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ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

SEPTEMBER 30, 2014

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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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, 2014 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

Judy Beepath-Ramjohn
Chief Executive Officer
17 December, 2021

Kherdine Barrow-Simon
Chief Financial Officer
17 December, 2021

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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, 2014 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, 2014 and the occurrence, completeness and accuracy of related income and expenditure for the year ended September 30, 2014. 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, 2014 and the occurrence, completeness and accuracy of related income and expenditure for the year ended September 30, 2014. 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.

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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.

Grant Thornton

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, 2014

	Notes	2014	2013
ASSETS		$	$
Non-current assets			
Property, plant and equipment	3	3,455,189	1,362,096
Construction in progress		6,325,667	5,899,841
		9,780,856	7,261,937
Current assets			
Development works in progress	4(b)	531,056,067	663,330,324
Trade and other receivables	5	224,535,233	214,253,597
Investments	7	25,150,213	25,150,213
Taxation recoverable		2,434,951	2,434,951
Cash and cash equivalents	6	22,991,041	99,376,722
		806,167,505	1,004,545,807
TOTAL ASSETS		**815,948,361**	**1,011,807,744**
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	8	2,244,000	2,244,000
Accumulated deficit		(9,122,067)	(7,701,062)
		(6,878,067)	(5,457,062)
Current liabilities			
Deferred government subventions	10	96,097,008	78,330,009
Deferred taxation	9	81,913	3,471
Taxation payable		69,611	41,718
Trade and other payables	12	726,577,896	938,889,608
		822,826,428	1,017,264,806
TOTAL EQUITY AND LIABILITIES		**815,948,361**	**1,011,807,744**

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: Sean Ross Wilson   Director: Selina Reuben-Theodore

ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED SEPTEMBER 30, 2014

	Notes	2014 $	2013 $
INCOME			
Sand mining management fees	**11**	7,095,833	6,939,996
Amortisation of government subventions	**10**	12,633,001	17,708,170
Other income		2,201,295	43,217
		21,930,129	24,691,383
OPERATING EXPENSES			
Personnel costs	**14**	8,694,498	10,430,425
Administrative costs	**13**	5,340,819	4,637,030
Depreciation		695,136	431,461
Security contracts		4,503,010	4,081,374
Surveying expenses		340	5,591
Loss on disposal of property, plant and equipment		-	5,569
Other costs	**15**	4,000,980	24,424,746
Total operating expenses		23,234,783	44,016,196
Net operating loss		(1,304,654)	(19,324,813)
Finance income		319	5,122,052
Finance expense		(10,336)	(15,800)
Net finance income		(10,017)	5,106,252
Loss before taxation		(1,314,671)	(14,218,561)
Taxation	**9**	(106,334)	724,913
Loss for the year		**(1,421,005)**	**(13,493,648)**

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, 2014

	Stated capital $	Accumulated deficit $	Total $
Balance as at October 1, 2013	2,244,000	(7,701,062)	(5,457,062)
Loss for the year	-	(1,421,005)	(1,421,005)
Balance as at September 30, 2014	**2,244,000**	**(9,122,067)**	**(6,878,067)**
Balance as at October 1, 2012	2,244,000	5,792,586	8,036,586
Loss for the year	-	(13,493,647)	(13,493,647)
Balance as at September 30, 2013	**2,244,000**	**(7,701,061)**	**(5,457,061)**

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, 2014

	Notes	2014 $	2013 $
Operating activities			
Loss before taxation		(1,314,671)	(14,218,561)
Adjustments to reconcile loss before taxation to net cash used in operating activities:			
Depreciation		695,137	431,461
Loss on disposal of property, plant and equipment		-	5,569
Amortisation of government subventions		(12,633,001)	(17,708,170)
		(13,252,535)	(31,480,701)
Change in working capital			
Increase in trade and other receivables		(10,281,636)	(209,173,920)
Decrease/(increase) in development works in progress		132,274,257	(230,365,950)
(Decrease)/increase in trade and other payables		(212,311,712)	405,015,814
Taxation paid		-	(3,867,145)
Net cash flows used in operating activities		(103,571,626)	(69,880,902)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(2,788,230)	(2,626)
Proceeds from disposal of property, plant and equipment		-	2,750
Construction in progress		(425,825)	(143,487)
Net cash flows used in investing activities		(3,214,055)	(143,363)
Cash flows from financing activities			
Proceeds from grant funding		30,400,000	37,372,494
Net cash flows generated from financing activities		30,400,000	37,372,494
Decrease in cash and cash equivalents during the year		(76,385,681)	(32,651,771)
Cash and cash equivalents at the beginning of the year		124,526,935	157,178,706
Cash and cash equivalents at the end of the year		48,141,254	124,526,935
Cash and cash equivalents comprise:			
Cash in hand and at bank		22,991,041	99,376,272
Fixed and short-term deposits		25,150,213	25,150,213
		48,141,254	124,526,935

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

1. Incorporation and nature of activities

The Estate Management and Business Development Company Limited ("the Company" or ("EMBD") 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.

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 works 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.

