

CARONI (1975) LIMITED
AUDITED FINANCIAL STATEMENTS
YEAR ENDED
30TH JUNE 2022



CARONI (1975) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

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**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
CARONI (1975) LIMITED**

Opinion

We have audited the financial statements of Caroni (1975) Limited which comprises the statement of financial position as at 30th June 2022, statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and incorporating summary of significant accounting policies and other explanatory notes, as stated on pages 5 to 19.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30th June 2022 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Basis for Qualified Opinion

We draw your attention to the Statement of Financial Position where Unrelieved Losses reflect a balance of \$(162,565,935) at year end 30th June 2022. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The assumption that the Company will continue as a going concern is based on its ability to continue to obtain financing from its primary shareholder, in the form of annual subventions per budgetary allocations of the Ministry of Finance, Trinidad & Tobago.

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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditors' Responsibilities for the Audit of the 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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.

A handwritten signature in blue ink that reads 'Maharaj Mohammed & Co.'.

Maharaj Mohammed & Co.
Chartered Accountants
Trinidad & Tobago

8th August 2024

CARONI (1975) LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2022

	Notes	2022 \$	Restated 2021 \$
<u>ASSETS</u>			
Current assets			
Cash and bank balances	3	8,354,916	12,867,528
Accounts receivable and prepayments	4	7,682,324	7,429,558
Amounts due from related parties	5	<u>5,292</u>	<u>9,784</u>
Total current assets		<u>16,042,532</u>	<u>20,306,870</u>
Non-current assets			
Property, plant and equipment	6	486,495	549,348
Investments - available for sale	7	<u>200</u>	<u>200</u>
Total non-current assets		<u>486,695</u>	<u>549,548</u>
Total Assets		<u>16,529,227</u>	<u>20,856,418</u>
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Equity			
Stated capital	9	177,287,760	177,287,760
Unrelieved losses		<u>(162,565,935)</u>	<u>(158,510,588)</u>
Total shareholders' deficiency		<u>14,721,825</u>	<u>18,777,172</u>
Current liabilities			
Accounts payable and accruals	8	1,715,850	1,995,990
Taxation payable		<u>907</u>	<u>2,250</u>
Total current liabilities		<u>1,716,757</u>	<u>1,998,240</u>
Non-current liabilities			
Deferred tax liability	10	<u>90,645</u>	<u>81,006</u>
Total non-current liabilities		<u>90,645</u>	<u>81,006</u>
Total Liabilities		<u>1,807,402</u>	<u>2,079,246</u>
Total Liabilities and Shareholders' Equity		<u>16,529,227</u>	<u>20,856,418</u>

These financial statements were approved by the Board of Directors and authorized for issue on 8th August, 2024. The accompanying notes on pages 9 to 19 form an integral part of these financial statements.

Nabeela Bally

:Director

Mhammad

:Director

CARONI (1975) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2022

	Note	2022 \$	2021 \$
Revenue			
Government subventions		2,895,000	3,015,000
Interest		17,039	38,040
Rent and sundry		<u>30,264</u>	<u>36,425</u>
		<u>2,942,303</u>	<u>3,089,465</u>
Expenditure			
Administrative and other		7,165,046	8,559,862
Interest and bank charges		<u>108,116</u>	<u>108,424</u>
		<u>7,273,162</u>	<u>8,668,286</u>
Loss from operations		(4,330,859)	(5,578,821)
Other Income	12	<u>285,633</u>	<u>2,249,396</u>
Loss before taxation		(4,045,226)	(3,329,425)
Taxation (charge) / benefit	11	<u>(10,121)</u>	<u>11,910</u>
Net loss for the year		<u>(4,055,347)</u>	<u>(3,317,515)</u>

The accompanying notes on pages 9 to 19 form an integral part of these financial statements.

