



REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION FOR THE YEAR ENDED 30TH SEPTEMBER, 2016

The accompanying Financial Statements of the National Agricultural Marketing and Development Corporation for the year ended 30th September, 2016 have been audited. The Statements as set out on pages 1 to 15 comprise a Statement of Financial Position as at 30th September, 2016, and the Statement of Comprehensive Income, a Statement of Changes in Equity and a Statement of Cash Flows for the year ended 30th September, 2016 and Notes to the Financial Statements numbered 1 to 21, including a summary of significant accounting policies.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The management of the National Agricultural Marketing and Development Corporation (the Corporation) is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting stated at Notes 2(a) and 2(g) to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

3. The Auditor General's responsibility is to express an opinion on these financial statements based on the audit. The audit was carried out in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago and section 24 of the National Agricultural Marketing and Development Corporation Act, Chapter 63:05 (the Act). The audit was conducted in accordance with accepted auditing standards which require that ethical requirements be complied with and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

5. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the qualified audit opinion.

BASIS FOR QUALIFIED OPINION

PROPERTY, PLANT AND EQUIPMENT \$101,336,469.00

6.1 The Northern Wholesale Market situated at Macoya was vested in the Corporation by Legal Notice 50/2002. Section 2 of the National Agricultural Marketing and Development Corporation (Northern Wholesale Market) Regulations, Chapter 63:05 describes this market as comprising 1.5 hectares. The Corporation has not valued this property, as a result its fair value was not included in the above figure for property, plant and equipment.

6.2 International Accounting Standard 16 requires that revaluations of property, plant and equipment be made with sufficient regularity to ensure that the carrying amounts are not materially misstated and, that it may be necessary to revalue items every three or five years. The Corporation has three other properties which are subject to revaluation and were last revalued in the year 2007. These properties are located at Debe, Toco and San Fernando.

6.3 The effects of the above on the figure of \$101,336,469.00 for property, plant and equipment have not been ascertained in the absence of valuation reports. Note number nine to the financial statements is also relevant.

QUALIFIED OPINION

7. In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion at paragraphs 6.1 to 6.3 above, the financial statements present fairly, in all material respects, the financial position of the National Agricultural Marketing and Development Corporation as at 30th September, 2016 and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting stated at Notes 2(a) and 2(g) to the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

PENSION PLAN

8. A Pension Plan has not been established to date as required by section 15(2) of the Act which states:


“The Corporation shall, within two years of its coming into being, establish a pension scheme by rules confirmed by the Minister, which shall be no less favourable than the scheme established for the benefit of officers and staff of the Agency.”

SUBMISSION OF REPORT

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



12th November, 2019
PORT OF SPAIN


LORELLY PUJADAS
AUDITOR GENERAL

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2019.11.12



**NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT
CORPORATION**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2016



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2016

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NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER, 2016
(with comparative figures as at 30th September, 2015)

	Notes	30.09.2016 \$	30.09.2015 \$
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	101,336,469	102,656,628
Investments	4	9,806,117	9,709,109
		<u>111,142,586</u>	<u>112,365,737</u>
Current Assets			
Receivables and Prepayments	5	2,185,868	7,970,651
Advances	6	1	1
Cash in Hand and at Bank	7	50,551,214	44,351,814
		<u>52,737,083</u>	<u>52,322,466</u>
TOTAL ASSETS		<u>163,879,669</u>	<u>164,688,203</u>
EQUITY AND LIABILITIES			
Equity and Reserves			
Accumulated Fund	8	47,377,289	42,155,821
Revaluation Reserve	9	10,038,212	10,038,212
Total Equity		<u>57,415,501</u>	<u>52,194,033</u>
Non-Current Liabilities			
Deferred Government Grants	10	91,053,572	92,649,310
Current Liabilities			
	11	15,410,596	19,844,860
TOTAL EQUITY AND LIABILITIES		<u>163,879,669</u>	<u>164,688,203</u>



Nurmathe Odeyngiel Head
Chief Executive Officer
Dated: 18/10/19

[Signature]
Chairman/Director
Dated: 18.10.19

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



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH SEPTEMBER, 2016

(with comparative figures for the year ended 30th September, 2015)

