



**REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO
ON THE FINANCIAL STATEMENTS OF THE REGULATED INDUSTRIES COMMISSION
FOR THE YEAR ENDED DECEMBER 31, 2021**

The accompanying Financial Statements of the Regulated Industries Commission for the year ended 31 December 2021 have been audited. The Statements comprise a Statement of Financial Position as at 31 December 2021; a Statement of Income, a Statement of Changes in Equity and a Statement of Cash Flows for the year ended 31 December 2021; and Notes to the Financial Statements numbered 1 to 16.

2. The audit was conducted by a firm of accountants appointed by the Board of the Regulated Industries Commission with the written consent of the Auditor General. Their Report dated 24 May 2024, which is attached, refers.

SUBMISSION OF REPORT

3. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance in accordance with the provisions of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.



**22ND MAY, 2025
PORT OF SPAIN**

**GAITRIE MAHARAJ
AUDITOR GENERAL (AG.)**



REGULATED INDUSTRIES COMMISSION

July 24, 2024

The Auditor General
Auditor General's Department
Republic of Trinidad and Tobago
Levels 2 - 4, Tower C
Port-of-Spain Internal Waterfront Centre
1 Wrightson Road
PORT OF SPAIN.



*7 Copies Received
1 Sent in Mail*

ATTENTION: MS. JAIWANTIE RAMDASS

Audit of the Accounts of the Regulated Industries Commission (RIC) for the year ended December 31, 2021

Reference is made to your letter dated April 27, 2023 (Ref. No.: STAT: R:100/4/2020) where approval was granted to utilize PKF Limited to complete the audit of the RIC's Financial Statements for the years ended December 31, 2020 – 2022.

The RIC entered into a contractual arrangement with PKF Limited for the conduct of the audit of the Financial Statements for the years 2020 – 2022.

The audit of the Financial Statements for the year ended December 31, 2021 has been completed and is submitted for your due consideration and approval.

Please find enclosed, in keeping with the requirements of the approval letter, the following:

1. Copy of contract between the RIC and PKF Ltd.
2. Seven (7) copies of the Audited Financial Statements for the year ended December 31, 2021 bearing original signatures.

Kindly note that PKF Ltd will provide directly to the Auditor General Department copies of head schedules.

Yours respectfully,

Dr. Michelle Salandy
Executive Director





PKF

Chartered Accountants
& Business Advisors

PKF LIMITED

REGULATED INDUSTRIES COMMISSION

FINANCIAL STATEMENTS

31 DECEMBER 2021



PKF

**Chartered Accountants
& Business Advisors**

PKF LIMITED

REGULATED INDUSTRIES COMMISSION

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REGULATED INDUSTRIES COMMISSION

REGULATED INDUSTRIES COMMISSION

Management is responsible for the following:

- preparing and fairly presenting the accompanying financial statements of Regulated Industries Commission, which comprise the statement of financial position as at 31 December 2021, the statement of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies;
- ensuring that the Commission 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 Commission's assets, detection/prevention of fraud, and the achievement of the Commission's operational efficiencies;
- ensuring the system of internal control operated effectively during the reporting period;
- producing reliable financial reporting that comply with laws and regulations, including the Companies Act and the Regulated Industries Commission Act, Chapter 54:73; and
- using reasonable and prudent judgement in the determination of estimates.

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

Nothing has come to the attention of management to indicate that the Commission will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

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


Executive Director

Date 24/5/24


Chief Financial Officer

Date 24 MAY 2024.

**PKF**Chartered Accountants
& Business Advisors

PKF LIMITED

INDEPENDENT AUDITORS' REPORT

Regulated Industries Commission

Opinion

We have audited the financial statements of Regulated Industries Commission, which comprise the statement of financial position as at 31 December 2021, the statements of income, changes in equity and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Regulated Industries Commission as at 31 December 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities ("IFRSs").

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Regulated Industries Commission 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 the Board of Commissioners for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs, 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 Commission'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 Commission or to cease operations, or has no realistic alternative but to do so.

The Board of Commissioners is responsible for overseeing the Commission's financial reporting process.

PKF Limited is a member PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

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Address: 111 Eleventh Street, Barataria 250623, Trinidad, West Indies

Mailing Address: PO Box 10205, Eastern Main Road, San Juan

Directors: Renée-Lisa Philip Mark K. Superville Jenine Felician-Romain Darcel Corbin



PKF

Chartered Accountants
& Business Advisors

PKF LIMITED

INDEPENDENT AUDITORS' REPORT (Cont'd)

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 auditors' 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 Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Commission 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.

