



REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE AGRICULTURAL DEVELOPMENT BANK OF TRINIDAD AND TOBAGO FOR THE YEAR ENDED 30 SEPTEMBER 2015

The accompanying Financial Statements of the Agricultural Development Bank of Trinidad and Tobago for the year ended 30 September 2015 have been audited. The Statements comprise a Statement of Financial Position as at 30 September 2015, a Statement of Income, a Statement of Comprehensive Income, a Statement of Changes in Equity and a Statement of Cash Flows for the year ended 30 September 2015 and Notes to the Financial Statements numbered 1 to 21.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The management of the Agricultural Development Bank of Trinidad and Tobago (the Bank) is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 8 (1) (a) of the Agricultural Development Bank Act, Chapter 79:07 (the Act). The audit was conducted in accordance with 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 opinion expressed at paragraph 6 of this Report.

OPINION

6. In my opinion the Financial Statements present fairly, in all material respects, the financial position of the Agricultural Development Bank of Trinidad and Tobago as at 30 September 2015 and its financial performance and its cash flows for the year ended 30 September 2015 in accordance with International Financial Reporting Standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Pension Plan

7. A Pension Scheme has not been established by the Bank as required by section 25 of the Act which states:

“The Bank shall, within a period of three years from the date of its establishment with the approval of the Minister, provide for the establishment and maintenance of a compulsory Pension Scheme for the benefit of the officers and servants of the Bank, and in every such Scheme different provisions may be made for different classes of officers and servants.”

SUBMISSION OF REPORT

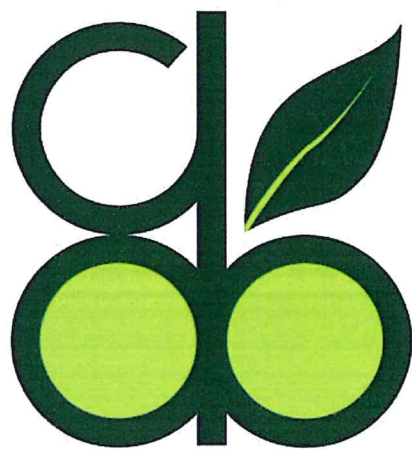
8. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance in accordance with the provisions of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.

9. A similar Report has been forwarded to the Secretary of the Bank for presentation to the Shareholders.

**8TH JUNE, 2018
PORT-OF-SPAIN**




**MAJEED ALI
AUDITOR GENERAL**



**Agricultural
Development
Bank**

Financial Statements

30 September 2015

Agricultural Development Bank of Trinidad and Tobago


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Agricultural Development Bank of Trinidad and Tobago

Statement of Financial Position as at 30 September 2015

	Notes	30 September	
		2015 \$'000	2014 \$'000
ASSETS			
Non-current Assets			
Fixed assets	4	24,580	23,866
Intangible assets	5	1,562	2,157
Long term investments	6	86,153	86,068
Loans to customers	7	298,911	314,900
Other assets	8	1,556	1,430
		<u>412,762</u>	<u>428,421</u>
Current Assets			
Short-term investments	9	52,859	6,834
Loans to customers	7	65,638	70,325
Other assets	8	11,911	11,806
Cash on hand and at bank		113,390	80,228
		<u>243,798</u>	<u>169,193</u>
TOTAL ASSETS		<u>656,560</u>	<u>597,614</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	10	258,375	258,375
Shareholder's funding	11	504,330	429,330
Revaluation reserves	12	2,442	2,540
Accumulated losses		(284,600)	(266,809)
		<u>480,547</u>	<u>423,436</u>
Non-current Liabilities			
Redeemable preference shares	13	127,486	127,486
Customer deposits	15	22,570	24,506
		<u>150,056</u>	<u>151,992</u>
Current Liabilities			
Customer deposits	15	20,385	14,675
Accounts payable	14	5,572	7,511
		<u>25,957</u>	<u>22,186</u>
TOTAL EQUITY AND LIABILITIES		<u>656,560</u>	<u>597,614</u>

The notes on pages 8 to 20 form an integral part of these financial statements.


