

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

SEPTEMBER 30, 2013

**ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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Estate Management and Business Development Company Limited

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Estate Management and Business Development Company Limited, which comprises the statement of financial position as at September 30, 2013 the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Company 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 Company's assets, detection/prevention of fraud, and the achievement of company operational efficiencies;
- Ensuring that the system of internal controls operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances. Nothing has come to the attention of management to indicate that the Company 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.

Judy Beepath-Ramjohn
Chief Executive Officer
17 December, 2021

Kherdine Barrow-Simon
Chief Financial Officer
17 December, 2021

Independent Auditors' Report

To the Board of Directors of Estate Management and Business Development Company Limited

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Estate Management and Business Development Company Limited ("the Company"), which comprise the statement of financial position as at September 30, 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with International Standards on Auditing ("ISA"). Because of the matters described in the Basis of Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

The Company was unable to provide the required supporting documentation to substantiate the existence, completeness, accuracy, valuation and allocation, rights and obligations and presentation for construction in progress, development work in progress, trade and other receivables, related party transactions, cash and cash equivalents, deferred government subventions, trade and other payables as at September 30, 2013 and the occurrence, completeness and accuracy of related income and expenditure for the year ended September 30, 2013. As at the date of our audit report, Management has not been able to rectify these issues. We were unable to confirm or verify by alternative means, the existence, completeness, accuracy, valuation and allocation, rights and obligations and presentation for construction in progress, development work in progress, trade and other receivables, related party transactions, cash and cash equivalents, deferred government subventions, trade and other payables as at September 30, 2013 and the occurrence, completeness and accuracy of related income and expenditure for the year ended September 30, 2013. As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of these elements making up the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows, and the preparation of the financial statements on the going concern basis.

Independent Auditors' Report (continued)

**To the Board of Directors of Estate Management and Business Development Company Limited
(continued)**

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Other Matter

The financial statements of Estate Management and Business Development Company Limited for the year ended September 30, 2012, were audited by another auditor who expressed an unmodified opinion on those financial statements on January 27, 2017.



Grant Thornton
ORBIT Solutions
Port of Spain,
December 17, 2021

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
YEAR ENDED SEPTEMBER 30, 2013

ASSETS	Notes	2013 \$	2012 \$
Non-current assets			
Property, plant and equipment	3	1,362,096	1,797,673
Construction in progress		<u>5,899,841</u>	<u>5,756,354</u>
		<u>7,261,937</u>	<u>7,554,027</u>
Current assets			
Development work in progress	4(b)	663,330,324	432,964,374
Trade and other receivables	5	214,253,597	5,079,676
Investments	7	25,150,213	20,032,014
Taxation recoverable		2,434,951	-
Cash and cash equivalents	6	<u>99,376,722</u>	<u>137,146,692</u>
		<u>1,004,545,807</u>	<u>595,222,756</u>
TOTAL ASSETS		<u>1,011,807,744</u>	<u>602,776,783</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	8	2,244,000	2,244,000
(Accumulated deficit)/retained earnings		<u>(7,701,062)</u>	<u>5,792,586</u>
		<u>(5,457,062)</u>	<u>8,036,586</u>
Current liabilities			
Deferred government subventions	10	78,330,009	58,665,683
Deferred taxation		3,471	-
Taxation payable		41,718	2,200,720
Trade and other payables	12	<u>938,889,608</u>	<u>533,873,794</u>
		<u>1,017,264,806</u>	<u>594,740,197</u>
TOTAL EQUITY AND LIABILITIES		<u>1,011,807,744</u>	<u>602,776,783</u>

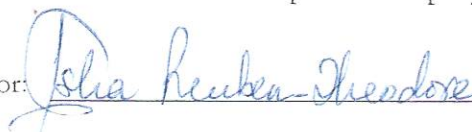
The accompanying notes form an integral part of these financial statements.

On 17 December 2021 the Board of Directors of Estate Management and Business Development Company Limited authorized these financial statements for issue.

