



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 2016

The accompanying financial statements of the Agricultural Development Bank of Trinidad and Tobago for the year ended 30 September 2016 have been audited. The statements as set out on pages 1 to 20 comprise a Statement of Financial Position as at 30 September 2016, the Statement of Income, a Statement of Comprehensive Income, a Statement of Changes in Equity and a Statement of Cash Flows for the year then ended, and Notes to the Financial Statements numbered 1 to 21, including a summary of significant accounting policies.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The management of the 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 accepted auditing standards which require that ethical requirements be complied with and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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.

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 2016 and its financial performance and its cash flows for the year then ended 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.”

Board of Directors

8. One (1) office of Director remained vacant during the period 4th November, 2015 to 30th September, 2016. Attention is drawn to section 9 (1) of the Act which states:

“The Bank shall be managed by a Board comprising seven directors who shall be appointed by the Minister.”

SUBMISSION OF REPORT

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

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

11TH JULY, 2019
PORT-OF-SPAIN



Loirelly Pujadas
LORELLY PUJADAS
AUDITOR GENERAL



**TO: THE SHAREHOLDERS
AGRICULTURAL DEVELOPMENT BANK OF TRINIDAD AND
TOBAGO**

**REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD
AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE
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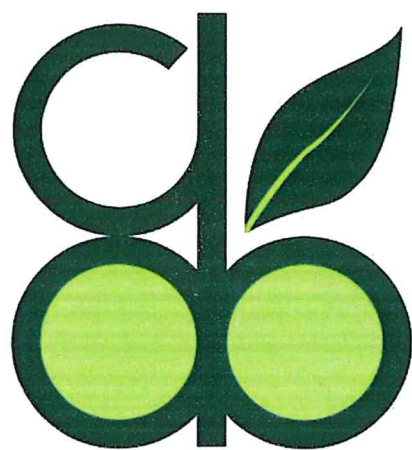
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11TH JULY, 2019
PORT-OF-SPAIN




LORELLY PUJADAS
AUDITOR GENERAL



**Agricultural
Development
Bank**

Financial Statements

30 September 2016

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 2016

	Notes	30 September	
		2016 \$'000	2015 \$'000
ASSETS			
Non-current Assets			
Fixed assets	4	24,297	24,580
Intangible assets	5	1,010	1,562
Long term investments	6	88,007	86,153
Loans to customers	7	280,848	298,911
Other assets	8	<u>1,647</u>	<u>1,556</u>
		<u>395,809</u>	<u>412,762</u>
Current Assets			
Short-term investments	9	91,588	52,859
Loans to customers	7	70,928	65,638
Other assets	8	11,557	11,911
Cash on hand and at bank		<u>105,671</u>	<u>113,390</u>
		<u>279,744</u>	<u>243,798</u>
TOTAL ASSETS		<u><u>675,553</u></u>	<u><u>656,560</u></u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	10	258,375	258,375
Shareholder's funding	11	529,330	504,330
Revaluation reserves	12	2,344	2,442
Accumulated losses		<u>(298,777)</u>	<u>(284,600)</u>
		<u>491,272</u>	<u>480,547</u>
Non-current Liabilities			
Redeemable preference shares	13	127,486	127,486
Customer deposits	15	<u>22,369</u>	<u>22,570</u>
		<u>149,855</u>	<u>150,056</u>
Current Liabilities			
Customer deposits	15	25,614	20,385
Accounts payable	14	<u>8,812</u>	<u>5,572</u>
		<u>34,426</u>	<u>25,957</u>
TOTAL EQUITY AND LIABILITIES		<u><u>675,553</u></u>	<u><u>656,560</u></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 2016

		30 September	
	Notes	2016 \$'000	2015 \$'000
Income			
Interest income	16	22,580	27,420
Interest expense		<u>(354)</u>	<u>(188)</u>
Net Interest Income		22,226	27,232
Investment income		3,434	1,094
Other income	17	1,453	1,541
Loss on the sale of government bonds		<u>-</u>	<u>-</u>
Total Income		<u>27,113</u>	<u>29,867</u>
Expenses			
Operating expenses	20	<u>(39,737)</u>	<u>(47,488)</u>
Total Expenses		<u>(39,737)</u>	<u>(47,488)</u>
Net Loss for the year		<u><u>(12,624)</u></u>	<u><u>(17,621)</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 2016

	Notes	30 September	
		2016 \$'000	2015 \$'000
Net Loss for the year		<u>(12,624)</u>	<u>(17,621)</u>
Other Comprehensive Income			
Items that may be reclassified to profit and loss			
Foreign exchange gain/ (loss)		60	17
Appreciation/ (Depreciation) in market value of investments		<u>563</u>	<u>(285)</u>
		<u>623</u>	<u>(268)</u>
Total Comprehensive (Loss)/Income for the year		<u><u>(12,001)</u></u>	<u><u>(17,889)</u></u>

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Agricultural Development Bank of Trinidad and Tobago

