PKF

Chartered Accountants
& Business Advisors

PKF LIMITED

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

FINANCIAL STATEMENTS

30 SEPTEMBER 2019

Chartered Accountants
& Business Advisors

PKF LIMITED

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

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East Port of Spain
Development Company Limited

STATEMENT OF MANAGEMENT RESPONSIBILITIES

Management is responsible for the following:

- preparing and fairly presenting the accompanying financial statements of East Port of Spain Development Company Limited, which comprise the statement of financial position as at 30 September 2019 the statements of income and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- ensuring that the company keeps proper accounting records;
- selecting appropriate accounting policies and applying them in a consistent manner;
- implementing, monitoring and evaluating the system of internal control that assures security of the company's assets, detection/prevention of fraud, and the achievement of company operational efficiencies;
- ensuring that the system of internal control operated effectively during the reporting period;
- producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the company will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

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

Signed

Date: JUNE 7, 2023

Signed

Date: 7/6/23

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INDEPENDENT AUDITORS' REPORT

The Shareholder
East Port of Spain Development Company Limited

Opinion

We have audited the financial statements of East Port of Spain Development Company Limited, which comprise the statement of financial position as at 30 September 2019, and the statements of comprehensive income and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the East Port of Spain Development Company Limited as at 30 September 2019 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

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

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

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

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

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

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Mailing Address: PO Box 10205, Eastern Main Road, San Juan

Directors: Renée-Lisa Philip Mark K. Superville Jenine Felician-Romain Darcel Corbin

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INDEPENDENT AUDITORS' REPORT (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

PKF

Barataria
TRINIDAD
7 June 2023

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

ASSETS

	Notes	30 September 2019 $	2018 $
Current Assets:			
Cash and cash equivalents	5	13,531,893	6,634,957
Accounts receivable and prepayments	6	1,127,586	68,437
		14,659,479	6,703,394
Non-Current Assets:			
Fixed assets	7	1,017,482	1,229,666
Total Assets		**15,676,961**	**7,933,060**

LIABILITIES AND SHAREHOLDER'S EQUITY

	Notes	2019 $	2018 $
Current Liabilities:			
Accounts payable and accruals	8	2,944,217	3,378,856
Deferred income - government grants	9	17,685,180	9,287,415
Taxation payable		17,923	24,964
		20,647,320	12,691,235
Non-Current Liabilities:			
Deferred income – capital expenditure grants	10	879,750	1,091,934
Total Liabilities		21,527,070	13,783,169
Shareholder's Equity:			
Stated Capital	11	10	10
Accumulated loss		(5,850,119)	(5,850,119)
Total Shareholder's Equity		(5,850,109)	(5,850,109)
Total Liabilities and Shareholder's Equity		**15,676,961**	**7,933,060**

These financial statements were approved by the Board of Directors and authorised for issue on 7 June 2023 and signed on their behalf by:

Director

Director

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

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

	Notes	For the year ended 30 September 2019 $	2018 $
Income:			
Management and design fees		613,662	484,154
Other income		14,251	48,855
Total income		627,913	533,009
Expenditure:			
Administrative charges	13	1,144,936	799,341
Advertising and public relations		155,213	65,468
Depreciation		351,298	401,642
Directors' fees and allowances		427,500	216,593
Professional fees		1,493,475	1,408,086
Property expenses		749,919	724,570
Staff related expenses		3,648,628	4,076,080
Total expenditure		7,970,969	7,691,780
Loss from operations		(7,343,056)	(7,158,771)
Other Income:			
Government grants		7,317,967	7,158,751
Interest income	14	26,759	1,756
Net profit before taxation		1,670	1,736
Taxation **(Note 15)**		(1,670)	(1,736)
Net loss for the year		-	-
Accumulated loss brought forward		(5,850,119)	(5,850,119)
Accumulated loss carried forward		**(5,850,119)**	**(5,850,119)**

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

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

STATEMENT OF CASH FLOWS

	For the year ended 30 September 2019 $	2018 $
Operating Activities:		
Net profit before taxation	1,670	1,736
Depreciation	351,298	401,642
	352,968	403,378
Net change in accounts receivables and prepayments	(1,059,149)	(4,144)
Net change in accounts payable and accruals	(434,639)	(369,656)
Net change in deferred income – capital expenditure grants	(212,184)	(386,768)
Net change in deferred income – government grants	8,397,765	1,736,076
Taxes paid	(8,711)	-
Funds provided by operating activities	7,036,050	1,378,886
Investing Activities:		
Fixed assets acquired	(139,114)	(14,874)
Proceeds from disposal of asset	-	-
Funds used in investing activities	(139,114)	(14,874)
Net change in cash balances	6,896,936	1,364,012
Cash and cash equivalent balances, beginning of year	6,634,957	5,270,945
Cash and cash equivalent balances, end of year	13,531,893	6,634,957
Represented by:		
Cash and cash equivalents	13,531,893	6,634,957