Chairman




Director

Agricultural Development Bank of Trinidad and Tobago

Statement of Income for the year ended 30 September 2015

		30 September	
	Notes	2015 \$'000	2014 \$'000
Income			
Interest income	16	27,420	28,740
Interest expense		<u>(188)</u>	<u>(437)</u>
Net Interest Income		27,232	28,303
Investment income		1,094	1,026
Other income	17	1,541	1,106
Loss on the sale of government bonds		<u>-</u>	<u>(193)</u>
Total Income		<u>29,867</u>	<u>30,242</u>
Expenses			
Operating expenses	20	<u>(47,488)</u>	<u>(39,396)</u>
Total Expenses		<u>(47,488)</u>	<u>(39,396)</u>
Net Loss for the year		<u><u>(17,621)</u></u>	<u><u>(9,154)</u></u>

The notes on pages 8 to 20 form an integral part of these financial statements.

Agricultural Development Bank of Trinidad and Tobago

Statement of Comprehensive Income for the year ended 30 September 2015

	Notes	30 September	
		2015 \$'000	2014 \$'000
Net Loss for the year		<u>(17,621)</u>	<u>(9,154)</u>
Other Comprehensive Income			
Items that may be reclassified to profit and loss			
Foreign exchange gain/ (loss)		17	-
Appreciation/ (Depreciation) in market value of investments		<u>(285)</u>	<u>2,667</u>
		<u>(268)</u>	<u>2,667</u>
Total Comprehensive (Loss)/Income for the year		<u><u>(17,889)</u></u>	<u><u>(6,487)</u></u>
Prior Period Adjustments		-	(504)
Revised Net Loss for the year		<u><u>(17,889)</u></u>	<u><u>(6,991)</u></u>

The notes on pages 8 to 20 form an integral part of these financial statements.

Agricultural Development Bank of Trinidad and Tobago

Statement of Changes in Equity for the year ended 30 September 2015

	Note	Shareholder Funding \$'000	Share Capital \$'000	Other Reserves \$'000	Accumulated Losses \$'000	Total Equity \$'000
Year Ended 30 September 2015						
Balance at 1 October 2014		429,330	258,375	2,540	(266,809)	423,436
Total Comprehensive Loss for year		--	--	--	(17,889)	(17,889)
Additional shareholder funding		75,000	--	--	--	75,000
Transfer from other reserves	12	--	--	(98)	98	--
Balance at 30 September 2015		<u>504,330</u>	<u>258,375</u>	<u>2,442</u>	<u>(284,600)</u>	<u>480,547</u>
Year Ended 30 September 2014						
Balance at 1 October 2013		429,330	258,375	3,018	(260,296)	430,427
Prior year adjustments		--	--	--	(504)	(504)
Revised Ending Balances		429,330	258,375	3,018	(260,800)	429,923
Total Comprehensive Loss for year		--	--	--	(6,487)	(6,487)
Additional shareholder funding		--	--	--	--	--
Transfer from other reserves	12	--	--	(478)	478	--
Balance at 30 September 2014		<u>429,330</u>	<u>258,375</u>	<u>2,540</u>	<u>(266,809)</u>	<u>423,436</u>

The notes on pages 8 to 20 form an integral part of these financial statements.

Agricultural Development Bank of Trinidad and Tobago

Statement of Cash Flows for the year ended 30 September 2015

	Year Ended 30 September	
	2015 \$'000	2014 \$'000
Operating Activities		
Net Loss	(17,621)	(9,154)
Less: Prior Year Adjustments	-	(504)
	<u>(17,621)</u>	<u>(9,658)</u>
Adjustments for:		
Previous year depreciation adjustment	-	27
Depreciation and amortisation	1,872	1,752
Gain/(Loss) on revaluation of investment	(285)	2,667
Foreign exchange gain/(loss)	17	-
	<u>(16,017)</u>	<u>(5,212)</u>
Decrease/ (Increase) in loans to customers	20,676	16,364
Decrease / (Increase) in amount due from Taurus Services Limited	-	1,500
Decrease/ (Increase) in other assets	(231)	3,048
Increase/ (Decrease) in accounts payable	(1,939)	(3,768)
Increase/ (Decrease) in customer deposits	<u>3,774</u>	<u>(1,650)</u>
Net Cash Used In Operating Activities	<u>6,263</u>	<u>10,282</u>
Cash Flows from Investing Activities		
Decrease / (Increase) in investments	(46,110)	(5,457)
Purchase of fixed assets	(1,908)	(613)
Purchase of intangible assets	(83)	(423)
Proceed from sale of fixed assets	-	-
Net Cash from Investing Activities	<u>(48,101)</u>	<u>(6,493)</u>
Cash Flows From Financing Activities		
Proceeds from Government	<u>75,000</u>	-
Net Cash from Financing Activities	<u>75,000</u>	-
Net Increase/ (Decrease) In Cash And Cash Equivalents	33,162	3,789
Cash And Cash Equivalents At Beginning Of Year	<u>80,228</u>	<u>76,439</u>
Cash And Cash Equivalents At End Of Year	<u>113,390</u>	<u>80,228</u>
Represented By:		
Cash on hand and at bank	<u>113,390</u>	<u>80,228</u>
	<u>113,390</u>	<u>80,228</u>

The notes on pages 8 to 20 form an integral part of these financial statements.