Director:



Director:



ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED SEPTEMBER 30, 2013

	Notes	2013 \$	2012 \$
INCOME			
Sand mining management fees	11	6,939,996	6,513,068
Amortisation of government subventions	10	17,708,170	14,922,933
Other income		<u>43,217</u>	<u>585,275</u>
		<u>24,691,383</u>	<u>22,021,276</u>
OPERATING EXPENSES			
Personnel costs	14	10,430,425	11,511,923
Administrative costs	13	4,637,030	3,916,029
Depreciation		431,461	412,826
Security contracts		4,081,374	3,633,727
Surveying expenses		5,591	4,095
Loss on disposal of property, plant and equipment		5,569	-
Other costs	15	<u>24,424,746</u>	<u>2,692,959</u>
Total operating expenses		<u>44,016,196</u>	<u>22,171,559</u>
Net operating loss		<u>(19,324,813)</u>	<u>(150,283)</u>
Finance income		5,122,052	1,581,824
Finance expense		<u>(15,800)</u>	<u>(17,963)</u>
Net finance income		<u>5,106,252</u>	<u>1,563,861</u>
(Loss)/profit before taxation		(14,218,561)	1,413,578
Taxation	9	<u>724,913</u>	<u>(362,075)</u>
(Loss)/profit for the year		<u>(13,493,648)</u>	<u>1,051,503</u>

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

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
 STATEMENT OF CHANGES IN EQUITY
 YEAR ENDED SEPTEMBER 30, 2013

	Stated capital \$	(Accumulated deficit)/retained earnings \$	Total \$
Balance as at October 1, 2012	2,244,000	5,792,586	8,036,586
Loss for the year	—	(13,493,648)	(13,493,648)
Balance as at September 30, 2013	<u>2,244,000</u>	<u>(7,701,062)</u>	<u>(5,457,062)</u>
Balance as at October 1, 2011	2,244,000	4,741,083	6,985,083
Profit for the year	—	<u>1,051,503</u>	<u>1,051,503</u>
Balance at September 30, 2012	<u>2,244,000</u>	<u>5,792,586</u>	<u>8,036,586</u>

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

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2013

	Notes	2013 \$	2012 \$
Operating activities			
(Loss)/profit before taxation		(14,218,561)	1,413,578
Adjustments to reconcile (loss)/profit before for taxation to net cash used in operating activities:			
Depreciation		431,461	412,826
Loss on disposal of property, plant and equipment		5,569	168,456
Amortisation of government subventions		<u>(17,708,170)</u>	<u>(14,922,933)</u>
		(31,489,701)	(12,928,073)
Change in working capital			
(Increase)/decrease in trade and other receivables		(209,173,920)	1,400,943
Decrease in deferred development grants		-	(159,732,730)
Increase in trade and other payables		405,015,814	425,123,379
Decrease in deferred income		-	(189,750)
Increase in development works in progress		<u>(230,365,950)</u>	<u>(432,964,374)</u>
Net cash used in operating activities		(66,013,757)	(179,290,605)
Taxes paid (net)		<u>(3,867,145)</u>	<u>-</u>
Net cash flows used in operating activities		(69,880,902)	(179,290,605)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(2,626)	(818,427)
Proceeds from disposal of property, plant and equipment		2,750	-
Construction in progress		<u>(143,487)</u>	<u>(624,713)</u>
Net cash flows used in investing activities		<u>(143,363)</u>	<u>(1,443,140)</u>
Cash flows from financing activities			
Proceeds from grant funding		<u>37,372,494</u>	<u>27,500,000</u>
Net cash flows generated from financing activities		<u>37,372,494</u>	<u>27,500,000</u>
Decrease in cash and cash equivalents during the year		(32,651,771)	(153,233,745)
Cash and cash equivalents at the Beginning of the year		<u>157,178,706</u>	<u>310,412,451</u>
Cash and cash equivalents at the end of the year		<u>124,526,935</u>	<u>157,178,706</u>
Cash and cash equivalents comprise:			
Cash in hand and at bank		99,376,722	134,421,144
Fixed and short-term deposits		<u>25,150,213</u>	<u>22,757,562</u>
		<u>124,526,935</u>	<u>157,178,706</u>

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

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2013

1. Incorporation and nature of activities

The Estate Management and Business Development Company Limited (the Company) was incorporated in the Republic of Trinidad and Tobago on August 8, 2002 and its registered address is situated at Bungalow 59, Brechin Castle, Couva. The principal activities of the company are:

- The management of the land assets formerly owned by Caroni (1975) Limited through the establishment of light industrial estates, agricultural estates, housing estates and commercial complexes
- Security of lands formerly owned by Caroni (1975) Limited
- Responsibility for operations of sandpits formerly managed by Caroni (1975) Limited
- Undertake projects relating to Fence Line Projects
- Delivery of VSEP Residential and Agricultural Sites to former employees of Caroni (1975) Limited

2. Summary of significant accounting policies

(a) Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs).