	Notes	2016 \$	2015 \$
INCOME			
Government Recurrent Subventions		36,315,382	43,925,917
Other Receipts	12	7,348,131	6,972,486
Interest		151,090	140,443
		<u>43,814,603</u>	<u>51,038,846</u>
EXPENDITURE			
Goods and Services	13	20,600,136	27,366,301
Personnel	14	12,018,452	17,286,300
Current Transfers and Subsidies	15	5,659,907	4,250,114
Recurrent Grants Transferred to Capital	16	314,640	2,872,932
		<u>38,593,135</u>	<u>51,775,647</u>
Total Comprehensive SURPLUS/(DEFICIT) for the year		<u>5,221,468</u>	<u>(736,801)</u>

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



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH SEPTEMBER, 2016
(with comparative figures for the year ended 30th September, 2015)

	ACCUMULATED FUND	REVALUATION RESERVE	TOTAL EQUITY
Balance at September 30, 2015	42,155,821	10,038,212	52,194,033
Surplus/(Deficit) Income for the year	5,221,468	-	5,221,468
Recurrent Surplus transferred to Capital Grant	-	-	-
Balance at September 30, 2016	47,377,289	10,038,212	57,415,501
 Balance at September 30, 2014	 51,628,547	 10,038,212	 61,666,759
Prior Period Adjustment - Note 21	4,374,604		4,374,604
Balance restated at September 30, 2014	56,003,151	10,038,212	66,041,363
Surplus/(Deficit) Income for the year	(736,801)	-	(736,801)
Recurrent Surplus transferred to Capital Grant	(13,110,529)	-	(13,110,529)
Balance at September 30, 2015	42,155,821	10,038,212	52,194,033

NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2016

(with comparative figures for the year ended 30th September, 2014)

	2016	2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Comprehensive Surplus/(Deficit)	5,221,468	(736,801)
Adjustments for:		
Depreciation	2,585,754	2,363,621
Deferred Grant Income	(1,910,378)	(1,639,778)
Interest income	(151,090)	(140,443)
Recurrent Subvention Utilised as Capital grants	314,640	2,872,932
Decrease/(Increase) in receivables and prepayments	5,784,849	(5,130,021)
Increase/(Decrease) in payables and accruals	(4,434,264)	(2,610,024)
Net Cash from/(used in) operating activities	<u>7,410,979</u>	<u>(5,020,514)</u>
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(1,265,595)	(21,746,930)
Decrease/(Increase) in Money Market investment	(97,008)	(88,158)
Interest Income received	151,024	140,377
Net cash used in investing activities	<u>(1,211,579)</u>	<u>(21,694,711)</u>
FINANCING ACTIVITIES		
Capital Grants received	-	11,361,000
Net cash from financing activities	<u>-</u>	<u>11,361,000</u>
Net increase/(decrease) in cash	<u>6,199,400</u>	<u>(15,354,225)</u>
Net cash at beginning of year	<u>44,351,814</u>	<u>59,706,039</u>
Net cash at end of year	<u><u>50,551,214</u></u>	<u><u>44,351,814</u></u>

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

1 INCORPORATION AND PRINCIPAL ACTIVITIES

National Agricultural Marketing and Development Corporation (NAMDEVCO) was established by an Act of the Parliament of Trinidad and Tobago which was assented to on 16th August, 1991. By this Act, the assets, liabilities and operations of the Central Marketing Agency was transferred to the Corporation which is primarily engaged in the marketing of agricultural produce and the operation of wholesale markets in the Trinidad and Tobago.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared under the historical cost convention and with reference to International Financial Reporting Standards (IFRSs). The Corporation has not adopted early any new and revised IFRS's and IFRIC interpretations that have been issued but not yet effective. These are not expected to have a material impact on the Corporation's financial position or comprehensive income.

(b) Property, Plant and Equipment

Certain Properties are stated at valuation whilst all other Property Plant and Equipment are stated at cost and are depreciated on a reducing balance basis, from the month following acquisition, at the following rates:

Building and Building Improvements	2%	2%
Plant and Machinery	20%-25%	20%-25%
Furniture and Fittings	10%-25%	10%-25%
Implements and Tools	10%	10%
Motor Vehicles	25%	25%

(c) Taxation

The Corporation is exempted from Income Tax by virtue of its incorporation Act.

