



REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION FOR THE YEAR ENDED 30TH SEPTEMBER, 2020

QUALIFIED OPINION

The Financial Statements of the National Agricultural Marketing and Development Corporation (the Corporation) for the year ended 30th September, 2020 have been audited. The Statements as set out on pages 1 to 15 comprise a Statement of Financial Position as at 30th September, 2020, and the Statement of Comprehensive Income, a Statement of Changes in Equity and a Statement of Cash Flows for the year ended 30th September, 2020 and Notes to the Financial Statements numbered 1 to 20, including a summary of significant accounting policies.

2. In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of this report, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at 30th September, 2020 and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting stated at Notes 2 (a) and 2 (g) to the financial statements.

BASIS FOR QUALIFIED OPINION

PROPERTY, PLANT AND EQUIPMENT \$112,834,309.00

3.1 International Accounting Standard 16 requires that revaluations of property, plant and equipment be made with sufficient regularity to ensure that the carrying amounts are not materially misstated and, that it may be necessary to revalue items every three or five years. The Corporation has three properties which are subject to revaluation and were last revalued in the year 2007. These properties are located at Debe, Toco and San Fernando.

3.2 The effects of the above on the figure of \$112,834,309.00 for property, plant and equipment have not been ascertained in the absence of valuation reports. Note number 9 to the financial statements is also relevant.

4. The audit was conducted in accordance with the principles and concepts of International Standards of Supreme Audit Institutions (ISSAIs). The Auditor General's responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. The Auditor General is independent of the Corporation in accordance with the ethical requirements that are relevant to the audit of the financial statements and other ethical responsibilities have been fulfilled in accordance with these requirements. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the above qualified opinion.

EMPHASIS OF MATTER

5. Without further modifying the above opinion, attention is drawn to the following:

Note number 19 to the financial statements states that “The National Agricultural Marketing and Development Corporation (Northern Wholesale Market) Regulations, Chapter 63:05 established regulations and procedures for the efficient management of the Northern Wholesale Market. This Market was not vested in the Corporation and the Corporation does not have a leasehold interest in the property.” As a result of the foregoing, the Corporation has not accounted for this property as an asset in these financial statements.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

6. Management of the Corporation is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting stated at Notes 2 (a) and 2 (g) to the financial statements 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.

7. In preparing the financial statements, management is responsible for assessing the Corporation’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 Corporation or to cease operations, or has no realistic alternative but to do so.

8. Those charged with governance are responsible for overseeing the Corporation’s financial reporting process.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

9. The Auditor General's responsibility is to express an opinion on these financial statements based on the audit and to report thereon in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago and section 24 (3) of the National Agricultural Marketing and Development Corporation Act, Chapter 63:05 (the Act).

10. The Auditor General’s 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 audit report that includes his opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the principles and concepts of ISSAIs 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.

11. As part of an audit in accordance with the principles and concepts of ISSAIs, the Auditor General exercises professional judgment and maintains professional skepticism throughout the audit. The Auditor General also:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for an 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.
- Obtains 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 Corporation's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes 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 Corporation's ability to continue as a going concern. If the Auditor General concludes that a material uncertainty exists, the Auditor General is required to draw attention in his audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify his opinion. The Auditor General's conclusions are based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluates 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.

12. The Auditor General communicates 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 were identified during the audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

PENSION PLAN

13. A Pension Plan has not been established to date as required by section 15(2) of the Act which states:

"The Corporation shall, within two years of its coming into being, establish a pension scheme by rules confirmed by the Minister, which shall be no less favourable than the scheme established for the benefit of officers and staff of the Agency."

SUBMISSION OF REPORT

14. 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.