CARONI (1975) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2022

	Note	Stated Capital \$	Retained Earnings \$	Total \$
Balance at 1 st July 2021		177,287,760	(158,510,588)	18,777,172
Loss for the year		<u>-</u>	<u>(4,055,347)</u>	<u>(4,055,347)</u>
Balance at 30 th June 2022		<u>177,287,760</u>	<u>(162,565,935)</u>	<u>14,721,825</u>
Balance at 1 st July 2020		177,287,760	(186,221,062)	(8,933,302)
Prior period adjustment	17	<u>-</u>	<u>31,027,989</u>	<u>31,027,989</u>
Restated balance as at 1 st July 2020		177,287,760	(155,193,073)	22,094,687
Loss for the year		<u>-</u>	<u>(3,317,515)</u>	<u>(3,317,515)</u>
Balance at 30 th June 2021		<u>177,287,760</u>	<u>(158,510,588)</u>	<u>18,777,172</u>

The accompanying notes on pages 9 to 19 form an integral part of these financial statements.

CARONI (1975) LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2022

	Note	2022 \$	2021 \$
Operating Activities			
Operating loss before taxation		(4,045,226)	(3,329,425)
Adjustments for:			
Loss on disposal of property plant and equipment		-	52,683
Depreciation of property, plant and equipment		<u>83,765</u>	<u>97,237</u>
		(3,961,461)	(3,179,505)
Movements in working capital			
(Increase) / decrease in accounts receivable and prepayments		(252,766)	133,961
Decrease in amounts due by related parties		4,492	1,967
Decrease in accounts payable and accruals		<u>(280,140)</u>	<u>(2,124,395)</u>
Cash used in operating activities		(4,489,875)	(5,167,972)
Taxation paid		<u>(1,825)</u>	<u>2,007</u>
Net cash used in operating activities		<u>(4,491,700)</u>	<u>(5,165,965)</u>
Investing Activities			
Purchase of property, plant and equipment		(20,912)	(31,162)
Cash used in investing activities		<u>(20,912)</u>	<u>(31,162)</u>
Net decrease in cash and cash equivalents		<u>(4,512,612)</u>	<u>(5,197,127)</u>
Cash and cash equivalents			
- at the beginning of the year		12,867,528	18,064,655
- at the end of the year	3	<u>8,354,916</u>	<u>12,867,528</u>
		<u>(4,512,612)</u>	<u>(5,197,127)</u>

The accompanying notes on pages 9 to 19 form an integral part of these financial statements.

CARONI (1975) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

1. **Incorporation and principal activities**

Caroni (1975) Limited was incorporated in the Republic of Trinidad and Tobago on 26th March 1975 and continued on 7th April 1998. Its registered office is situated at Light Pole 11, Brechin Castle Couva. The shareholders of the company are the Minister of Finance as Corporation Sole, with one share held by a nominee, on behalf of the Minister of Finance as Corporation Sole.

In July 2003, the company was re-structured with its sugar production and refining operations being transferred to the Sugar Manufacturing Company Limited (SMCL), its rum production being transferred to the Rum Distillers Company of Trinidad and Tobago (RDTT) and other activities to the Ministry of Agriculture, Lands and Fisheries and other state-owned organizations.

On 1st June 2006, the Caroni and Orange Grove National Company Limited (Divestment) Act 2005 became effective. This Act provided for the operational undertakings of Caroni (1975) Limited be transferred to another company and the vesting of the real estate holdings of Caroni (1975) Limited to the Government of Trinidad & Tobago (GOTT) for the sum of one (\$1.00) dollar.

Presently, the company remains a non-trading entity managing the company's day to day operations on behalf of the Government of Trinidad and Tobago (GOVTT). The company also provides support to the former employees with respect to the agreed terms and conditions of the VSEP commitments. In this regard, the company receives subvention from the GOVTT to meet these obligations.

The company's main initiatives at present are:

- Managing land distribution and leases to beneficiaries of residential service lots
- Co-ordinate with the Commissioner of State Lands (COSL) and Estate Management Development Company Limited (EMBD) to ensure delivery of the agricultural plots.
- Attendance to matters pertinent to former employees, trade unions and other parties as well as obligations related to the Voluntary Separation of Employment Program (VSEP) and other past employment.
- Technical support to relevant government ministries and committees.
- Safeguarding of assets of the company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022

2. Significant Accounting Policies

(a) Basis of preparation

These financial statements are expressed in Trinidad and Tobago dollars and have been prepared under the historical cost convention in conformity with International Financial Reporting Standards.