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Trinidad and Tobago dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of these financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note (e) - Property, plant and equipment

Note (g) - Receivables

(e) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED SEPTEMBER 30, 2013
 (Continued)

2. Summary of significant accounting policies (continued)

(e) *Property, plant and equipment (continued)*

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The gain or loss on disposal of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognized net within other income/other expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is calculated using the declining balance basis over the estimated useful lives of each item of property, plant and equipment at the following rates:

Motor vehicles	33.33%
Office equipment	15%
Office furniture	20%
Computer equipment	20%
Survey equipment	20%
Leasehold improvements	33.33%

Leasehold improvements are amortised over the term of the lease.

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

(f) *Construction work in progress*

Construction work in progress relates to the ongoing construction of the Company's headquarters at Brechin Castle, Couva. Infrastructure, fittings and technical fees related to this construction are recognized at cost for works that are not yet complete, but the amount has been paid. These are not considered fixed assets and are therefore not required to be depreciated.

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2013
(Continued)

2. Summary of significant accounting policies (continued)

(g) *Trade and other receivables*

Trade receivables is stated net of any specific provision established to recognise anticipated losses for bad and doubtful debts. Bad debts are written off during the year in which they are identified. Other receivables are recognized net of provision for bad and doubtful debts.

(h) *Cash and cash equivalents*

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks and investments in money market instruments, net of bank overdraft.

(i) *Trade and other payables*

Accounts payable is stated at cost.

(j) *Provisions*

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments at the time value of money and, where appropriate, the risks specific to the liability.

(k) *Revenue recognition*

Unconditional Grants

Unconditional grants related to the ongoing operations of the Company are recognised at fair values, where there is a reasonable assurance that the grant will be received.

Government Grants and Subventions

Grants and subventions that compensate the Company for operating expenses incurred are recognised in the Statement of Comprehensive Income over the period necessary to match them with net expenses they are intended to compensate.

Grants that compensate the Company for the cost of an asset are recognised in the statement of comprehensive income as revenue on a systematic basis over the life of the asset.

Sand mining management fees

Management fees represents fees charged to contractors and are recognized on an accruals basis in the statement of comprehensive income over the term of the contractor agreement.

All other revenue is recorded on an accruals basis.

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2013
(Continued)

2. Summary of significant accounting policies (continued)

(l) *Foreign currencies*

Transactions in foreign currencies are translated to the respective functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial liability designated as a hedge of the net investment in a foreign operation.

(m) *Taxation*

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or subsequently enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or subsequently enacted at the reporting date.

Deferred tax asset and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2013
(Continued)

2. Summary of significant accounting policies (continued)

(m) *Taxation (continued)*

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(n) *Impairment*

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) *Development Grants*

Development Grants for projects undertaken on behalf of the Government of Trinidad and Tobago are recognised at fair values, where there is a reasonable assurance that the grant will be received, and the Company will comply with any conditions attached. They are received either in advance or arrears of project expenditure, in full or partially, and are included in current liabilities under deferred development grants.

The costs incurred in these projects for which grants are received, are accumulated in development work in progress and charged against deferred development grants in accordance with *LAS 20 Accounting for Government Grants and Disclosure of Government Assistance*. As such, any excess of grants over works in progress are treated as Deferred Development Grants while any excess of project expenditure is reported as Development Works in Progress on a net basis in the statement of financial position.

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2013
(Continued)

2. Summary of significant accounting policies (continued)

(p) *Changes in accounting policy*

(i) *New and revised standards effective in 2013*

A number of new and revised standards are effective for periods beginning on or after January 1, 2013. These are presented below.

IAS 1 Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 introduce a grouping requirement for items presented in other comprehensive income. This amendment did not have an impact on the Company's financial statements.

IAS 1 Presentation of Financial Statements- Clarification of requirements for comparative information

These amendments clarify that the opening statement of financial position presented as a result of retrospective restatement or reclassification of items does not have to be accompanied by comparative information in the related notes. This amendment did not have an impact on the Company's financial statements.

IFRS 7 Financial Instruments Disclosures

The new disclosures require a company to disclose all recognized financial instruments that are set off in accordance with IAS 32 Financial Instruments. This amendment did not have an impact on the Company's financial statements.

IFRS 13- Fair Value Measurement

IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted by other Standards. IFRS 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. The adoption of these amendments did not have any impact on the current period or any prior period. Details and disclosures on the company's financial items are provided in the notes on Cash and Cash Equivalents and Investments.