**23rd March, 2023
PORT OF SPAIN**


**LORELLY PUJADAS
AUDITOR GENERAL**



**NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT
CORPORATION**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2020



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2020

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NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER, 2020
 (with comparative figures as at 30th September, 2019)

	Notes	30.09.2020 \$	30.09.2019 \$
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	112,834,309	112,967,000
Investments	4	302,998	10,177,059
		<u>113,137,307</u>	<u>123,144,059</u>
Current Assets			
Receivables and Prepayments	5	5,584,520	255,954
Advances	6	1	1
Cash in Hand and at Bank	7	7,295,923	18,305,441
		<u>12,880,444</u>	<u>18,561,396</u>
TOTAL ASSETS		<u>126,017,751</u>	<u>141,705,455</u>
EQUITY AND LIABILITIES			
Equity and Reserves			
Accumulated Fund	8	13,024,401	18,497,665
Revaluation Reserve	9	10,038,212	10,038,212
Total Equity		<u>23,062,613</u>	<u>28,535,877</u>
Non-Current Liabilities			
Deferred Government Grants	10	96,811,978	103,648,500
Current Liabilities			
	11	6,143,160	9,521,078
TOTAL EQUITY AND LIABILITIES		<u>126,017,751</u>	<u>141,705,455</u>

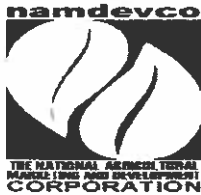


Rumalla Delyon
 Chief Executive Officer
 Dated: 7/1/22

[Signature]
 Chairman/Director
 Dated: 6-07-22

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The accompanying notes form an integral part of these financial statements.



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30TH SEPTEMBER, 2020

(with comparative figures for the year ended 30th September, 2019)

	Notes	2020 \$	2019 \$
INCOME			
Government Recurrent Subventions		24,249,661	24,492,523
Other Receipts	12	18,194,931	7,962,443
Interest		121,684	142,141
		<u>42,566,276</u>	<u>32,597,107</u>
EXPENDITURE			
Goods and Services	13	30,941,333	21,800,139
Personnel	14	12,283,746	11,585,223
Current Transfers and Subsidies	15	4,527,320	5,219,345
Recurrent Grants Transferred to Capital	18	287,141	636,729
		<u>48,039,540</u>	<u>39,241,436</u>
Total Comprehensive SURPLUS/(DEFICIT) for the year		<u>(5,473,264)</u>	<u>(6,644,329)</u>

The accompanying notes form an integral part of these financial statements.



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH SEPTEMBER, 2020
 (with comparative figures for the year ended 30th September, 2019)

	ACCUMULATED FUND \$	REVALUATION RESERVE \$	TOTAL EQUITY \$
Balance at September 30, 2019	18,497,665	10,038,212	28,535,877
Recurrent Surplus transferred to Capital Grant	-	-	-
Surplus/(Deficit) Income for the year	(5,473,264)	-	(5,473,264)
Balance at September 30, 2020	13,024,401	10,038,212	23,062,613
Balance at September 30, 2018	25,141,994	10,038,212	35,180,206
Recurrent Surplus transferred to Capital Grant	-	-	-
Surplus/(Deficit) Income for the year	(6,644,329)	-	(6,644,329)
Balance at September 30, 2019	18,497,665	10,038,212	28,535,877



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2020

(with comparative figures for the year ended 30th September, 2019)

