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Chartered Accountants
& Business Advisors

PKF LIMITED

# EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

## FINANCIAL STATEMENTS

## 30 SEPTEMBER 2021

PKF
Chartered Accountants
& Business Advisors
PKF LIMITED

# EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

## INDEX

East Port of Spain
Development Company Limited

# STATEMENT OF MANAGEMENT RESPONSIBILITIES

Management is responsible for the following:

- preparing and fairly presenting the accompanying financial statements of East Port of Spain Development Company Limited, which comprise the statement of financial position as at 30 September 2021 the statements of income and cashflows 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 control 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 authorized for issue, if later.

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

Signed                                        Signed

Date: 5 July 2024                             Date: 5.7.24

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# INDEPENDENT AUDITORS' REPORT

**The Shareholder**
**East Port of Spain Development Company Limited**

## Opinion

We have audited the financial statements of East Port of Spain Development Company Limited, which comprise the statement of financial position as at 30 September 2021, and the statements of comprehensive income and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the East Port of Spain Development Company Limited as at 30 September 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of East Port of Spain Development Company Limited in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

## INDEPENDENT AUDITORS' REPORT (Cont'd)

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PKF

**Barataria**
**TRINIDAD**
**5 July 2024**

# EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION

### ASSETS

| | Notes | 30 September 2021 $ | 30 September 2020 $ |
|---|---|---|---|
| **Current Assets:** | | | |
| Cash and cash equivalents | 6 | 25,355,974 | 19,075,187 |
| Accounts receivable and prepayments | 7 | 1,569,089 | 688,955 |
| | | 26,925,063 | 19,764,142 |
| **Non-Current Assets:** | | | |
| Lease assets | 8 | 557,645 | 753,025 |
| Fixed assets | 9 | 1,333,741 | 1,284,319 |
| | | 1,592,590 | 2,037,344 |
| **Total Assets** | | **28,816,449** | **21,801,486** |

### LIABILITIES AND SHAREHOLDER'S EQUITY

| | Notes | 2021 $ | 2020 $ |
|---|---|---|---|
| **Current Liabilities:** | | | |
| Accounts payable and accruals | 10 | 2,599,736 | 3,273,984 |
| Lease liabilities – current position | 12 | 267,993 | 520,576 |
| Deferred income - government grants | 11 | 24,393,110 | 16,569,158 |
| Taxation payable | | 1,587 | 9,079 |
| | | 27,262,426 | 20,372,797 |
| **Non-Current Liabilities:** | | | |
| Lease liabilities – non current | 12 | 313,516 | 282,091 |
| Deferred income – capital expenditure grants | 13 | 1,240,497 | 1,146,588 |
| | | 1,554,013 | 1,428,679 |
| Total Liabilities | | 28,816,439 | 21,801,476 |
| **Shareholder's Equity:** | | | |
| Stated Capital | 14 | 10 | 10 |
| Total Shareholder's Equity | | 10 | 10 |
| **Total Liabilities and Shareholder's Equity** | | **28,816,449** | **21,801,486** |

These financial statements were approved by the Board of Directors and authorised for issue on 5 July 2024 and signed on their behalf by:

**Director** **Director**

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

**EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

| | Notes | For the year ended 30 September 2021 $ | 2020 $ |
|---|---|---|---|
| **Income:** | | | |
| Management and design fees | | 479,618 | 490,061 |
| Other income | | 50,725 | 853 |
| Total income | | 530,343 | 490,914 |
| **Expenditure:** | | | |
| Administrative charges | 16 | 814,055 | 1,101,692 |
| Advertising and public relations | | 136,165 | 131,650 |
| Depreciation | | 415,969 | 467,809 |
| Directors' fees and allowances | | 594,000 | 594,000 |
| Professional fees | | 1,435,942 | 1,350,833 |
| Property expenses | 17 | 808,270 | 827,511 |
| Staff related expenses | | 4,262,366 | 3,571,840 |
| Total expenditure | | 8,466,767 | 8,045,335 |
| Loss from operations | | (7,936,424) | (7,554,421) |
| **Other Income:** | | | |
| Government grants | 18 | 7,771,313 | 7,456,416 |
| Interest income | | 166,850 | 99,577 |
| Net profit before taxation | | 1,739 | 1,572 |
| Taxation (**Note 19**) | | (1,739) | (1,572) |
| Net loss for the year | | - | - |
| Accumulated loss brought forward | | - | (5,850,119) |
| Deferred Income – Recurrent Expenditure Offset Accumulated Loss brought forward | | - | 5,850,119 |
| Accumulated Loss carried forward | | - | - |