2. Summary of significant accounting policies (continued)

(g) Trade and other receivables

Trade receivables are 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.

(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.

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.

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.

2. Summary of significant accounting policies (continued)

(n) Impairment (continued)

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) Deferred 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 IAS 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.

(p) Changes in accounting policy

(i) New and revised standards effective in 2014

A number of new and revised standards are effective for periods beginning on or after 1 January 2014. These are presented below.

IAS 32 Offsetting Financial Assets and Financial Liabilities-Amendments to IAS 32

These amendments to IAS 32 clarify the following:

- The meaning of "currently has a legally enforceable right to set-off"
- Application of the IAS 32 offsetting criteria, where only gross settlement mechanisms that eliminate or result in insignificant credit risk and that process receivables and payables in a single settlement process may be considered net settlement and meet the net settlement criterion.

The amendments have no impact on the Company's financial position or performance.

2. **Summary of significant accounting policies (continued)**

(p) Changes in accounting policy (continued)

(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, IFRS 12 and IAS 27 (Amendment)
- IAS 39 – Notation of Derivative and Continuation of Hedge Accounting – Amendments to IAS 39
- IAS 36 Recoverable Amount Disclosures for Non-financial Assets – Amendments to IAS 36

(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

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
- (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

3. Property, plant and equipment

	Motor vehicle $	Office equipment $	Office furniture $	Computer equipment $	Survey equipment $	Leasehold improvement $	Total $
Year ended September 30, 2014							
Cost							
As at October 1, 2013	1,214,775	240,891	574,786	1,039,379	665,654	128,302	3,863,787
Additions	2,427,092	73,160	-	287,978	-	-	2,788,230
Disposals	-	-	-	-	-	-	-
As at September 30, 2014	3,641,867	314,051	574,786	1,327,357	665,654	128,302	6,652,017
Accumulated depreciation							
As at October 1, 2013	826,684	118,386	405,721	651,448	372,496	126,956	2,501,691
Depreciation expense	478,132	27,200	34,599	96,124	58,631	450	695,136
Disposals	-	-	-	-	-	-	-
As at September 30, 2014	1,304,816	145,586	440,320	747,572	431,127	127,407	3,196,828
Net book value							
September 30, 2014	2,337,051	168,465	134,466	579,785	234,527	895	3,455,189
September 30, 2013	388,091	122,505	169,065	387,931	293,158	1,346	1,362,096

3. Property, plant and equipment (continued)

	Motor vehicle $	Office equipment $	Office furniture $	Computer equipment $	Survey equipment $	Leasehold improvement $	Total $
Year ended September 30, 2013							
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	1,214,775	240,891	574,786	1,039,379	665,654	128,302	3,863,787
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	826,684	118,386	405,721	651,448	372,496	126,956	2,501,691
Net book value							
September 30, 2013	388,091	122,505	169,605	387,931	293,158	1,346	1,362,096
September 30, 2012	591,435	143,681	212,302	481,785	366,447	2,023	1,797,673

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.

	2014	2013
	$	$
(b) Development work in progress		
Land development		
Project cost	2,841,453,564	2,630,305,086
Development grant	(2,414,775,954)	(1,995,586,16)
	426,677,610	634,718,926
Agricultural access roads		
Project cost	224,208,028	222,421,578
Development grant	(311,567,609)	(289,646,570)
	(87,359,581)	(67,224,992)
Other government mandates		
Project cost	234,983,671	139,082,023
Development grant	(43,245,633)	(43,245,633)
	191,738,038	95,836,390
Development work in progress	531,056,067	663,330,324

(c) *Transactions with key management personnel*

Key management personnel receive compensation in the form of short-term employee benefits of $1,756,695 (2013: $1,608,854).

5. Trade and other receivables

	2014	2013
Trade receivables	220,146,746	210,288,876
Less provision for bad debts	(862,497)	(560,946)
	219,284,249	209,727,930
Vat recoverable	4,947,540	4,325,052
Other receivables and prepaid expenses	303,444	200,615
	224,535,233	214,253,597

	2014 $	2013 $
6. Cash and cash equivalents		
Fixed and short-term deposits	2,743,243	2,743,020
Bank balances	20,240,298	96,626,202
Cash in hand	7,500	7,500
Cash and cash equivalents	22,991,041	99,376,722
7. Investment		
CLICO investment fund	25,150,213	25,150,213

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. In 2013, the eleven to year twenty (11-20) bonds were exchanged for units in the CLICO Investment Fund. Dividends received on these units for the financial year 2014 amounted to TT$1,164,272 (2013: TT$1,056,246).