(d) Foreign Currencies

Transactions in foreign currencies are initially recorded in Trinidad and Tobago dollars at the rate ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign currency spot rate of exchange ruling at the report date. Exchange differences on foreign currency transaction are recognised in the Statement of Comprehensive Income.

(e) Investments

The classification of Investments is dependent on the purpose for which they were acquired at the time of purchase and re-evaluated on a regular basis. As at the balance sheet date, the Corporation has classified its investments as available-for-sale investments which are intended to be held for an indefinite period but may be sold to meet short term liquidity needs or as a result of changes in rates of return.

(f) 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 accounting policies and the report amount of assets, liabilities, income and expenditure.

(g) Revenue Recognition

Revenue (rents and dues) from the rental of NAMDEVCO's market spaces and facilities under informal arrangements, without written contracts, are accounted for on a cash basis. Revenue from other rental arrangements under written contracts which are normally for periods more than one year is accounted for on an accrual basis.

(h) Government Grants

Grants from the government are recognised at fair value when there is reasonable assurance that they will be received and the Corporation will comply with all attached conditions. Grants received to cover recurring expenditure are recognised in the Statement of Comprehensive Income at the same time the recurring expenditures are recognised. Grants received to fund capital expenditure are accumulated in the 'Deferred Government Grants' account and amortised into the Statement of Comprehensive Income over the lives of the related assets.

(i) Accounts Receivable

Accounts receivable is carried at realisable value after allowance for any specific doubtful elements.



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2016
(with comparative figures for the year ended 30th September, 2015)

(j) Provisions

Provisions are recorded when the Corporation has a present or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2016
 (with comparative figures for the year ended 30th September, 2015)

3 PROPERTY PLANT AND EQUIPMENT

	COST/REVALUATION				ACCUMULATED DEPRECIATION			
	Balance 30.09.15	Revaluation & Additions	Transfer/ Disposals	Balance 30.09.16	Balance 30.09.15	Charge for Year	Transfer/ Disposals	Balance 30.09.16
Land	9,850,000	-		9,850,000	-	-		9,850,000
Buildings & Building Improvements	38,620,608	40,886	10,364,923	49,026,417	7,280,565	797,536		40,948,316
Office Furniture & Equipment	6,015,640	204,629		6,220,269	3,573,759	455,734		4,029,493
Plant & Machinery	7,801,251	-		7,801,251	3,418,894	829,367		2,190,776
Implements & Tools	928,605	17,284		945,889	451,962	41,463		3,552,990
Motor Vehicle	4,082,646	961,127		5,043,773	3,113,330	461,654		452,464
Capital Work In Progress	53,196,389	41,669	(10,364,923)	42,873,135	-	-		1,468,789
	120,495,139	1,265,595	-	121,760,734	17,838,511	2,585,754	-	20,424,265
								101,336,469
								102,656,628

Lands stated at valuation of \$9,850,000, rather than at cost, and a building at valuation of \$188,212 are included in the total carrying value for Property, Plant and Equipment. All other Property Plant and Equipment is carried at cost less accumulated depreciation.



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

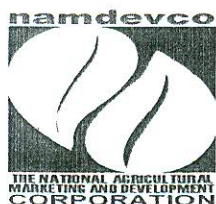
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2016

(with comparative figures for the year ended 30th September, 2015)

	2016 \$	2015 \$
4 INVESTMENTS		
Money Market Fund investments	<u>9,806,117</u>	<u>9,709,109</u>
5 RECEIVABLES AND PREPAYMENTS		
Receivables	12,696,062	18,510,659
Less: Provision for Doubtful Debts	<u>(10,738,140)</u>	<u>(10,738,140)</u>
	1,957,922	7,772,519
Prepayments	<u>227,946</u>	<u>198,132</u>
	<u>2,185,868</u>	<u>7,970,651</u>
6 ADVANCES		
Paddy	8,787,673	8,787,673
Livestock	1,113,553	1,113,553
Less: Provision for Doubtful Recovery	<u>(9,901,225)</u>	<u>(9,901,225)</u>
	<u>1</u>	<u>1</u>
This balance represents amounts owing by the Ministry of Agriculture Land and Marine Resources to the Corporation for paddy and livestock feeds supplied.		
7 CASH IN HAND AND AT BANK		
Cash in hand	238	238
Cash at Bank	<u>50,550,976</u>	<u>44,351,576</u>
Balance at September 30	<u>50,551,214</u>	<u>44,351,814</u>

Cash at Bank comprises the cash held in operating accounts that bear interest income of approximately 1% per annum. Included in Cash at Bank is Nil (2014: \$140,000) denominated in US dollars.