(b) Use of estimates

The preparation of financial statements, in conformity with International Financial Reporting Standards, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(c) Foreign currency

Transactions in foreign currencies are translated into Trinidad and Tobago dollars at the exchange rates prevailing at the dates of the transactions. Current assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet date. Profits and losses arising are dealt with in the statement of income.

(d) Revenue

Revenue is recognized on the receipt of government subventions throughout the financial year, on a cash receipts basis, per allocation from Ministry of Finance. Interest, rent and other income are recognized on the accrual basis.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balances and overdrafts that are readily convertible to known amounts of cash which are subject to insignificant risk of change in value.

(f) Accounts receivable

Accounts receivable are amounts due from customers for goods sold or services performed in the ordinary course of business. All collections from sales are expected in one year or less and are classified as current assets.

Accounts receivable are initially recognized at the transaction price. They are subsequently measured at cost less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the company will not be able to recover all amounts due according to the original terms of the receivables.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022

2. Significant Accounting Policies (continued)

(g) Property, plant and equipment

Property, plant and equipment are stated at cost/valuation and are being depreciated on the reducing balance basis, at varying rates which are sufficient to write-off the cost/valuation of the assets over their estimated useful lives as follows:

Furniture and fixtures	10%
Machinery and equipment	10%
Motor vehicles	25%
Computer equipment	25%

(h) Accounts payable

Accounts payable are obligations on the basis of normal credit terms and do not bear interest.

(i) Deferred taxation

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable income will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized. Deferred tax assets and the liabilities measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on the enacted tax rate at the balance sheet date.

(j) Taxation

The company is subject to corporation tax based on the stipulated rate for the respective year of income, in addition to Green Fund Levy at the rate of 0.3% of gross revenue.

(k) Investments – Available for sale

Investments are initially recognized at cost, calculated to include transaction costs on acquisition of the new investment.

After initial recognition, the investments which are classified as 'Available for Sale' are measured at fair value, with unrealized gains or losses recorded in the Investment Reserve Account. Gains and losses arising from subsequent disposal or impairment of these investments are recognized in the statement of income.

For actively-traded investments, fair value is determined by reference to Stock Exchange quoted market prices at the balance sheet date, adjusted for transaction cost necessary to realize the investment. For investments where there is no quoted market price, the carrying value is deemed to approximate fair value.

CARONI (1975) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022

2. Significant Accounting Policies

(I) Comparatives

Where applicable comparative balances have been re-stated to conform to changes in accounting standards and disclosure presentation in the current year.

3. Cash and bank balances

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	2022	2021
	\$	\$
Cash on hand	1,290	7,000
Bank balances	<u>8,353,626</u>	<u>12,860,528</u>
	<u>8,354,916</u>	<u>12,867,528</u>

4. Accounts receivable and prepayments

	2022	2021
	\$	\$
Trade receivables	68,394	34,347
Prepayments	30,233	30,240
Value Added Tax and other	<u>7,583,697</u>	<u>7,364,971</u>
	<u>7,682,324</u>	<u>7,429,558</u>

5. Amounts due from related parties

	2022	2021
	\$	\$
a) Amounts due from related parties	<u>5,292</u>	<u>9,784</u>

The transactions conducted with related parties were carried out on commercial terms and conditions at market rates.

b) The company had related party transactions during the year as follows:

Sales to related parties	<u>-</u>	<u>-</u>
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CARONI (1975) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022

