

**RURAL DEVELOPMENT COMPANY OF
TRINIDAD AND TOBAGO LIMITED**

FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2022

MAHARAJ
MOHAMMED
& Co.



Chartered Accountants

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

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RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

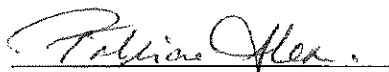
Management is responsible for the following:

- Preparing and fairly presenting the financial statements of the Rural Development Company of Trinidad and Tobago Limited, which comprise the statement of financial position as at 30th September, 2022, the statements of comprehensive income, changes in equity, statement of 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's 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 Company's Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, Management utilized the International Financial Reporting Standard, 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 Rural Development Company of Trinidad and Tobago Limited 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.



Director

30th November 2022



Director

30th November 2022

Chartered Accountants
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San Fernando,
Trinidad, W.I.
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**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED**

Report on the Financial Statements

We have audited the financial statements of Rural Development Company of Trinidad and Tobago Limited which comprises the statement of financial position as at 30th September 2022, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and incorporating summary of significant accounting policies and other explanatory notes, as stated on pages 6 to 19.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Rural Development Company of Trinidad and Tobago Limited as at 30th September 2022 and the results of its operations and 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 the Company 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 Those Charged with Governance 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 have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 skepticism 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.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

A handwritten signature in cursive script that reads 'Maharaj Mohammed & Co.'.

Maharaj Mohammed & Co.
Chartered Accountants
Trinidad & Tobago

30th November 2022

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER 2022

<u>ASSETS</u>	Notes	2022 \$	2021 \$
Current assets			
Cash and bank balances	4	181,743,549	218,841,368
Accounts and other receivables	5	1,454,602	2,089,787
Amounts due by related parties	6	141,954,747	120,347,848
Taxation recoverable		<u>212,243</u>	<u>229,062</u>
Total current assets		<u>325,365,141</u>	<u>341,508,065</u>
Non-current assets			
Property, plant and equipment	10	<u>599,431</u>	<u>584,741</u>
Total non-current assets		<u>599,431</u>	<u>584,741</u>
Total Assets		<u>325,964,572</u>	<u>342,092,806</u>
 <u>EQUITY AND LIABILITIES</u>			
Shareholders' Equity			
Stated capital	9	10	10
Retained earnings		<u>14,650,053</u>	<u>9,073,924</u>
Total shareholders' equity		<u>14,650,063</u>	<u>9,073,934</u>
Current liabilities			
Accounts payable and accruals	8	1,317,270	1,896,624
Amounts due to related parties	7	17,282,991	30,641,973
Taxation payable		<u>20,113</u>	<u>-</u>
Total current liabilities		<u>18,620,374</u>	<u>32,538,597</u>
Non-current liabilities			
Loan	12	292,659,547	300,437,325
Deferred tax liability	13	<u>34,588</u>	<u>42,950</u>
Total non-current liabilities		<u>292,694,135</u>	<u>300,480,275</u>
Total Liabilities		<u>311,314,509</u>	<u>333,018,872</u>
Total Liabilities and Shareholders' Equity		<u>325,964,572</u>	<u>342,092,806</u>

The accompanying notes on pages 10 to 19 form an integral part of these financial statements.

:Director

:Director

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

	Note	2022 \$	2021 \$
Revenues			
Project management fees		1,783,058	2,596,812
Government subventions		12,732,001	5,576,389
NRWRP department surplus from operations	11	380,132	7,009,022
Other income		4,381,802	2,775,894
Net income from other projects	7	<u>5,934,349</u>	<u>-</u>
Total revenue		<u>25,211,342</u>	<u>17,958,117</u>
Expenses			
Personnel costs and expenses		5,206,158	5,856,372
Depreciation		136,594	128,415
Administrative and other		1,533,720	1,233,139
Interest and bank charges		<u>12,744,943</u>	<u>6,089,426</u>
		<u>19,621,415</u>	<u>13,307,352</u>
Profit before taxation		5,589,927	4,650,765
Taxation charge	14	<u>(13,798)</u>	<u>(55,882)</u>
Net profit for the year		<u>5,576,129</u>	<u>4,594,883</u>

The accompanying notes on pages 10 to 19 form an integral part of these financial statements.