	Notes	2020	2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Comprehensive Surplus/(Deficit)		(5,473,264)	(6,644,329)
Adjustments for:			
Depreciation		1,986,303	1,923,306
Deferred Grant Income		(1,537,536)	(1,734,205)
Bad Debt provisioning		-	-
Loss on disposal of property, plant and equipment		15,731	247,652
Interest income		(121,684)	(142,141)
Recurrent Subvention Utilised as Capital grants		287,141	636,729
Transfer of Capital Grant to Recurrent Subvention		(5,586,127)	-
Decrease/(Increase) in receivables and prepayments		(5,332,820)	28,176
Increase/(Decrease) in payables and accruals		(2,522,491)	(3,281,778)
Net Cash from/(used in) operating activities		<u>(18,284,747)</u>	<u>(8,966,590)</u>
INVESTING ACTIVITIES			
Additions to property, plant and equipment		(2,724,770)	(2,033,665)
Proceeds from disposal of property, plant and equipment		-	-
Decrease/(Increase) in Money Market investment		9,874,061	(165,122)
Interest Income received		125,938	130,431
Net cash used in investing activities		<u>7,275,229</u>	<u>(2,068,356)</u>
FINANCING ACTIVITIES			
Capital Grants received		-	-
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash		<u>(11,009,518)</u>	<u>(11,034,946)</u>
Net cash at beginning of year		<u>18,305,441</u>	<u>29,340,387</u>
Net cash at end of year		<u><u>7,295,923</u></u>	<u><u>18,305,441</u></u>

The accompanying notes form an integral part of these financial statements.



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2020

(with comparative figures for the year ended 30th September, 2019)

1 INCORPORATION AND PRINCIPAL ACTIVITIES

National Agricultural Marketing and Development Corporation (NAMDEVCO) was established by an Act of the Parliament of Trinidad and Tobago which was assented to on 16th August, 1991. By this Act, the assets, liabilities and operations of the Central Marketing Agency was transferred to the Corporation which is primarily engaged in the marketing of agricultural produce and the operation of wholesale markets in the Trinidad and Tobago.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared under the historical cost convention and with reference to International Financial Reporting Standards (IFRSs). The Corporation has not adopted early any new and revised IFRSs and IFRIC interpretations that have been issued but not yet effective. These are not expected to have a material impact on the Corporation's financial position or comprehensive income.

(b) Property, Plant and Equipment

Certain Properties are stated at valuation whilst all other Property Plant and Equipment are stated at cost and are depreciated on a reducing balance basis, from the month following acquisition, at the following rates:

Building and Building Improvements	2%	2%
Plant and Machinery	20%-25%	20%-25%
Furniture and Fittings	10%-25%	10%-25%
Implements and Tools	10%	10%
Motor Vehicles	25%	25%

(c) Taxation

The Corporation is exempted from Income Tax by virtue of its incorporation Act.

(d) Foreign Currencies

Transactions in foreign currencies are initially recorded in Trinidad and Tobago dollars at the rate ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign currency spot rate of exchange ruling at the report date. Exchange differences on foreign currency transaction are recognised in the Statement of Comprehensive Income.



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2020

(with comparative figures for the year ended 30th September, 2019)

(e) Investments

The classification of Investments is dependent on the purpose for which they were acquired at the time of purchase and re-evaluated on a regular basis. As at the balance sheet date, the Corporation has classified its investments as available-for-sale investments which are intended to be held for an indefinite period but may be sold to meet short term liquidity needs or as a result of changes in rates of return.

(f) Use of Estimates and Judgements

The preparation of these financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the report amount of assets, liabilities, income and expenditure.

(g) Revenue Recognition

Revenue (rents and dues) from the rental of NAMDEVCO's market spaces and facilities under informal arrangements, without written contracts, are accounted for on a cash basis. Revenue from other rental arrangements under written contracts which are normally for periods more than one year is accounted for on an accrual basis.

(h) Government Grants

Grants from the government are recognised at fair value when there is reasonable assurance that they will be received and the Corporation will comply with all attached conditions. Grants received to cover recurring expenditure are recognised in the Statement of Comprehensive Income at the same time the recurring expenditures are recognised. Grants received to fund capital expenditure are accumulated in the 'Deferred Government Grants' account and amortised into the Statement of Comprehensive Income over the lives of the related assets.

(i) Accounts Receivable

Accounts receivable is carried at realisable value after allowance for any specific doubtful elements.