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements

30 September 2015

1 Incorporation and Nature of Activity

The Agricultural Development Bank of Trinidad and Tobago (the Bank) was established on 25 January 1968 by Act No. 3 of 1968 under the Laws of Trinidad and Tobago, Chapter 79:07.

Its principal activity is the granting of loans, in keeping with its objectives of encouraging and fostering the development of agriculture and commercial fishing and industries connected therewith and the mobilisation of funds for the purpose of such development.

2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. It also requires management to exercise its judgement in the process of applying the Bank's accounting policies.

Standards, amendments and interpretations to published standards effective in the current year

- *IAS 1 Presentation of items of Other Comprehensive Income – Amendments to IAS 1*

This is effective for annual periods beginning on or after 1 July 2012. The amendment to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that would be reclassified (or recycled) to the statement of income at a future point in time (for example derecognition or settlement) would be presented separately from items that will be reclassified. The amendments do not change the nature of the items that are currently recognised in OCI, nor do they impact the determination of whether items in OCI are reclassified through statement of income in future periods.

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements

30 September 2015

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

Standards, amendments and interpretations effective in 2012 but not relevant

The following standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2012 but are not relevant to the Bank's operations:

- IAS 12 – Income Taxes

2.2 Fixed Assets

Fixed assets are stated at cost less depreciation except for the Head Office freehold land and building. The Head Office land and building are stated at revaluation based on an independent professional valuation carried out in September 1999. Increases in the carrying amount on revaluation were credited to revaluation reserve. The difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the Statement of Comprehensive Income and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings.

Depreciation is computed on the straight-line basis to write off the cost of each asset, or the revalued amounts, to their residual values over the estimated useful lives of the related assets based on the following rates per annum:

Freehold buildings	-	2%
Leasehold improvements	-	33 $\frac{1}{3}$ %
Equipment	-	20% - 33 $\frac{1}{3}$ %
Furniture and fittings	-	10% - 20%
Motor vehicles	-	25%

2.3 Intangible Assets

Intangible assets include the purchase and implementation costs of the Bank's primary software. This balance is measured at cost less any accumulated amortisation and any accumulated impairment losses in accordance with IAS 38. This balance is being amortised on the straight-line basis over an estimated useful life of 10 years.

2.4 Foreign Currencies

a) Functional and Presentation Currency

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the Bank operates (the 'functional' currency). These financial statements are presented in Trinidad and Tobago dollars, which is the Bank's functional and presentation currency.

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2015

2 Summary of Significant Accounting Policies (Continued)

2.4 Foreign Currencies (Continued)

b) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities at year-end exchange rates are recognised in the Statement of Comprehensive Income.

2.5 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held with banks.

2.6 Investments

The Bank classifies its investments into the following two categories:

- (i) held-to-maturity
- (ii) available-for-sale assets

Investments comprising securities with fixed maturity dates and fixed interest rates are classified as held-to-maturity and are stated at cost. Money market and equity mutual investments are classified as available-for-sale assets which are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity, exchange rates or equity prices.

Interest is accrued on all held-to-maturity investments and is reported under "Other Assets" (Note 8 refers).

Money market mutual funds are carried at cost plus interest earned.

Equity mutual fund investments are initially recognised at cost and are subsequently re-measured at fair value based on quoted prices. Unrealised gains or losses arising from changes in the fair value are recognised in the Statement of Comprehensive Income.

Purchases and sales of investments are recognised on the trade date, which is the date that the Bank commits to purchase or sell the asset.

Investments classified as short-term investments in the Statement of Financial Position comprise available-for-sale assets. Investments classified as long-term comprise held-to-maturity investments, available-for-sale assets and investments held as security against borrowings.

2.7 Loans to customers

Loans are recognised when funds are disbursed to borrowers. Loans are stated net of unearned interest and net of provision for loan losses. General provisions are made for potential losses based on management's evaluation of the loan portfolio. Specific provisions are made for loans, recovery of which is considered doubtful.