6. Property, plant and equipment

YEAR ENDED 2022	Furniture & Fittings	Machinery & Equipment	Computer Equipment	Total
	\$	\$	\$	\$
Cost				
Beginning of the year	127,846	650,588	509,812	1,288,246
Additions	-	19,653	1,259	20,912
Disposals	-	-	-	-
End of the year	<u>127,846</u>	<u>670,241</u>	<u>511,071</u>	<u>1,309,158</u>
Accumulated depreciation				
Beginning of the year	74,968	291,387	372,543	738,898
Charge for the year	<u>5,288</u>	<u>44,080</u>	<u>34,397</u>	<u>83,765</u>
End of the year	<u>80,256</u>	<u>335,467</u>	<u>406,940</u>	<u>822,663</u>
Net book value 2022	47,590	334,774	104,131	486,495

YEAR ENDED 2021

Cost				
Beginning of the year	127,846	763,292	537,396	1,428,534
Additions	-	10,046	21,116	31,162
Disposals	-	(122,750)	(48,700)	(171,450)
End of the year	<u>127,846</u>	<u>650,588</u>	<u>509,812</u>	<u>1,288,246</u>
Accumulated depreciation				
Beginning of the year	69,093	318,074	373,261	760,428
Disposals	-	(72,175)	(46,592)	(118,767)
Charge for the year	<u>5,875</u>	<u>45,488</u>	<u>45,874</u>	<u>97,237</u>
End of the year	<u>74,968</u>	<u>291,387</u>	<u>372,543</u>	<u>738,898</u>
Net book value 2021	52,878	359,201	137,269	549,348

CARONI (1975) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022

7. **Investments - available for sale**

	2022	2021
	\$	\$
Opening balance	200	200
Addition / (disposal) of shares	-	-
Closing balance	<u>200</u>	<u>200</u>

Shares held in Co-operative Citrus Growers Association have been maintained at book value in the absence of market value (fair value) information.

8. **Accounts payable and accruals**

	2022	2021
	\$	\$
Trade payables	34,219	119,003
Accruals	810,082	760,005
Deposits on residential properties	310,100	384,900
Other payables	<u>561,449</u>	<u>732,082</u>
	<u>1,715,850</u>	<u>1,995,990</u>

9. **Stated capital**

	2022	2021
	\$	\$
Authorised		
300,000,000 ordinary shares		
Issued		
177,287,760 ordinary shares	<u>177,287,760</u>	<u>177,287,760</u>

CARONI (1975) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022

10. Deferred taxation	2022 \$	2021 \$
<i>Reconciliation between accounting income and taxation charge</i>		
Accounting loss	(4,215,859)	(3,329,425)
Items disallowed	(2,909,070)	(3,012,140)
Allowable losses for the year	(7,124,929)	(6,341,565)
Allowable losses brought forward	(6,159,365,060)	(6,153,023,495)
Allowable losses carried forward	(6,166,489,989)	(6,159,365,060)

(i) Deferred Tax Asset

Taxable losses	6,166,489,989	6,159,365,060
Deferred tax asset @ 30%	1,849,946,997	1,847,809,518

Note: Due to the cessation of trading in the foreseeable future, the deferred tax asset has not been recorded in the accounts as it is deemed unrecoverable in the long term.

(ii) Deferred Tax Liability

Net book value per accounting records	486,495	549,348
Tax written down value	(184,347)	(279,329)
Temporary differences	302,148	270,019
Deferred tax liability @ 30%	90,645	81,006
<i>Deferred tax (charge)/ benefit (Note 12)</i>	<i>(9,638)</i>	<i>12,367</i>

11. Taxation	2022 \$	2021 \$
<i>Taxation charge for the year</i>		
Business levy - current year	(322)	(152)
Green Fund levy - current year	(161)	(305)
Deferred tax (charge) / benefit (Note 10)	(9,638)	12,367
	<u>10,121</u>	<u>11,910</u>

CARONI (1975) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

12. Other Income	2022 \$	2021 \$
Sugar Heritage & Village Museum written off	-	982,990
St. Madeleine Credit Union provision claim written off	-	839,015
Reduction in VSEP/ Severance provision	170,633	417,942
Reduction in accrual for legal fees	115,000	-
Stale dated cheques written off	<u>-</u>	<u>9,449</u>
	<u>285,633</u>	<u>2,249,396</u>

This amount represents balances written off during the period. These amounts were reviewed by management and are no longer consider an obligation to the company.

