

CARONI (1975) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED

30TH JUNE 2020

MAHARAJ
MOHAMMED
& Co.
Chartered Accountants

CARONI (1975) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

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**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
CARONI (1975) LIMITED**

Opinion

We have audited the financial statements of Caroni (1975) Limited which comprises the statement of financial position as at 30th June 2020, statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and incorporating summary of significant accounting policies and other explanatory notes, as stated on pages 5 to 16.

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30th June 2020 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Basis for Qualified Opinion

Included under Accounts payable and accruals in the Statement of Financial Position, is an amount of \$32,558,475, which relates to the Land Assignment and Distribution programme, on the closure of the sugar manufacturing operations of Caroni (1975) Limited. This balance represents deposits received from tenants for the purchase of land, prior to 2003 and deposits received by individuals who were squatting on lands belonging to Caroni (1975) Limited under the Spontaneous Settlement programme. We draw your attention to note 9 of the financial statements. These monies were used for development works on the assigned land lots and would be removed on the issue of leases by the Commissioner of State Lands. We were unable to substantiate a material portion of these transactions or obtain satisfactory documentary evidence for these said deposits as the records have since been transferred to Commissioner of State Lands Department.

We draw your attention to the Statement of Financial Position where Unrelieved Losses reflect a balance of \$(186,221,062) at year end 30th June 2020. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a 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.

Basis for Qualified Opinion (continued)

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.

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

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the company 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.

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

4th September 2020

CARONI (1975) LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2020

<u>ASSETS</u>	Notes	2020 \$	2019 \$
Current assets			
Cash and bank balances	3	18,064,655	16,720,924
Accounts receivable and prepayments	4	7,563,519	7,278,894
Amounts due from related parties	5	11,751	13,756
Taxation recoverable		<u>2,285,012</u>	<u>2,682,184</u>
Total current assets		<u>27,924,937</u>	<u>26,695,758</u>
Non-current assets			
Property, plant and equipment	7	668,106	563,493
Investments - available for sale	8	<u>200</u>	<u>187,700</u>
Total non-current assets		<u>668,306</u>	<u>751,193</u>
Total Assets		<u>28,593,243</u>	<u>27,446,951</u>
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Equity			
Stated capital	10	177,287,760	177,287,760
Investment reserve	8	-	137,500
Unrelieved losses		(186,221,062)	(187,487,796)
Total shareholders' deficiency		<u>(8,933,302)</u>	<u>(10,062,536)</u>
Current liabilities			
Accounts payable and accruals	9	36,287,860	36,280,553
Taxation payable		<u>1,145,312</u>	<u>1,146,810</u>
Total current liabilities		<u>37,433,172</u>	<u>37,427,363</u>
Non-current liabilities			
Deferred tax liability	11	<u>93,373</u>	<u>82,124</u>
Total non-current liabilities		<u>93,373</u>	<u>82,124</u>
Total Liabilities		<u>37,526,545</u>	<u>37,509,487</u>
Total Liabilities and Shareholders' Equity		<u>28,593,243</u>	<u>27,446,951</u>

These financial statements were approved by the Board of Directors and authorised for issue on 4th September, 2020. The accompanying notes on pages 9 to 16 form an integral part of these financial statements.

Muhammad

:Director

T.

:Director

CARONI (1975) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2020

	Note	2020 \$	2019 \$
Revenue			
Government subventions		10,160,000	48,418,605
Dividends and interest		74,219	46,956
Gain on disposal of shares		137,500	-
Rent and other		<u>60,316</u>	<u>111,661</u>
		<u>10,432,035</u>	<u>48,577,222</u>
Expenditure			
Administrative and other		9,044,146	11,517,851
Interest and bank charges		<u>108,694</u>	<u>377,818</u>
		<u>9,152,840</u>	<u>11,895,669</u>
Income before taxation		1,279,195	36,681,553
Taxation charge	12	<u>(12,461)</u>	<u>(22,434)</u>
Net income for the year		<u>1,266,734</u>	<u>36,659,119</u>

The accompanying notes on pages 9 to 16 form an integral part of these financial statements.

CARONI (1975) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2020

	Stated Capital \$	Investment Reserve \$	Retained Earnings \$	Total \$
Balance at 1 st July 2019	177,287,760	137,500	(187,487,796)	(10,062,536)
Surplus for the year	<u>-</u>	<u>(137,500)</u>	<u>1,266,734</u>	<u>1,129,234</u>
Balance at 30 th June 2020	<u>177,287,760</u>	<u>-</u>	<u>(186,221,062)</u>	<u>(8,933,302)</u>
Balance at 1 st July 2018	177,287,760	137,500	(224,146,915)	(46,721,655)
Surplus for the year	<u>-</u>	<u>-</u>	<u>36,659,119</u>	<u>36,659,119</u>
Balance at 30 th June 2019	<u>177,287,760</u>	<u>137,500</u>	<u>(187,487,796)</u>	<u>(10,062,536)</u>

The accompanying notes on pages 9 to 16 form an integral part of these financial statements.