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2020
(with comparative figures for the year ended 30th September, 2018)

(j) Provisions

Provisions are recorded when the Corporation has a present or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2020
(with comparative figures for the year ended 30th September, 2019)

3 PROPERTY PLANT AND EQUIPMENT

	COST/REVALUATION				ACCUMULATED DEPRECIATION				NBV 30.09.19 \$	
	Balance 30.09.19 \$	Revaluation & Additions \$	Transfers/ Disposals \$	Balance 30.09.20 \$	Balance 30.09.19 \$	Charge for Year \$	Transfers/ Disposals \$	Balance 30.09.20 \$		NBV 30.09.20 \$
Land	9,850,000	-	-	9,850,000	-	-	-	-	9,850,000	9,850,000
Buildings & Building Improvements	55,581,732	2,428,804	8,672,067	66,682,603	10,732,115	1,088,540	11,820,655	54,861,948	44,849,617	44,849,617
Office Furniture & Equipment	6,910,778	211,194	(3,551)	7,118,421	5,023,789	342,826	(2,827)	5,363,788	1,754,633	1,886,989
Plant & Machinery	7,878,670	11,184	-	7,889,854	5,866,292	350,816	6,217,108	1,672,746	2,012,378	2,012,378
Implements & Tools	1,007,041	64,763	-	1,071,804	609,393	44,998	654,391	417,413	397,648	397,648
Motor Vehicle	5,043,773	-	-	5,043,773	4,447,214	159,123	4,606,337	437,436	596,559	596,559
Capital Work In Progress	53,373,809	8,825	(9,542,501)	43,840,133	-	-	-	43,840,133	53,373,809	53,373,809
	139,645,803	2,724,770	(873,985)	141,496,588	26,678,803	1,986,303	(2,827)	28,662,279	112,834,309	112,967,000

Lands stated at valuation of \$9,850,000, rather than at cost, and a building at valuation of \$188,212 are included in the total carrying value for Property, Plant and Equipment. All other Property Plant and Equipment is carried at cost less accumulated depreciation.



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2020

(with comparative figures for the year ended 30th September, 2019)

	2020	2019
	\$	\$
4 INVESTMENTS		
Money Market Fund investments	<u>302,998</u>	<u>10,177,059</u>
These investments generate interest income in the range of 1% to 2% per annum.		
5 RECEIVABLES AND PREPAYMENTS		
Receivables	18,549,667	13,216,358
Less: Provision for Doubtful Debts	<u>(13,194,994)</u>	<u>(13,194,994)</u>
	5,354,673	21,364
Prepayments	<u>229,847</u>	<u>234,590</u>
	<u>5,584,520</u>	<u>255,954</u>
6 ADVANCES		
Paddy	8,787,673	8,787,673
Livestock	1,113,553	1,113,553
Less: Provision for Doubtful Recovery	<u>(9,901,225)</u>	<u>(9,901,225)</u>
	<u>1</u>	<u>1</u>

This balance represents amounts owing by the Ministry of Agriculture Land and Marine Resources to the Corporation for paddy and livestock feeds supplied.

7 CASH IN HAND AND AT BANK

Cash in hand	238	238
Cash at Bank	<u>7,295,685</u>	<u>18,305,203</u>
Balance at September 30	<u>7,295,923</u>	<u>18,305,441</u>

Cash at Bank comprises the cash held in operating accounts that bear interest income of approximately 1% per annum. All funds held are in Trinidad and Tobago Dollars



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2020

(with comparative figures for the year ended 30th September, 2019)

	2020	2019
	\$	\$
8 ACCUMULATED FUND		
Balance brought forward	18,497,665	25,141,994
Surplus/(Deficit) Income for the year	(5,473,264)	(6,644,329)
Recurrent Surplus transferred to Capital Grant	-	-
Other movement	-	-
Balance at September 30	<u>13,024,401</u>	<u>18,497,665</u>

The balance represents the accumulation of annual recurrent surpluses and deficits.