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

	Stated Capital \$	Retained Earnings \$	Total \$
Balance as at 1 st October 2021	10	9,073,924	9,073,934
Profit for the year	<u>-</u>	<u>5,576,129</u>	<u>5,576,129</u>
Balance as at 30 th September 2022	<u>10</u>	<u>14,650,053</u>	<u>14,650,063</u>
Balance as at 1 st October 2020	10	4,479,041	4,479,051
Profit for the year	<u>-</u>	<u>4,594,883</u>	<u>4,594,883</u>
Balance as at 30 th September 2021	<u>10</u>	<u>9,073,924</u>	<u>9,073,934</u>

The accompanying notes on pages 10 to 19 form an integral part of these financial statements.

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

	Note	2022 \$	2021 \$
Operating Activities			
Net profit before taxation		5,589,927	4,650,765
Adjustments for:			
Loss on disposal of property, plant and equipment		-	24,236
Depreciation of property, plant and equipment		<u>152,657</u>	<u>147,555</u>
Net loss before working capital changes		5,742,584	4,822,556
Movements in working capital			
Decrease / (increase) in accounts and other receivables		635,185	(876,332)
Increase in amounts due from related parties		(21,606,899)	(38,366,572)
Decrease in accounts payable and accruals		(579,354)	(27,443,760)
(Decrease) / increase in amounts due to related parties		<u>(13,358,982)</u>	<u>30,520,059</u>
Cash used in operating activities		(29,167,466)	(31,344,049)
Taxation		<u>14,772</u>	<u>(42,628)</u>
Net cash used in operations		<u>(29,152,694)</u>	<u>(31,386,677)</u>
Investing activities			
Purchase of property, plant and equipment		(167,347)	(49,688)
Cash used in investing activities		(167,347)	(49,688)
Financing activities			
Net loan payments		(7,777,778)	-
Proceeds from drawdown on new loan		<u>-</u>	<u>200,437,325</u>
Cash (used in) / provided by financing activities		<u>(7,777,778)</u>	<u>200,437,325</u>
Net (decrease) / increase in cash and cash equivalents		<u>(37,097,819)</u>	<u>169,000,960</u>
Cash and cash equivalents			
- at the beginning of the year		218,841,368	49,840,408
- at the end of the year	3	<u>181,743,549</u>	<u>218,841,368</u>
		<u>(37,097,819)</u>	<u>169,000,960</u>

The accompanying notes on pages 10 to 19 form an integral part of these financial statements.

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

1. Incorporation and principal activities

The company was incorporated in the Republic of Trinidad and Tobago on 2nd May 2005. The registered office is situated at Bungalow #221058 LP# 6 Skid Row Road, Brechin Castle, Couva. The company is a Special Purpose State Enterprise, with the Ministry of Finance as Corporation Sole.

The principal activities of the company are to provide project management services in the development and implementation of projects to improve the infrastructure, utilities and community facilities in rural communities of Trinidad and Tobago. These services were expanded to include the contract administration and supervision of construction of the contracts awarded.

In the main, the projects are identified by the Ministry of Rural Development and Local Government. The project management services include procuring of contractors on approved development projects, administration and supervision, and where applicable, design fee services.

The financial statements were authorized for issue by the Board of Directors on 30th November 2022.

2. Significant accounting policies

(a) Basis of preparation

These financial statements are expressed in Trinidad and Tobago dollars and have been prepared under the historical cost convention, in accordance with International Financial Reporting Standards.

(b) Use of estimates

The preparation of financial statements, in conformity with International Financial Reporting Standards, require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(c) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost and comprise cash in hand and bank balances disclosed in Trinidad and Tobago dollars, and other short-term highly liquid investments.

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

2. Significant accounting policies (continued)

(d) Foreign currency

Foreign currency transactions during the year are translated into Trinidad and Tobago dollars at the exchange rates ruling at the dates of the transactions. Current assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the statement of financial position date. Gains or losses thus arising are included in the Statement of Comprehensive Income.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost and are being depreciated on the reducing balance basis, at varying rates which are sufficient to write off the cost of the assets over their estimated useful lives as follows:

Leasehold improvements	Straight-line over 15 years
Security and other equipment	15% - 20%
Office furniture and equipment	15% - 20%
Motor vehicles	25%
Computer equipment	25%

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

As 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 recognized in the Statement of Comprehensive Income.

(f) Accounts receivable

Accounts receivable are amounts due from customers for goods sold or services performed in the ordinary course of business. All collections from sales are expected in one year or less and are classified as current assets. Accounts receivable are initially recognized at the transaction price. They are subsequently measured at cost less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the company will not be able to recover all amounts due according to the original terms of the receivables.

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

2. Significant accounting policies (continued)

(g) Accounts payable

Accounts payable are obligations on the basis of normal credit terms and do not bear interest.