CARONI (1975) LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2020

	Note	2020 \$	2020 \$
Operating Activities			
Operating income before taxation		1,279,195	36,681,553
Adjustments for:			
Gain on disposal of investment		(137,500)	-
Depreciation of property, plant and equipment		<u>101,498</u>	<u>74,331</u>
		1,243,193	36,755,884
Movements in working capital			
Increase in accounts receivable and prepayments		(284,625)	(349,123)
Decrease in amounts due by related parties		2,005	1,346,496
Increase / (decrease) in accounts payable and accruals		<u>7,307</u>	<u>(985,230)</u>
Cash generated from operating activities		967,880	36,768,027
Taxation refunded / (paid)		<u>394,459</u>	<u>(1,466)</u>
Net cash generated from operating activities		<u>1,362,339</u>	<u>36,766,581</u>
Investing Activities			
Sale of investment		187,500	-
Purchase of property, plant and equipment		(206,111)	(48,607)
Cash used in investing activities		(18,611)	(48,607)
Financing Activities			
Net movement on loans		-	(33,117,058)
Cash used in financing activities		-	(33,117,058)
Net increase in cash and cash equivalents		<u>1,343,728</u>	<u>3,600,916</u>
Cash and cash equivalents			
- at the beginning of the year		16,720,927	13,120,008
- at the end of the year	3	<u>18,064,655</u>	<u>16,720,924</u>
		<u>1,343,728</u>	<u>3,600,916</u>

The accompanying notes on pages 9 to 16 form an integral part of these financial statements.

CARONI (1975) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

1. Incorporation and principal activities

Caroni (1975) Limited was incorporated in the Republic of Trinidad and Tobago on 26th March 1975 and continued on 7th April 1998. Its registered office is situated at Light Pole 11, Brechin Castle Couva. The shareholders of the company are the Minister of Finance as Corporation Sole, with one share held by a nominee, on behalf of the Minister of Finance as Corporation Sole.

In July 2003, the company was re-structured with its sugar production and refining operations being transferred to the Sugar Manufacturing Company Limited (SMCL), its rum production being transferred to the Rum Distillers Company of Trinidad and Tobago (RDTT) and other activities to the Ministry of Agriculture, Lands and Fisheries and other state-owned organisations.

On 1st June 2006, the Caroni and Orange Grove National Company Limited (Divestment) Act 2005 became effective. This Act provided for the operational undertakings of Caroni (1975) Limited be transferred to another company and the vesting of the real estate holdings of Caroni (1975) Limited to the Government of Trinidad & Tobago (GOTT) for the sum of one (\$1.00) dollar.

Presently the company remains a non-trading entity managing its current and long-term debts and fulfilling all outstanding obligations to its former employees, which involves the issuance of sub-leases for the beneficiaries of residential service lots on behalf of the State, and providing assistance with the agricultural land distribution and regularization programmes to former employees, cane farmers and other special delivery projects including existing squatters. In this regard, the GOTT is injecting funds on an annual basis for the company to meet these obligations.

The company's main initiatives at present are:

- managing land distribution and leases to beneficiaries of residential service and agricultural plots
- assistance to Commissioner of State Lands (COSL) and Estate Management Development Company Limited (EMBD)
- In October 2011, the GOTT designated Caroni (1975) Limited as interim executive agency for the Sugar Heritage Village and Museum Project
- attendance to matters pertinent to former employees, trade unions and other parties as well as obligations related to the Voluntary Separation of Employment Program (VSEP) and other past employment
- technical support to relevant government ministries and committees
- safeguarding of assets of the company and related entities stated above

CARONI (1975) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

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 conformity with International Financial Reporting Standards.

(b) Use of estimates

The preparation of financial statements, in conformity with International Financial Reporting Standards, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities 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) Foreign currency

Transactions in foreign currencies are translated into Trinidad and Tobago dollars at the exchange rates prevailing at the dates of the transactions. Current assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet date. Profits and losses arising are dealt with in the statement of income.

(d) Revenue

Revenue is recognized on the receipt of government subventions throughout the financial year, on a cash receipts basis, per allocation from Ministry of Finance. Interest, rent and other income are recognized on the accrual basis.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balances and overdrafts that are readily convertible to known amounts of cash which are subject to insignificant risk of change in value.

(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.