	2014 $	2013 $
8. Stated capital		
Authorised		
Unlimited number of ordinary shares of no par value		
Issued and fully paid		
2,244,000 ordinary shares of no par value	2,244,000	2,244,000

	2014 $	2013 $
9. Taxation		
Business levy	18,594	13,966
Green fund levy	9,298	6,983
Prior year adjustment	-	(749,335)
Deferred taxation	78,442	3,471
	106,334	(724,913)
Reconciliation of effective tax rate		
Loss before taxation	(1,314,671)	(14,218,561)
Tax at the statutory rate - 25%	(328,668)	(3,554,640)
Tax effect of:		
Expenses not allowable	3,333,507	4,541,267
Allowable expenses	(3,410,837)	(3,773,639)
Business levy	18,954	13,966
Green fund levy	9,298	6,983
Prior year adjustment	-	(749,335)
Other	271,412	2,790,485
	(106,334)	(724,913)
Movement in deferred tax (asset)/ liability		
Balance at the beginning of the year	3,471	-
Charge to statement of comprehensive income	78,442	3,471
Balance at the end of the year	81,913	3,471

10. Deferred government subventions

	2014 $	2013 $
Balance as at October 1,	78,330,008	58,665,683
Receipts for the year	30,400,000	37,372,495
Amortization of government subventions	(12,633,001)	(17,708,170)
Closing balance at September 30	96,097,007	78,330,008

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

11. Deferred income

	2014 $	2013 $
Opening balance at October 1,	-	-
Receipts for the year	7,095,833	6,939,996
Adjustments	-	-
Amortization for the year	(7,095,833)	(6,939,996)
Closing balance at September 30	-	-

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.

12. Trade and other payables

Trade payables	705,896,169	919,476,385
Other payables and accrued expenses	20,681,727	19,413,158
	726,577,896	938,889,608

13. Administrative expenses

	2014 $	2013 $
Directors' remuneration	456,000	384,831
Advertising	590,186	180,199
Motor vehicle expense	1,162,337	1,618,753
Dues and subscriptions	3,750	4,978
Insurance	127,440	118,386
Computer expenses	4,803	2,407
Repairs and maintenance	86,818	11,914
Rent	561,063	526,258
Utilities	409,317	328,003
Professional fees	656,959	544,192
Consulting fees	153,271	86,219
Office security	650,494	600,456
Office expenses	478,309	229,455
Postage	72	979
	5,340,819	4,637,030

14. Personnel costs

	2014 $	2013 $
Salaries and wages	6,762,794	7,824,610
National insurance	439,459	479,287
Gratuity	965,736	1,508,451
Vacation leave	5,931	108,498
Staff welfare	19,377	13,496
Staff training	65,433	-
Travelling	435,768	496,082
	8,694,498	10,430,424

15. Other costs

Legal claims	3,154,737	19,715,195
Land management expenses	544,691	-
Provision for doubtful debts	301,552	424,305
Impairment loss	-	4,285,246
	4,000,980	24,424,746

16. Operating leases

Non-cancellable operating lease rentals are payable as follows:		
Less than one year	585,456	550,020
Between one and five years	671,381	1,161,572
	1,256,837	1,711,592

During the year, $561,063 (2013: $526,258) was recognised as an expense in the income statement in respect of operating leases.

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 summarizes 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 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:

	2014		2013	
	Book value	**Fair value**	**Book value**	**Fair value**
	$	$	$	$
Financial assets				
Trade and other receivables	224,535,233	224,535,233	214,253,597	214,253,597
Investments	25,150,213	26,418,163	25,150,213	25,890,040
Cash and cash equivalents	22,991,041	22,991,041	99,376,722	99,376,722
Financial liabilities				
Trade and other payables	726,577,896	726,577,896	938,889,608	938,889,608

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:

	2014 $	2013 $
0-30 days	21,006	110,396,855
31-60 days	21,647	24,547
61-90 days	1,317	24,547
Over 90 days	220,102,776	99,842,927
	220,146,746	210,288,876

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

	2014 $	2013 $
Balance at the beginning of the year	560,946	136,641
Impairment loss recognized	301,552	424,305
	862,498	560,946

(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.

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 payables	726,577,896	726,577,896	726,577,896	-	-
September 30, 2014	726,577,896	726,577,896	726,577,896	-	-
Trade and other payables	938,889,608	938,889,608	938,889,608	-	-
September 30, 2013	938,889,608	938,889,608	938,889,608	-	-

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:

	2014 $	2013 $
Fixed rate instruments:		
Financial assets	48,141,254	124,526,935
Financial liability	-	-
Net exposure	48,141,254	124,526,935

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, 2014: TT$6.37
At September 30, 2013: TT$6.42

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.

		2014 $		2013 $
	TT $	US $	TT $	US $
Investment	-	-	1,114,157	173,545
Cash	756,922	118,765	756,922	117,901

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.

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 $539,325. 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 $418,000. These sums were recognized in the financial statements.

Other events

(i) *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 is 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.

(ii) *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, 2014 dividends earned on these units amounted to $1,164,272.

20. Contingent liabilities

(i) On May 6, 2016, a claim was filed against the Company for breach of contract in the sum total of $1,291,877,247. The claim comprises outstanding payment certificates of $968,318,656 plus a claim for accumulated interest charges of $323,558,591 on outstanding payment certificates for works performed in 2014. The EMBD defended this claim and judgment is reserved.

(ii) 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.

21. Commitments

During 2014, the Company entered into contracts for infrastructural works and services on Residential and Agricultural Sites. These contracts will give rise to expenditure of $1.43 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 $1,421,005 incurred during the year September 30, 2014 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.