9 REVALUATION RESERVE

Balance at September 30	<u>10,038,212</u>	<u>10,038,212</u>
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This balance represents the revaluation surplus on the Corporation's lands (\$9,850,000) located in Debe, San Fernando and Toco, and a Building (\$188,212) located in San Fernando with the revaluation independently done in 2007.

10 DEFERRED GOVERNMENT GRANTS

Balance brought forward	103,648,500	104,745,976
Deferred Grant Income	(1,537,536)	(1,734,205)
Government Capital Grants	-	-
Recurrent Surplus transferred to Capital Grants	-	-
Capital Grants transferred to Recurrent Subvention	(5,586,127)	-
Recurrent Subventions utilised for Capital expenditure	287,141	636,729
Balance at September 30	<u>96,811,978</u>	<u>103,648,500</u>

The balance represents the accumulation capital grants received net of amounts amortised as deferred grants income.



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2020

(with comparative figures for the year ended 30th September, 2019)

	2020	2019
	\$	\$
11 CURRENT LIABILITIES		
Payables and accruals	5,302,383	8,697,401
VAT Payable	840,777	823,677
	<u>6,143,160</u>	<u>9,521,078</u>
12 OTHER RECEIPTS		
Wholesale Produce Market	4,474,054	4,880,142
Deferred Grant Income	1,537,536	1,734,205
Rents	624,729	618,436
Wholesale Fish Market	528,667	627,562
Processing of packaged produce	244,208	55,875
Market Box Hampers	5,128,166	-
Miscellaneous	71,444	46,224
Transfer from Capital Grants to Recurrent	5,586,127	-
	<u>18,194,931</u>	<u>7,962,443</u>

Cabinet approved the recommendation of the Ministry of Agriculture, Land and Fisheries (line ministry) for the Market Box Initiative by which the Corporation was mandated to provide fresh produce to vulnerable citizens who were adversely affected by 2019 Novel Corona virus (COVID-19) pandemic. Fresh produce/food hampers were distributed to families in need during the COVID-19 lockdowns. The Corporation was reimbursed by subventions in the amount of \$5.1m whilst direct costs amounted to \$5.1m (Note 13 refers).



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2020

(with comparative figures for the year ended 30th September, 2019)

	2020	2019
	\$	\$
13 GOODS AND SERVICES		
Contract employment	9,796,954	7,986,697
Security	7,227,062	5,432,685
Market Box Hampers	5,128,166	-
Rent Motor vehicles and equipment	2,079,244	1,694,640
Repairs and maintenance of buildings	1,247,579	662,993
Short term employment	1,067,238	1,571,663
Fees	897,824	647,834
Electricity	675,030	588,665
Other Contracted services	523,436	507,564
Insurance	495,500	487,243
Materials and Supplies	451,094	210,227
Telephones	403,837	270,458
Maintenance of Vehicles	244,173	275,958
Repairs and maintenance of equipment	196,378	102,972
Office Stationery and Supplies	172,841	177,140
Uniforms	162,387	62,859
Rent Accomodation	115,675	108,400
Water and Sewerage Rates	82,153	155,723
Travelling	58,424	66,298
Promotion, Publicity and Printing	56,647	276,241
Overseas travel	56,433	202,959
Employee Asssitance Programme	36,619	27,464
Hosting Conferences	26,121	51,168
Bank Charges	17,633	16,516
Loss on Disposal of Asset	15,731	247,652
Other Minor Equipment	11,133	(8,238)
Training	3,883	177,041
Books and Periodicals	2,446	1,304
Postage	1,227	1,089
Medical expenses	942	3,447
Furniture & Furnishings	-	509
Misc Adjustments	-	(25,255)
Bad Debt Provisioning Expense	-	-
(Recovery)/Non-recoverable of VAT	(312,477)	(181,778)
	<u>30,941,333</u>	<u>21,800,139</u>