We communicate with the Board of Commissioners 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.

PKF

Barataria
TRINIDAD
24 May 2024

REGULATED INDUSTRIES COMMISSION

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

ASSETS

		31 December	
	<u>Notes</u>	<u>2021</u>	<u>2020</u>
		(S)	(S)
Current Assets			
Cash and cash equivalents	4	15,308,927	11,926,077
Trade and other receivables	5	<u>15,737,197</u>	<u>20,773,213</u>
Total Current Assets		31,046,124	32,699,290
Non-Current Assets			
Property, plant and equipment	6	<u>3,200,157</u>	<u>2,135,191</u>
Total Assets		<u>34,246,281</u>	<u>34,834,481</u>

LIABILITIES AND EQUITY

Liabilities			
Trade and other payables	7	<u>2,459,108</u>	<u>2,419,845</u>
Total Liabilities		<u>2,459,108</u>	<u>2,419,845</u>
Equity			
Accumulated fund	8	<u>31,787,173</u>	<u>32,414,636</u>
Total Equity		<u>31,787,173</u>	<u>32,414,636</u>
Total Liabilities and Equity		<u>34,246,281</u>	<u>34,834,481</u>

These financial statements were approved by the Board of Commissioners and authorised for issue on 24 May 2024 and signed on their behalf by:


Chairman


Executive Director

(The accompanying notes form an integral part of these financial statements)

REGULATED INDUSTRIES COMMISSION
STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

		31 December	
	<u>Notes</u>	<u>2021</u>	<u>2020</u>
		(\$)	(\$)
Income			
Cess income		13,457,949	19,200,449
Interest income		62,641	80,972
Gain on asset disposal		3,791	-
Other income		<u>309</u>	<u>-</u>
		<u>13,524,690</u>	<u>19,281,421</u>
Expenditure			
General and administrative expenses	12	1,383,053	981,935
Lease rentals	13	1,545,736	1,329,960
Operating expenses	14	1,750,763	2,356,357
Salaries and staff costs	15	<u>9,472,601</u>	<u>12,985,623</u>
		<u>14,152,153</u>	<u>17,653,875</u>
(Deficit)/Surplus of income over expenditure		<u><u>(627,463)</u></u>	<u><u>1,627,546</u></u>

(The accompanying notes are an integral part of these financial statements)

REGULATED INDUSTRIES COMMISSION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Accumulated Fund (\$)	Total (\$)
Balance, 1 January 2020	30,787,090	30,787,090
Surplus of income over expenditure	<u>1,627,546</u>	<u>1,627,546</u>
Balance, 31 December 2020	<u>32,414,636</u>	<u>32,414,636</u>
Balance, 1 January 2021	32,414,636	32,414,636
Deficit of income over expenditure	<u>(627,463)</u>	<u>(627,463)</u>
Balance, 31 December 2021	<u>31,787,173</u>	<u>31,787,173</u>

(The accompanying notes are an integral part of these financial statements)

REGULATED INDUSTRIES COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	31 December	
	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
Operating activities		
(Deficit)/surplus of income over expenditure	(627,463)	1,627,546
Adjustment for:		
Depreciation	798,914	1,036,048
Gain on asset disposal	<u>(3,791)</u>	<u>-</u>
	167,660	2,663,594
Net change in trade and other receivables	5,036,016	(4,081,100)
Net change in trade and other payables	<u>39,263</u>	<u>1,108,157</u>
Cash provided by/(used in) operating activities	<u>5,242,939</u>	<u>(309,349)</u>
Investing activities		
Purchase of property, plant and equipment	(1,934,350)	(216,929)
Proceeds from disposal of property, plant and equipment	74,261	111,182
Net change in short-term investments	<u>-</u>	<u>3,031,808</u>
Cash (used in)/provided by investing activities	<u>(1,860,089)</u>	<u>2,926,061</u>
Net change in cash and cash balances	3,382,850	2,616,712
Cash resources, beginning of year	<u>11,926,077</u>	<u>9,309,365</u>
Cash resources, end of year	<u><u>15,308,927</u></u>	<u><u>11,926,077</u></u>
Represented by		
Cash and cash equivalents	<u><u>15,308,927</u></u>	<u><u>11,926,077</u></u>

(The accompanying notes form an integral part of these financial statements)