13. Employees	2022	2021
The number of employees at year end	<u>29</u>	<u>31</u>

14. Going concern

We draw your attention to the Statement of Financial Position where Unrelieved Losses reflect a balance of \$(162,565,935) at year end 30th June 2022. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The assumption that the Company will continue as a going concern is based on its ability to continue to obtain financing from its primary shareholder, in the form of annual subventions per budgetary allocations of the Ministry of Finance, Trinidad & Tobago.

15. Impact of Covid-19

In May 2023, the head of the UN World Health Organization (WHO) declared an end to COVID-19 as a public health emergency. Management has considered the consequences of Covid-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern

CARONI (1975) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

17. Prior Period Adjustment

Accounts payable and accruals

Previously included under Accounts payable and accruals in the Statement of Financial Position, for the year ended 30th June 2021 was an amount of \$32,167,475, which represented deposits received from tenants for the purchase of land, prior to 2003 and deposits received by individuals who were squatting on lands belonging to Caroni (1975) Limited under the Spontaneous Settlement Programme. These monies were used for development works on the assigned land lots. In June 2006, under the Caroni (1975) Limited and Orange Grove National Company Limited (Divestment) Act No.25 of 2005, all of Caroni's former land holdings were transferred to the State under the Commissioner of State Lands. As a result, the land asset was transferred from the books of Caroni, and the records sent to Commissioner of State Lands Department – Ministry of Agriculture, Land and Fisheries.

The accounting entries required to book the transfer of the land obligation however, were not accurately completed in the accounts of Caroni (1975) Ltd in 2006. While entries were booked for the transfer of the land, the liability in the sum of \$32Mn for land sales deposit remained in the books of Caroni as at June 30th 2006. Based on discussions between management and the Auditors, we are of the opinion that the liability should have been removed from the books of Caroni at the time the assets were transferred to the State. In this regard, the financial statements for the year ended June 30th 2021 were restated to reflect the removal of the \$32Mn liability.

Taxation

Previously included in the Statement of Financial position were amounts for taxation recoverable of \$2,285,012 and taxation payable of \$1,145,526. These amounts represented balances accumulated in the accounts for periods prior to 2012. Based on correspondence received, the Board of Inland Revenue has confirmed that Caroni (1975) Limited has satisfied all obligations of the law in relation to the taxes on income or profits. In this regard the balances were reviewed by management and are no longer considered an obligation to the company.

In order to correct these transactions, the adjustments have been made to the prior period balances. The impact of the correction is as follows:

	<i>As at June 30th 2020</i>	<i>Impact of Prior Period Adjustment</i>	<i>As at July 1st 2020</i>
Statement of Financial Position	\$	\$	\$
<i>Current assets</i>			
Taxation recoverable	2,285,012	(2,285,012)	-
<i>Current Liabilities</i>			
Accounts payable and accruals	(34,163,465)	32,167,475	(1,995,990)
Taxation payable	<u>(1,145,526)</u>	<u>1,145,526</u>	<u>-</u>
	<u>(33,023,979)</u>	<u>31,027,989</u>	<u>(1,995,990)</u>
Shareholder's Equity			
Retained earnings	<u>(186,221,062)</u>	<u>31,027,989</u>	<u>(155,193,073)</u>

CARONI (1975) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

18. Restatement of financial results for the year ended 30th June 2021

The Company has restated its previously reported Statement of Financial Position, for the year ended 30th June 2021. The impact of the correction is as follows:

- To adjust overstated accounts payable and accrual balances by \$32,167,475, following the reassessment of its obligations to land applicants as at 30th June 2006.
- To correct taxation recoverable of \$2,285,012 and taxation payable of \$1,145,526 satisfied in prior periods.