IAS 19 'Employee Benefits (Amendments)

The 2011 amendments to IAS 19 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans and termination benefits. The company does not currently and has not previously maintained defined benefit plans for its employees. These amendments therefore have no impact on the Company's Financial Statements.

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2013
(Continued)

2. Summary of significant accounting policies (continued)

(p) Changes in accounting policy (continued)

(i) New and revised standards effective in 2013 (continued)

IFRS 15 – Revenue from Contracts with Customers

The standard outlines the principles an entity must apply to measure and recognise revenue. The core principle is that an entity will recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The adoption and amendment to this standard had no impact on the Company.

(ii) New standards, amendments and interpretations to existing standards that are effective but not applicable to the Company

The Company has not adopted the following issued new and revised IFRSs as these standards do not apply to the activities of the company:

- IFRS 10 – Consolidated Financial Statements, IAS 27 Separate Financial Statements (Effective January 1, 2013)
- IFRS 11 – Joint Arrangements, IAS 28 Investments in Associates (Effective January 1, 2013)
- IFRS 12 – Disclosure of Interests in Other Entities (Effective January 1, 2013)
- IAS 32 – Financial Instruments – tax effect of distributions to holders of equity instruments (Effective January 1, 2013)
- IAS 34 – Interim Financial Reporting (Effective January 1, 2013)
- IFRS 32 – Offsetting Financial Assets and Financial Liabilities (Effective January 1, 2014)
- IFRS 21 – Levies (Effective January 1, 2014)
- IAS 12 - Recognition of Deferred Tax Assets for Unrealised Losses (Effective January 1, 2017)
- IAS 40 - Investment Property (Effective January 1, 2018)
- IFRS 16 - Leases – Amendment to IFRS 16 Covid-19 Related Rent Concessions (Effective June 1, 2020)

(iii) New interpretations and amended standards that are not yet effective and have not been early adopted by the Company

At the date of authorization of these financial statements there were new standards, amendments to standards and interpretations which were in issue but were not yet effective and have not been early adopted by the Company. The Company has not yet assessed the impact of these new standards and amendments, but if applicable, the Company intends to adopt these standards/amendments when they become effective.

Effective January 1, 2021:

- IFRS 9- Financial Instruments
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2013
(Continued)

2. Summary of significant accounting policies (continued)

(p) *Changes in accounting policy (continued)*

(iii) New interpretations and amended standards that are not yet effective and have not been early adopted by the Company (continued)

Effective January 1, 2022:

- Amendments to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use
- AIP (2018-2020 cycle): IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a First-time Adopter
- AIP (2018-2020 cycle): IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities
- AIP (2018-2020 cycle): IAS 41 Agriculture – Taxation in Fair Value Measurements
- Amendments to IFRS 3 – Reference to the Conceptual Framework

Effective January 1, 2023:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current
- IFRS 17 Insurance Contracts

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2013
(Continued)

3. Property, plant and equipment

	Motor vehicle \$	Office equipment \$	Office furniture \$	Computer equipment \$	Survey equipment \$	Leasehold improvement \$	Total \$
<i>Year ended September 30, 2013</i>							
Cost							
As at October 1, 2012	1,214,775	240,891	574,786	1,049,547	665,654	128,302	3,873,955
Additions	-	-	-	2,626	-	-	2,626
Disposals	-	-	-	(12,794)	-	-	(12,794)
As at September 30, 2013	<u>1,214,775</u>	<u>240,891</u>	<u>574,786</u>	<u>1,039,379</u>	<u>665,654</u>	<u>128,302</u>	<u>3,863,787</u>
Accumulated depreciation							
As at October 1, 2012	623,340	97,210	362,484	567,762	299,207	126,279	2,076,282
Depreciation expense	203,344	21,176	43,237	89,737	73,289	677	431,461
Disposals	-	-	-	(6,051)	-	-	(6,051)
As at September 30, 2013	<u>826,684</u>	<u>118,386</u>	<u>405,721</u>	<u>651,499</u>	<u>372,496</u>	<u>126,956</u>	<u>2,501,691</u>
Net book value							
September 30, 2013	<u>388,091</u>	<u>122,505</u>	<u>169,065</u>	<u>387,931</u>	<u>293,158</u>	<u>1,346</u>	<u>1,362,096</u>
September 30, 2012	<u>591,435</u>	<u>143,681</u>	<u>212,302</u>	<u>481,785</u>	<u>366,447</u>	<u>2,023</u>	<u>1,797,673</u>

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2013
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3. Property, plant and equipment (continued)