REGULATED INDUSTRIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

1. Incorporation and Principal Business Activities

The Commission was established by the Regulated Industries Commission (RIC) Act, Chapter 54:73 as the successor to the Public Utilities Commission (PUC) and began operations in June 2000. The purpose of the Commission is to regulate the activities of utility service providers according to the RIC Act. The utility service providers are:

- Contour Global Trinity Power Limited (formerly Trinity Power Limited)
- The Power Generation Company of Trinidad and Tobago Limited
- Trinidad and Tobago Electricity Commission
- Water and Sewerage Authority

2. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) **Basis of financial statements preparation**

These financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SMEs) which was issued by the International Accounting Standards Board (IASB) in July 2009. This standard was adopted by the Institute of Chartered Accountants of Trinidad and Tobago effective 1 February 2010 for use in the presentation of financial statements for 2009 and thereafter.

These financial statements have been prepared on the historical cost basis and are stated in Trinidad and Tobago dollars. The Commission's functional currency is Trinidad and Tobago dollars. No account has been taken of the effects of inflation.

(b) **Use of estimates**

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Commission's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

REGULATED INDUSTRIES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2. Summary of Significant Accounting Policies (Cont'd)

(c) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is recognised in the **Statement of Income** on a reducing-balance basis over the estimated useful lives of each item of property, plant and equipment. Leasehold improvements are depreciated over the life of the original lease on a straight-line basis, unless there is relative certainty that the lease period would be extended, in which case, it would be the extended life of the lease.

The annual rates of depreciation for the current and comparative periods are as follows:

Leasehold equipment	-	life of the lease
Office furniture	-	12.5% per annum
Computers	-	25% per annum
Office equipment	-	12.5% per annum
Motor vehicles	-	25% per annum

Cellular phones and tablets are depreciated on a straight-line basis over a three (3) year period.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in the **Statement of Income**.

The Commission has adopted the policy of expensing assets that fall below the cost of **\$1,000** even though these assets may have a useful life in excess of one (1) accounting period.

(d) Cash and cash equivalents

Cash and cash equivalents consist of short term highly liquid investments with original maturities of three months (90 days) or less and are carried at cost, which approximates market value.

REGULATED INDUSTRIES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

2. Summary of Significant Accounting Policies (Cont'd)

(e) Short-term investments

Short-term investments are stated at fair value and include deposits held at call with brokers which have original maturity dates of less than 180 days but more than 90 days. These funds have been set aside to meet specific short-term and medium-term commitments. These are readily convertible to cash and are subject to insignificant risk of changes in value.

(f) Trade and other receivables

Trade and other receivables are measured at initial recognition at transaction price less an allowance for impairment for any uncollectable amounts. A reasonable estimate for doubtful debts is made when collection of the full amounts is no longer probable. Impairment is recognised as incurred. Any subsequent recoveries of amounts previously written off are credited to the Statement of Income.

(g) Impairment of assets

At each reporting date, property, plant and equipment are reviewed to determine whether there is any indication that these assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of Income.

If an impairment loss subsequently reverses, the carrying value of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. The reversal of an impairment loss is recognised immediately in the Statement of Income.

(h) Trade and other payables

Trade and other payables, which are normally settled on 30-to-90-day terms, are carried at cost, which is the fair value consideration to be paid in the future for goods and services received, whether or not billed to the Commission.

REGULATED INDUSTRIES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

2. Summary of Significant Accounting Policies (Cont'd)

(i) Leases

Leases for assets where the lessor retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the **Statement of Income** on a systematic basis over the lease term.

Leases are classed as finance leases whenever the terms of the lease, transfer substantially all the risk and rewards of the leased assets to the lessee.

(j) Revenue recognition

The Commission is funded by Cess income which is obtained from utility service providers, is based on the budgetary needs of the Commission and is calculated as a percentage of their regulated income. Revenue is recognised following publication of the Cess order in the Gazette.

(k) Annuities/Pension Scheme

The Commission has engaged the Royal Bank of Canada (RBC) for the purchase of the Royal Bank Employee Retirement Benefit Plan ("Group Future Cash Plan"). The Commission has engaged RBC, which is the issuer of the Group Future Cash Plan, to provide a deferred annuity to secure a contributory pension scheme for employees upon retirement. Employees are required to contribute 5% of their gross salary while the Commission contributes 10% of gross salary. Payments to the deferred annuity are expensed as they fall due.