Statement of Changes in Equity for the year ended 30 September 2016

	Note	Shareholder Funding \$'000	Share Capital \$'000	Other Reserves \$'000	Accumulated Losses \$'000	Total Equity \$'000
Year Ended 30 September 2016						
Balance at 1 October 2015		504,330	258,375	2,442	(284,600)	480,547
Prior year adjustments					(2,274)	(2,274)
Total Comprehensive Loss for year		--	--	--	(12,001)	(12,001)
Additional shareholder funding		25,000	--	--	--	25,000
Transfer from other reserves	13	--	--	(98)	98	--
Balance at 30 September 2016		<u>529,330</u>	<u>258,375</u>	<u>2,344</u>	<u>(298,777)</u>	<u>491,272</u>
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	13	--	--	(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>

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 2016

	Year Ended 30 September	
	2016 \$'000	2015 \$'000
Operating Activities		
Net Loss	(12,624)	(17,621)
Less: Prior Year Adjustments	<u>(2,274)</u>	<u>-</u>
	(14,898)	(17,621)
Adjustments for:		
Previous year depreciation adjustment	-	-
Depreciation and amortisation	2,044	1,872
Gain/(Loss) on revaluation of investment	563	(285)
Foreign exchange gain/(loss)	<u>60</u>	<u>17</u>
	(12,231)	(16,017)
Decrease/ (Increase) in loans to customers	12,773	20,676
Decrease / (Increase) in amount due from Taurus Services Limited	-	-
Decrease/ (Increase) in other assets	265	(231)
Increase/ (Decrease) in accounts payable	3,240	(1,939)
Increase/ (Decrease) in customer deposits	<u>5,028</u>	<u>3,774</u>
Net Cash Used In Operating Activities	<u>9,075</u>	<u>6,263</u>
Cash Flows from Investing Activities		
Decrease / (Increase) in investments	(40,584)	(46,110)
Purchase of fixed assets	(1,204)	(1,908)
Purchase of intangible assets	(6)	(83)
Proceed from sale of fixed assets	<u>-</u>	<u>-</u>
Net Cash from Investing Activities	<u>(41,794)</u>	<u>(48,101)</u>
Cash Flows From Financing Activities		
Proceeds from Government	<u>25,000</u>	<u>75,000</u>
Net Cash from Financing Activities	<u>25,000</u>	<u>75,000</u>
Net Increase/ (Decrease) In Cash And Cash Equivalents	(7,719)	33,162
Cash And Cash Equivalents At Beginning Of Year	<u>113,390</u>	<u>80,228</u>
Cash And Cash Equivalents At End Of Year	<u><u>105,671</u></u>	<u><u>113,390</u></u>
Represented By:		
Cash on hand and at bank	<u>105,671</u>	<u>113,390</u>
	<u><u>105,671</u></u>	<u><u>113,390</u></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 2016

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 2016

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 2016

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 2016

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 2016

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 2016

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 2016	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 Years \$'000
Accounts payable	8,812	-	-

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

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2016

4 Fixed Assets

	Properties \$'000	Equipment \$'000	Furniture and Fittings \$'000	Motor Vehicles \$'000	Total \$'000
Year Ended 30 September 2016					
Opening net book value	22,661	849	700	370	24,580
Additions	5	1,096	103	-	1,204
Disposals	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-
Depreciation charge	(449)	(523)	(194)	(321)	(1,487)
Depreciation disposal	-	-	-	-	-
Closing net book value	<u>22,217</u>	<u>1,422</u>	<u>609</u>	<u>49</u>	<u>24,297</u>
At 30 September 2016					
Cost/valuation	27,272	12,195	3,709	1,327	44,503
Accumulated depreciation	<u>(5,055)</u>	<u>(10,773)</u>	<u>(3,100)</u>	<u>(1,278)</u>	<u>(20,206)</u>
Net book value	<u>22,217</u>	<u>1,422</u>	<u>609</u>	<u>49</u>	<u>24,297</u>
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>

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2016

5 Intangible Assets		2016 \$'000	2015 \$'000
Cost of software		6,813	6,731
Asset Additions		6	83
Accumulated amortisation		<u>(5,809)</u>	<u>(5,252)</u>
		<u>1,010</u>	<u>1,562</u>
6 Long-Term Investments	Note	2016 \$'000	2015 \$'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	75,622	73,768
		<u>88,007</u>	<u>86,153</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 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 \$16.85 per unit at year-end 2016. (2015 - \$16.76).

