



**REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD
AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE
AGRICULTURAL DEVELOPMENT BANK OF TRINIDAD AND TOBAGO
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

The accompanying Financial Statements of the Agricultural Development Bank of Trinidad and Tobago for the year ended 30 September 2013 have been audited. The Statements comprise a Statement of Financial Position as at 30 September 2013, a Statement of Comprehensive Income, a Statement of Changes in Equity and a Statement of Cash Flows for the year ended 30 September 2013 and Notes to the Financial Statements numbered 1 to 22.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The management of the Agricultural Development Bank of Trinidad and Tobago (the Bank) is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards 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.

AUDITOR'S RESPONSIBILITY

3. The Auditor General's responsibility is to express an opinion on these Financial Statements based on the audit. The audit was carried out in accordance with section 8 (1) (a) of the Agricultural Development Bank Act, Chapter 79:07 (the Act). The audit was conducted in accordance with auditing standards which require that ethical requirements be complied with and that the audit be planned and performed to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

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

5. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the opinion expressed at paragraph 6 of this Report.

OPINION

6. In my opinion the Financial Statements as outlined at paragraph one above present fairly, in all material respects, the financial position of the Agricultural Development Bank of Trinidad and Tobago as at 30 September 2013 and its financial performance and its cash flows for the year ended 30 September 2013 in accordance with International Financial Reporting Standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Board of Directors

7. The offices of Director and Director/Deputy Chairman remained vacant during the period 29th November, 2012 to 30th September, 2013 and 8th April 2013 to 30th September, 2013 respectively.

Relocation of the Bank's Head Office

8. The Bank entered into arrangements for the relocation of its Head Office to premises located in Chaguanas. This contravenes paragraph 7, Part 1 of the Act which states:

"The head office of the Bank shall be in Port-of-Spain and there shall be established branch offices in such other areas of Trinidad and Tobago as may be considered necessary."

9. As at 30th September 2013, expenditure totalling \$12,336,013.91.00 was incurred for the rental and outfitting of the proposed Head Office despite the fact that these offices were never occupied by the Bank. Evidence was seen that the Bank had taken legal action to recover this amount.

Pension Plan

10. A Pension Scheme has not been established by the Bank as required by paragraph 25 of Part I of the Agricultural Development Bank Act which states:

"The Bank shall, within a period of three years from the date of its establishment with the approval of the Minister, provide for the establishment and maintenance of a compulsory Pension Scheme for the benefit of the officers and servants of the Bank, and in every such Scheme different provisions may be made for different classes of officers and servants."

SUBMISSION OF REPORT

11. 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.

12. A similar Report has been forwarded to the Secretary of the Bank for presentation to the Shareholders.

**1ST SEPTEMBER, 2016
PORT-OF-SPAIN**




**MAJEED ALI
AUDITOR GENERAL**

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20160901



Financial Statements

30 September 2013

Agricultural Development Bank of Trinidad and Tobago

Contents	Page
Statement of Financial Position	3
Statement of Income	4
Statement of Comprehensive Income	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 20

Agricultural Development Bank of Trinidad and Tobago

Contents	Page
Statement of Financial Position	3
Statement of Income	4
Statement of Comprehensive Income	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 20

Agricultural Development Bank of Trinidad and Tobago

Statement of Financial Position as at 30 September 2013

	Notes	30 September 2013 \$'000	2012 \$'000
ASSETS			
Non-current Assets			
Fixed assets	4	24,399	23,826
Intangible assets	5	2,367	2,998
Long term investments	6	84,681	89,446
Loans to customers	7	352,693	320,229
Other assets	8	4,175	4,271
Note receivable	9	1,500	2,125
		<u>469,815</u>	<u>442,895</u>
Current Assets			
Short-term investments	10	2,764	21,865
Loans to customers	7	48,896	51,668
Other assets	8	12,109	799
Note receivable	9	-	2,500
Cash on hand and at bank		76,439	71,635
		<u>140,208</u>	<u>148,467</u>
TOTAL ASSETS		<u>610,023</u>	<u>591,362</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	11	258,375	258,375
Shareholder's funding	12	429,330	404,330
Revaluation reserves	13	3,018	3,116
Accumulated losses		(260,296)	(247,703)
		<u>430,427</u>	<u>418,118</u>
Non-current Liabilities			
Redeemable preference shares	14	127,486	127,486
Customer deposits	16	26,395	27,045
		<u>153,881</u>	<u>154,531</u>
Current Liabilities			
Customer deposits	16	14,436	11,508
Accounts payable	15	11,279	7,205
		<u>25,715</u>	<u>18,713</u>
TOTAL EQUITY AND LIABILITIES		<u>610,023</u>	<u>591,362</u>