	Motor vehicle \$	Office equipment \$	Office furniture \$	Computer equipment \$	Survey equipment \$	Leasehold improvement \$	Total \$
<i>Year ended September 30, 2012</i>							
Cost							
As at October 1, 2011	1,546,599	155,951	537,607	935,155	665,654	128,302	3,969,268
Additions	579,656	84,940	37,179	116,652	-	-	818,427
Disposals	(911,480)	-	-	(2,260)	-	-	(913,740)
As at September 30, 2012	<u>1,214,775</u>	<u>240,891</u>	<u>574,786</u>	<u>1,049,547</u>	<u>665,654</u>	<u>128,302</u>	<u>3,873,955</u>
Accumulated depreciation							
As at October 1, 2011	1,219,551	82,293	312,653	461,957	207,035	125,258	2,408,747
Depreciation expense	148,449	14,917	49,831	106,436	92,172	1,021	412,826
Disposals	(744,660)	-	-	(631)	-	-	(745,291)
As at September 30, 2012	<u>623,340</u>	<u>97,210</u>	<u>362,484</u>	<u>567,762</u>	<u>299,207</u>	<u>126,279</u>	<u>2,076,282</u>
Net book value							
September 30, 2012	<u>591,435</u>	<u>143,681</u>	<u>212,302</u>	<u>481,785</u>	<u>366,447</u>	<u>2,023</u>	<u>1,797,673</u>
September 30, 2011	<u>327,048</u>	<u>73,658</u>	<u>224,954</u>	<u>473,198</u>	<u>458,619</u>	<u>3,044</u>	<u>1,560,521</u>

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
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YEAR ENDED SEPTEMBER 30, 2013
(Continued)

4. Related party transactions

Parties are considered to be related if one has the ability to exercise control over the party in making financial or operational decisions.

Key management personnel are those persons having authority and responsibility for planning and controlling the activities of the Company.

(a) Identity of related parties

The Company has a related party relationship with government agencies, other state companies and with its executive officers.

	2013	2012
	\$	\$
(b) Development works in progress		
Land development		
Project cost	2,630,305,086	1,871,895,343
Development grant	(1,995,586,160)	(1,330,561,134)
	<u>634,718,926</u>	<u>541,334,209</u>
Agricultural access roads		
Project cost	222,421,578	185,270,983
Development grant	(289,646,570)	(289,646,570)
	<u>(67,224,992)</u>	<u>(104,375,587)</u>
Other government mandates		
Project cost	139,082,023	34,071,867
Development grant	(43,245,633)	(38,066,115)
	<u>95,836,390</u>	<u>(3,994,248)</u>
Development work in progress	<u>663,330,324</u>	<u>432,964,374</u>

(c) Transactions with key management personnel

Key management personnel receive compensation in the form of short-term, employee benefits of \$1,608,854 (2012: \$2,083,969).

	2013	2012
	\$	\$
5. Trade and other receivables		
Trade receivables	210,288,876	852,153
Less provision for bad debts	<u>(560,946)</u>	<u>(136,641)</u>
	209,727,930	715,512
Vat recoverable	4,325,052	4,159,286
Other receivables and prepaid expenses	<u>200,615</u>	<u>204,878</u>
	<u>214,253,597</u>	<u>5,079,676</u>

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2013
(Continued)

	2013	2012
	\$	\$
6. Cash and cash equivalents		
Fixed and short-term deposits	2,743,020	2,725,548
Bank balances	96,626,202	134,413,644
Cash in hand	<u>7,500</u>	<u>7,500</u>
	<u>99,376,722</u>	<u>137,146,692</u>

	2013	2012
	\$	\$
7. Investment		
CLICO TT\$ Flexible Premium Annuity	-	19,276,850
CLICO US\$ Flexible Premium Annuity	-	755,164
CLICO Investment Fund	<u>25,150,213</u>	<u>20,032,014</u>
	<u>25,150,213</u>	<u>20,032,014</u>

The investment in Colonial Life Insurance Company (Trinidad) Limited (CLICO) Investment Fund was previously in the form of Executive Flexible Premium Annuities of TT\$52,880,063 and US\$347,833 (TT\$2,173,955). These premium annuities matured on October 2, 2009 and July 28, 2010, respectively and the Government of the Republic of Trinidad and Tobago (GORTT) indicated their intention to liquidate CLICO balances over the next twenty (20) years by an initial payment of TT\$75,000 in cash and payment of the remaining balance in bonds which are redeemable over a period not exceeding twenty (20) years. Management exercised its option to liquidate these premium annuities and accept GORTT zero coupon bonds payable for twenty (20) years.

