

**NATIONAL MAINTENANCE TRAINING
AND
SECURITY COMPANY LIMITED
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2016**

**SHAFFICK HOSEIN AND COMPANY
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NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2016

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Shaffick Hosein & Company

Chartered Accountants
and
Forensic Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of National Maintenance Training and Security Company Limited which comprise the statement of financial position as at 31st December, 2016, and the statement of comprehensive income, and the statement of changes in equity and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

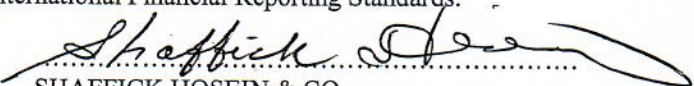
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of National Maintenance Training and Security Company Limited as of 31st December, 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

54 Jarvis Street,
Vistabella
21st February, 2017.


SHAFFICK HOSEIN & CO.
CHARTERED ACCOUNTANTS
AND
FORENSIC CERTIFIED PUBLIC ACCOUNTANTS


NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED
31ST DECEMBER, 2016

<u>ASSETS</u>	<u>NOTES</u>	<u>2016</u>	<u>2015</u>
<u>Non - Current Assets</u>			
<u>FIXED ASSETS</u>			
Property, Plant and Equipment	6	<u>29,010,745</u>	<u>29,877,448</u>
<u>Other Non-Current Assets</u>			
Amounts receivable from GORTT	3b	108,871,386	138,317,375
Deferred Taxation	15a	<u>4,016,462</u>	<u>5,898,496</u>
		<u>112,887,848</u>	<u>144,215,871</u>
TOTAL NON-CURRENT ASSETS		<u>141,898,593</u>	<u>174,093,319</u>
<u>CURRENT ASSETS</u>			
Inventories	7	9,918,850	6,019,896
Debtors and Prepayments	8	286,652,382	290,906,007
Amounts Receivable from GORTT	3a	29,445,990	29,445,990
Investment	9	40,345,873	54,423,154
Cash on Hand and at Banks	10	<u>16,535,314</u>	<u>24,755,334</u>
		<u>382,898,409</u>	<u>405,550,381</u>
TOTAL ASSETS		<u>\$524,797,002</u>	<u>\$579,643,700</u>
<u>REPRESENTED BY:</u>			
<u>EQUITY AND LIABILITIES</u>			
Share Capital	11	3,000,000	3,000,000
Re-valuation Reserve	14	19,777,867	19,777,867
Retained Earnings		<u>55,669,136</u>	<u>54,507,167</u>
		<u>78,447,003</u>	<u>77,285,034</u>
<u>Non-Current Liabilities</u>			
Pension	4	1,381,000	4,795,000
Provision for Retirement Lump Sum Benefits	5	149,715,000	151,931,000
Provision for Vacation Leave	12	39,795,129	43,660,841
Deferred Taxation	15b	678,666	747,017
Amount due to Bond Holders	3d	<u>108,871,386</u>	<u>138,317,376</u>
		<u>300,441,181</u>	<u>339,451,234</u>
<u>CURRENT LIABILITIES</u>			
Creditors and Accruals	13	116,462,828	133,461,442
Amount Due to Bond Holders	3c	<u>29,445,990</u>	<u>29,445,990</u>
		<u>145,908,818</u>	<u>162,907,432</u>
TOTAL LIABILITIES & EQUITY		<u>\$524,797,002</u>	<u>\$579,643,700</u>

The notes on pages 7 to 19 form part of these financial statements.

On 21st February, 2017, the Board of Directors of National Maintenance Training and Security Company Limited authorized these financial statements for issue.

Director.....

Director.....

NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED
31ST DECEMBER, 2016

	<u>NOTES</u>	<u>2016</u>	<u>2015</u>
Income from Operations	18	429,201,345	444,340,150
Rent		1,938,488	1,938,488
Interest Received		422,719	467,701
Other Income		18,900	70,328
(Loss) on Disposal of Fixed Assets		<u>(2,461)</u>	<u>(1,960)</u>
TOTAL INCOME		<u>431,578,991</u>	<u>446,814,707</u>
 <u>EXPENSES</u>			
Depreciation		1,555,082	2,185,424
Directors Fees and Allowances	16	422,070	338,626
Finance Charges	22	385,736	289,370
Operating Expenses	20	23,110,969	20,181,941
Staff and Salary Expenses	19	368,663,595	404,213,597
Supplies and Materials	21	<u>30,495,390</u>	<u>15,519,612</u>
TOTAL EXPENSES		<u>424,632,842</u>	<u>442,728,570</u>
PROFIT FOR THE YEAR BEFORE TAXATION		6,946,149	4,086,137
TAXATION (Note 17)		<u>(5,784,180)</u>	<u>(2,375,608)</u>
NET PROFIT FOR THE YEAR AFTER TAXATION		<u>\$1,161,969</u>	<u>\$1,710,529</u>

The notes on pages 7 to 19 form part of these financial statements.

NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED
31ST DECEMBER, 2016

	<u>SHARE CAPITAL</u>	<u>REVALUATION RESERVE</u>	<u>RETAINED EARNINGS</u>	<u>TOTAL</u>
Balance at 01.1.2016	3,000,000	19,777,867	54,507,167	77,285,034
Profit for the year	-	-	<u>1,161,969</u>	<u>1,161,969</u>
Balance at 31.12.2016	<u>\$3,000,000</u>	<u>\$19,777,867</u>	<u>\$55,669,136</u>	<u>\$78,447,003</u>
Balance at 01.1.2015	3,000,000	19,777,867	52,796,638	75,574,505
Profit for the year	-	-	<u>1,710,529</u>	<u>1,710,529</u>
Balance at 31.12.2015	<u>\$3,000,000</u>	<u>\$19,777,867</u>	<u>\$54,507,167</u>	<u>\$77,285,034</u>

The notes on pages 7 to 19 form part of these financial statements.

NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
31ST DECEMBER, 2016

	<u>2016</u>	<u>2015</u>
<u>OPERATING ACTIVITIES</u>		
Profit for the year before Taxation	6,946,149	4,086,137
<u>Adjustments for Non-Cash Items:</u>		
Depreciation	1,555,082	2,185,424
Gain/ (Loss) on Disposal of Fixed Assets	<u>2,461</u>	<u>1,960</u>
Operating profit before working capital changes	<u>8,503,692</u>	<u>6,273,521</u>
<u>CHANGES IN WORKING CAPITAL</u>		
(Decrease)/Increase in Severance and Pensions	(5,630,000)	(642,000)
(Decrease)/Increase in Provision for Vacation Leave	(3,865,712)	9,199,115
Decrease/(Increase) in Receivables and Prepayments	4,253,626	(45,321,442)
(Increase)/Decrease in Inventories	(3,898,954)	542,291
(Increase)/Decrease in Trade Payables	(1,072,914)	(7,996,154)
(Decrease)/Increase in Other Creditors and Accruals	<u>(15,925,700)</u>	<u>31,338,403</u>
Cash provided by Operating Activities	(26,139,654)	(12,879,787)
Taxation Paid	<u>(3,970,497)</u>	<u>(1,266,462)</u>
	<u>(30,110,151)</u>	<u>(14,146,249)</u>
Net Cash flow from Operating Activities	<u>(21,606,459)</u>	<u>(7,872,728)</u>
<u>INVESTING ACTIVITIES</u>		
Acquisition of Fixed Assets	(690,842)	(1,102,478)
Disposal of Fixed Assets	<u>-</u>	<u>(1,960)</u>
Cash used by Investing Activities	<u>(690,842)</u>	<u>(1,104,438)</u>
<u>FINANCING ACTIVITIES</u>		
Cash (used)/provided by Financing Activities	<u>-</u>	<u>-</u>
Net (Decrease) in cash Equivalent	(22,297,301)	(8,977,166)
Cash at 01.01.	79,178,488	88,155,654
Cash at 31.12.	<u>\$56,881,187</u>	<u>\$79,178,488</u>
<u>REPRESENTED BY:</u>		
Cash on Hand & at Banks	16,535,314	24,755,334
Investments	<u>40,345,873</u>	<u>54,423,154</u>
	<u>\$56,881,187</u>	<u>\$79,178,488</u>

The notes on pages 7 to 19 form part of these financial statements.

NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2016

1. **INCORPORATION AND PRINCIPAL BUSINESS ACTIVITY**

The company was incorporated under the Companies Act (1995) in the Republic of Trinidad and Tobago on 27th November, 1979. The registered office is MTS Plaza, Aranguez Main Road, Aranguez. The Company changed its name by Special Resolution from the Secondary Schools Maintenance Training and Security Company Limited to National Maintenance Training and Security Company Limited. Approval for change was granted by the Registrar of Companies on 29th December, 1989.