(l) Tax exempt status

By virtue of the Regulated Industries Commission Act, Chapter 54:73, Section 31, the Commission is exempt from all stamp duties, customs duties, levies and other imposts on its income, surplus or on assets which it acquires for its own use.

(m) Foreign currency

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling at the reporting date. All revenue and expenditure transactions denominated in foreign currencies are translated at the average rate and the resulting profits and losses on exchange from these trading activities are recorded in the **Statement of Income**.

(n) Comparative figures

Where necessary, comparative amounts have been adjusted to conform with changes in presentation in the current year.

REGULATED INDUSTRIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3. Critical Accounting Estimates and Judgments

The preparation of financial statements in accordance with the IFRS for SMEs requires management to make judgments, estimates and assumptions in the process of applying the Commission's accounting policies.

Estimates and judgments 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 Commission makes estimates and assumptions concerning the future. However, actual results could differ from those estimates as 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 and liabilities within the next financial year are discussed below:

Changes in accounting estimates are recognised in the Statement of Income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date (requiring management's most difficult, subjective or complex judgements) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

The critical judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements, are as follows:

- i) Whether any trade and other receivables are irrecoverable and therefore should be impaired.
- ii) Which depreciation method is appropriate to mirror the consumption of property, plant and equipment.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date (requiring management's most difficult, subjective or complex judgements) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

i) Impairment of assets

Management assesses at each reporting date, whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

ii) Property, plant and equipment

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of these assets.

REGULATED INDUSTRIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

4. Cash and Cash Equivalents

	31 December	
	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
Cash in hand	2,555	5,019
Guardian Asset Management – Money Market Fund	4,571,751	1,546,485
Republic Bank Limited- Investment Account	4,264,583	264,583
Republic Bank Limited- Money Market Fund	3,139,614	1,226,223
Republic Bank Limited- TTD Current Account	1,804,679	7,170,287
Republic Bank Limited- USD Current Account	-	173,628
Trinidad and Tobago Unit Trust Corporation - TTD	1,353,329	1,539,852
Trinidad and Tobago Unit Trust Corporation - USD	<u>172,416</u>	<u>-</u>
	<u>15,308,927</u>	<u>11,926,077</u>

The money market funds have been classified as cash equivalents as all instruments are shorter than 90 days. Management uses the account for operational expenses. The interest rate at the year-end was 0.85% (2020:0.29%).

5. Trade and Other Receivables

	31 December	
	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
Other receivable	58,513	58,513
Prepaid expenses	203,174	17,580
Refundable deposits	222,363	113,475
Trade receivables – Cess income	13,457,949	19,247,059
VAT Added Tax recoverable	<u>1,795,198</u>	<u>1,336,586</u>
	<u>15,737,197</u>	<u>20,773,213</u>

All Trade receivables – Cess income for 2021 were received in 2022.

REGULATED INDUSTRIES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

6. Property, Plant and Equipment

Cost	WIP (\$)	Leasehold Improvement (\$)	Office Furniture (\$)	Computers (\$)	Office Equipment (\$)	Cellular Phones & Tablets (\$)	Motor Vehicle (\$)	Total \$
Balance, 1 January 2021	-	1,535,314	1,087,712	3,477,054	535,083	43,757	922,858	7,601,778
Additions	1,158,152	-	-	51,278	-	6,800	718,120	1,934,350
Disposal	-	-	-	-	-	-	(467,120)	(467,120)
Balance, 31 December 2021	<u>1,158,152</u>	<u>1,535,314</u>	<u>1,087,712</u>	<u>3,528,332</u>	<u>535,083</u>	<u>50,557</u>	<u>1,173,858</u>	<u>9,069,008</u>
Accumulated Depreciation								
Balance, 1 January 2021	-	1,279,429	916,707	2,355,506	306,373	20,864	587,708	5,466,587
Charge for the year	-	255,885	21,376	286,083	28,589	15,703	191,278	798,914
Disposal	-	-	-	-	-	-	(396,650)	(396,650)
Balance, 31 December 2021	-	<u>1,535,314</u>	<u>938,083</u>	<u>2,641,589</u>	<u>334,962</u>	<u>36,567</u>	<u>382,336</u>	<u>5,868,851</u>
Net Book Value								
Balance, 31 December 2021	<u>1,158,152</u>	-	<u>149,629</u>	<u>886,743</u>	<u>200,121</u>	<u>13,990</u>	<u>791,522</u>	<u>3,200,157</u>
Balance, 31 December 2020	-	<u>255,885</u>	<u>171,005</u>	<u>1,121,548</u>	<u>228,710</u>	<u>22,893</u>	<u>335,150</u>	<u>2,135,191</u>