The notes on pages 7 to 20 form an integral part of these financial statements.


Chairman




Director

Agricultural Development Bank of Trinidad and Tobago

Statement of Income for the year ended 30 September 2013

		30 September	
	Notes	2013 \$'000	2012 \$'000
Income			
Interest income	17	28,461	25,938
Interest expense		<u>(544)</u>	<u>(608)</u>
Net Interest Income		27,917	25,330
Investment income		2,282	1,549
Other income	18	1,631	1,903
Loss on the sale of government bonds		<u>(1,272)</u>	<u>6,574</u>
Total Income		<u>30,558</u>	<u>35,356</u>
Expenses			
Operating expenses	21	<u>(48,038)</u>	<u>(37,533)</u>
Total Expenses		<u>(48,038)</u>	<u>(37,533)</u>
Net Loss for the year		<u><u>(17,480)</u></u>	<u><u>(2,177)</u></u>

The notes on pages 7 to 20 form an integral part of these financial statements.

Agricultural Development Bank of Trinidad and Tobago

Statement of Comprehensive Income for the year ended 30 September 2013

	Notes	30 September 2013 \$'000	2012 \$'000
Net Loss for the year		<u>(17,480)</u>	<u>(2,177)</u>
Other Comprehensive Income			
Items that may be reclassified to profit and loss			
Foreign exchange gain/ (loss)	12	12	(1)
Appreciation/ (Depreciation) in market value of investments		<u>4,777</u>	<u>-</u>
		<u>4,789</u>	<u>(1)</u>
Total Comprehensive (Loss)/Income for the year		<u><u>(12,691)</u></u>	<u><u>(2,178)</u></u>

The notes on pages 7 to 20 form an integral part of these financial statements.

Agricultural Development Bank of Trinidad and Tobago

Statement of Changes in Equity for the year ended 30 September 2013

	Note	Shareholder Funding \$'000	Share Capital \$'000	Other Reserves \$'000	Accumulated Losses \$'000	Total Equity \$'000
Year Ended 30 September 2013						
Balance at 1 October 2012		404,330	258,375	3,116	(247,703)	418,118
Total Comprehensive Loss for year		--	--	--	(12,691)	(12,691)
Additional shareholder funding		25,000	--	--	--	25,000
Transfer from other reserves	13	--	--	(98)	98	--
Balance at 30 September 2013		<u>429,330</u>	<u>258,375</u>	<u>3,018</u>	<u>(260,296)</u>	<u>430,427</u>
Year Ended 30 September 2012						
Balance at 1 October 2011		329,330	258,375	3,214	(245,623)	345,296
Total Comprehensive Loss for year		--	--	--	(2,178)	(2,178)
Additional shareholder funding		75,000	--	--	--	75,000
Transfer from other reserves	13	--	--	(98)	98	--
Balance at 30 September 2012		<u>404,330</u>	<u>258,375</u>	<u>3,116</u>	<u>(247,703)</u>	<u>418,118</u>

The notes on pages 7 to 20 form an integral part of these financial statements.