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

# EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

## STATEMENT OF CASH FLOWS

| | For the year ended 30 September | |
|---|---|---|
| | 2021 | 2020 |
| | $ | $ |
| **Operating Activities:** | | |
| Net profit before taxation | 1,739 | 1,572 |
| Depreciation – RoUAs | 500,533 | 494,176 |
| Interest portion of lease payments | 54,714 | 84,573 |
| Depreciation | 415,969 | 467,809 |
| Adjustment for initial recognition of IFRS 16 | - | (44,043) |
| Gain on disposal of vehicle | (6,262) | - |
| | 966,693 | 1,004,087 |
| Net change in accounts receivables and prepayments | (880,134) | 438,631 |
| Net change in accounts payable and accruals | (674,248) | 329,767 |
| Net change in deferred income – capital expenditure grants | 93,909 | 266,838 |
| Net change in deferred income – government grants | 7,823,952 | 4,778,140 |
| Taxes paid | (9,231) | (10,416) |
| Funds provided by operating activities | 7,320,941 | 6,807,047 |
| **Investing Activities:** | | |
| Lease assets – RoUAs | (305,153) | (1,247,201) |
| Fixed assets acquired | (509,879) | (734,646) |
| Proceeds from disposal of asset | 50,750 | - |
| Funds used in investing activities | (764,282) | (1,981,847) |
| **Financing Activities:** | | |
| Interest portion of lease payments | (54,714) | (84,573) |
| Principal portion of lease payments | (526,311) | (488,577) |
| Lease liability for leased assets | 305,153 | 1,291,244 |
| Funds (used in)/provided by financing activities | (275,872) | 718,094 |
| Net change in cash balances | 6,280,787 | 5,543,294 |
| Cash and cash equivalent balances, beginning of year | 19,075,187 | 13,531,893 |
| Cash and cash equivalent balances, end of year | **25,355,974** | **19,075,187** |
| **Represented by:** | | |
| Cash and cash equivalents | **25,355,974** | **19,075,187** |

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

# EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## 30 SEPTEMBER 2021

### 1. Incorporation and Principal Business Activity:

East Port of Spain Development Company Limited was incorporated in the Republic of Trinidad and Tobago on 28 September 2005. The principal business activity of the company is to develop and redevelop a zone in East Port of Spain, bounded by Charlotte Street, Lady Young Road and the Eastern Main Road, including Morvant, Never Dirty, Caledonia, Beetham Estates, Sea Lots and Katanga. This development includes the improvement of the economic, social and physical environment of these areas. The company commenced operations on 1 May 2006.

### 2. Going Concern:

The company liabilities exceed its current assets by **$337,363** as at the year-end. Notwithstanding this fact, the financial statements have been prepared on the going concern basis. This basis has been deemed appropriate in view of the Company's ability to continue its operation using funding from its main shareholder, the Government of the Republic of Trinidad and Tobago.

### 3. Summary Significant Accounting Policies:

**(a) Basis of preparation -**

These financial statements have been prepared under the historical cost convention and no account has been taken of the effects of inflation. These financial statements have been prepared in accordance with International Financial Reporting Standards approved in the Republic of Trinidad and Tobago.

**(b) Use of estimates -**

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of the income and expenditure during the reporting period. Actual results could differ from those estimated.

## 3. Summary of Significant Accounting Policies (Cont'd):

### (c) New Accounting Standards and Interpretations -

The company has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective or are effective but do not apply to the activities of the company, do not have a material impact on its financial statements or have not been early adopted:

IFRS 16 Leases - Amendments regarding the accounting treatment of lease incentives (effective for accounting periods beginning on or after 1 January 2022).

IFRS 17 Insurance Contracts (effective for accounting periods beginning on or after 1 January 2023).

IAS 1 Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies (effective for accounting periods beginning on or after 1 January 2023).

IAS 1 Presentation of Financial Statements - Amendments regarding the classification of liabilities as current and non-current (effective for accounting periods beginning on or after 1 January 2023).

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendments regarding the definition of accounting estimates (effective for accounting periods beginning on or after 1 January 2023).

IAS 16 Property, Plant and Equipment - Amendments regarding proceeds before intended use (effective for accounting periods beginning on or after 1 January 2022).

IAS 12 Income Taxes – Amendments regarding deferred tax on leases and decommissioning obligations (effective for accounting periods beginning on or after 1 January 2023).

IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding onerous contracts and cost of fulfilling a contract (effective for accounting periods beginning on or after 1 January 2022).

IAS 39 Financial Instruments: Recognition and Measurement – Amendments regarding replacement issues in the context of the IBOR reform (effective for accounting periods beginning on or after 1 January 2021).

IAS 41 Agriculture - Amendments regarding taxation in fair value measurements (effective for accounting periods beginning on or after 1 January 2022).

## 3. Summary of Significant Accounting Policies (Cont'd):

### c) New Accounting Standards and Interpretations (cont'd) -

The Company has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective as they:

- do not apply to the activities of the Company;
- have no material impact on its financial statements; or
- have not been early adopted by the entity.

IFRS 1 First-time Adoption of Financial Reporting Standards - Amendments regarding subsidiary as first-time adopter (effective for accounting periods beginning on or after 1 January 2022).

IFRS 3 Business Combinations - Amendments regarding the reference to the conceptual framework (effective for accounting periods beginning on or after 1 January 2022).

IFRS 4 Insurance Contracts - Amendments regarding the interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021).

IFRS 4 Insurance Contracts - Amendments regarding IFRS 17 and the extension of the temporary exemption from applying IFRS 9 (effective for accounting periods beginning on or after 1 January 2023).

IFRS 7 Financial Instruments: Disclosures - Amendments regarding additional disclosures arising from interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021).

IFRS 9 Financial Instruments - Amendments regarding replacement issues in the context of the interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021).

IFRS 9 Financial Instruments - Amendments regarding fees in the 'ten percent' test for derecognition of financial liabilities (effective for accounting periods beginning on or after 1 January 2021).

IFRS 16 Leases - Amendments regarding the interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021).