Its principal business activities are the provision of security, janitorial, agricultural services and project management.

2. **ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below:

2.1 **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. The company's accounting policies conform with International Accounting Standards approved in Trinidad and Tobago.

The preparation of financial statements in conformity with International Financial Reporting Standard requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The company makes estimates and assumptions concerning the future. Estimates and judgements 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.

2.2 **Inventories**

Inventories are stated at the lower of cost and net realizable value, allowance having been made for slow moving and obsolete items. Stocks are valued on an average cost basis. Cost of inventories excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.3. **Revenue and Expenditure**

Revenue and expenditure are accounted for on an accruals basis. With respect to projects under management, the project management fees are recorded as revenue.

2.4 **Investments**

Investments are intended to be held for an indefinite period of time and may be sold in response to the need for liquidity or changes in interest rates. These investments are carried at fair value with realized gains and losses taken to the statement of comprehensive income.

NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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2.5 **Leases**

For operating leases, lease payments are recognized as an expense on the straight line basis over the term of the lease.

2.6 **Financial Assets**

The company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve (12) months after the statement of financial position date. These are classified as non-current assets. The Company's loans and receivables comprise "trade receivables and prepayments" and "cash and cash equivalents" in the statement of financial position.

2.7 **Provisions**

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimates of the amount of the obligation can be made.

2.8. **Cash and Cash Equivalents**

For the purpose of the cash flow statements, cash and cash equivalents are cash in hand, deposits held at bank, and short terms cash investments.

2.9. **Foreign Currencies**

The financial statements are stated in Trinidad and Tobago dollars. Revenue transactions in foreign currencies are translated at the rates ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated at the rates prevailing at the statement of financial position date. Profit and losses are disclosed in the statement of comprehensive income.

2.10 **Borrowings**

Borrowings are recognized initially at cost, being their issue cost net of transaction costs incurred. Subsequently, borrowings are stated at amortized cost and any difference between net proceeds and the redemption value is recognized in the statement of financial position. Profit and losses are disclosed in the statement of comprehensive income.

NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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2.11 Plant, Property and Equipment

Fixed assets are stated at cost. Depreciation is provided for on the Reducing Balance Basis at rates sufficient to write off the assets over their estimated useful lives. Rates used are as follows:

Furniture & Fittings	10%
Office Equipment	25%
Plant, Machinery & Equipment	33.3%
Motor Vehicles	25%
Computer Equipment	25%
Fire Arms	33.3%
Land	-
Building	2.5%

2.12 Impairment of Non-Financial Assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events of changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.13 Employee Benefits – Pension and Termination Benefit

The company operates a defined benefit pension plan, the assets of which are held in separate trustee-administered funds. The company also operates an unfunded termination lump sum benefit arrangement for un-unionized employees who are covered by an industrial agreement.

The company's pension and retirement benefit accounting costs are assessed under IAS 19 using the projected unit method, taking account of recommendations of independent qualified actuaries.

2.14 Current and Deferred Taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity.

The current tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the statement of financial position date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation on property, plant and equipment and losses carried forward.

Currently enacted tax rates are used to determine deferred income tax.

NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED
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Deferred taxation relating to the carry forward of unused tax losses are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

2.15 Comparative Information

Comparative figures have been adjusted in conformity with changes in presentation for the current year where necessary.

2.16 Financial Risk Management

The company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and cash flow and internet rate risk. Risk management is carried out in line with policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and the investment of excess liquidity.

(a) Market Risk

The company monitors its exposure to fluctuations in foreign currencies. If it is determined that there is a need to hedge this exposure the appropriate instrument is used.

(b) Credit Risk

Credit risk arises from cash and cash equivalents as well as credit exposures to customers. The company has a significant concentration of credit risk. However, the company has policies in place to ensure that services rendered are made to customers with an appropriate credit history. The credit quality of customers, their financial position, past experience and other factors are taken into consideration in assessing credit risk and are regularly monitored through the use of credit terms. Management does not expect any losses from non-performance from counterparties.

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and short-term funds and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the company aims at maintaining flexibility in funding by keeping committed credit lines available.

(d) Cash flow and Fair Value Interest Rate Risk

As the company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market rates.

2.17 Capital Risk Management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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2.18 **Fair Value**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in arm's length transaction.