Agricultural Development Bank of Trinidad and Tobago

Statement of Cash Flows for the year ended 30 September 2013

	Year Ended 30 September	
	2013 \$'000	2012 \$'000
Operating Activities		
Net Loss	(17,480)	(8,751)
Less: Proceeds from sale of Fixed Asset	<u>(135)</u>	<u>---</u>
	(17,615)	(8,751)
Adjustments for:		
Previous year depreciation adjustment	-	-
Depreciation and amortisation	1,752	1,655
Gain/(Loss) on revaluation of investment	4,777	6,574
Foreign exchange gain/(loss)	<u>12</u>	<u>(1)</u>
	(11,074)	(523)
Decrease/ (Increase) in loans to customers	(29,691)	(73,483)
Decrease / (Increase) in amount due from Taurus Services Limited	3,125	1,875
Decrease/ (Increase) in other assets	(11,214)	132
Increase/ (Decrease) in accounts payable	4,074	(388)
Increase/ (Decrease) in customer deposits	<u>2,279</u>	<u>6,861</u>
Net Cash Used In Operating Activities	<u>(42,501)</u>	<u>(65,527)</u>
Cash Flows from Investing Activities		
Decrease / (Increase) in investments	23,866	35,816
Purchase of fixed assets	(1,696)	(2,994)
Proceeds from sale of Fixed assets	135	-
Purchase of intangible assets	<u>-</u>	<u>-</u>
Net Cash from Investing Activities	<u>22,305</u>	<u>32,822</u>
Cash Flows From Financing Activities		
Proceeds from Government	25,000	75,000
Proceeds from Sale of Asset	<u>-</u>	<u>114</u>
Net Cash from Financing Activities	<u>25,000</u>	<u>75,114</u>
Net Increase/(Decrease) In Cash And Cash Equivalents	4,804	42,409
Cash And Cash Equivalents At Beginning Of Year	<u>71,635</u>	<u>29,227</u>
Cash And Cash Equivalents At End Of Year	<u><u>76,439</u></u>	<u><u>71,635</u></u>
Represented By:		
Cash on hand and at bank	<u>76,439</u>	<u>71,635</u>
	<u><u>76,439</u></u>	<u><u>71,635</u></u>

The notes on pages 7 to 20 form an integral part of these financial statements.

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2013

1 Incorporation and Nature of Activity

The Agricultural Development Bank of Trinidad and Tobago (the Bank) was established on 25 January 1968 by Act No. 3 of 1968 under the Laws of Trinidad and Tobago, Chapter 79:07.

Its principal activity is the granting of loans, in keeping with its objectives of encouraging and fostering the development of agriculture and commercial fishing and industries connected therewith and the mobilisation of funds for the purpose of such development.

2 Summary of Significant Accounting Policies

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

2.1 Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and 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 revenues and expenses during the reporting period. It also requires management to exercise its judgement in the process of applying the Bank's accounting policies.

Standards, amendments and interpretations to published standards effective in the current year

- *IAS 1 Presentation of items of Other Comprehensive Income – Amendments to IAS 1*

This is effective for annual periods beginning on or after 1 July 2012. The amendment to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that would be reclassified (or recycled) to the statement of income at a future point in time (for example derecognition or settlement) would be presented separately from items that will be reclassified. The amendments do not change the nature of the items that are currently recognised in OCI, nor do they impact the determination of whether items in OCI are reclassified through statement of income in future periods.

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2013

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

Standards, amendments and interpretations effective in 2012 but not relevant

The following standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2012 but are not relevant to the Bank's operations:

- IAS 12 – Income Taxes

2.2 Fixed Assets

Fixed assets are stated at cost less depreciation except for the Head Office freehold land and building. The Head Office land and building are stated at revaluation based on an independent professional valuation carried out in September 1999. Increases in the carrying amount on revaluation were credited to revaluation reserve. The difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the Statement of Comprehensive Income and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings.

Depreciation is computed on the straight-line basis to write off the cost of each asset, or the revalued amounts, to their residual values over the estimated useful lives of the related assets based on the following rates per annum:

Freehold buildings	-	2%
Leasehold improvements	-	33⅓%
Equipment	-	20% - 33⅓%
Furniture and fittings	-	10% - 20%
Motor vehicles	-	25%

2.3 Intangible Assets

Intangible assets include the purchase and implementation costs of the Bank's primary software. This balance is measured at cost less any accumulated amortisation and any accumulated impairment losses in accordance with IAS 38. This balance is being amortised on the straight-line basis over an estimated useful life of 10 years.