Year one to year ten (1-10) zero coupon bonds for both policies were sold in 2012 at eighty-three cents (\$0.83) on the dollar. During the financial year 2013, the eleven to twenty (11-20) year bonds were exchanged for units in the CLICO Investment Fund. Dividends received for the period amounted to \$1,056,246.

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	2013	2012
	\$	\$
8. Stated capital		
<i>Authorised</i>		
Unlimited number of ordinary shares of no par value		
<i>Issued and fully paid</i>		
2,244,000 ordinary shares of no par value	<u>2,244,000</u>	<u>2,244,000</u>
9. Taxation		
Income tax recognized in profit and loss:		
Corporation tax	-	353,395
Business levy	13,966	-
Green fund levy	6,983	8,680
Prior year adjustment	(749,337)	-
Deferred taxation	<u>3,471</u>	<u>-</u>
	<u>(724,913)</u>	<u>362,075</u>
<i>Reconciliation of effective tax rate:</i>		
(Loss)/profit before tax	<u>(14,218,561)</u>	<u>1,413,578</u>
Tax at the statutory rate - 25%	(3,554,640)	353,395
Tax effect of:		
Expenses not allowable	4,541,267	-
Allowable expenses	(3,773,637)	-
Business levy	13,966	-
Green fund levy	6,983	8,680
Prior year adjustment	(749,337)	-
Other	<u>2,790,485</u>	<u>-</u>
	<u>(724,913)</u>	<u>362,075</u>
<i>Movement in deferred tax (asset) liability</i>		
Balance at the beginning of the year	-	-
Charge to statement of comprehensive income	<u>3,471</u>	<u>-</u>
Balance at the end of the year	<u>3,471</u>	<u>-</u>
<i>Composition of deferred tax (asset) liability</i>		
Property, plant and equipment	<u>3,471</u>	<u>-</u>

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
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YEAR ENDED SEPTEMBER 30, 2013
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	2013	2012
	\$	\$
10. Deferred government subventions		
Opening balance at October 1,	58,665,683	46,088,616
Receipts for the year	37,372,496	27,500,000
Amortization of government subventions	(17,708,170)	(14,922,933)
Closing balance at September 30	<u>78,330,009</u>	<u>58,665,683</u>

Subventions are received from the Government of the Republic of Trinidad and Tobago for the recurrent operational expenses of the company.

	2013	2012
	\$	\$
11. Deferred income		
Opening balance at October 1,	-	189,750
Receipts for the year	6,939,996	6,513,068
Adjustments	-	(189,750)
Amortization for the year	(6,939,996)	(6,513,068)
Closing balance at September 30	<u>-</u>	<u>-</u>

Management fees represents fees charged to contractors who extract sand from sandpits owned by Caroni (1975) Limited. This arrangement between the Government of the Republic of Trinidad and Tobago and the Company was implemented in order to compensate the Company for securing and managing the sandpit assets.

	2013	2012
	\$	\$
12. Trade and other payables		
Trade payables	919,476,450	528,566,408
Other payables and accrued expenses	<u>19,413,158</u>	<u>5,307,386</u>
	<u>938,889,608</u>	<u>533,873,794</u>

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
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13. Administrative expenses

	2013	2012
	\$	\$
Directors' remuneration	384,831	619,200
Advertising	180,199	256,394
Motor vehicle expense	1,618,753	210,842
Dues and subscriptions	4,978	5,000
Insurance	118,386	99,927
Computer expenses	2,407	24,860
Repairs and maintenance	11,914	8,000
Rent	526,258	525,166
Utilities	328,003	372,124
Professional fees	544,192	899,611
Consulting fees	86,219	227,775
Office security	600,456	663,740
Office expenses	229,455	-
Postage	979	3,390
	<u>4,637,030</u>	<u>3,916,029</u>

14. Personnel costs

	2013	2012
	\$	\$
Salaries and wages	7,824,610	8,976,105
National insurance	479,287	470,438
Gratuity	1,508,452	1,979,338
Vacation leave	108,498	53,747
Contract labour	-	15,375
Staff welfare	13,496	16,920
Travelling	496,082	-
	<u>10,430,425</u>	<u>11,511,923</u>

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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15. Other costs