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

<u>ASSETS</u>	<u>Auditors Re-stated</u>	<u>As previously Reported</u>	<u>Impact of Restatement</u>
	\$	\$	\$
Current assets			
Cash and cash equivalents	12,867,528	12,867,528	-
Accounts receivable and prepayments	7,429,558	7,429,558	-
Amounts due from related parties	9,784	9,784	-
Taxation recoverable	-	2,285,012	(2,285,012)
Total current assets	<u>20,306,870</u>	<u>22,591,882</u>	<u>-</u>
Non-current assets			
Property, plant and equipment	549,348	549,348	-
Investments - available for sale	200	200	-
Total non-current assets	<u>549,548</u>	<u>549,548</u>	<u>-</u>
Total Assets	<u>20,856,418</u>	<u>23,141,430</u>	<u>(2,285,012)</u>
<u>SHAREHOLDERS' EQUITY AND LIABILITIES</u>			
Shareholders' Equity			
Stated capital	177,287,760	177,287,760	-
Unrelieved losses	(158,510,588)	(189,538,577)	31,027,989
Total shareholders' equity	<u>18,777,172</u>	<u>(12,250,817)</u>	<u>31,027,989</u>
Non- current liabilities			
Deferred tax liability	81,006	81,006	-
	<u>81,006</u>	<u>81,006</u>	<u>-</u>
Current liabilities			
Accounts payable and accruals	1,995,990	34,163,465	(32,167,475)
Taxation payable	2,250	1,147,776	(1,145,526)
Total current liabilities	<u>1,998,240</u>	<u>35,311,241</u>	<u>(33,313,001)</u>
Total Liabilities	<u>2,079,246</u>	<u>35,392,247</u>	<u>(33,313,001)</u>
Total Equity and Liabilities	<u>20,856,418</u>	<u>23,141,430</u>	<u>(2,285,012)</u>

CARONI (1975) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022

19. Commitment to former Employees of Caroni (1975) Limited

In 2007 Government agreed to authorize the Commissioner of State Lands to lease to Caroni (1975) Limited twenty-two estates prescribed in the Caroni (1975) and Orange Grove Vesting Act 25 of 2005, as well as five estates identified by Caroni and Estate Management Business Development Company limited to allow Caroni to discharge the commitment of Government and Caroni to offer for priority consideration residential lots to eligible former employees of Caroni. The Company entered into three (3) Principal Headleases agreement with the State allowing them to issue underleases of the said residential lots to the former employees within an accelerated timeframe.

Caroni is acting as administrator for the residential leases; as stated in paragraphs 3.3, 3.11 and 3.13 of the Certified Copy of Protocol of Deeds No. DE 201301308886. In this regard the company does not have any right to use these State lands. The company will not derive any future economic benefit from the lease.

When the exercise is deemed completed, the Company agrees to surrender to the State, the Demised Lands subject to the underleases of the residential lots upon issuance of the underleases. The completion of this exercise is dependent on decisions being made by Government and other State Enterprises.

Based on the above, it was not necessary to disclose in the Company's Financial Statements the land assets in relation to the Leases agreement with the State.

CARONI (1975) LIMITED

SCHEDULE TO THE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2022

I. Administrative and other expenses	2022	2021
	\$	\$
Advertising	-	1,688
Audit fees	173,795	104,500
Depreciation	83,765	97,237
Bad debts written off	-	378,635
Directors' remuneration	207,871	135,000
Entertainment	7,278	7,450
Ex-gratia payments	-	529,922
Expenses – prior year	109	1,984
Health and safety	4,690	927
Insurance	59,695	60,643
Legal and professional fees	136,913	149,709
Loss on disposal of property plant and equipment	-	52,683
Office expenses	71,033	48,844
Rental - motor vehicle and equipment	395,940	408,059
Repairs and maintenance	296,507	324,308
Residential lot development	110,946	278,199
Salaries and employee benefits	3,990,712	4,212,127
Security	485,100	486,000
Sugar Heritage Village and Museum - expenses	-	67,277
Transport	43,359	27,559
Utilities	<u>1,097,333</u>	<u>1,187,111</u>
	<u>7,165,046</u>	<u>8,559,862</u>