IFRS 16 Leases - Amendments to extend the exemption from assessing whether a COVID -19 related rent concession is a lease modification (effective for accounting periods beginning on or after 1 April 2021).

## 3. Summary of Significant Accounting Policies (Cont'd):

### (d) Fixed assets -

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on the reducing balance basis at rates sufficient to write-off the cost of the assets over their estimated useful economic lives with the exception of leasehold improvements which is depreciated using the straight line method. The following rates per annum were used:

| | | | |
|---|---|---|---|
| Leasehold improvements | - | 16.67% | Straight line |
| Computers | - | 33.33% | Reducing balance |
| Office equipment | - | 25% | Reducing balance |
| Fixtures and fittings | - | 10% | Reducing balance |
| Furniture | - | 25% | Reducing balance |
| Motor vehicles | - | 25% | Reducing balance |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

### (e) Government grant -

Grants from the Government of the Republic of Trinidad and Tobago are recognised at their fair values, where there is a reasonable assurance that the grant will be received, and the Company will comply with all conditions attached.

Government grants relating to recurrent expenditure (for operating expenses) are deferred and included in non-current liabilities. They are recognised in the Statement of Comprehensive Income over the period necessary to match them with net expenses they are intended to compensate.

Government grants relating to Government sponsored projects are deferred and matched against the relevant costs when they are incurred. Any short fall in grants received against the approved budget was reported as a receivable in the Statement of Financial Position, however, effective 1 October 2014 all grants are recorded on a cash basis.

Government grants relating to capital expenditure (for the purchase and construction of fixed assets) are included to non-current liabilities. They are credited to the Statement of Comprehensive Income on a systematic and rational basis over the expected useful lives of these assets.

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2021

3. **Summary of Significant Accounting Policies (Cont'd):**

(f) **Financial Instruments**

All recognised financial assets that are within the scope of International Financial Reporting Standard (IFRS) 9 are required to be subsequently measured at amortised cost or fair value on the basis of:

(i) the entity's business model for managing the financial assets; and
(ii) the contractual cash flow characteristics of the financial assets.

The company reassess its business models each reporting period to determine whether they have changed. No such changes have been identified for the current year.

Principal is the fair value of the financial asset at initial recognition. Interest is consideration for the time value of money and for credit and other risks associated with the principal outstanding. Interest also has a profit margin element.

**Initial measurement**

All financial instruments are initially measured at the fair value of consideration given or received.

The company measures fair values in accordance with IFRS 13, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The company uses a fair value hierarchy that categorises valuation techniques into three levels:

(i) Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Assets and liabilities are classified as Level 1 if their value is observable in an active market. The use of observable market prices and model inputs, when available, reduces the need for management judgement and estimation, as well as the uncertainty related with the estimated fair value.

(ii) Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability.

Level 3 inputs are unobservable inputs. Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data.

**EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**30 SEPTEMBER 2021**

**3. Summary of Significant Accounting Policies (Cont'd):**

**(f) Financial instruments (cont'd) -**

**Initial measurement (cont'd)**

All financial instruments are initially measured at the fair value of consideration given or received.

The company measures fair values in accordance with IFRS 13, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The company uses a fair value hierarchy that categorises valuation techniques into three levels:

(iii) Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Assets and liabilities are classified as Level 1 if their value is observable in an active market. The use of observable market prices and model inputs, when available, reduces the need for management judgement and estimation, as well as the uncertainty related with the estimated fair value.

(iv) Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability.

(v) Level 3 inputs are unobservable inputs. Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data.

**Subsequent measurement**

Those financial assets which are held within a business model with the sole objective of collecting contractual cash flows which comprise principal and interest only, are subsequently measured at amortised cost. Gains/losses arising on remeasurement of such financial assets are recognised in profit or loss as movements in Expected Credit Loss (ECL). When a financial asset measured at amortised cost is derecognised, the gain/loss is reflected in profit or loss.

Those financial assets which are held within a business model with the objectives of (i) collecting contractual cash flows which comprise principal and interest only, as well as (ii) selling the financial assets, are subsequently measured at Fair Value Through Other Comprehensive Income (FVTOCI). Gains/losses arising on remeasurement of such financial assets are recognised in OCI as '*Items that may be reclassified subsequently to P&L*' and are called '*Net FV gain/(loss) on financial assets classified as at FVOCI*'.

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2021

**3. Summary of Significant Accounting Policies (Cont'd):**

**(f) Financial instruments (cont'd) -**

**Subsequent measurement (cont'd)**

All other financial assets are subsequently measured at Fair Value Through Profit and Loss (FVTPL), except for equity investments, which the company has opted, irrevocably, to measure at FVTOCI. Gains/losses arising on remeasurement of such financial assets are recognised in profit or loss as *'Net FV gain/(loss) on financial assets classified at FVTPL'*. When a financial asset measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss.

**Reclassification**

If the business model under which the company holds financial assets changes, the financial assets affected are reclassified accordingly from the first day of the first reporting period following the change in business model

**Write-off**

Financial assets are written off when the company has no reasonable expectations of recovery, for example, when the company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay. A write-off constitutes a derecognition event. Subsequent recoveries resulting from the company's enforcement activities will result in gains.

**Financial liabilities**

Since the company does not trade in financial liabilities, and since there are no measurement or recognition inconsistencies, all financial liabilities are initially measured at fair value, net of transaction costs and subsequently, at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount on initial recognition.