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

1. **Incorporation and Principal Business Activity:**

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

2. **Going Concern:**

The company liabilities exceed its current assets by **$5,987,841** as at the year-end. Notwithstanding this fact, the financial statements have been prepared on the going concern basis. This basis has been deemed appropriate in view of the company's ability to continue its operation using funding from its shareholder.

3. **Significant Accounting Policies:**

(a) Basis of preparation -

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

(b) Use of estimates -

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

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

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

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

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

IFRS 1	First-time Adoption of Financial Reporting Standards - Amendments regarding Annual Improvements to IFRS Standards 2014-2016 cycle (effective for accounting periods beginning on or after 1 January 2018).
IFRS 2	Share-based Payment - Amendments regarding the classification and measurement of share-based payment transactions (effective for accounting periods beginning on or after 1 January 2018).
IFRS 4	Insurance Contracts - Amendments regarding the application of IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (effective for accounting periods beginning on or after 1 January 2018).
IFRS 9	Financial Instruments (effective for accounting periods beginning on or after 1 January 2018).
IFRS 9	Financial Instruments - Amendments regarding the application of IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (effective for accounting periods beginning on or after 1 January 2018).
IFRS 9	Financial Instruments - Amendments regarding prepayment features with negative compensation (effective for accounting periods beginning on or after 1 January 2019).
IFRS 15	Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2018).
IFRS 16	Leases (effective for accounting periods beginning on or after 1 January 2019).
IFRS 17	Insurance Contracts (effective for accounting periods beginning on or after 1 January 2021).
IAS 19	Employee Benefits - Amendments regarding plan amendment, curtailment or settlement (effective for accounting periods beginning on or after 1 January 2019).
IAS 28	Investment in Associates - Amendments regarding the long-term interests in associates and Joint Ventures (effective for accounting periods beginning on or after 1 January 2019).

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

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

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

IAS 40 Investment Property - Amendments regarding the transfer of investment property (effective for accounting periods beginning on or after 1 July 2018).

IFRIC 22 Foreign Currency Transactions and Advance Consideration (effective for accounting periods beginning on or after 1 January 2018).

IFRIC 23 Uncertainty over Income Tax Treatments (effective for accounting periods beginning on or after 1 January 2019).

(d) **Fixed assets -**

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

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

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

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

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

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

(e) **Government grant -**

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

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

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

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

(f) **Financial instruments -**

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

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

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

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

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. **Significant Accounting Policies (Cont'd):**

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

Initial measurement

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

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

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

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

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

Subsequent measurement

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

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

2. **Significant Accounting Policies (Cont'd):**

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

Subsequent measurement (cont'd)

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

Reclassification

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

Write-off

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

Financial liabilities

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

Financial liabilities recognised at amortised cost are not reclassified.

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

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

(g) **Comparative figures -**

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

(h) **Taxation -**

Current tax

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

Deferred tax

Deferred income tax is provided in full, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the rate that is expected to apply to the period when the asset is realised or the liability is settled, based on the enacted tax rate at the statement of financial position date. Deferred tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. In the opinion of management, the effect of temporary differences at 30 September 2010 is not considered material.

3. Financial Risk Management:

Financial risk factors

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

(a) Interest rate risk -

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

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

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

(b) Liquidity risk -

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

(c) Operational risk -

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

(d) Compliance risk -

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

(e) Reputation risk -

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

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

3. Financial Risk Management (Cont'd):

Financial risk factors cont'd

Fair Value Estimation

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

4. Critical Accounting Estimates and Judgements:

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

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

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

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

i) Significant increase of credit risk

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

ii) Fair value measurement and valuation process

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

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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4. **Critical Accounting Estimates and Judgements (Cont'd):**

iii) Fixed assets

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

5. **Cash and Cash Equivalents:**

	30 September	
	2019	**2018**
	$	**$**
First Citizens Bank Limited – Abercrombie Fund	5,159,958	568,597
First Citizens Bank Limited – Current account	3,467,031	3,089,163
First Citizens Bank Limited – Projects account	4,891,361	2,958,351
Unit Trust Corporation	13,543	18,846
	13,531,893	**6,634,957**