2.4 Foreign Currencies

a) Functional and Presentation Currency

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the Bank operates (the 'functional' currency). These financial statements are presented in Trinidad and Tobago dollars, which is the Bank's functional and presentation currency.

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2013

2 Summary of Significant Accounting Policies (Continued)

2.4 Foreign Currencies (Continued)

b) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities at year-end exchange rates are recognised in the Statement of Comprehensive Income.

2.5 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held with banks.

2.6 Investments

The Bank classifies its investments into the following two categories:

- (i) held-to-maturity
- (ii) available-for-sale assets

Investments comprising securities with fixed maturity dates and fixed interest rates are classified as held-to-maturity and are stated at cost. Money market and equity mutual investments are classified as available-for-sale assets which are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity, exchange rates or equity prices.

Interest is accrued on all held-to-maturity investments and is reported under "Other Assets" (Note 8 refers).

Money market mutual funds are carried at cost plus interest earned.

Equity mutual fund investments are initially recognised at cost and are subsequently re-measured at fair value based on quoted prices. Unrealised gains or losses arising from changes in the fair value are recognised in the Statement of Comprehensive Income.

Purchases and sales of investments are recognised on the trade date, which is the date that the Bank commits to purchase or sell the asset.

Investments classified as short-term investments in the Statement of Financial Position comprise available-for-sale assets. Investments classified as long-term comprise held-to-maturity investments, available-for-sale assets and investments held as security against borrowings.

2.7 Loans to customers

Loans are recognised when funds are disbursed to borrowers. Loans are stated net of unearned interest and net of provision for loan losses. General provisions are made for potential losses based on management's evaluation of the loan portfolio. Specific provisions are made for loans, recovery of which is considered doubtful.

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2013

2 Summary of Significant Accounting Policies (Continued)

2.8 Share capital

Ordinary shares are classified as equity. Mandatorily redeemable Preference Shares are classified as liabilities.

2.9 Provisions

A provision shall be recognized when: (a) the entity has a present obligation (legal or constructive) as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation.

2.10 Revenue recognition

Revenue is recognised as follows:

(i) Loan interest income

Interest income is recognised on the accrual basis. The accrual of interest is suspended automatically when principal is in arrears for more than 180 days on any loan.

(ii) Investment income

Income from investments is recognised on an accrual basis.

2.11 Financial instruments

Financial assets of the Bank include cash and accounts receivable. Financial liabilities of the Bank include accounts payable and loans.

3 Financial Risk Management

3.1 Financial risk factors

The activities of the Bank expose it to a number of risks.

(i) Foreign exchange risk

The bank has US dollar investments and is exposed to foreign exchange risk arising from currency exposure.

(ii) Price risk

The Bank is exposed to equity securities price risk because of certain investments held, which have fluctuating face values.

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2013

3 Financial Risk Management (Continued)

3.1 Financial risk factors

(iii) Credit risk

The Bank is exposed to credit risk, which is the risk that its customers, clients and counterparties may cause a financial loss by failing to discharge their contractual obligations. The credit risk exposures arise primarily from the Bank's receivables on loans to customers and cash held on deposit at various financial institutions.

The Bank has policies that limit the amount of credit risk exposure to any individual loan customer.

The carrying value best represents the maximum credit risk exposure at the Statement of Financial Position date, without taking into account the fair value of any collateral.

(iv) Market risk

Market risk: 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. Other price risk: 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 instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Bank does not have any significant exposure to market risks from changes in foreign exchange rates and interest rates.

(v) Interest rate risk

The Bank's exposure to interest rate risk on cash held on deposit is not significant.

(vi) Liquidity risk

Liquidity risk arises when the Bank is unable to meet its payment obligations associated with its financial liabilities. In order to effectively manage this risk, the following are considered:

- (i) Daily monitoring of cash flows;
- (ii) Review of projections to ensure that the daily requirements can be met.