Financial liabilities recognised at amortised cost are not reclassified.

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2021

3. Summary of Significant Accounting Policies (Cont'd):

(g) **Comparative figures -**

Certain changes in the presentation have been made during the year and comparative figures have been restated accordingly. These changes have no impact on the net profit reported for the previous year.

(h) **Taxation -**

Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the statement of financial position date.

Deferred tax

Deferred income tax is provided in full, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the rate that is expected to apply to the period when the asset is realised or the liability is settled, based on the enacted tax rate at the statement of financial position date. Deferred tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. In the opinion of management, the effect of temporary differences at 30 September 2020 is not considered material.

(i) **Leases -**

The Company has adopted IFRS 16 Leases and applied a single recognition and measurement approach for all leases, except short term leases and leases of low-value assets. The Company recognised lease liabilities to make lease payments and right-of-use assets (RoUAs) representing the right to use the underlying assets.

A lease is the right to control the use of an identified asset for a period of time in exchange for consideration. If a lease exists, a lease liability is determined by discounting the lease payments using the interest rate inherent in the lease or the Company's incremental borrowing rate. The lease liability is subsequently affected by interest on the lease, lease payments made and remeasurement on account of changes in the lease payment.

A right to use asset is determined at the amount equivalent to the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs and any asset dismantling costs, if such a liability exists. The entity uses the cost model where the right of use asset will be subsequently depreciated in accordance with IAS 16.

## 3. Summary of Significant Accounting Policies (Cont'd):

### (i) Leases (cont'd) –

With the introduction of IFRS 16, leases that were previously recorded as operating leases were evaluated to establish if they were right of use assets (RoUAs). Opting for the modified retrospective approach, these RoUAs were measured at the amount equal to their equivalent lease liabilities as shown in the table below.

The lease liabilities were measured as the present value of the remaining lease payments - discounted using an incremental borrowing rate.

## 4. Financial Risk Management:

### Financial risk factors

The Company is exposed to interest rate risk, liquidity risk, currency risk, operational risk, compliance risk and reputation risk arising from the financial instruments that it holds. The risk management policies employed by the Company to manage these risks are discussed below:

### (a) Interest rate risk -

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including loans and other funding instruments.

The exposure is managed through the matching of funding products with financial services and monitoring market conditions and yields.

### (b) Liquidity risk -

Liquidity risk is the risk that arises when the maturity of assets and liabilities do not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.
To manage and reduce liquidity risk the Company's management actively seeks to match cash inflows with liability requirements.

## 4. Financial Risk Management (Cont'd):

**Financial risk factors (cont'd)**

**(c) Operational risk -**

Operational risk is the risk that derives from deficiencies relating to the Company's information technology and control systems, as well as the risk of human error and natural disasters. The Company's systems are evaluated, maintained and upgraded continuously.

**(d) Compliance risk -**

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state.

**(e) Reputation risk -**

The risk of loss of reputation arising from the negative publicity relating to the Company's operations (whether true or false) may result in a reduction in its revenue from social events. The Company applies procedures to minimize this risk.

### Fair Value Estimation

The fair values of the Company's financial assets and liabilities approximates to their carrying amounts at the Statement of Financial Position date.

## 5. Critical Accounting Estimates and Judgements:

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make judgements, estimates and assumptions in the process of applying the company's accounting policies.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. However, actual results could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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

## 5. Critical Accounting Estimates and Judgements (cont'd):

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

a) Significant increase of credit risk

The company computes twelve-month ECL for Stage 1 assets and lifetime ECL for Stage 2 or Stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Assessing whether there has been a significant increase in credit risk required judgement takes into account reasonable and supportable forward-looking information.

b) Fair value measurement and valuation process

In estimating the fair value of a financial asset or a liability, the company uses market-observable data to the extent it is available. Where such Level 1 inputs are not available, the company uses valuation models to determine the fair value of its financial instruments.

c) Fixed assets

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of these assets. Judgement is also used in determining which depreciation method for fixed assets is used.

## 6. Cash and Cash Equivalents:

| | 30 September 2021 $ | 30 September 2020 $ |
|---|---|---|
| Cash on Hand | 4 | - |
| First Citizens Bank Limited – Abercrombie Fund | 16,426,102 | 10,259,368 |
| First Citizens Bank Limited – Current account | 2,241,696 | 3,624,678 |
| First Citizens Bank Limited – Projects account | 6,678,927 | 5,181,712 |
| Unit Trust Corporation | 9,245 | 9,429 |
| | 25,355,974 | 19,075,187 |

**EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**30 SEPTEMBER 2021**

7. **Accounts Receivable and Prepayments:**

| | 30 September 2021 $ | 30 September 2020 $ |
|---|---|---|
| Fraud loss (see note below) | 23,337,646 | 23,337,646 |
| Prepaid expenses | 103,841 | 64,313 |
| Project fees receivables | 1,465,248 | 623,142 |
| Employee advances | - | 1,500 |
| | 24,906,735 | 24,026,602 |
| Less: Impairment provision for fraud loss | (23,337,646) | (23,337,646) |
| | **1,569,089** | **688,955** |
| **Impairment provision for fraud loss:** | | |
| Balance, beginning of year | 23,337,646 | 23,337,646 |
| Charge for the year | - | - |
| Balance, end of year | **23,337,646** | **23,337,646** |

This balance relates to the judgement in default of defence entered in the High Court of Justice, Trinidad, in favour of the Company. Judgement was delivered in favour of East Port of Spain Development Company Limited ("EPOS") on the 3 July 2018 against the Defendants in the matter of EPOS v. Solomon Lamb, Kirk Services Limited and Solomon Lamb (Trading as Solomon Lamb & Associates Internal Audit & Management Consultant). The Judgement was registered on the 24 July 2018. The Defendants were individually and collectively ordered to return the total sum of **$16,641,146** to EPOS. Efforts to confirm the nature and extent of the assets of the Defendants were ongoing during this period. The freezing injunction also continued to be in force during the period, as the judgement debt remained unpaid. Investigations were also ongoing by the Fraud Squad, during this time.