	2013 \$	2012 \$
Legal claims	19,715,195	-
Motor vehicle rental	-	1,477,614
Penalties and interest	-	2,082
Charitable contributions	-	62,694
Consumables	-	15,521
Office expenses	-	95,804
Printing and stationery expenses	-	210,253
Board expenses	-	26,964
Travelling	-	760,481
Staff training	-	41,546
Provision for doubtful debts	424,305	-
Impairment loss	<u>4,285,246</u>	<u>-</u>
	<u>24,424,746</u>	<u>2,692,959</u>

16. Operating leases

Non-cancellable operating lease rentals are payable as follows:

Less than one year	550,020	528,660
Between one and five years	<u>1,161,572</u>	<u>2,114,640</u>
	<u>1,711,592</u>	<u>2,643,300</u>

During the year, \$526,258 (2012: \$526,166) was recognised as an expense in the income statement in respect of operating leases.

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17. Financial instruments

A financial instrument is any contract that gives rise to both a financial asset and a financial liability or equity instrument of another enterprise. For the purpose of these financial statements, financial assets have been determined to include cash, fixed deposits and accounts receivable. Financial liabilities have been determined to include accounts payable.

Estimation of fair values

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed upon between knowledgeable and willing parties who are under no compulsion to act and is best evidenced by a quoted market price if one exists. The estimated fair value of the Company's financial instruments is based on the market prices and valuation methodologies as set out below.

The following summaries the major methods and assumptions used in estimating the fair value of each class of financial instrument for which it is practicable to estimate that value.

Cash and cash equivalents

Assumed to be their carrying value due to their liquidity.

Accounts receivable, accounts payable and accrued liabilities

For receivables and payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

Investments

Investments that are held-to-maturity with a remaining life of more than one year, are measured at amortised costs using the effective interest method for any difference between the initial amount and the maturity amount.

The estimated fair values of the Company's financial instruments are as follows:

	2013		2012	
	<u>Book Value</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Fair Value</u>
	\$	\$	\$	\$
Financial assets				
Trade and other receivables	214,253,597	214,253,597	5,079,676	5,079,676
Investments	25,150,213	25,890,040	20,032,014	20,032,014
Cash and cash equivalents	99,376,722	99,376,722	137,146,692	137,146,692
Financial liabilities				
Trade and other payables	938,889,608	938,889,608	533,873,794	533,873,794

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18. Financial risk management

Introduction and overview

The Company has adopted risk management policies and has set appropriate limits and controls to manage and mitigate against financial risk.

Credit risk

The Company has exposure to credit risk which arises through the normal course of its business. Derivative financial instruments are not presently used to reduce exposure to fluctuations in these risks.

Management does not have a credit policy in place, however, exposure to credit risk is not significant. The maximum exposure to credit risk is represented by the carrying amount of the financial asset in the balance sheet.

(i) *Trade receivables*

Management does not have a credit policy in place however, exposure to credit risk is not significant. The aging of trade receivables at the reporting date was:

	2013	2012
	\$	\$
0-30 days	110,396,855	273,369
31-60 days	24,547	4,862
61-90 days	24,547	863
Over 90 days	<u>99,842,927</u>	<u>573,059</u>
	<u>210,288,876</u>	<u>852,153</u>

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2013	2012
	\$	\$
Balance at the beginning of the year	136,641	136,641
Impairment loss recognized	<u>424,305</u>	<u>-</u>
	<u>560,946</u>	<u>136,641</u>

(ii) *Cash and cash equivalents*

The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that are licensed under the Financial Institutions Act. Management does not expect any counterparty to fail to meet its obligations.

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18. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities. The Company manages its liquidity via prudent cash flow management, to allow it to meet all its financial obligations when they fall due.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity risk may result from an inability to sell a financial asset at, or close to, its fair value.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

	Carrying amount \$	Contractual cash flows \$	1 Year or less \$	2-5 years \$	More than 5 years \$
Trade and other payable	<u>938,889,608</u>	<u>938,889,608</u>	<u>938,889,608</u>	-	-
September 30, 2013	<u>938,889,608</u>	<u>938,889,608</u>	<u>938,889,608</u>	<u>-</u>	<u>-</u>
Trade and other payables	<u>533,873,794</u>	<u>533,873,794</u>	<u>533,873,794</u>	-	-
September 30, 2012	<u>533,873,794</u>	<u>533,873,794</u>	<u>533,873,794</u>	<u>-</u>	<u>-</u>

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. The Company's position are monitored on a regular basis ensuring positions are maintained within established limits.