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements

30 September 2015

2 Summary of Significant Accounting Policies (Continued)

2.8 Share capital

Ordinary shares are classified as equity. Mandatorily redeemable Preference Shares are classified as liabilities.

2.9 Provisions

A provision shall be recognized when: (a) the entity has a present obligation (legal or constructive) as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation.

2.10 Revenue recognition

Revenue is recognised as follows:

(i) Loan interest income

Interest income is recognised on the accrual basis. The accrual of interest is suspended automatically when principal is in arrears for more than 180 days on any loan.

(ii) Investment income

Income from investments is recognised on an accrual basis.

2.11 Financial instruments

Financial assets of the Bank include cash and accounts receivable. Financial liabilities of the Bank include accounts payable and loans.

3 Financial Risk Management

3.1 Financial risk factors

The activities of the Bank expose it to a number of risks.

(i) Foreign exchange risk

The bank has US dollar investments and is exposed to foreign exchange risk arising from currency exposure.

(ii) Price risk

The Bank is exposed to equity securities price risk because of certain investments held, which have fluctuating face values.

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements

30 September 2015

3 Financial Risk Management (Continued)

3.1 Financial risk factors

(iii) Credit risk

The Bank is exposed to credit risk, which is the risk that its customers, clients and counterparties may cause a financial loss by failing to discharge their contractual obligations. The credit risk exposures arise primarily from the Bank's receivables on loans to customers and cash held on deposit at various financial institutions.

The Bank has policies that limit the amount of credit risk exposure to any individual loan customer.

The carrying value best represents the maximum credit risk exposure at the Statement of Financial Position date, without taking into account the fair value of any collateral.

(iv) Market risk

Market risk: The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Other price risk: The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Bank does not have any significant exposure to market risks from changes in foreign exchange rates and interest rates.

(v) Interest rate risk

The Bank's exposure to interest rate risk on cash held on deposit is not significant.

(vi) Liquidity risk

Liquidity risk arises when the Bank is unable to meet its payment obligations associated with its financial liabilities. In order to effectively manage this risk, the following are considered:

- (i) Daily monitoring of cash flows;
 - (ii) Review of projections to ensure that the daily requirements can be met.
-

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2015

3 Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(vii) Capital management

The Bank's objectives when managing capital are to safeguard its ability to continue as a going concern as well as to maintain a strong capital base to support the development of the business.

The table below analyses the Bank's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts disclosed in the table are the contractual discounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 September 2015	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 Years \$'000
Accounts payable	5,572	-	-

At 30 September 2014	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 Years \$'000
Accounts payable	7,511	-	-

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2015

4 Fixed Assets

	Properties \$'000	Equipment \$'000	Furniture and Fittings \$'000	Motor Vehicles \$'000	Total \$'000
Year Ended 30 September 2015					
Opening net book value	22,354	810	-	702	23,866
Additions	759	351	798	-	1,908
Disposals	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-
Depreciation charge	(452)	(312)	(98)	(332)	(1,194)
Depreciation disposal	-	-	-	-	-
Closing net book value	<u>22,661</u>	<u>849</u>	<u>700</u>	<u>370</u>	<u>24,580</u>
At 30 September 2015					
Cost/valuation	27,267	11,099	3,605	1,327	43,299
Accumulated depreciation	<u>(4,606)</u>	<u>(10,250)</u>	<u>(2,905)</u>	<u>(957)</u>	<u>(18,719)</u>
Net book value	<u>22,661</u>	<u>849</u>	<u>700</u>	<u>370</u>	<u>24,580</u>
Year Ended 30 September 2014					
Opening net book value	22,709	589	68	1,033	24,399
Additions	93	501	19	-	613
Disposals	-	-	-	-	-
Prior Period Adjustment	-	(27)	-	-	(27)
Depreciation charge	(448)	(253)	(87)	(331)	(1,119)
Depreciation disposal	-	-	-	-	-
Closing net book value	<u>22,354</u>	<u>810</u>	<u>-</u>	<u>702</u>	<u>23,866</u>
At 30 September 2014					
Cost/valuation	26,508	10,749	2,807	1,327	41,391
Accumulated depreciation	<u>(4,154)</u>	<u>(9,939)</u>	<u>(2,807)</u>	<u>(625)</u>	<u>(17,525)</u>
Net book value	<u>22,354</u>	<u>810</u>	<u>-</u>	<u>702</u>	<u>23,866</u>