6. **Accounts Receivable and Prepayments:**

	30 September	
	2019	**2018**
	$	**$**
Fraud loss (see note below)	23,337,646	23,337,646
Prepaid expenses	48,355	54,803
Project fees receivables	1,073,981	-
Employee advances	5,250	13,634
	24,465,232	23,406,083
Less: Impairment provision for fraud loss	(23,337,646)	(23,337,646)
	1,127,586	**68,437**
Provision for fraud loss:		
Balance, beginning of year	23,337,646	23,337,646
Charge for the year	-	-
Balance, end of year	**23,337,646**	**23,337,646**

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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6. Accounts Receivable and Prepayments (Cont'd):

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

As at the end of financial year the amount of **$23,337,646** was determined to have been removed from the Company by the Defendants without permission. At a Board meeting held on the 23 February 2021, the Board of Directors agreed to make provision for the amount uncovered during the financial years 2014 to 2017. The confirmed minutes of the 173rd Meeting of the Board of Directors reflect the decision of the Board in relation to the decision to make provision for the loss in the amount of **$23,337,646**.

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

7. **Fixed Assets:**

	Leasehold Improvements $	Computers $	Office Equipment $	Fixtures and Fittings $	Furniture $	Motor Vehicles $	Total $
Cost							
Balance as at 1 October 2018	593,521	1,030,960	157,046	174,384	935,700	829,944	3,721,555
Reclassification	-	-	-	-	(11)	-	(11)
Additions	-	53,009	57,688	28,417	-	-	139,114
Balance as at 30 September 2019	593,521	1,083,969	214,734	202,801	935,689	829,944	3,860,658
Accumulated Depreciation							
Balance as at 1 October 2018	208,103	783,382	129,211	84,538	623,487	663,168	2,491,889
Reclassification	(1)	(43)	(3,837)	(1)	3,826	45	(11)
Charge for the year	98,155	100,200	22,340	11,826	77,094	41,683	351,298
Balance as at 30 September 2019	306,257	883,539	147,714	96,363	704,407	704,896	2,843,176
Net Book Value							
Balance as at 30 September 2019	287,264	200,430	67,020	106,438	231,282	125,048	1,017,482
Balance as at 30 September 2018	385,418	247,578	27,835	89,846	312,213	166,776	1,229,666

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

7. **Fixed Assets:**

	Leasehold Improvements $	Computers $	Office Equipment $	Fixtures and Fittings $	Furniture $	Motor Vehicles $	Total $
Cost							
Balance as at 1 October 2017	593,521	1,016,086	157,046	174,384	935,700	829,944	3,706,681
Additions	-	14,874	-	-	-	-	14,874
Balance as at 30 September 2018	593,521	1,030,960	157,046	174,384	935,700	829,944	3,721,555
Accumulated Depreciation							
Balance as at 1 October 2017	109,163	659,590	118,654	74,554	520,695	607,591	2,090,247
Charge for the year	98,940	123,792	10,557	9,984	102,792	55,577	401,642
Balance as at 30 September 2018	208,103	783,382	129,211	84,538	623,487	663,168	2,491,889
Net Book Value							
Balance as at 30 September 2018	385,418	247,578	27,835	89,846	312,213	166,776	1,229,666
Balance as at 30 September 2017	484,358	356,496	38,392	99,830	415,005	222,353	1,616,434

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

8. Accounts Payable and Accruals:

	30 September 2019 $	30 September 2018 $
Audit fees payable	421,125	445,250
Statutory and other salary deductions payable	86,605	649,212
Penalties and interest	49,844	541,644
Stale dated cheques	28,772	28,772
Gratuity payable	613,102	597,930
Sundry creditors and accruals	1,744,769	1,116,048
	2,944,217	3,378,856

9. Deferred Income – Government Grants:

	30 September 2019 $	30 September 2018 $
Recurrent Expenditure		
Balance brought forward	5,180,622	-
Government grants received for recurrent expenditure	13,060,885	9,617,871
To reclassify deferred income to/from project to recurrent	(2,125,352)	(2,319,860)
Recurrent expenditure utilising government grants (net)	(6,966,669)	(6,757,109)
	9,149,486	5,180,622
Project Expenditure		
Balance brought forward	4,106,793	7,551,339
To Reclassify deferred income to/from project to recurrent	2,125,352	(2,319,860)
Government grants for project expenditure	7,901,214	8,687,057
Government grants receivable	961,378	-
Project expenditure for the year (**Note 16**)	(6,559,043)	(9,811,743)
	8,535,694	4,106,793
	17,685,180	9,287,415