(h) Revenue

(i) Project management services rendered

Revenue from services rendered is recognised in Statement of Comprehensive Income in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or associated costs.

(ii) Government Income

These are Subventions received from the government towards the operation of the Company. Government Subventions are accounted for on a cash basis due to the uncertainty of the timing of the receipt.

(iii) Design fees and other income

Design fees and other income are recognized on an accrual basis.

(i) Deferred taxation

Deferred income tax is provided 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 realized or the liability is settled, based on the enacted tax rate at the statement of financial position date.

(j) Taxation

The company is subject to Corporation Tax based on the stipulated rate for the respective year of income, in addition to Green Fund Levy at the rate of 0.3% of gross revenue.

(k) Stated capital

Ordinary shares are classified as equity.

3. Comparative information

Were applicable the prior year balances have been restated to conform to current year presentation.

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

4. Cash and bank balances

Cash and cash equivalents consist of cash on hand, balances with banks and short-term investments. Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	2022	2021
	\$	\$
Cash on hand	5,000	3,114
Cash at bank	168,486,257	206,239,667
NRWRP operating account	13,239,702	12,586,147
Short-term investments	<u>12,590</u>	<u>12,440</u>
	<u>181,743,549</u>	<u>218,841,368</u>

The short-term investments comprise Money-Market deposits in the Abercrombie Fund of First Citizens Bank Limited.

5. Accounts receivables and other

	2022	2021
	\$	\$
Other receivables	1,291,021	1,835,332
Prepayments	4,870	126,503
Value Added Tax recoverable	<u>158,711</u>	<u>127,952</u>
	<u>1,454,602</u>	<u>2,089,787</u>

6. Amounts due by related party:

<i>Ministry of Rural Development and Local Government</i>	2022	2021
	\$	\$
Current Projects	17,161,077	24,605,929
Projects funded by First Citizens Loan	91,346,994	95,741,919
Projects funded by RBC Royal Bank Limited	<u>33,446,676</u>	<u>-</u>
	<u>141,954,747</u>	<u>120,347,848</u>

This represents payments due from various projects that were approved by the Ministry of Rural and Local Development. These amounts were billed upon completion of the works and inspection by the Company's as well as the Ministry of Rural Development's engineering department.

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7. Amounts due to related parties:	2022	2021
	\$	\$
Ministry of Agriculture, Land and Fisheries	121,914	121,914
Ministry of Rural Development and Local Government	<u>17,161,077</u>	<u>30,520,059</u>
	<u>17,282,991</u>	<u>30,641,973</u>

The transactions conducted with related parties were carried out on commercial terms and conditions at market rates.

The company had related company transactions during the year as follows:

Sales to related party	24,048,708
NELP projects	2,954
Other Project Expenses	1,072,205
Other Special Projects	<u>4,092,408</u>
Total Revenues	<u>29,216,275</u>
Expenditure incurred to related party:	
Construction of bridges	4,023,376
Road and drainage upgrade	8,603,281
Recreational ground and sports arenas	2,377,432
Construction of retaining walls	<u>8,277,837</u>
Total expenditure	<u>23,281,926</u>
Net Surplus from projects	5,934,349

8. Accounts payable and accruals	2022	2021
	\$	\$
Trade payables	365,143	288,569
Accruals and other	656,334	195,580
Gratuity provisions	<u>295,793</u>	<u>1,412,475</u>
	<u>1,317,270</u>	<u>1,896,624</u>

9. Stated capital	2022	2021
	\$	\$
Authorized		
An unlimited number of ordinary shares		
Issued		
10 ordinary shares	<u>10</u>	<u>10</u>