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2015

5 Intangible Assets		2015 \$'000	2014 \$'000
Cost of software		6,731	6,307
Asset Additions		83	423
Accumulated amortisation		<u>(5,252)</u>	<u>(4,573)</u>
		<u>1,562</u>	<u>2,157</u>
6 Long-Term Investments	Note	2015 \$'000	2014 \$'000
British American Insurance	6.1	1,641	1,641
CLICO	6.2	10,744	10,744
Trinidad and Tobago Unit Trust Corporation - Growth and Income Fund	6.3	73,768	73,683
		<u>86,153</u>	<u>86,068</u>

6.1 British American Insurance

This investment related to the corporate savings plan for a two year period and accrued interest annually. The company is now under government control due to its inability to meet current liabilities and liquidity issues. The government has made the initial payment of \$75,000.00 and has issued bonds for the remaining balance over a 20 year period. The first tranche payment to retire the bonds of \$165,000.00 was received.

6.2 CLICO

This comprised three (3) deposits of \$3.7m, \$10.5m and 7.5m issued on the 7th October 2010, 24th December 2010 and 7th October 2010 respectively. Two (2) of these deposits were expected to mature in 2011 and one (1) in 2012. However, the company is now under Government control due to its inability to meet current liabilities and liquidity issues. The Government has made the initial payment of \$75,000.00 and has issued bonds for the remaining balance and over a 20 year period. First tranche payments to retire the bonds of \$521,000.00, \$182,000.00 and \$372,000.00 were received. The 2 – 10 year bonds valued at \$9,675,000.00 was sold.

6.3 Growth and Income Fund

This relates to a floating unit account held with the Trinidad and Tobago Unit Trust Corporation which earns dividends semi-annually and was quoted at \$16.76 per unit at year-end 2015. (2014 - \$16.80).

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2015

7 Loans to Customers

	Current \$'000	Non-current \$'000	2015 \$'000	2014 \$'000
Principal and interest receivable	91,449	298,911	390,360	398,195
Employee Loans	3,337		3,337	3,689
Sundry deposits receivable	5,457	--	5,457	6,681
Provision for loan losses (Note 7.1)	(34,605)	--	(34,605)	(23,340)
	<u>65,638</u>	<u>298,911</u>	<u>364,549</u>	<u>385,225</u>

	2015 \$'000	2014 \$'000
7.1 Provision for loan losses		

Balance at beginning of year	23,340	19,939
Net (write back)/increase of provision	<u>11,265</u>	<u>3,401</u>
Balance at end of year	<u>34,605</u>	<u>23,340</u>

8 Other Assets

	Notes	Current Portion \$'000	Non-current Portion \$'000	2015 \$'000	2014 \$'000
Due from the Government of Trinidad and Tobago	8.1	--	257	257	257
Accrued interest receivable on investments	8.2	--	26	26	27
Other receivables and Prepayments	8.3	<u>11,911</u>	<u>1,273</u>	<u>13,184</u>	<u>12,952</u>
		<u>11,911</u>	<u>1,556</u>	<u>13,467</u>	<u>13,236</u>

8.1 The balance represents an amount outstanding on an Inter-American Development Bank (IDB) loan drawdown.

8.2 The balance represents accrued interest receivable on investments.

8.3 Other receivables and prepayments represent amounts paid in advance for services to be rendered and amounts to be collected from the Ministry of Finance (Corporate Sole) with regards to the repurchase of the Bank's shares.

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2015

9 Short-term Investments	Notes	2015 \$'000	2014 \$'000
Trinidad and Tobago Unit Trust Corporation -TT Dollar Income Fund	9.1	1,491	486
Roytrin TTD Income Fund	9.1	2,300	2,341
Roytrin Money Market Fund Class A TT	9.1	<u>49,068</u>	<u>4,007</u>
		<u>52,859</u>	<u>6,834</u>

9.1 The investments in Trinidad and Tobago Unit Trust Corporation and Roytrin TTD Income Fund and Roytrin Money Market Fund are money market funds which can be readily converted into cash.

10 Share Capital	2015 \$'000	2014 \$'000
Authorised		
50,000,000 Ordinary Shares of \$10 each	<u>500,000</u>	<u>500,000</u>
Issued and fully paid		
The Government of the Republic of Trinidad and Tobago is the majority shareholder.		
25,837,500 Ordinary Shares of \$10 each	<u>258,375</u>	<u>258,375</u>

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2015

11 Shareholder's Funding	2015 \$'000	2014 \$'000
The Government of the Republic of Trinidad and Tobago	<u>504,330</u>	<u>429,330</u>

This balance relates to funding received from the Government of the Republic of Trinidad and Tobago to facilitate loans to customers. This balance carries no fixed terms of repayment. The balance of \$75m was received from the Government in August 2015.