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2013

3 Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(vii) Capital management

The Bank's objectives when managing capital are to safeguard its ability to continue as a going concern as well as to maintain a strong capital base to support the development of the business.

The table below analyses the Bank's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts disclosed in the table are the contractual discounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 September 2013	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 Years \$'000
Accounts payable	11,279	-	-

At 30 September 2012	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 Years \$'000
Accounts payable	7,205	-	-

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2013

4 Fixed Assets

	Properties \$'000	Equipment \$'000	Furniture and Fittings \$'000	Motor Vehicles \$'000	Total \$'000
Year Ended 30 September 2013					
Opening net book value	22,533	560	229	504	23,826
Additions	624	199	60	812	1,695
Disposals	-	-	-	(346)	(346)
Prior Period Adjustment	-	-	-	-	-
Depreciation charge	(448)	(170)	(221)	(283)	(1,122)
Depreciation disposal	-	-	-	346	346
Closing net book value	<u>22,709</u>	<u>589</u>	<u>68</u>	<u>1,033</u>	<u>24,399</u>

At 30 September 2013

Cost/valuation	26,415	10,249	2,788	1,327	40,779
Accumulated depreciation	<u>(3,706)</u>	<u>(9,660)</u>	<u>(2,720)</u>	<u>(294)</u>	<u>(16,380)</u>
Net book value	<u>22,709</u>	<u>589</u>	<u>68</u>	<u>1,033</u>	<u>24,399</u>

Year Ended 30 September 2012

Opening net book value	20,585	751	439	193	21,968
Additions	2,327	144	10	515	2,996
Disposal	-	-	-	(331)	(331)
Prior Period Adjustment	-	-	-	-	-
Depreciation charge	(379)	(335)	(220)	(90)	(1,024)
Depreciation disposal	-	-	-	217	217
Closing net book value	<u>22,533</u>	<u>560</u>	<u>229</u>	<u>504</u>	<u>23,826</u>

At 30 September 2012

Cost/valuation	25,791	10,051	2,728	861	39,431
Accumulated depreciation	<u>(3,258)</u>	<u>(9,491)</u>	<u>(2,499)</u>	<u>(357)</u>	<u>(15,605)</u>
Net book value	<u>22,533</u>	<u>560</u>	<u>229</u>	<u>504</u>	<u>23,826</u>

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2013

5	Intangible Assets		2013 \$'000	2012 \$'000
	Cost of software		6,308	6,308
	Accumulated amortisation		<u>(3,941)</u>	<u>(3,310)</u>
			<u>2,367</u>	<u>2,998</u>
6	Long-Term Investments	Note	2013 \$'000	2012 \$'000
	British American Insurance	6.1	3,126	3,291
	CLICO	6.2	10,744	21,494
	Trinidad and Tobago Unit Trust Corporation - Growth and Income Fund	6.3	70,811	64,661
			<u>84,681</u>	<u>89,446</u>

6.1 British American Insurance

This investment related to the corporate savings plan for a two year period and accrued interest annually. The company is now under government control due to its inability to meet current liabilities and liquidity issues. The government has made the initial payment of \$75,000.00 and has issued bonds for the remaining balance over a 20 year period. The first tranche payment to retire the bonds of \$165,000.00 was received.

6.2 CLICO

This comprised three (3) deposits of \$3.7m, \$10.5m and 7.5m issued on the 7th October 2010, 24th December 2010 and 7th October 2010 respectively. Two (2) of these deposits were expected to mature in 2011 and one (1) in 2012. However, the company is now under Government control due to its inability to meet current liabilities and liquidity issues. The Government has made the initial payment of \$75,000.00 and has issued bonds for the remaining balance and over a 20 year period. First tranche payments to retire the bonds of \$521,000.00, \$182,000.00 and \$372,000.00 were received. The 2 – 10 year bonds valued at \$9,675,000.00 was sold.

6.3 Growth and Income Fund

This relates to a floating unit account held with the Trinidad and Tobago Unit Trust Corporation which earns dividends semi-annually and was quoted at \$15.86 per unit at year-end 2013. (2012 - \$15.08).