	2020	2019
	\$	\$
14 PERSONNEL EXPENDITURE		
Wages, allowances and overtime	5,677,709	5,471,771
Salaries and allowances	5,249,585	4,811,873
Government contribution to NIS	933,452	878,579
Directors' fees	423,000	423,000
	<u>12,283,746</u>	<u>11,585,223</u>
15 CURRENT TRANSFERS AND SUBSIDIES		
Depreciation	1,986,303	2,003,932
Pensions	1,947,819	1,923,306
Gratuities	593,198	1,292,107
	<u>4,527,320</u>	<u>5,219,345</u>
16 RE-CURRENT GRANTS TRANSFERRED TO CAPITAL		
Motor Vehicles	-	-
Furniture and Furnishings	24,215	27,516
Other Minor Equipment	131,844	205,489
Office Equipment	131,082	403,723
	<u>287,141</u>	<u>636,729</u>
17 DEVELOPMENT PROGRAMME		
Building Improvement - SWM	218,895	504,329
Building Improvement - NWM	-	-
Building Improvement - New Packing Houses	2,214,009	892,607
Building Improvement - OTHERS	-	-
Building Improvement - POSFM	4,725	-
Addition to property, plant and equipment	<u>2,437,629</u>	<u>1,396,936</u>



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2020
(with comparative figures for the year ended 30th September, 2019)

18 CONTINGENT LIABILITIES

There exists a number of claims and legal action made against the Corporation which are being defended for which no provision has been made in these financial statements as the outcome of those matters are uncertain at this time.

19 OPERATING LEASE ARRANGEMENTS

The Corporation has lease agreements with government authorities for certain lands that it occupies. The Corporation does not have the option to purchase any of the lands and due to this and other terms, the leases are accounted for as operating leases. Where lease agreements have expired, the Corporation is in the process of executing new agreements.

For the current year, payments of \$108,675 (2019: \$108,675) relating to these leases are recognized as expenses under 'Rent Accommodation'. The lease for the Port of Spain Fish Market requires relatively small annual payments of \$108,675 that increases up to \$166,000 over the lease term. This lease is being accounted for as an operating lease as it can be terminated by either party with 6 months notice. There are no payments for the other leases.

Lands Occupied Under Operating Leases:	Expiry Date
Southern Wholesale Market	June 2104
Port of Spain Wholesale Fish Market	December 2039
Orange Valley Fish Market	Expired
Piarco Packing House	July 2043
Chacon Street and South Quay	Expired

The National Agricultural Marketing and Development Corporation (Northern Wholesale Market) Regulations, Chapter 63:05 established regulations and procedures for the efficient management of the Northern Wholesale Market. This Market was not vested in the Corporation and the Corporation does not have a leasehold interest in the property.



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2020

(with comparative figures for the year ended 30th September, 2019)

20 RISKS MANAGEMENT

The activities of the Corporation expose it to a number of financial risk, namely, credit risks, interest rate risks, foreign currency exchange rate risks and liquidity.

The Board of Directors is responsible for overall risk management policies and strategies within the framework of the National Agricultural Marketing and Development Corporation Act and other Government regulations whilst executive management is responsible for implementing the strategies and adhering to the said policies.

Credit risks arise from trade receivables and deposits and cash investments with financial institutions. This risk is principally managed by vetting of the parties who are allowed trade credit and with whom the Corporation places its cash deposits. With respect to interest rate risk, the Corporation is exposed mainly on its cash deposits which attract interest income that, however, constitute less than 1% of the Corporation's total income.

The Corporation does not have any debt capital and as such is not exposed to interest rate risk on the expense side.

The Corporation is exposed to foreign currency exchange rate risk to a minimal extent as only a very few of its transactions, mainly purchases of equipment and supplies, are conducted directly in foreign currencies. This risk is managed by having very short settlement periods. The Corporation manages its liquidity risk, that is, its ability to meet payment obligations as they fall due, by strictly adhering to the approved limits on expenditure which is largely covered by Government subventions.