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2016

7 Loans to Customers

	Current \$'000	Non-current \$'000	2016 \$'000	2015 \$'000
Principal and interest receivable	103,187	280,848	384,035	390,360
Employee Loans	2,769		2,769	3,337
Sundry deposits receivable	6,778	--	6,778	5,457
Provision for loan losses (Note 7.1)	(41,806)	--	(41,806)	(34,605)
	<u>70,928</u>	<u>280,848</u>	<u>351,776</u>	<u>364,549</u>

7.1 Provision for loan losses

	2016 \$'000	2015 \$'000
Balance at beginning of year	34,605	23,340
Net (write back)/increase of provision	<u>7,201</u>	<u>11,265</u>
Balance at end of year	<u>41,806</u>	<u>34,605</u>

8 Other Assets

	Notes	Current Portion \$'000	Non-current Portion \$'000	2016 \$'000	2015 \$'000
Due from the Government of Trinidad and Tobago	8.1	--	257	257	257
Accrued interest receivable on investments	8.2	--	93	93	26
Other receivables and Prepayments	8.3	<u>11,557</u>	<u>1,297</u>	<u>12,854</u>	<u>13,184</u>
		<u>11,557</u>	<u>1,647</u>	<u>13,204</u>	<u>13,467</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 2016

9 Short-term Investments	Notes	2016 \$'000	2015 \$'000
Trinidad and Tobago Unit Trust Corporation -TT Dollar Income Fund	9.1	22,622	1,491
Roytrin TTD Income Fund	9.1	2,535	2,300
Roytrin Money Market Fund Class A TT	9.1	44,904	49,068
Guardian Group Trust Limited	9.1	2,915	-
JMMB Investments	9.2	12,247	-
Bourse Securities Savinvest Fund	9.2	6,365	-
		<u>91,588</u>	<u>52,859</u>
<p>9.1 The investments in Trinidad and Tobago Unit Trust Corporation, Roytrin TTD Income Fund, Roytrin Money Market Fund and Guardian Asset Management are money market funds which can be readily converted into cash.</p> <p>9.2 The investment in Jamaica Money Market Brokers Ltd (JMMB) and Bourse Securities Savinvest Fund are in the form of repurchase agreements for a period of ninety (90) days with the option of rollover at maturity.</p>			
10 Share Capital		2016 \$'000	2015 \$'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>
11 Shareholder's Funding		2016 \$'000	2015 \$'000
The Government of the Republic of Trinidad and Tobago		<u>529,330</u>	<u>504,330</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 \$25m was received from the Government in September 2016.			
12 Revaluation Reserves		2016 \$'000	2015 \$'000
Revaluation reserves brought forward		2,442	2,540
Transfer to retained earnings		<u>(98)</u>	<u>(98)</u>
		<u>2,344</u>	<u>2,442</u> (17)

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2016

13 Redeemable Preference Shares	2016 \$'000	2015 \$'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 30th September 2016 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	2016 \$'000	2015 \$'000
Accounts payable	2,821	2,705
Trust funds	1,607	(1,654)
Other liabilities and accruals	<u>4,384</u>	<u>4,521</u>
	<u>8,812</u>	<u>5,572</u>

15 Customer Deposits	Note	2016	2015
Non-current			
Deposits held as security	15.1	<u>22,369</u>	<u>22,570</u>
Current			
Customers savings accounts	15.2	<u>25,614</u>	<u>20,385</u>

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

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

16 Interest Income	2016 \$'000	2015 \$'000
Traditional loans	<u>22,580</u>	<u>27,420</u>
	<u>22,580</u>	<u>27,420</u>

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Notes to the Financial Statements 30 September 2016

17 Other Income	2016 \$'000	2015 \$'000
Loan processing fees	1,029	1,168
Bad debts recovered/(expense)	3	2
Miscellaneous income	181	125
Rental income	240	240
Commission received	-	6
	<u>1,453</u>	<u>1,541</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

	2016 \$'000	2015 \$'000
Cash and cash equivalents	105,671	113,390
Loans to customers	351,776	364,549
Other assets	13,204	13,467
Short-term investments	91,588	52,859
Long-term investments	<u>88,007</u>	<u>86,153</u>
	<u>650,246</u>	<u>630,418</u>

Liabilities as per Statement of Financial Position

Loans	-	-
Accounts payable	8,812	5,572
Customer deposits	<u>47,983</u>	<u>42,955</u>
	<u>56,795</u>	<u>48,527</u>

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 30th September 2016 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.

Agricultural Development Bank of Trinidad and Tobago

Notes to the Financial Statements 30 September 2016

20 Operating Expenses

	2016 \$'000	2015 \$'000
Salaries and other employee benefits	19,714	19,837
Promotion and advertising	517	800
Depreciation/amortisation	2,044	1,872
Communication	1,057	1,107
Professional and consultancy fees	561	374
General administrative expenses	376	411
Security services	1,507	1,561
Legal fees	810	3,643
Lease rental	1,864	1,931
Utilities	599	606
Repairs and property maintenance	816	1,020
Computer software – licence fees	1,368	1,138
Directors' fees and expenses	474	493
Printing, stationery and supplies	401	415
Insurance	201	246
AGM / Annual reports / Minority shares	-	104
Motor vehicle expenses	38	59
Lease Rental – Mobile Unit	-	906
Other	<u>7,390</u>	<u>10,965</u>
	<u>39,737</u>	<u>47,488</u>

21 Key Management Compensation

Salaries and other short term employee benefits	<u>2,985</u>	<u>3,339</u>
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