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10. Deferred Income – Capital Expenditure Grants:

	30 September 2019 $	30 September 2018 $
Balance brought forward	1,091,934	1,478,702
Government grants for capital expenditure	139,114	14,874
Transferred to Statement of Comprehensive Income	(351,298)	(401,642)
	879,750	**1,091,934**

11. Stated Capital:

	30 September 2019 $	30 September 2018 $
Authorised:		
An unlimited number of ordinary shares of no par value		
Issued and fully paid:		
10 ordinary shares of no par value	**10**	**10**

12. Related Party Transactions:

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

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

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

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

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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12. **Related Party Transactions (Cont'd):**

	30 September 2019 $	30 September 2018 $
Expenses		
Directors' fees and allowances	427,500	192,000
Key management compensation		
Short-term benefits	1,109,400	1,261,200

13. **Administrative Charges:**

	30 September 2019 $	30 September 2018 $
Auto expenses	76,280	81,987
Bank charges	5,015	4,866
Books and periodicals	-	368
Donations	167,587	65,626
Insurance	42,342	48,193
Licenses and permits	44,128	11,495
Meeting expense	24,464	6,759
Office expenses	286,484	64,180
Penalties and interest	34,590	11,168
Rental of equipment	106,675	94,650
Rental of vehicles	172,800	174,600
Security	57,070	17,567
Telephone expense	127,501	155,547
	1,144,936	799,342

14. **Government Grants:**

	30 September 2019 $	30 September 2018 $
Recurrent expenditure	6,966,669	6,757,109
Capital expenditure	351,298	401,642
	7,317,967	7,158,751

EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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15. Taxation:

	30 September 2019 $	30 September 2018 $
Business Levy	1,112	1,156
Green Fund Levy	558	580
	1,670	1,736

16. Projects Expenditure for the year:

	30 September 2019 $	30 September 2018 $
Beetham Pavilion - Repairs	159,149	-
Betham Gardens	113,625	-
Business Improvement District	35,825	532,818
Central Statistical Office	-	3,447,402
Community Impact Centres	166,700	98,152
Cooking with Confidence	52,350	35,500
Darling Trace Drainage	721,430	-
Desperadoes Pan Theatre	15,820	8,000
Education to Production	1,151,211	339,311
Emergency Relief	-	38,350
Gerbera Ave, Washroom, Bleachers	297,730	66,948
Glass Engraving	30,000	-
John Trace Retained Wall	701,300	-
Latrine Eradication	1,278,604	3,712,621
Living with style	46,183	-
Marie Road Revitalization	14,822	-
Mendoza Road	157,579	-
Plaisance Road Ramp	75,666	-
Point Pleasant Drainage	518,283	-
Road Paving and Drainage	-	1,144,098
Romain Land Box Drain	384,511	42,723
Social and Economic Programmes – Sports Programme	99,000	166,612
Soft Furnishing	51,931	-
Urban Agriculture	50,000	-
Women Wellness	118,639	-
Youth Entrepreneurship Programme	318,686	179,208
	6,559,043	9,811,743

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17. Contingent Assets:

Between the 1 October, 2018 and the 30 September 2019, the Company filed no new claims against any third parties.

On going matters were as follows:

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

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

18. Contingent Liability:

Between the 1 October, 2018 and the 30 September 2019, no new claims were filed against the Company, however, a trade dispute was filed in the Industrial Court.

On the 26 September 2018, a former employee of the EPOS caused to be referred to the Industrial Court, a trade dispute alleging that she was unfairly dismissed by EPOS. The parties attended a Case Management Conference during this period, in which directions were given for the filing of various documents to be relied on in the matter. EPOS also filed its Evidence and Arguments during this period and began preparing for the subsequent documents required to be filed in the matter.

On going matters were as follows:

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

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18. Contingent Liability (cont'd):

The CARICO matter [Carico Marketing v. East Port of Spain Development Company Limited], which was instituted on 19 May 2016 against EPOS for the sum of $621,601 was ongoing during this period. The Claimant claimed that there was a sum due and owing under the original contract in the sum of $122,151 and the sum of $434,330 as the cost for variation works, together with interest at a rate of 12% and costs. The matter came up for hearing during this period and various documents were filed on behalf of the parties.

19. Events after the Reporting Date:

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

The following areas have been impacted negatively:

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