At year end, the interest rate profile of the Company's interest-bearing instruments was:

	2013 \$	2012 \$
<i>Fixed rate instruments:</i>		
Financial assets	124,526,935	157,178,706
Financial liability	<u>-</u>	<u>-</u>
Net exposure	<u>124,526,935</u>	<u>157,178,706</u>

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18. Financial risk management (continued)

Foreign currency risk

The Company does not incur significant foreign currency risk on purchases that are denominated in a currency other than Trinidad and Tobago Dollars. The Company was not exposed at the year end. The Company maintains two United States dollar bank accounts should any foreign payments arise.

The exchange rate of the United States dollar to the Trinidad and Tobago dollar at the year-end was as follows:

At September 30, 2013: TT\$6.42

At September 30, 2012: TT\$6.00

Sensitivity analysis:

The Company has not performed a sensitivity analysis on the effect of a strengthening of the Trinidad and Tobago dollar against the United States dollar at year end, because there was not a significant exposure.

The Company has the following foreign currency risk expressed in Trinidad and Tobago dollars.

	2013		2012	
	TT	US	TT	US
	\$	\$	\$	\$
Investment	-	-	755,164	120,826
Cash	756,922	117,901	756,919	120,146

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risk, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. The objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness.

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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19. Events after the reporting period

High Court Matters

Following the reporting date, the Company settled several matters that relate to claims from contractors for outstanding monies due for services rendered and breaches of contract in the amount of \$39,805,000. These sums were recognized in the financial statements.

Industrial Court Matters

Following the reporting date, the Company settled several matters that relate to claims from former employees for wrongful termination in the amount of \$111,000. These sums were recognized in the financial statements.

Other events

(a) *Covid-19 Global Pandemic*

The Covid-19 pandemic arose in late 2019 and as at the reporting date has caused global social and economic depression. In March 2020 Trinidad and Tobago closed its international borders and effected "stay at home" and business closure orders for persons and entities deemed non-essential. Whilst this has had a crippling effect on economic activity, the EMBD remained somewhat isolated from negative impacts to income and operations. Management continues to monitor and adjust the company's response during this environment of high uncertainty.

(b) *CLICO Bonds*

The GORTT issued shares in National Enterprises Limited (NEL) to the remaining CLICO policyholders in exchange for the outstanding bonds held in November 2012. These were partially sold in 2012 and the remainder being exchanged for units in the Clico Investment Fund (CIF). As at the reporting date all CIF units were sold in 2015 at an average price per unit of \$22.61. During the year ended September 30, 2013 dividends earned on these units amounted to \$1,056,246.40.

20. Contingent liabilities

(a) *Claim for Breach of Contract - Namalco Construction Services Ltd*

On May 6, 2016 Claim No. CV 2016-15022 – Namalco Construction Services Ltd v Estate Management Business Development Co. Ltd for breach of contract was filed in the sum total of \$1,291,877,247. The claim comprises outstanding payment certificates of \$968,318,655 plus a claim for accumulated interest charges of \$323,558,591 on outstanding payment certificates. The EMBD defended this claim and judgment is reserved.

(b) The Company has on going High Court matters after the reporting period that relate to claims from contractors for outstanding monies due for services rendered of approximately \$547,709,681. As at the date of issue of these financial statements the Company continued to defend these matters.

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
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21. Commitments

During 2013, the Company entered into contracts for infrastructural works and services on Residential and Agricultural Sites. These contracts will give rise to expenditure of \$1.49 billion over the next year.

22. Material uncertainty related to going concern

These financial statements have been prepared on the going concern basis despite the net loss of \$13,493,648 incurred for the year ended September 30, 2013 and pending legal proceedings in the amount of \$1,839,586,928.

The Company is funded by the Government of the Republic of Trinidad and Tobago ("GORTT") to meet its operating and capital expenditure. The Company also receives funding from GORTT for payment of legal and expert fees in the defense of litigation matters, and for settlement of legal claims. After the reporting period, the Company has also accessed debt financing for settlement of contractor payments and legal claims. These borrowings are secured by Unconditional Guarantees from the Government of Trinidad and Tobago, and the company receives funding from GORTT for the repayment of principal and interest on these facilities. The company has not defaulted on or refinanced any of its loan obligations. In the absence of continued funding from the GORTT, the material uncertainties detailed above may cast doubt on the Company's ability to continue as a going concern.

Management is of the opinion that the Company's sand mining operations continue to have a strategic role in the economy's construction sector. Revenue earned from these operations are expected to improve the performance of the company as at the date of issue of these financial statements.