REGULATED INDUSTRIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

7. Trade and Other Payables

	31 December	
	2021	2020
	(\$)	(\$)
Gratuity payable	199,466	-
Other payables	1,272	1,272
Statutory deductions	183,034	162,853
Trade payables	1,429,587	1,545,644
Vacation leave accrual	645,749	710,076
	<u>2,459,108</u>	<u>2,419,845</u>

8. Accumulated Fund

Accumulated Fund relates to the accumulation of income over expenditure since the inception of the RIC, with the deficit of income over expenditure being \$627,463 for the year ended 31 December 2021 (2020 - surplus of \$1,627,546). The accumulated fund includes an amount of \$22,347,095 expended on fixed assets to meet the needs of the Commission since the inception of the RIC in 2000 (2020 - \$20,412,745).

9. Related Party Transactions

Identification of related parties

A party is related to the Commission if:

- i) Directly or indirectly the party:
 - controls, is controlled by or is under common control;
 - has an interest in the Commission that gives it significant influence over the Commission;
 - or
 - has joint control over the Commission.
- ii) The party is a member of the key management personnel of the Commission.
- iii) The party is a close member of the family, or any individual referred to in (i) or (ii).
- iv) The party is a post-employment benefit plan for the benefit of employees of the Commission or any entity that is a related party of the Commission.

REGULATED INDUSTRIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

9. Related Party Transactions (Continued)

Balances and transactions with related parties and key management personnel during the year were:

	31 December	
	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
Commissioner Fees	452,148	527,633
Key management compensation		
Post-employment benefits	265,444	398,933
Short term benefits	3,889,105	5,315,083

10. Capital Commitment

There were no capital commitments as at the year-end date.

11. Contingent Liability

There were no contingent liabilities as at the year-end date.

12. General and Administrative Expenses

	31 December	
	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
Advertising	148,603	173,662
Audit fees	(48,170)	56,926
Bank charges	3,776	4,224
Catering	11,432	59,648
Electricity	108,042	112,215
Insurance	79,993	82,332
Legal and professional fees	519,533	318,384
Loss on foreign exchange	1,447	1,376
Miscellaneous	95,379	20,776
Postage and mail services	(316)	1,020
Relocation	391,472	-
Telephone and cable	71,862	151,372
	<u>1,383,053</u>	<u>981,935</u>

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13. Lease Rentals

	31 December	
	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
Less than one year	1,545,736	1,329,960
Between two to five years	6,473,280	5,429,704

During the year ended 31 December 2021, **\$1,545,736 (2020: \$1,329,960)** was recognised as an expense in the Statement of Income in respect of leases. The lease relates to the rental of premises for the Commission's office.

As at 31 December 2021 and 2020, there were no finance leases.

14. Operating Expenses

	31 December	
	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
Board remuneration	452,148	527,633
Building maintenance	144,958	94,776
Computer maintenance	21,928	404
Depreciation	798,914	1,036,048
Motor vehicle maintenance	53,866	85,625
Office supplies	28,073	122,882
OOCUR membership	59,603	149,101
Security and janitorial services	7,906	206,043
Subscription	85,463	63,516
Training	<u>97,904</u>	<u>70,329</u>
	<u>1,750,763</u>	<u>2,356,357</u>

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15. Salaries and Staff Costs

	31 December	
	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
Allowances	334,213	634,552
Gratuities	199,466	47,250
Group health insurance	127,882	145,390
Group life insurance	104,569	92,275
Incremental arrears *	180,245	4,049,204
National Insurance - Employer	409,329	366,444
Other staff costs	-	1,850
Pensions	621,329	885,039
Salaries	6,932,019	6,336,316
Travelling	538,451	425,417
Uniforms	<u>25,098</u>	<u>1,886</u>
	<u>9,472,601</u>	<u>12,985,623</u>

* Incremental arrears relate to payment of backpay of salaries to staff for the period 2013 – 2016, as approved on 22 September 2020.

16. Events After the Reporting Date

The Commission has evaluated all subsequent events from 1 January 2021, through to the date the financial statements were approved by the Commissioners.

On October 05, 2022, the Commission approved the application by Cretaceous Bidco Limited to acquire 100% ownership of Contour Global plc, which is the parent company of Contour Global Trinity Power Limited.