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2016

(with comparative figures for the year ended 30th September, 2015)

	2016	2015
	\$	\$
8 ACCUMULATED FUND		
Balance brought forward	42,155,821	51,628,547
Prior Year Adjustment (See Note 20)	-	4,374,604
Balance brought forward- restated	42,155,821	56,003,151
Surplus/(Deficit) Income for the year	5,221,468	(736,801)
Recurrent Surplus transferred to Capital Grant	-	(13,110,529)
Balance at September 30	47,377,289	42,155,821

The balance represents the accumulation of annual recurrent surpluses and deficits.

9 REVALUATION RESERVE

Balance at September 30	10,038,212	10,038,212
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This balance represents the revaluation surplus on the Corporation's lands (\$9,850,000) located in Debe, San Fernando and Toco, and a Building (\$188,212) located in San Fernando with the last revaluation independently done in 2007. The Corporation also has a freehold interest in the property known as the Northern Wholesale Market Macoya, vested by Legal Notice 50/2002. This property has not been valued as the Corporation's freehold interest was only clarified recently.

10 DEFERRED GOVERNMENT GRANTS

Balance brought forward	92,649,310	61,098,599
Prior Year Adjustment (See Note 20)	-	5,846,028
Balance restated		66,944,627
Deferred Grant Income	(1,910,378)	(1,639,778)
Government Subvention - Capital	-	11,361,000
Recurrent Surplus transferred to Capital Grants	-	13,110,529
Recurrent Subventions utilised for Capital expenditure	314,640	2,872,932
Balance at September 30	91,053,572	92,649,310

The balance represents the accumulation of capital grants received net of amounts amortised as deferred grants income.



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2016

(with comparative figures for the year ended 30th September, 2015)

	2016	2015
	\$	\$
11 CURRENT LIABILITIES		
Payables and accruals	14,586,919	19,021,183
VAT Payable	823,677	823,677
	<u>15,410,596</u>	<u>19,844,860</u>
12 OTHER RECEIPTS		
Processing and sale of packaged produce	1,693,990	1,621,611
Wholesale Produce Market	2,310,942	2,807,034
Wholesale Fish Market	393,280	402,604
Deferred Grant Income	1,910,378	1,639,778
Rents	1,039,541	406,957
Miscellaneous	-	94,502
	<u>7,348,131</u>	<u>6,972,486</u>

	2016	2015
	\$	\$
13 GOODS AND SERVICES		
Contract employment	8,201,325	9,224,201
Security	4,758,506	3,926,804
Promotion, Publicity and Printing	2,074,561	2,572,576
Short term employment	459,738	1,043,954
Rent Motor vehicles and equipment	876,144	873,265
Fees	527,225	922,986
Electricity	786,236	864,223
Other Contracted services	245,061	643,037
Telephones	455,215	527,535
Materials and Supplies	402,961	485,662
Insurance	479,285	457,710
Repairs and maintenance of buildings	336,964	453,419
Overseas travel	13,878	381,975
Office Stationery and Supplies	186,962	356,912
Water and Sewerage Rates	139,839	273,653
Maintenance of Vehicles	200,970	202,310
Repairs and maintenance of equipment	127,585	123,714
Rent Accomodation	107,850	84,000
Travelling	68,980	81,260
Hosting Conferences	157,753	57,500
Training	18,177	43,998
Medical expenses	2,792	38,565
Bank Charges	11,437	16,436
Uniforms	126,712	15,218
Postage	14,820	15,024
Employee Asssitance Programme	39,813	13,125
Books and Periodicals	5,080	3,442
(Recovery)/Non-recoverable of VAT	(225,733)	3,663,797
	<u>20,600,136</u>	<u>27,366,301</u>