To date, the Defendants have not complied with any part of the Order of the 3 July 2018. Since obtaining judgment against the Defendants, EPOS discovered other cheques, in the cumulative sum of **$6,615,500** which were wrongfully issued to the Defendants by Mr. Lamb. EPOS initiated further proceedings against the Defendants as Mr. Lamb was evading service of the Claim Form and Statement of Case. All attempts to serve either of the Defendants were futile and EPOS had cause to apply for substituted service. Substituted service was effected and to date no acknowledgement of that email has been received.

As a consequence, EPOS will be pursuing committal proceedings against the Defendant and as of March 2024, the application is being finalized for filing. Additionally, EPOS is investigating a lead regarding the location of Mr. Lamb for the purpose of facilitating service of the said application on Mr. Lamb. As at the end of the financial year the amount of **$23,337,646** was determined to have been removed from the Company by the Defendants without permission. At a Board meeting held on the 23 February 2021, the Board of Directors agreed to make provision for the amount uncovered during the financial years 2014 to 2017. The confirmed minutes of the 173rd Meeting of the Board of Directors reflect the decision of the Board in relation to the decision to make provision for the loss in the amount of **$23,337,646**.

**EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**30 SEPTEMBER 2021**

## 8. Lease Assets:

| | Property at Eastern Main Road ($) | Motor Vehicles ($) | Total ($) |
|---|---|---|---|
| **Valuation at initial application** | **$ 937,936** | **$ 309,265** | **$ 1,247,201** |
| Balance as at 1 October 2020 | 937,936 | 309,265 | 1,247,201 |
| Additions | - | 305,153 | 305,153 |
| Balance as at 30 September 2021 | 937,936 | 614,418 | 1,552,354 |
| **Accumulated Depreciation** | | | |
| Balance as at 1 October 2020 | 416,860 | 77,316 | 494,176 |
| Charge for the year | 416,860 | 83,673 | 500,533 |
| Balance as at 30 September 2021 | 833,720 | 160,989 | 994,709 |
| **Net Book Value** | | | |
| Balance as at 30 September 2021 | **$ 104,216** | **$ 453,429** | **$ 557,645** |

| | Property at Eastern Main Road ($) | Motor Vehicles ($) | Total ($) |
|---|---|---|---|
| **Valuation at initial application** | **$ 937,936** | **$ 309,265** | **$ 1,247,201** |
| Balance as at 1 October 2019 | 937,936 | 309,265 | 1,247,201 |
| **Accumulated Depreciation** | | | |
| Balance as at 1 October 2019 | - | - | - |
| Charge for the year | 416,860 | 77,316 | 494,176 |
| Balance as at 30 September 2020 | 416,860 | 77,316 | 494,176 |
| **Net Book Value** | | | |
| Balance as at 30 September 2020 | **$ 521,076** | **$ 231,949** | **$ 753,025** |

The basis of measurement used to determine the right-of-use asset values were the present value of the monthly payments over the lease term, amortized on a straight-line basis. The interest rate used for the present value calculation was of 6.55% (Source: The Global Economy.com). The valuations at initial application of IFRS 16 represent the amortised present values of the annual lease payments as at 30 September 2019. The RoU assets recognised are the leased office building on the Eastern Main Road, Laventille leased from Ledo Holdings. The Company also leased two motor vehicles, TCU 2380 and TEB 5086 Limited, from Convenient Rental Limited and Massy Motors, respectively.

# EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## 30 SEPTEMBER 2021

9. **Fixed Assets:**

| | Leasehold Improvements $ | Computers $ | Office Equipment $ | Fixtures and Fittings $ | Furniture $ | Motor Vehicles $ | Total $ |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| Balance as at 1 October 2020 | 599,240 | 1,111,329 | 232,254 | 202,801 | 1,049,836 | 1,399,844 | 4,595,304 |
| Additions | - | 70,924 | 17,270 | - | 2,788 | 418,897 | 509,879 |
| Disposal | - | - | - | - | - | (395,000) | (395,000) |
| Balance as at 30 September 2021 | 599,240 | 1,182,253 | 249,524 | 202,801 | 1,052,624 | 1,423,741 | 4,710,183 |
| **Accumulated Depreciation** | | | | | | | |
| Balance as at 1 October 2020 | 404,655 | 960,557 | 168,876 | 107,007 | 791,257 | 878,633 | 3,310,985 |
| Charge for the year | 98,398 | 56,808 | 17,486 | 9,579 | 64,703 | 168,995 | 415,969 |
| Disposal | - | - | - | - | - | (350,512) | (350,512) |
| Balance as at 30 September 2021 | 503,053 | 1,017,365 | 186,362 | 116,586 | 855,960 | 697,116 | 3,376,442 |
| **Net Book Value** | | | | | | | |
| Balance as at 30 September 2021 | 96,187 | 164,888 | 63,162 | 86,215 | 196,664 | 726,625 | 1,333,741 |
| Balance as at 30 September 2020 | 194,585 | 150,772 | 63,378 | 95,794 | 258,579 | 521,211 | 1,284,319 |

# EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## 30 SEPTEMBER 2021

9. **Fixed Assets (Cont'd):**

| | Leasehold Improvements $ | Computers $ | Office Equipment $ | Fixtures and Fittings $ | Furniture $ | Motor Vehicles $ | Total $ |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| Balance as at 1 October 2019 | 593,521 | 1,083,969 | 214,734 | 202,801 | 935,689 | 829,944 | 3,860,658 |
| Additions | 5,719 | 27,360 | 17,520 | - | 114,147 | 569,900 | 734,646 |
| Balance as at 30 September 2020 | 599,240 | 1,111,329 | 232,254 | 202,801 | 1,049,836 | 1,399,844 | 4,595,304 |
| **Accumulated Depreciation** | | | | | | | |
| Balance as at 1 October 2019 | 306,257 | 883,539 | 147,714 | 96,363 | 704,407 | 704,896 | 2,843,176 |
| Charge for the year | 98,398 | 77,018 | 21,162 | 10,644 | 86,850 | 173,737 | 467,809 |
| Balance as at 30 September 2020 | 404,655 | 960,557 | 168,876 | 107,007 | 791,257 | 878,633 | 3,310,985 |
| **Net Book Value** | | | | | | | |
| Balance as at 30 September 2020 | **194,585** | **150,772** | **63,378** | **95,794** | **258,579** | **521,211** | **1,284,319** |
| Balance as at 30 September 2019 | **287,264** | **200,430** | **67,020** | **106,438** | **231,282** | **125,048** | **1,017,482** |

# EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## 30 SEPTEMBER 2021

### 10. Accounts Payable and Accruals:

| | 30 September 2021 $ | 30 September 2020 $ |
|---|---|---|
| Credit Card Payable | 1,326 | - |
| Audit fees payable | 281,875 | 348,000 |
| Statutory and other salary deductions payable | 38,541 | 96,463 |
| Penalties and interest | 49,844 | 49,844 |
| Stale dated cheques | - | 30,606 |
| Gratuity payable | 524,145 | 789,378 |
| Sundry creditors and accruals | 1,704,005 | 1,959,693 |
| | 2,599,736 | 3,273,984 |

### 11. Deferred Income – Government Grants:

| | 30 September 2021 $ | 30 September 2020 $ |
|---|---|---|
| ***Recurrent Expenditure*** | | |
| Balance brought forward | 8,292,267 | 9,149,486 |
| Adjustment for initial recognition of IFRS 16 (Note 12) | - | (44,043) |
| Allocation to offset Accumulated losses | - | (5,850,119) |
| Government grants received for recurrent expenditure | 12,690,121 | 12,465,353 |
| To reclassify deferred income to/from project recurrent | (498,500) | (439,803) |
| Recurrent expenditure utilising government grants (net) | (7,355,344) | (6,988,607) |
| | 13,128,545 | 8,292,267 |
| ***Project Expenditure*** | | |
| Balance brought forward | 8,276,891 | 8,535,694 |
| To Reclassify deferred income to/from project to recurrent | 498,500 | 439,803 |
| Government grants for project expenditure | 7,515,240 | 6,802,750 |
| Project expenditure for the year (**Note 20**) | (5,026,066) | (7,501,356) |
| | 11,264,565 | 8,276,891 |
| | 24,393,110 | 16,569,158 |

# EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## 30 SEPTEMBER 2021

## 12. Lease Liabilities:

| | Property at Eastern Main Road ($) | Motor Vehicles ($) | Total ($) |
|---|---|---|---|
| Balance as at 1 October 2020 | 556,192 | 246,475 | 802667 |
| Addition | | 305,153 | 305,153 |
| Add Interest charge for the year | 36,431 | 18,283 | 54,714 |
| Less Annual lease payments | (480,000) | (101,025) | (581,025) |
| **Balance as at 30 September 2021** | **$ 112,623** | **$ 468,886** | **$ 581,509** |
| Lease liabilities – Current Portion | 112,623 | 155,370 | 267,993 |
| Lease liabilities – Non-Current Portion | - | 313,516 | 313,516 |
| | **$ 112,623** | **$ 468,886** | **$ 581,509** |

| | Property at Eastern Main Road ($) | Motor Vehicles ($) | Total ($) |
|---|---|---|---|
| **Valuation at initial application** | **$ 972,494** | **$ 318,750** | **$ 1,291,244** |
| Balance as at 1 October 2019 | 972,494 | 318,750 | 1,291,244 |
| Add Interest charge for the year | 63,698 | 20,875 | 84,573 |
| Less Annual lease payments | (480,000) | (93,150) | (573,150) |
| **Balance as at 30 September 2020** | **$ 556,192** | **$ 246,475** | **$ 802,667** |
| Lease liabilities – Current Portion | 443,569 | 77,007 | 520,576 |
| Lease liabilities – Non-Current Portion | 112,623 | 169,468 | 282,091 |
| | **$ 556,192** | **$ 246,475** | **$ 802,667** |

The valuation of the Lease Liabilities at the initial application of IFRS 16 represents the present values of the monthly payments over the lease terms adjusted for lease payments made and interest expense as at 30 September 2019. The adjustment for the initial recognition of IFRS 16 was recorded in the Deferred Income - Recurrent Expenditure and relates the valuation of the leased assets and liabilities of the property (**$34,558**) and motor vehicle (**$9,485**) at application.

# EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## 30 SEPTEMBER 2021

### 13. Deferred Income – Capital Expenditure Grants:

| | 30 September 2021 $ | 30 September 2020 $ |
|---|---|---|
| Balance brought forward | 1,146,587 | 879,750 |
| Government grants for capital expenditure | 509,879 | 734,647 |
| Transferred to Statement of Comprehensive Income | (415,969) | (467,809) |
| | **1,240,497** | **1,146,588** |

### 14. Stated Capital:

| | 30 September 2021 $ | 30 September 2020 $ |
|---|---|---|
| Authorised: | | |
| An unlimited number of ordinary shares of no par value | | |
| Issued and fully paid: | | |
| 10 ordinary shares of no par value | **10** | **10** |

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2021

## 15. Related Party Transactions:

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

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

A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms at market rates.

Balances and transaction with related parties and key management personnel during the year were as follows:

| | 30 September | |
|---|---|---|
| | **2021** | **2020** |
| | **$** | **$** |
| **Expenses** | | |
| Directors' fees and allowances | 594,000 | 594,000 |
| **Key management compensation** | | |
| Short-term benefits | 1,301,650 | 1,355,955 |
| Post-employment benefits | 924,790 | - |
| | **2,226,440** | **1,355,955** |

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2021

## 16. Administrative Charges:

| | 30 September 2021 $ | 30 September 2020 $ |
|---|---|---|
| Auto expenses | 82,890 | 54,275 |
| Audit fees Internal | 129,930 | - |
| Bank charges | 5,733 | 5,168 |
| Computer expenses | 43,670 | 30,000 |
| Donations | 101,415 | 194,629 |
| Insurance | 92,720 | 38,284 |
| Licenses and permits | - | 57,573 |
| Meeting expense | 32,878 | 40,176 |
| Office expenses | 74,728 | 309,090 |
| Penalties and interest | 17,257 | 27,935 |
| Depreciation – RoUA (motor vehicle) | 83,673 | 77,316 |
| Interest on lease liabilities (motor vehicle) | 18,283 | 20,875 |
| Rental | - | 75,000 |
| Security | 29,785 | 73,440 |
| Telephone expense | 101,093 | 97,931 |
| | **814,055** | **1,101,692** |

## 17. Property Expenses:

| | 30 September 2021 $ | 30 September 2020 $ |
|---|---|---|
| Rent Expense | 190,885 | 193,649 |
| Repairs and Maintenance | 23,030 | 14,351 |
| Office Expenses | 90,767 | 102,781 |
| Utilities | 50,297 | 36,172 |
| Depreciation – RoUA (property) | 416,860 | 416,860 |
| Interest on lease liabilities (property) | 36,431 | 63,698 |
| | **808,270** | **827,511** |

# EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## 30 SEPTEMBER 2021

**18. Government Grants:**

| | 30 September 2021 $ | 30 September 2020 $ |
|---|---|---|
| Recurrent expenditure | 7,355,344 | 6,988,607 |
| Capital expenditure | 415,969 | 467,809 |
| | **7,771,313** | **7,456,416** |

**19. Taxation:**

| | 30 September 2021 $ | 30 September 2020 $ |
|---|---|---|
| Business Levy | 1,048 | 982 |
| Green Fund Levy | 691 | 590 |
| | **1,739** | **1,572** |

# EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## 30 SEPTEMBER 2021

## 20. Projects Expenditure for the year:

| | 30 September 2021 $ | 30 September 2020 $ |
|---|---|---|
| Beetham Gardens Recreational Grounds | (3,025) | 7,509 |
| Beetham Pavilion – Repairs | - | 103,793 |
| Beetham Gardens | - | 18,450 |
| Bowen Trace | 11,077 | - |
| Business Improvement District | 56,400 | - |
| Cipriani Avenue | 197,216 | - |
| Community Base Sustainable Water Management Programme | 19,984 | - |
| Community Impact Centers | 122,000 | 162,000 |
| Cooking with Confidence | - | 30,018 |
| Creating/Building the Beats | 12,800 | 7,743 |
| Desperadoes Pan Com - Repairs | (80,000) | 87,007 |
| Donation | - | 2,000 |
| Early Childhood Care and Education | - | 38,000 |
| Education to Production | - | 31,974 |
| Gerbera Avenue, Washroom, Bleachers | - | 276,570 |
| Graphic Design Programme | - | 6,000 |
| Highlanders Steel Orchestra Office and Pan Theatre | 591,116 | 1,147,999 |
| Home Work Club | 109,250 | - |
| John Trace Retained Wall | 47,747 | 827,880 |
| Kallkoo Hill | 6,232 | - |
| Keer Trace | 33,592 | - |
| Latrine Eradication | 2,484,675 | 3,265,000 |
| Living with style | - | 20,000 |
| Marshall Lane, Eastern Quarry | 242,916 | - |
| Mendoza Road | 95,999 | 61,875 |
| Monument at Yoruba Square | 100,000 | - |
| Morvant Central Community Complex | 9,823 | - |
| Never Dirty | - | 735,568 |
| Pelican Extension Road | 261,093 | - |
| Picton Road | 62,365 | - |
| Plaisance Road Ramp | - | 180,993 |
| Point Pleasant Drainage | - | 150,000 |
| Point Pleasant Pavillion | - | 196,909 |
| Point Pleasant Recreation Ground | 80,000 | - |
| Red Hill Extension, Morvant | 21,769 | - |
| Sandy Trace | 298,001 | - |
| Signage 2018/2019 | - | 45,068 |
| Sports Programme | 98,050 | 99,000 |
| Springville Avenue | 146,986 | - |
| | **5,026,066** | **7,501,356** |

**EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**30 SEPTEMBER 2021**

## 21. Contingent Assets:

Between the 1 October, 2020 and the 30 September 2021, the Company filed no new claims against any third parties.

***On going matters were as follows:***

The sum due and owing by Modern Fabricators Company Limited [the "Judgement Debtor"] to EPOS, continued to be due during this period. EPOS commissioned a Means and Assets search to be done on the assets of the Judgment Debtor, to ascertain what assets were in the name of the Company. The sum adjudged to be due and owing to EPOS by order dated 4 December 2017 was **$399,993** in liquidated damages with interest thereon at the rate of 2.5% from 2 September 2008 to 30 August 2012 [rendering a judgment sum of $439,970], together with Prescribed Costs in the sum of **$65,497** and statutory interest at the rate of 12% per annum from 4th December 2017. The Judgement Debtor's insurers, Furness Anchorage General Insurance Limited ["Furness"], executed a Performance Bond and Advance Payment Bond up to **$799,986**. EPOS' Attorneys notified the Furness of the order, with a view to having the Judgement Debt settled.

Despite passage of a reasonable period of time since the expiration of the stay of execution and the Company writing to the Judgment Debtor's insurers, to date, payment of the judgment against the Defendant remains outstanding. The judgment that remains outstanding is as follows – consolidated sum of **$505,467**, statutory interest accruing on the consolidated sum for the period 4 December 2017 – 5 March 2024 stands at the sum of **$158,467** and prescribed costs in the sum of **$65,467**.

On the 13 December, 2017 EPOS filed a civil claim against a former employee of EPOS, a former Accountant and two (2) companies to which he is affiliated, for breach of trust and/or his contract of employment with EPOS as trustee thereof for EPOS. Judgement was delivered in favour of East Port of Spain Development Company Limited ("EPOS") on the 3 July 2018 against the Defendants in the matter. Efforts to confirm the nature and extent of the assets of the Defendants were ongoing during this period. The freezing injunction also continued to be in force during the period, as the judgement debt remained unpaid.

EPOS will be pursuing committal proceedings against the employee as to date, neither the former employee of EPOS nor the two (2) affiliated companies have honoured the judgment. An application for committal proceedings is being finalized for filing while EPOS continues to make efforts to locate the former employee who has been eluding service from the Company.

# EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## 30 SEPTEMBER 2021

22. **Contingent Liability:**

Between the 1 October, 2020 and the 30 September 2021, no new claims were filed against the Company.

***On going matters were as follows:***

In September 2018, a former employee referred the Company to the Industrial Court alleging that she was unfairly dismissed. The parties attended a Case Management Conference and were directed to file various documents with the Court on the matter, which was done. Subsequent discussions between all parties resulted in the matter being settled prior to trial. A payment of $80,000 was made in July 2022 as full and final settlement of all claims.

The Inch by Inch Construction matter [Inch by Inch Construction & Manufacturing Limited v. East Port of Spain Development Company Limited], which commenced on the 22 January, 2013 was ongoing. During the subject period, EPOS filed its defence and attended the first hearing of Arbitration.

By application dated 10 September 2021 the Claimant filed an application requesting that the Court assume full jurisdiction over the matter and that directions be given for the filing of a Claim Form and Statement of Case. Directions were given for the filing of various documents and most recently, the EPOS filed its supplemental affidavit on 9 February 2024.

The CARICO matter [Carico Marketing v. East Port of Spain Development Company Limited], which was instituted on 19 May 2016 against EPOS for the sum of **$621,601.** The Claimant claimed that there was a sum due and owing under the original contract in the sum of **$122,151** and the sum of **$434,330** as the cost for variation works, together with interest at a rate of 12% and costs. The matter came up for hearing and various documents were filed on behalf of the parties. Trial dates of 17 and 18 September 2019 were set, however, the parties engaged in and pursued settlement discussions, which yielded results and a settlement was reached in the matter in the sum of **$354,750**. Payment was issued on 6 November 2020. The submissions of both parties were filed in March 2024 and EPOS is currently awaiting the decision of the Courts.

23. **Events after the Reporting Date:**

In March 2020, a global pandemic was declared by the World Health Organization related to the novel coronavirus disease 2019 (COVID-19). COVID-19, and the actions being taken to respond to same, has impacted on individuals and businesses in the markets and communities where the Company operates.

The following areas have been impacted negatively:

- Fair values of assets
- Earnings and productivity
- Completion of projects
- Supply chain
- Hours of operations of the Company
- Availability of Company personnel