CARONI (1975) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

(g) Property, plant and equipment

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

Furniture and fixtures	10%
Machinery and equipment	10%
Motor vehicles	25%
Computer equipment	25%

(h) Accounts payable

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

(i) Deferred taxation

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable income will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized. Deferred tax assets and the liabilities measured at the tax 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 balance sheet 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) Investments – Available for sale

Investments are initially recognized at cost, calculated to include transaction costs on acquisition of the new investment.

After initial recognition, the investments which are classified as 'Available for Sale' are measured at fair value, with unrealized gains or losses recorded in the Investment Reserve Account. Gains and losses arising from subsequent disposal or impairment of these investments are recognized in the statement of income.

For actively-traded investments, fair value is determined by reference to Stock Exchange quoted market prices at the balance sheet date, adjusted for transaction cost necessary to realize the investment. For investments where there is no quoted market price, the carrying value is deemed to approximate fair value.

CARONI (1975) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

3. **Cash and bank balances**

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

	2020	2019
	\$	\$
Cash on hand	5,914	10,000
Bank balances	<u>18,058,741</u>	<u>16,710,924</u>
	<u>18,064,655</u>	<u>16,720,924</u>

4. **Accounts receivable and prepayments**

	2020	2019
	\$	\$
Trade receivables	38,540	21,417
Prepayments	30,631	45,324
Value Added Tax and other	<u>7,494,348</u>	<u>7,212,153</u>
	<u>7,563,519</u>	<u>7,278,894</u>

5. **Amounts due from related parties**

	2020	2019
	\$	\$
a) Amounts due from related parties	<u>11,751</u>	<u>13,756</u>

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

b) The company had related party transactions during the year as follows:

Sales to related parties	_____	_____
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6. **Comparatives**

Where applicable comparative balances have been re-stated to conform to changes in accounting standards and disclosure presentation in the current year.

CARONI (1975) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

7. Property, plant and equipment

	Furniture & Fittings \$	Machinery & Equipment \$	Computer Equipment \$	Total \$
YEAR ENDED 2020				
Cost				
Beginning of the year	127,846	685,254	409,323	1,222,423
Additions	<u>-</u>	<u>78,038</u>	<u>128,073</u>	<u>206,111</u>
End of the year	<u>127,846</u>	<u>763,292</u>	<u>537,396</u>	<u>1,428,534</u>
Accumulated Depreciation				
Beginning of the year	62,564	270,954	325,412	658,930
Charge for the year	<u>6,529</u>	<u>47,120</u>	<u>47,849</u>	<u>101,498</u>
End of the year	<u>69,093</u>	<u>318,074</u>	<u>373,261</u>	<u>760,428</u>
Net Book Value 2020	58,753	445,218	164,135	668,106
YEAR ENDED 2019				
Cost				
Beginning of the year	127,846	671,831	374,139	1,173,816
Additions	<u>-</u>	<u>13,423</u>	<u>35,184</u>	<u>48,607</u>
End of the year	<u>127,846</u>	<u>685,254</u>	<u>409,323</u>	<u>1,222,423</u>
Accumulated Depreciation				
Beginning of the year	55,311	225,984	300,304	584,599
Charge for the year	<u>7,253</u>	<u>44,970</u>	<u>22,108</u>	<u>74,331</u>
End of the year	<u>62,564</u>	<u>270,954</u>	<u>325,412</u>	<u>658,930</u>
Net Book Value 2019	65,282	414,300	83,911	563,493

CARONI (1975) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

8. Investments - available for sale

	Book Value		Investment Reserve		Market Value	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Opening balance	50,200	50,200	137,500	137,500	187,500	187,500
Disposal of shares	(50,000)	-	(137,500)	-	(187,500)	-
Closing balance	<u>200</u>	<u>50,200</u>	<u>-</u>	<u>137,500</u>	<u>-</u>	<u>187,500</u>

- (i) Shares held in Co-operative Citrus Growers Association have been maintained at book value in the absence of market value (fair value) information.
- (ii) Shares held in Southern Medical Clinic Limited were revalued to market value to reflect fair value. These shares were disposed of during the 2020 period.

9. Accounts payable and accruals

	2020	2019
	\$	\$
Trade payables	1,026,658	1,026,658
Accruals	1,552,703	1,428,996
Deposits on land/residential properties (<i>note i below</i>)	32,558,475	32,674,875
Interest payable and other	<u>1,150,024</u>	<u>1,150,024</u>
	<u>36,287,860</u>	<u>36,280,553</u>

Note i)

This balance relates to the Land Assignment and Distribution programme and represents deposits received from tenants for the purchase of land, prior to 2003, on the closure of the sugar manufacturing operations of Caroni (1975) Limited. Also included are deposits received by individuals who were squatting on lands belonging to Caroni (1975) Limited under the Spontaneous Settlement programme. These monies were used for development works on the assigned land lots.