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

10. Property, plant and equipment

Year ended 30 th September 2022	Computer Equipment \$	Office Equipment \$	Leasehold Improvements \$	Office Furniture \$	Security Services \$	Site Equipment \$	Total \$
<i>Cost</i>							
Beginning of the year	523,088	434,189	1,077,330	383,049	50,324	6,800	2,474,780
Additions	72,018	21,076	-	47,921	26,332	-	167,347
Disposal	<u>(45,677)</u>	-	-	<u>(165,622)</u>	-	-	<u>(211,299)</u>
End of the Year	<u>549,429</u>	<u>455,265</u>	<u>1,077,330</u>	<u>265,348</u>	<u>76,656</u>	<u>6,800</u>	<u>2,430,828</u>
<i>Accumulated depreciation</i>							
Beginning of the year	345,723	341,922	801,200	361,961	37,849	1,384	1,890,039
Charge for the year	50,265	15,070	69,033	13,773	3,433	1,083	152,657
Disposal	<u>(45,677)</u>	-	-	<u>(165,622)</u>	-	-	<u>(211,299)</u>
End of the Year	<u>350,311</u>	<u>356,992</u>	<u>870,233</u>	<u>210,112</u>	<u>41,282</u>	<u>2,467</u>	<u>1,831,397</u>
Net book value 2022	<u>199,118</u>	<u>98,273</u>	<u>207,097</u>	<u>55,236</u>	<u>35,374</u>	<u>4,333</u>	<u>599,431</u>
<i>Year ended 30th September 2021</i>							
<i>Cost</i>							
Beginning of the year	735,291	503,806	1,077,330	415,116	63,783	6,800	2,802,126
Additions	68,070	-	-	3,905	1,863	-	73,838
Disposal	<u>(280,273)</u>	<u>(69,617)</u>	-	<u>(35,972)</u>	<u>(15,322)</u>	-	<u>(401,184)</u>
End of the Year	<u>523,088</u>	<u>434,189</u>	<u>1,077,330</u>	<u>383,049</u>	<u>50,324</u>	<u>6,800</u>	<u>2,474,780</u>
<i>Accumulated depreciation</i>							
Beginning of the year	556,893	378,376	746,198	389,110	48,825	30	2,119,432
Charge for the year	60,915	18,814	55,002	8,184	3,286	1,354	147,555
Disposal	<u>(272,085)</u>	<u>(55,268)</u>	-	<u>(35,333)</u>	<u>(14,262)</u>	-	<u>(376,948)</u>
End of the Year	<u>345,723</u>	<u>341,922</u>	<u>801,200</u>	<u>361,961</u>	<u>37,849</u>	<u>1,384</u>	<u>1,890,039</u>
Net book value 2021	<u>177,365</u>	<u>92,267</u>	<u>276,130</u>	<u>21,088</u>	<u>12,475</u>	<u>5,416</u>	<u>584,741</u>

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

11. National Reforestation and Watershed Rehabilitation Programme (NRWRP)

By way of Cabinet Note Number 634 dated 9th April 2020, the NRWRP was transferred from the Ministry of Agriculture, Land and Fisheries to the RDC. In turn the NRWRP was established as a separate organizational department of the RDC in June of 2020.

The following income statement reflects the outcome of the operations of NRWRP for the year ended 30th September 2022 and comparative 2021 period:

*NATIONAL REFORESTATION AND WATERSHED REHABILITATION PROGRAMME
STATEMENT OF COMPREHENSIVE INCOME*

	2022	2021
	\$	\$
Revenue		
Government subventions	78,931,367	78,948,667
Direct costs		
Contractor's payments	(7,320,057)	(7,401,524)
Salary and wages	(65,807,448)	(61,357,115)
	<u>(73,127,505)</u>	<u>(68,758,639)</u>
Gross income	5,803,862	10,190,028
Expenses		
Advertising	9,281	14,840
Bank interest and charges	51,733	53,167
Depreciation	16,062	19,141
Health and safety	36,402	9,448
Hydroponics	138,420	-
Interest and Penalty	545,720	-
Janitorial	4,890	-
Maintenance and repairs	170,657	413,177
Meeting	-	1,386
Nursery operations	1,179,525	-
Office supplies	74,017	112,010
Personnel	1,886,860	2,183,653
Professional fees	26,438	18,000
Rent or lease	-	110,544
Security	519,168	206,536
Severance	666,619	-
Telephone	25,278	12,901
Utilities	11,874	14,271
Vehicle	60,786	11,932
	<u>5,423,730</u>	<u>3,181,006</u>
Net surplus	<u>380,132</u>	<u>7,009,022</u>

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

12. Bank loans	2022	2021
	\$	\$
First Citizens Bank – (note i)	100,000,000	100,000,000
Less repayments	(7,777,778)	-
RBC Royal Bank – (note ii)	<u>200,437,325</u>	<u>200,437,325</u>
	<u>292,659,547</u>	<u>300,437,325</u>

Note i. – First Citizens Bank Limited

A loan facility in the principal sum of TT\$100 million, was granted in November of 2019, to offset expenses for projects approved and as instructed by the Ministry of Rural Development and Local Government.

Interest is fixed on dated issue at Central Bank of Trinidad and Tobago Prime Lending Rate (average) less 3.76% p.a.; to be reset every 2 years. A floor rate of 5.5% p.a. Current effective 5.5p.a.

The term of the loan is seven (7) years with interest to be semi-annually. Principal to be repaid via equal semi-annual payments of TTD\$7,777,777.78 commencing six months from the 2nd anniversary of the facility with balloon payment of 30% at maturity. Interest charged at 6.45% per annum. Maturity November 2026.

