5,711,485</b>	<b>6,616,667</b>
<b>Net statement of financial position</b>	<b>202,648</b>	<b>4,565,247</b>	<b>3,426,088</b>	<b>8,193,983</b>



# Praetorian Property Mutual Fund

## Notes to the Consolidated Financial Statements (continued)

30 September 2021

(Expressed in Trinidad and Tobago Dollars)

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### 16 Financial risk management (continued)

#### b. Market risk (continued)

##### (i) Currency risk (continued)

##### (d) Sensitivity analysis

As at 30 September 2021, 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 \$3,233 (2020: \$3,226) higher/lower, mainly as a result of foreign exchange gains/losses on translation of United States dollar denominated rental income receivable, mutual funds and other payables.

As at 30 September 2021, 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 \$52,709 (2020: \$47,357) 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 2021, 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 \$20,409 (2020: \$190,082) 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.

# Praetorian Property Mutual Fund

## Notes to the Consolidated Financial Statements (continued)

30 September 2021

(Expressed in Trinidad and Tobago Dollars)

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### 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 no significant exposure to price risk as its financial assets are substantially comprised of fixed Net Asset Value's (NAV) money market instruments with financial institutions.

###### (c) Sensitivity analysis

As at 30 September 2021, 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 nil (2020: \$20,129) 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 primarily of cash.

##### (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.

# Praetorian Property Mutual Fund

## Notes to the Consolidated Financial Statements (continued)

30 September 2021

(Expressed in Trinidad and Tobago Dollars)

### 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 categorized 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 2021	Level 2 \$	Total \$
Mutual funds - TT\$	2,912,762	2,912,762
Mutual funds - US\$	41,188	41,188
	<u>2,953,950</u>	<u>2,953,950</u>
Year ended 30 September 2020	Level 2 \$	Total \$
Mutual funds - TT\$	40,537	40,537
Mutual funds - US\$	2,927,430	2,927,430
	<u>2,967,967</u>	<u>2,967,967</u>

# Praetorian Property Mutual Fund

## Notes to the Consolidated Financial Statements (continued)

**30 September 2021**

(Expressed in Trinidad and Tobago Dollars)

### 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 Leisure	St. Lucia Leisure	Total 2021
<b>Fair value hierarchy</b>	<b>3</b>	<b>3</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Fair value at 1 October 2020	9,477,300	5,742,640	15,219,940
Market value depreciation	675,040	(1,304,813)	(629,773)
Exchange differences	(26,745)	(16,427)	(43,172)
Fair value at 30 September 2021	<u>10,125,595</u>	<u>4,421,400</u>	<u>14,546,995</u>
<b>Country Segment</b>	<b>Barbados Leisure</b>	<b>St. Lucia Leisure</b>	<b>Total 2020</b>
<b>Fair value hierarchy</b>	<b>3</b>	<b>3</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Fair value at 1 October 2019	12,319,845	7,053,766	19,373,611
Market value depreciation	(2,880,736)	(1,339,870)	(4,220,606)
Exchange differences	38,191	28,744	66,935
Fair value at 30 September 2020	<u>9,477,300</u>	<u>5,742,640</u>	<u>15,219,940</u>

#### Valuation processes

The Fund's investment properties were valued at 30 September 2021 by reference to finalized sales in subsequent periods.

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

Country	Segment	Valuation \$	Valuation technique
St. Lucia	Leisure	4,421,400	Sales offer
Barbados	Leisure	10,125,595	Sales offer

# Praetorian Property Mutual Fund

## Notes to the Consolidated Financial Statements (continued)

30 September 2021

(Expressed in Trinidad and Tobago Dollars)

### 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:

	2021 \$	2020 \$
a. <i>Interest income</i>		
- GAM Mutual Funds	50,789	275,779
- Roytrin Mutual Funds	<u>2,331</u>	<u>24,443</u>
	<u>53,120</u>	<u>300,222</u>
b. <i>Year-end balances – (assets)</i>		
<i>Mutual funds:</i>		
- GAM Mutual Funds	2,840,746	2,857,947
- Roytrin Mutual Funds	<u>110,566</u>	<u>107,413</u>
	<u>2,951,312</u>	<u>2,965,360</u>
<i>Other receivables:</i>		
- RBC Investment Management (Caribbean) Limited	<u>--</u>	<u>227,302</u>
c. <i>Fund value</i>		
Number of units – Class A:		
- Guardian Life of the Caribbean (Sponsor)	7,413,650	7,413,650
- Key management personnel	<u>99,000</u>	<u>99,000</u>
	<u>7,512,650</u>	<u>7,512,650</u>

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

### 21 Subsequent events

Trading of the units was suspended on the Trinidad and Tobago Stock Exchange ("TTSE") as of 9 November 2017. Approval was granted by the Trinidad and Tobago Securities Exchange Commission on 7 October 2021 to delist the Fund, which subsequently occurred on 11 November 2021.

On 28 October 2021, 31 October 2022, 9 October 2023 and 6 November 2024 the Trustee of the Fund executed a Supplemental Deed to extend the termination date of the Fund to 14 November 2022, 14 November 2023, 14 November 2024 and 14 November 2025 respectively. An Ordinary Resolution of the Class B unitholders was subsequently passed allowing the extension. The Trustee has advised unitholders of the revised termination date.

In September 2022 the sale of the Port St. Charles unit was concluded and in March 2024, the sale of The Landings was concluded. The sale of the Marigot Bay property was also concluded in February 2025.