12 Revaluation Reserves	2015 \$'000	2014 \$'000
Revaluation reserves brought forward	2,540	3,018
Transfer to retained earnings	<u>(98)</u>	<u>(478)</u>
	<u>2,442</u>	<u>2,540</u>

13 Redeemable Preference Shares	2015 \$'000	2014 \$'000
Authorised 15,000,000 Preference Shares of \$10 each	<u>150,000</u>	<u>150,000</u>
Issued and fully paid 12,748,613 8% Non-cumulative redeemable Preference Shares of \$10 each	<u>127,486</u>	<u>127,486</u>

The Government of Trinidad and Tobago holds 12,748,613 8% non-cumulative redeemable Preference Shares valued at \$127,486,130 which were issued on 29 May 1997. These shares are redeemable semi-annually over ten years commencing on 29 May 2001.

As at 30 September 2014 shares redeemable in May and November 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010 and 2011 totalling \$127,486,613 have not been redeemed as a result of the Bank's accumulated losses position.

14 Accounts Payable	2015 \$'000	2014 \$'000
Accounts payable	2,705	2,792
Trust funds	(1,654)	40
Other liabilities and accruals	<u>4,521</u>	<u>4,679</u>
	<u>5,572</u>	<u>7,511</u>

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2015

15	Customer Deposits	Note	2015	2014
	Non-current			
	Deposits held as security	15.1	<u>22,570</u>	<u>24,506</u>
	Current			
	Customers savings accounts	15.2	<u>20,385</u>	<u>14,675</u>

15.1 Deposits held as security represent cash and fixed deposits pledged as collateral against loans held at the Bank.

15.2 Customer savings accounts represent regular savings accounts invested by customers in the retail banking portfolio offered by the Bank.

16	Interest Income	2015 \$'000	2014 \$'000
	Traditional loans	<u>27,420</u>	<u>28,740</u>
		<u>27,420</u>	<u>28,740</u>

17	Other Income	2015 \$'000	2014 \$'000
	Loan processing fees	1,168	891
	Bad debts recovered/(expense)	2	72
	Miscellaneous income	125	140
	Rental income	240	-
	Commission received	<u>6</u>	<u>3</u>
		<u>1,541</u>	<u>1,106</u>

18 Financial Instruments by Category

The accounting policies for financial instruments have been applied to the line items below:

Assets as per Statement of Financial Position	2015 \$'000	2014 \$'000
Cash and cash equivalents	113,390	80,228
Loans to customers	364,549	385,225
Other assets	13,467	13,236
Short-term investments	52,859	6,834
Note receivable	-	-
Long-term investments	<u>86,153</u>	<u>86,068</u>
	<u>630,418</u>	<u>571,591</u>

Liabilities as per Statement of Financial Position

Loans	-	-
Accounts payable	5,572	7,511
Customer deposits	<u>42,955</u>	<u>39,181</u>
	<u>48,527</u>	<u>46,692</u>

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Notes to the Financial Statements 30 September 2015

19 Contingent Liabilities

19.1 Pension obligations

Under Section 25 of the Agricultural Development Bank Act Chapter 79:07, the Bank is required to establish and maintain a compulsory pension scheme for the benefit of all permanent employees.

As at 30 September 2014 the pension scheme was not established. The employees of the Bank are, however, covered under the Pensions Extension Act. No provision has been made in these financial statements for any contingent liability.

20 Operating Expenses

	2015 \$'000	2014 \$'000
Salaries and other employee benefits	19,837	19,998
Salaries Back Pay	-	111
Promotion and advertising	800	917
Depreciation/amortisation	1,872	1,752
Communication	1,107	1,184
Professional and consultancy fees	374	1,429
General administrative expenses	411	395
Security services	1,561	1,561
Legal fees	3,643	953
Lease rental	1,931	1,698
Utilities	606	588
Repairs and property maintenance	1,020	857
Computer software – licence fees	1,138	1,304
Directors' fees and expenses	438	412
Printing, stationery and supplies	415	428
Insurance	301	404
AGM / Annual reports / Minority shares	104	-
Motor vehicle expenses	59	46
Lease Rental – Mobile Unit	906	1,553
Other	<u>10,965</u>	<u>3,806</u>
	<u>47,488</u>	<u>39,396</u>

21 Key Management Compensation

Salaries and other short term employee benefits	<u>3,339</u>	<u>3,339</u>
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