The Government of the Republic of Trinidad & Tobago has issued an unconditional irrevocable guarantee dated November 11th 2019, in respect of the above obligation.

Note ii. - RBC Royal Bank (Trinidad and Tobago) Limited

A Government approved a fixed rate loan facility of the principal sum of TT\$200,437,325.00 in July 2021. The loan was used to expenditure for critical projects for the fiscal year 2020/2021, and to fulfil payment obligations to contractors as instructed by the Ministry of Rural Development and Local Government.

Interest on the principal amount is accrued at a rate of 3.57% per annum. The terms of the loan is six (6) years. The principal amount shall be repaid together with accrued interest via six (6) equal semi-annual blended payments of principal commencing on the third year of the first drawdown date.

The Government of the Republic of Trinidad & Tobago has issued an unconditional irrevocable guarantee dated July 31st, 2021, in respect of the above obligation

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

13. Deferred taxation	2022	2021
	\$	\$
<i>Deferred Tax Liability</i>		
Net book value per accounting records	599,431	584,741
Tax written down value	(484,139)	(441,576)
Temporary differences	115,292	143,165
Deferred tax liability @ 30%	<u>34,588</u>	<u>42,950</u>
<i>Net Deferred Tax benefit (Note 16)</i>	<u>8,362</u>	<u>19,968</u>

14. Taxation	2022	2021
	\$	\$
<i>Reconciliation between accounting loss and taxation benefit/(charge)</i>		
Accounting income	5,589,927	4,650,765
Items (allowable)/disallowed	(12,747,513)	(9,422,436)
Allowable loss for the year	(7,157,586)	(4,771,671)
Allowable losses brought forward	(16,039,754)	(11,268,083)
Allowable losses carried forward	(23,197,340)	(16,039,754)

There have been no adjustments to account for a Deferred tax asset as this is recognized only if there is a reasonable expectation of realization. Deferred tax assets relating to the carry forward of unused tax losses are recognized to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilized.

Taxation (charge)/ benefit is made up as follows:

Business levy	(14,773)	(63,657)
Green Fund levy	(7,387)	(12,193)
Deferred tax (charge) / benefit (Note 14)	<u>8,362</u>	<u>19,968</u>
	(13,798)	(55,882)

15. Employees	2022	2021
The number of employees at 30th September:	<u>24</u>	<u>24</u>

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

16. Going concern

The assumption that the Company will continue as a going concern is based on its ability to continue to obtain financing from its primary shareholder, in the form of annual subventions per budgetary allocations of the Ministry of Finance, Trinidad & Tobago. Additionally, profits are expected to be derived from the NRWPR Division and management of projects for the Ministry of Rural Development and Local Government.

17. Impact of Covid-19

On March 11th 2020, the World Health Organization declared the novel Coronavirus (COVID-19) outbreak a global pandemic. Management has considered the consequences of Covid-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern.

18. Subsequent events

Between 30th September 2022 and the date on which the Board of Directors approved financial statements (30th November 2022), no event took place, to the entity's knowledge, that would justify being mentioned under post-balance sheet events.

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

SCHEDULES TO THE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

1. Finance costs	2022	2021
	\$	\$
Loan interest	12,732,002	6,077,481
Bank interest and charges	<u>12,941</u>	<u>11,945</u>
	<u>12,744,943</u>	<u>6,089,426</u>
2. Personnel expenses	2022	2021
	\$	\$
Staff welfare	27,926	9,308
Gratuity	555,770	726,316
Salaries and wages	<u>4,622,461</u>	<u>5,120,748</u>
	<u>5,206,158</u>	<u>5,856,372</u>
3. Administrative and other expenses	2022	2021
	\$	\$
Advertising	37,938	25,500
Books and periodicals	4,200	4,650
Health and safety	73,399	22,883
Insurance	32,674	31,677
Janitorial and cleaning	68,399	53,200
Loss on disposal of property plant and equipment	-	24,236
Meetings and annual events	23,897	11,555
Motor vehicle	101,629	95,933
Office and general	159,825	200,530
Penalties and interest	-	104,715
Professional fees	376,728	333,707
Rental of machinery & equipment	50,940	35,460
Repairs and maintenance	349,530	94,489
Security	-	9,168
Subscriptions and donations	14,574	12,210
Training and development	86,770	-
Telephone and utilities	<u>153,217</u>	<u>173,226</u>
	<u>1,533,720</u>	<u>1,233,139</u>