2.19 **New Standards and Interpretations Not Yet Adopted.**

The company has not applied the following standards, revised standards and interpretations which have been issued but are not yet effective as they either do not apply to the activities of the company or have no material impact on its financial statements.

- IFRS 2 – Share-based Payment
- IFRS 8 – Operating Segments
- IAS 27 – Consolidated and Separate Financial Statements
- IAS 28 – Investments in Associates
- IAS 29 – Financial Reporting in Hyperinflationary Economies
- IAS 32 – Financial Instruments – Presentation
- IAS 39 – Financial Instruments – Recognition and Measurement
- IAS 40 – Investment Property
- IAS 41 – Agriculture

3. **AMOUNTS DUE FROM THE GOVERNMENT OF TRINIDAD AND TOBAGO** **2016** **2015**

BONDS

1.	Citicorp Merchant Bank	31,266,094	40,199,264
2.	Unit Trust Corporation of T&T	57,692,308	69,230,769
3.	Unit Trust Corporation of T&T	49,358,974	58,333,333

TOTAL BONDS **\$138,317,376** **\$167,763,366**

REPRESENTED BY:

Current portion due from the Government of Trinidad and Tobago	3(a)	29,445,990	29,445,990
Long term portion due from the Government of Trinidad and Tobago	3(b)	<u>108,871,386</u>	<u>138,317,376</u>
		<u>\$138,317,376</u>	<u>\$167,763,366</u>

The Company's legal obligations with regards to these bonds are as follows:

Current Portion due to bond holders	3(c)	29,445,990	29,445,990
Long Term Portion due to bond holders	3(d)	<u>108,871,386</u>	<u>138,317,376</u>
Net defined liability		<u>\$138,317,376</u>	<u>\$167,763,366</u>

NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED
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1. \$174.1 million issued by CitiCorp Merchant Bank Limited on the 15th June, 2000 in favour of National Maintenance Training and Security Company Ltd (MTS) to be used for the construction of ten Secondary Schools under the first phase of the Secondary Education Modernization Programme (SEMP Phase 1) and extends for twenty years. These 11.75% Bonds 2000-2020 are guaranteed by the Government of Trinidad and Tobago.
2. \$225.0 million issued by the Unit Trust Corporation of Trinidad and Tobago Limited as a first tranche on the 16th November, 2001 in favour of National Maintenance Training and Security Co. Ltd (MTS) to be used for construction of twelve (12) secondary schools under the phase of the Secondary Education Modernization Programme (SEMP Phase 2) and extends for twenty years. This bond issued as Series 1-10.15%. Fixed Rate Bonds 2001-2021 under a guarantee from the Government of Trinidad and Tobago.
3. \$175.0 million issued by the Unit Trust Corporation of Trinidad and Tobago Limited as a second tranche on the 16th November, 2001 in favour of National Maintenance Training and Security Co. Ltd (MTS) to be used for construction of twelve (12) secondary schools under the phase of the Secondary Education Modernization Programme (SEMP Phase 2) and extends for twenty years. This bond issued as Series 1-10.15%. Fixed Rate Bonds 2002-2022 under a guarantee from the Government of Trinidad and Tobago.

4.	<u>PENSIONS</u>	<u>2016</u>	<u>2015</u>
	<u>Non - Current Liability</u>	<u>\$1,381,000</u>	<u>\$4,795,000</u>

The company's pension and retirement benefit accounting costs are assessed under International Accounting Standard #19 using the projected unit method by qualified independent actuaries.

<u>MTS PENSION FUND PLAN</u>	<u>2016</u>	<u>2015</u>
<u>Non - Current Liability</u>		
Defined Benefit Obligation	42,023,000	44,041,000
Fair Value of Assets	(40,642,000)	(39,246,000)
Net defined liability	<u>\$1,381,000</u>	<u>\$4,795,000</u>

Movement in Asset Recognized in the Statement of Financial Position

<u>Non - Current Liability</u>	<u>2016</u>	<u>2015</u>
Defined benefit asset as at 1 st January	4,795,000	5,828,000
Experience Gain	(3,542,000)	(1,319,000)
Plus net pension cost	1,820,000	2,156,000
Less: Company Contributions Paid	(1,692,000)	(1,870,000)
Defined Benefit liability as at 31 st December	<u>\$1,381,000</u>	<u>\$4,795,000</u>

NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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The amounts to be recognized in the Statement of Comprehensive income are as follows:

	<u>2016</u>	<u>2015</u>
Current Service Cost	1,558,000	1,868,000
Interest on Defined Benefit Obligation	170,000	188,000
Amortized net Loss	<u>92,000</u>	<u>100,000</u>
Net Pension Cost	<u>\$1,820,000</u>	<u>\$2,156,000</u>
Actual Return on Plan Assets	<u>2.135</u>	<u>.886</u>

5. <u>PROVISION FOR TERMINATION LUMP SUM BENEFIT</u>	<u>2016</u>	<u>2015</u>
Provision for termination lump sum benefit	<u>\$149,715,000</u>	<u>\$151,931,000</u>
Company unfunded termination lump sum benefit arrangement		
Defined Benefit Obligation	<u>\$149,715,000</u>	<u>\$151,931,000</u>

Movement in the Liability recognized in the Statement of Financial Position

	<u>2016</u>	<u>2015</u>
Defined benefit as at 1 st January	151,931,000	151,540,000
Plus Termination benefit net cost	<u>(2,216,000)</u>	<u>391,000</u>
Defined Benefit Asset as at 31 st December	<u>\$149,715,000</u>	<u>\$151,931,000</u>

The amounts recognized in the Statement of Comprehensive Income are as follows:

Current Service Cost	<u>\$(2,216,000)</u>	<u>\$391,000</u>
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NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
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6. PROPERTY, PLANT AND EQUIPMENT

	<u>FURNITURE & FITTINGS</u>	<u>OFFICE EQUIPMENT</u>	<u>PLANT & EQUIPMENT</u>	<u>VEHICLES</u>	<u>COMPUTER EQUIPMENT</u>	<u>FIRE ARMS</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>TOTAL</u>
Original Costs									
Cost at 31.12.15	3,206,443	3,727,340	16,277,859	4,847,083	4,594,673	1,546,859	21,823,838	8,176,163	64,200,258
Additions	23,564	2,988	358,447	234,990	-	5,500	-	-	625,488
Disposals	-	-	-	-	-	-	-	-	-
Cost at 31.12.16	<u>\$3,230,007</u>	<u>\$3,730,328</u>	<u>\$16,636,306</u>	<u>\$5,082,073</u>	<u>\$4,594,673</u>	<u>\$1,552,359</u>	<u>\$21,823,838</u>	<u>\$8,176,163</u>	<u>\$64,825,747</u>
<u>ACCUMULATED DEPRECIATION</u>									
Bal b/f 31.12.15	(2,439,614)	(3,570,438)	(14,353,089)	(3,598,314)	(3,890,718)	(1,420,372)	-	(5,050,265)	(34,322,810)
Charge for the Year	(84,326)	(31,973)	(724,078)	(343,278)	(210,890)	(34,656)	-	(125,881)	(1,555,082)
DISPOSALS	-	4,279	58,611	-	-	-	-	-	62,890
AS AT 31.12.16	<u>\$(2,523,940)</u>	<u>\$(3,598,132)</u>	<u>\$(15,018,556)</u>	<u>\$(3,941,592)</u>	<u>\$(4,101,608)</u>	<u>\$(1,455,028)</u>	<u>\$ -</u>	<u>\$(5,176,146)</u>	<u>\$(35,815,002)</u>

NET BOOK VALUE

AS AT 31.12.16	<u>\$706,067</u>	<u>\$132,196</u>	<u>\$1,617,750</u>	<u>\$1,140,481</u>	<u>\$493,065</u>	<u>\$97,331</u>	<u>\$21,823,838</u>	<u>\$3,000,017</u>	<u>\$29,010,745</u>
AS AT 31.12.15	<u>\$766,829</u>	<u>\$156,902</u>	<u>\$1,924,770</u>	<u>\$1,248,769</u>	<u>\$703,955</u>	<u>\$126,487</u>	<u>\$21,823,838</u>	<u>\$3,125,898</u>	<u>\$29,877,448</u>

NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED
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FOR THE YEAR ENDED
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7.	<u>INVENTORY</u>	<u>2016</u>	<u>2015</u>
	Electronics Security	574,822	388,088
	Raw Materials and Consumables	9,724,567	6,012,347
	LESS: Provision for Obsolescence	(380,539)	(380,539)
		<u>\$9,918,850</u>	<u>\$6,019,896</u>
8.	<u>DEBTORS AND PREPAYMENTS</u>	<u>2016</u>	<u>2015</u>
	Trade Debtors	249,148,252	224,702,735
	Provision for Bad Debts	(34,412,134)	(34,412,134)
	Prepayments and Other Receivables	<u>71,916,264</u>	<u>100,615,406</u>
		<u>\$286,652,382</u>	<u>\$290,906,007</u>
9.	<u>SHORT TERM INVESTMENTS</u>	<u>2016</u>	<u>2015</u>
	Unit Trust Corporation	11,814,632	11,691,375
	FCB Abercrombie Fund	<u>28,531,241</u>	<u>42,731,779</u>
		<u>\$40,345,873</u>	<u>\$54,423,154</u>
10.	<u>CASH AND CASH AT BANK</u>	<u>2016</u>	<u>2015</u>
	Petty Cash Floats	102,500	102,501
	First Citizens Bank Limited	73,827	73,827
	Republic Bank Limited – Current Account	15,014,958	21,563,261
	Republic Bank Limited – SEMP	45,538	46,069
	Republic Bank Limited – Payroll	43,746	43,917
	Scotia Bank T&T Limited – Fleet	408,655	903,785
	Scotia Bank T&T Limited	<u>846,090</u>	<u>2,021,974</u>
		<u>\$16,535,314</u>	<u>\$24,755,334</u>
11.	<u>SHARE CAPITAL</u>	<u>2016</u>	<u>2015</u>
	<u>AUTHORIZED</u>		
	Unlimited Ordinary Shares	\$ _____	\$ _____
	<u>ISSUED AND FULLY PAID</u>		
	3,000,000 Ordinary Shares	<u>\$3,000,000</u>	<u>\$3,000,000</u>

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12.	<u>PROVISION FOR VACATION LEAVE</u>	<u>2016</u>	<u>2015</u>
	Provision for Vacation Leave	\$39,795,129	\$43,660,841

13.	<u>CREDITORS AND ACCRUALS</u>	<u>2016</u>	<u>2015</u>
	Trade Creditors	945,109	7,147,881
	Accruals	80,394,139	90,112,946
	Provisions	2,386,993	1,901,938
	Projects	29,798,181	30,428,671
	Vat	2,938,406	3,870,006
		<u>\$116,462,828</u>	<u>\$133,461,442</u>

14.	<u>REVALUATION RESERVE</u>	<u>2016</u>	<u>2015</u>
	Revaluation Reserve	\$19,777,867	\$19,777,867

The property comprising freehold lands and buildings were revalued in accordance with IAS 16 by a professional firm of valuers, Linden Scott and Associates. The surplus arising from the revaluation was credited to the revaluation reserve account. The valuation was accounted for in the year ended 31st December, 2012.

15.	<u>DEFERRED TAXATION</u>	<u>2016</u>	<u>2015</u>
	a) <u>Deferred Tax Asset</u>		
	Brought Forward	5,898,496	7,217,693
	Amount utilized during the Year (Note 17)	(1,882,034)	(1,319,197)
	Balance Carried Forward	<u>\$4,016,462</u>	<u>\$5,898,496</u>
	b) <u>Deferred Tax Liability</u>		
	Balance Brought Forward	747,017	1,056,459
	Charge to Statement of Comprehensive Income (Note 17)	(68,351)	(309,442)
	Balance Carried Forward	<u>\$678,666</u>	<u>\$747,017</u>

NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED
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16. <u>RELATED PARTIES</u>	<u>2016</u>	<u>2015</u>
Directors' Compensation	\$ <u>422,070</u>	\$ <u>338,626</u>
<u>Key Management Compensation</u>		
Salaries and Other Short Term Benefits	3,162,000	3,015,161
Post-Employment Benefits	<u>357,033</u>	<u>364,711</u>
	<u>\$3,519,033</u>	<u>\$3,379,872</u>

17. <u>TAXATION</u>	<u>2016</u>	<u>2015</u>
Business Levy	2,671,717	910,570
Green Fund Levy	1,298,780	455,285
Deferred Tax Asset	1,882,034	1,319,196
Deferred Tax Charge	<u>(68,351)</u>	<u>(309,443)</u>
Provision for Taxation	<u>\$5,784,180</u>	<u>\$2,375,608</u>
Profit before Taxation	6,946,149	4,086,137
Expenses not deductible for Tax	1,800,796	2,583,820
Income/Allowances subject to Tax	<u>(1,218,811)</u>	<u>(1,393,172)</u>
Taxable Profit for the Year	<u>7,528,134</u>	<u>5,276,785</u>
Tax Calculated at 25%	<u>\$1,882,034</u>	<u>\$1,319,196</u>
Corporation Tax Loss B/F	23,593,987	28,870,772
Tax Loss Utilized for the Year	<u>(7,528,134)</u>	<u>(5,276,785)</u>
Corporation Tax Loss C/F	<u>\$16,065,853</u>	<u>\$23,593,987</u>

The Company has taxation losses available for set off against future profits amounting to approximately \$16,065,853. These losses have not yet been agreed by the Board of Inland Revenue.