In June 2006, under the Caroni (1975) Limited and Orange Grove National Company Limited (Divestment) Act No.25 of 2005, all of Caroni's former land holdings were transferred to the State under the Commissioner of State Lands. As a result, the land asset was transferred from the books of Caroni, however, the liability in the sum of \$32Mn for land sales deposit remained in the books of Caroni as at June 30 2006. The liability would only be settled from the books of Caroni upon the issue of leases by the Commissioner of State Lands.

The records have since been transferred to Commissioner of State Lands Department – Ministry of Agriculture, Land and Fisheries. At the time of the audit management was working with the Commissioner of State Lands Department to transfer the liability. We expect that this will be completed in the subsequent period

CARONI (1975) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

10. Stated capital	2020	2019
	\$	\$
Authorised		
300,000,000 ordinary shares		
Issued		
177,287,760 ordinary shares	<u>177,287,760</u>	<u>177,287,760</u>

11. Deferred taxation	2020	2019
	\$	\$
<i>Reconciliation between accounting income and taxation charge</i>		
Accounting income	1,279,195	36,681,553
Items disallowed / (allowable)	(10,260,547)	(48,418,605)
Allowable losses for the year	(8,981,352)	(11,737,052)
Allowable losses brought forward	(6,143,962,864)	(6,132,225,812)
Allowable losses carried forward	(6,152,944,216)	(6,143,962,864)

(i) Deferred Tax Asset		
Taxable losses	6,152,944,216	6,143,962,864
Deferred tax asset @ 30%	<u>1,845,883,264</u>	<u>1,843,188,859</u>

Note: Due to the cessation of trading in the foreseeable future, the deferred tax asset has not been recorded in the accounts as it is deemed unrecoverable in the long term.

(ii) Deferred Tax Liability		
Net book value per accounting records	668,106	563,493
Tax written down value	(356,864)	(289,747)
Temporary differences	311,242	273,746
Deferred tax liability @ 30%	<u>93,373</u>	<u>82,124</u>
Deferred tax charge (Note 12)	<u>(11,249)</u>	<u>(21,454)</u>

CARONI (1975) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

12. Taxation	2020	2019
	\$	\$
<i>Taxation charge for the year</i>		
Business levy - current year	(808)	(653)
Green Fund levy- current year	(404)	(327)
Deferred tax charge (Note 11)	<u>(11,249)</u>	<u>(21,454)</u>
	<u>(12,461)</u>	<u>(22,434)</u>

13. Employees	2020	2019
The number of employees at year end	<u>36</u>	<u>36</u>

14. Going concern

We draw your attention to the Statement of Financial Position where Unrelieved Losses reflect a balance of \$(186,221,062) at year end 30th June 2020. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a 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.

15. Subsequent events

On March 11th 2020, the World Health Organization declared the novel Coronavirus (COVID-19) outbreak a global pandemic. Several measures were implemented by the Government to battle COVID-19 during the period. Assessment of the economic impact of the virus is ongoing by the Board of Directors and management. However, management is satisfied the Company will continue as a going concern.

CARONI (1975) LIMITED

SCHEDULES TO THE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2020

Administrative and other	2020	2019
	\$	\$
Salaries and employee benefits	4,525,409	5,294,619
Ex-gratia payments	12,668	1,418,182
Utilities	1,216,737	1,240,726
Rental - motor vehicle and equipment	407,240	476,154
Security	478,800	569,423
Legal and professional fees	396,083	818,368
Repairs and maintenance	(note i) 422,878	221,017
Directors' remuneration	162,000	162,000
Entertainment	20,667	18,699
Insurance	75,235	110,196
Office expenses	55,223	77,770
Transport	41,338	41,339
Audit fees	105,500	113,000
Depreciation	101,498	74,331
Health and safety	21,954	6,825
Fees and fines	1,000	152,785
Land and building taxes	-	36,564
Residential lot development	(note ii) 662,063	233,325
Sugar Heritage Village and Museum - expenses	337,191	433,539
Expenses – prior year	<u>662</u>	<u>18,989</u>
	<u>9,044,146</u>	<u>11,517,851</u>

Note i)

The increase in repairs and maintenance expenses in 2020 was due mainly to the following:

- The servicing of aged vehicles for inspection;
- Maintenance work on old power lines at both Brechin Castle and Woodford Lodge areas;
- Renovation and maintenance to the building at Land Department to accommodate the staff of the Information System Department.

Note ii)

The increase in expenses for residential lot development for financial year 2020 was due to the increase rate in legal fees and an increase in the number of leases executed and registered for the period.