	2016	2015
	\$	\$
14 PERSONNEL EXPENDITURE		
Wages, allowances and overtime	5,958,289	9,063,402
Salaries and allowances	4,866,378	7,052,108
Government contribution to NIS	845,175	773,929
Directors' fees	348,610	396,861
	<u>12,018,452</u>	<u>17,286,300</u>
15 CURRENT TRANSFERS AND SUBSIDIES		
Pensions	2,136,821	1,664,995
Depreciation	2,585,754	2,363,621
Gratuities	937,332	221,498
	<u>5,659,907</u>	<u>4,250,114</u>
16 RE-CURRENT GRANTS TRANSFERRED TO CAPITAL		
Support for Agro - Packing Houses	-	725,480
Motor Vehicles	92,727	868,400
Furniture and Furnishings	204,629	108,578
Other Minor Equipment	17,284	400,805
Office Equipment	-	769,669
Tech Pack	-	-
	<u>314,640</u>	<u>2,872,932</u>
17 DEVELOPMENT PROGRAMME		
Building Improvement - New Packing Houses	41,669	19,249,942
Building Improvement - NWM	17,511	389,480
Building Improvement - POSFM	6,085	127,543
Building Improvement - OVFM	-	-
Building Improvement - PPH	-	(3,402)
Building Improvement - SWM	17,290	(21,165)
Addition to property, plant and equipment	<u>82,555</u>	<u>19,742,398</u>



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2016

(with comparative figures for the year ended 30th September, 2015)

18 CONTINGENT LIABILITIES

There exists a number of claims and legal action made against the Corporation which are being defended for which no provision has been made in these financial statements as the outcome of those matters are uncertain at this time.

19 OPERATING LEASE ARRANGEMENTS

The Corporation has lease agreements with government authorities for certain lands that it occupies. The Corporation does not have the option to purchase any of the lands and due to this and other terms, the leases are accounted for as operating leases. Where lease agreements have expired, the Corporation is in the process of executing new agreements.

For the current year, payments of \$96,600 (2015: \$84,000) relating to these leases are recognised as expenses under 'Rent Accomodation'.

Lands Occupied Under Operating Leases:	Expiry Date
Southern Wholesale Market	June 2104
Port of Spain Wholesale Fish Market	2039
Orange Valley Fish Market	Expired
Piarco Packing House	July 2043
Chacon Street and South Quay	2084

20 PRIOR PERIOD ADJUSTMENT

Based on a new assessment, a Prior Period Adjustment was made to transfer the Development Programme liability of \$10,220,632, being money paid to the Corporation to fund development projects, to 'Accumulated Fund' (\$4,374,603) and 'Deferred Government Grants' (\$5,846,028) representing the amount that should have been amortised and the residual balance respectively at September 30, 2014 on the basis that the funds were utilised for development projects up to December 31, 1997. This resulted in additional Amortised Deferred Government Grant Income of \$114,582 in 2016 and \$116,921 in 2015.

21 RISKS MANAGEMENT

The activities of the Corporation expose it to a number of financial risk, namely, credit risks, interest rate risks, foreign currency exchange rate risks and liquidity.

The Board of Directors is responsible for overall risk management policies and strategies within the framework of the National Agricultural Marketing and Development Corporation Act and other Government regulations whilst executive management is responsible for implementing the strategies and adhering to the said policies.

Credit risks arise from trade receivables and deposits and cash investments with financial institutions. This risk is principally managed by vetting of the parties who are allowed trade credit and with whom the Corporation places its cash deposits. With respect to interest rate risk, the Corporation is exposed mainly on its cash deposits which attract interest income that, however, constitute less than 1% of the Corporation's total income.

The Corporation does not have any debt capital and as such is not exposed to interest rate risk on the expense side.

The Corporation is exposed to foreign currency exchange rate risk to a minimal extent as only a very few of its transactions, mainly purchases of equipment and supplies, are conducted directly in foreign currencies. This risk is managed by having very short settlement periods. The Corporation manages its liquidity risk, that is, its ability to meet payment obligations as they fall due, by strictly adhering to the approved limits on expenditure which is largely covered by Government subventions.