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements

30 September 2013

7 Loans to Customers

	Current \$'000	Non-current \$'000	2013 \$'000	2012 \$'000
Principal and interest receivable	62,091	352,693	414,784	381,901
Sundry deposits receivable	6,744	--	6,744	6,183
Provision for loan losses (Note 7.1)	(19,939)	--	(19,939)	(16,187)
	<u>48,896</u>	<u>352,693</u>	<u>401,589</u>	<u>371,897</u>

	2013 \$'000	2012 \$'000
7.1 Provision for loan losses		
Balance at beginning of year	16,187	16,187
Net (write back)/increase of provision	<u>3,752</u>	<u>--</u>
Balance at end of year	<u>19,939</u>	<u>16,187</u>

8 Other Assets

	Notes	Current Portion \$'000	Non-current Portion \$'000	2013 \$'000	2012 \$'000
Due from the Government of Trinidad and Tobago	8.1	--	257	257	257
Accrued interest receivable on investments	8.2	--	2,524	2,524	2,624
Other receivables and Prepayments	8.3	<u>12,109</u>	<u>1,394</u>	<u>13,503</u>	<u>2,189</u>
		<u>12,109</u>	<u>4,175</u>	<u>16,284</u>	<u>5,070</u>

8.1 The balance represents an amount outstanding on an Inter-American Development Bank (IDB) loan drawdown.

8.2 The balance represents accrued interest receivable on investments.

8.3 Other receivables and prepayments represent amounts paid in advance for services to be rendered and amounts to be collected from the Ministry of Finance (Corporate Sole) with regards to the repurchase of the Bank's shares.

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2013

9 Note Receivable	Current Portion \$'000	Non-current Portion \$'000	2013 \$'000	2012 \$'000
Taurus Services Limited	<u>15.00</u>	<u>-</u>	<u>1,500</u>	<u>4,625</u>

Taurus Services Limited acquired the Bank's non-performing loan portfolio effective 31 August 1994 for a consideration of \$61 million. In October 1998 a non-interest bearing Promissory Note in the sum of \$61 million was signed by Taurus Services Limited. Payment is currently being received via quarterly instalments of \$625,000.

A decision was taken by the Government of Trinidad and Tobago to guarantee the original balance of \$61 million due from Taurus Services Limited. This guarantee has not to date been executed.

10 Short-term Investments	Notes	2013 \$'000	2012 \$'000
Trinidad and Tobago Unit Trust Corporation	10.1	481	21,864
-TT Dollar Income Fund			
Roytrin Money Market Fund	10.1	<u>2,283</u>	<u>1</u>
		<u>2,764</u>	<u>21,865</u>

10.1 The investments in Trinidad and Tobago Unit Trust Corporation and Roytrin Money Market Fund are money market funds which can be readily converted into cash.

10.2 The investments in First Citizens Investment Services Limited and First Citizens Bank Limited represented cash deposits placed for a year and on call respectively. These deposits were utilized for on-lending and were not renewed at maturity.

11 Share Capital	2013 \$'000	2012 \$'000
Authorised		
50,000,000 Ordinary Shares of \$10 each	<u>500,000</u>	<u>500,000</u>
Issued and fully paid		
The Government of the Republic of Trinidad and Tobago is the majority shareholder.		
25,837,500 Ordinary Shares of \$10 each	<u>258,375</u>	<u>258,375</u>