18. <u>INCOME FROM OPERATIONS</u>	<u>2016</u>	<u>2015</u>
Agriculture	8,362,197	8,001,693
Engineering	1,649,991	6,107,845
Janitorial & Maintenance	214,598,576	172,793,363
Security	181,316,404	233,775,649
Technical	<u>23,274,177</u>	<u>23,661,600</u>
	<u>\$429,201,345</u>	<u>\$444,340,150</u>

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19. <u>STAFF AND SALARY EXPENSES</u>	<u>2016</u>	<u>2015</u>
Casual Labour	248,311	141,553
Dental & Vision	136,079	(165,402)
Group Life	95,366	93,785
Health Plan Employer's Contribution	633,244	877,654
Interest Subsidy – Loan Employee	41,187	41,825
Local Travel Expenses	84,694	11,684
Meal Allowance	-	375
Medical Expenses	663,613	937,250
NIS Employer's Contribution	28,367,991	26,965,738
Pension Plan	2,169,577	1,853,196
Salaries – Monthly	19,758,602	14,364,553
Staff Welfare	698,570	404,293
Wages – Forth-nightly	<u>315,766,361</u>	<u>358,687,093</u>
	<u>\$368,663,595</u>	<u>\$404,213,597</u>
20. <u>OPERATING EXPENSES</u>	<u>2016</u>	<u>2015</u>
Accommodation	148,427	46,308
Air Travel	81,330	106,556
Canine	3,120,977	2,439,471
Consumable Tools	61,492	130,020
Software License Fees	36,027	143,011
Electricity	1,084,561	1,024,889
Equipment – small items	5,497	-
Firearm/Gun Lodging	136,990	225,570
Identification Cards	-	55,000
Insurance	2,455,597	2,058,890
Legal & Professional Fees	1,268,002	866,881
Motor Vehicle Expenses	1,015,045	997,868
Other Security Service- Sub Contract	-	2,640
Office Expenses	64,239	540,760
Public Relations	2,862,807	2,408,499
Rent	7,117,121	6,861,118
Telephone/Fax	1,066,099	930,533
Tenders	23,863	(6,800)
Training	2,463,095	1,209,774
Transportation	38,153	79,747
Water Rates	<u>61,647</u>	<u>61,205</u>
TOTAL OPERATING EXPENSES	<u>\$23,110,969</u>	<u>\$20,181,941</u>

NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED
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CONTINUED.....

21.	<u>SUPPLIES AND MATERIALS</u>	<u>2016</u>	<u>2015</u>
	Consumables	12,849,782	6,800,227
	Maintenance and Repairs	12,372,062	5,921,326
	Supplies	<u>5,273,546</u>	<u>2,798,059</u>
		<u>\$30,495,390</u>	<u>\$15,519,612</u>

22.	<u>FINANCE CHARGES</u>	<u>2016</u>	<u>2015</u>
	Bank Charges	360,736	238,370
	Fees on Bond Issues	<u>25,000</u>	<u>51,000</u>
		<u>\$385,736</u>	<u>\$289,370</u>

23.	<u>SUBSEQUENT EVENTS</u>	<u>2016</u>	<u>2015</u>
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The company is in the process of wage negotiations with various unions which represent the employees and cover the years 2011 to 2016. These negotiations are guided by instructions from the Chief Personnel Officer. No increase rates have been proposed by the company to date as they are awaiting instruction. Since the current negotiations are not yet finalized, the quantum of the increase, if any, cannot be determined. It is expected that the Government will fund any backpay which may arise on the completion of the wage negotiations.

24.	<u>CONTINGENT LIABILITIES</u>	<u>2016</u>	<u>2015</u>
	Performance Bonds	<u>\$524,544</u>	<u>\$233,455</u>
	Litigation Matters	<u>\$2,386,993</u>	<u>\$1,901,938</u>