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2013

12 Shareholder's Funding	2013 \$'000	2012 \$'000
The Government of the Republic of Trinidad and Tobago	<u>429,330</u>	<u>404,330</u>
This balance relates to funding received from the Government of the Republic of Trinidad and Tobago to facilitate loans to customers. This balance carries no fixed terms of repayment.		
13 Revaluation Reserves	2013 \$'000	2012 \$'000
Revaluation reserves brought forward	3,116	3,314
Transfer to retained earnings	<u>(98)</u>	<u>(98)</u>
	<u>3,018</u>	<u>3,116</u>
14 Redeemable Preference Shares	2013 \$'000	2012 \$'000
Authorised		
15,000,000 Preference Shares of \$10 each	<u>150,000</u>	<u>150,000</u>
Issued and fully paid		
12,748,613 8% Non-cumulative redeemable Preference Shares of \$10 each	<u>127,486</u>	<u>127,486</u>
The Government of Trinidad and Tobago holds 12,748,613 8% non-cumulative redeemable Preference Shares valued at \$127,486,130 which were issued on 29 May 1997. These shares are redeemable semi-annually over ten years commencing on 29 May 2001.		
As at 30 September 2013 shares redeemable in May and November 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010 and 2011 totalling \$127,486,613 have not been redeemed as a result of the Bank's accumulated losses position.		
15 Accounts Payable	2013 \$'000	2012 \$'000
Accounts payable	4,950	2,764
Trust funds	2,910	1,380
Other liabilities and accruals	<u>3,419</u>	<u>3,061</u>
	<u>11,279</u>	<u>7,205</u>

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements

30 September 2013

16 Customer Deposits	Note		
Non-current			
Deposits held as security	16.1	<u>26,395</u>	<u>27,045</u>
Current			
Customers savings accounts	16.2	<u>14,436</u>	<u>11,508</u>
16.1 Deposits held as security represent cash and fixed deposits pledged as collateral against loans held at the Bank.			
16.2 Customer savings accounts represent regular savings accounts invested by customers in the retail banking portfolio offered by the Bank.			

17 Interest Income	2013	2012
	\$'000	\$'000
Traditional loans	<u>28,461</u>	<u>25,938</u>
	<u>28,461</u>	<u>25,938</u>
18 Other Income	2013	2012
	\$'000	\$'000
Loan processing fees	1,345	1,717
Bad debts recovered/(expense)	2	15
Miscellaneous income	144	163
Commission received	<u>6</u>	<u>8</u>
	<u>1,631</u>	<u>1,903</u>

19 Financial Instruments by Category

The accounting policies for financial instruments have been applied to the line items below:

Assets as per Statement of Financial Position	2013	2012
	\$'000	\$'000
Cash and cash equivalents	76,639	71,635
Loans to customers	401,589	371,897
Other assets	16,284	5,070
Short-term investments	2,764	21,865
Note receivable	1,500	4,625
Long-term investments	<u>84,681</u>	<u>89,446</u>
	<u>583,457</u>	<u>564,538</u>
Liabilities as per Statement of Financial Position		
Loans	-	-
Accounts payable	11,279	7,205
Customer deposits	<u>40,831</u>	<u>38,553</u>
	<u>52,110</u>	<u>45,758</u>
		(19)

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2013

20 Contingent Liabilities

20.1 Pension obligations

Under Section 25 of the Agricultural Development Bank Act Chapter 79:07, the Bank is required to establish and maintain a compulsory pension scheme for the benefit of all permanent employees.

As at 30 September 2013 the pension scheme was not established. The employees of the Bank are, however, covered under the Pensions Extension Act. No provision has been made in these financial statements for any contingent liability.

21 Operating Expenses

	2013 \$'000	2012 \$'000
Salaries and other employee benefits	19,966	17,272
Salaries Back Pay	5008	452
Promotion and advertising	3,320	5,281
Depreciation/amortisation	1,752	1,655
Communication	1,147	1,145
Professional and consultancy fees	1,563	1,081
General administrative expenses	395	476
Security services	1,370	1,101
Legal fees	829	363
Lease rental	3,169	2,495
Utilities	636	664
Repairs and property maintenance	1113	742
Computer software – licence fees	1,058	1,548
Directors' fees and expenses	377	426
Printing, stationery and supplies	463	434
Insurance	483	356
Motor vehicle expenses	57	47
Lease Rental – Mobile Unit	1,553	1,552
Other	<u>3,779</u>	<u>443</u>
	<u>48,038</u>	<u>37,533</u>

22 Key Management Compensation

Salaries and other short term employee benefits	<u>3,339</u>	<u>2,097</u>
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