



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, 2012

The accompanying Financial Statements of the National Agricultural Marketing and Development Corporation for the year ended 30th September, 2012 have been audited. The Statements as set out on pages 1 to 14 comprise a Statement of Financial Position as at 30th September, 2012, and the Statement of Comprehensive Income, a Statement of Changes in Equity and a Statement of Cash Flows for the year ended 30th September, 2012 and Notes to the Financial Statements numbered 1 to 22, including a summary of significant accounting policies.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The management of the National Agricultural Marketing and Development Corporation (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), 2(g) and 2(h) 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.

AUDITOR'S RESPONSIBILITY

3. The Auditor General's responsibility is to express an opinion on these financial statements based on the audit. The audit was carried out in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago and section 24 of the National Agricultural Marketing and Development Corporation, Act, Chapter 63:05 (the Act). The audit was conducted in accordance with accepted auditing standards which require that ethical requirements be complied with and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the audit opinion.

OPINION

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Agricultural Marketing and Development Corporation as at 30th September, 2012 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), 2(g) and 2(h) to the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

PENSION PLAN

7. 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

8. 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.

28th June, 2019
PORT OF SPAIN



Lorelly Pujadas
LORELLY PUJADAS
AUDITOR GENERAL

CDM
2019.06.28



**NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT
CORPORATION**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2012



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2012

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NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION
 STATEMENT OF FINANCIAL POSITION
 AS AT 30TH SEPTEMBER, 2012

(with comparative figures as at 30th September, 2011)

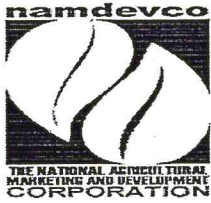
	Notes	30.09.2012 \$	Restated 30.09.2011 \$
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	38,153,937	34,595,066
Investments	4	10,642,713	12,156,971
		<u>48,796,650</u>	<u>46,752,037</u>
Current Assets			
Receivables and Prepayments	5	3,805,846	998,741
Advances	6	1	1
Cash in Hand and at Bank	7	42,786,196	16,719,426
		<u>46,592,043</u>	<u>17,718,168</u>
TOTAL ASSETS		<u><u>95,388,693</u></u>	<u><u>64,470,205</u></u>
EQUITY AND LIABILITIES			
Equity and Reserves			
Capital	8	4,339,171	4,339,171
Revaluation Reserve	9	10,038,212	10,038,212
Accumulated Fund	10	65,964,209	34,366,090
Total Equity		<u>80,341,592</u>	<u>48,743,473</u>
Non-Current Liabilities			
Development Programme	11	10,220,632	10,220,632
		<u>10,220,632</u>	<u>10,220,632</u>
Current Liabilities			
	12	4,826,469	5,506,100
TOTAL EQUITY AND LIABILITIES		<u><u>95,388,693</u></u>	<u><u>64,470,205</u></u>



Rumella Robinson-Lewis
 Chief Executive Officer
 Dated: 21/2/19

[Signature]
 Chairman/Director
 Dated: 26.2.19

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, 2012

(with comparative figures for the year ended 30th September, 2011)

		2012	Restated 2011
		\$	\$
INCOME			
Government Subventions		46,865,500	40,690,886
Wholesale Produce Market		2,598,781	1,592,314
Other Receipts	13	3,436,426	3,241,157
Wholesale Fish Market		311,927	310,319
Interest		176,954	284,599
		<u>53,389,588</u>	<u>46,119,275</u>
EXPENDITURE			
Goods and Services	14	17,935,055	35,037,282
Personnel	15	8,869,920	11,007,081
Current Transfers and Subsidies	16	3,305,731	3,230,627
Recurrent Grants Transferred to Capital	17	651,322	263,884
		<u>30,762,028</u>	<u>49,538,874</u>
Total Comprehensive (DEFICIT)/SURPLUS for the year		<u><u>22,627,560</u></u>	<u><u>(3,419,599)</u></u>

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



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

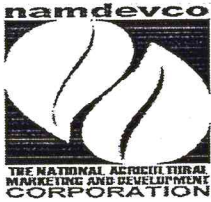
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30TH SEPTEMBER, 2012

(with comparative figures for the year ended 30th September, 2011)

	2012	Restated 2011
	\$	\$
CAPITAL		
Balance at October 1	4,339,171	4,339,171
Movements for the year	-	-
Balance at September 30	<u>4,339,171</u>	<u>4,339,171</u>
REVALUATION RESERVE		
Balance at October 1	10,038,212	10,038,212
Movement for the year	-	-
Balance at September 30	<u>10,038,212</u>	<u>10,038,212</u>
ACCUMULATED FUND		
Balance at October 1 - originally reported	34,366,090	31,796,520
Prior Year Adjustment (See Note 21)	-	4,304,439
Balance at October 1 - restated	<u>34,366,090</u>	<u>36,100,959</u>
Surplus/(Deficit) Income for the year	22,627,560	(3,419,599)
Deferred Grant Income	(1,380,763)	(1,204,340)
Government Subvention - Capital	9,700,000	3,050,000
Recurrent Subventions transferred to Capital	651,322	263,884
Other movements for the year	-	(424,814)
Balance at September 30	<u>65,964,209</u>	<u>34,366,090</u>
TOTAL EQUITY	<u><u>80,341,592</u></u>	<u><u>48,743,473</u></u>

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



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2012

(with comparative figures for the year ended 30th September, 2011)

	2012	Restated 2011
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Comprehensive (Deficit)/Surplus	22,627,560	(3,419,599)
Adjustments for:		
Depreciation	1,431,683	1,481,277
Deferred Grant Income	(1,380,763)	(1,204,340)
Doubtful Debt Expense	-	10,751,163
Interest income	(176,954)	(284,599)
Recurrent Subvention Utilised as Capital grants	651,322	263,884
Decrease/(Increase) in receivables and prepayments	(2,796,771)	56,739
Increase/(Decrease) in payables and accruals	(679,631)	3,832,122
 Net Cash from/(used in) operating activities	<u>19,676,446</u>	<u>11,476,647</u>
 INVESTING ACTIVITIES		
Additions to property, plant and equipment	(4,990,554)	(2,801,720)
Decrease/(Increase) in Money Market investment	1,514,258	2,190,242
Interest Income received	166,620	284,599
 Net cash used in investing activities	<u>(3,309,676)</u>	<u>(326,879)</u>
 FINANCING ACTIVITIES		
Capital Grants received	9,700,000	3,050,000
 Net cash from financing activities	<u>9,700,000</u>	<u>3,050,000</u>
 Net increase/(decrease) in cash	<u>26,066,770</u>	<u>14,199,768</u>
 Net cash at beginning of year	<u>16,719,426</u>	<u>2,519,658</u>
Net cash at end of year	<u><u>42,786,196</u></u>	<u><u>16,719,426</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, 2012

(with comparative figures for the year ended 30th September, 2011)

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 IFRS's 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:

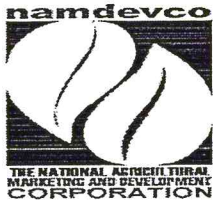
Building and Building Improvements	2%	2%
Plant and Machinery	20%-25%	20%-25%
Furniture and Fittings	10%-25%	10%-25%
Implements and Tools	10%	10%
Motor Vehicles	25%	25%

(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, 2012

(with comparative figures for the year ended 30th September, 2011)

(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, for both recurring and capital expenditures, are recognised at fair value on a cash basis.

(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, 2012

(with comparative figures for the year ended 30th September, 2011)

(j) Provisions

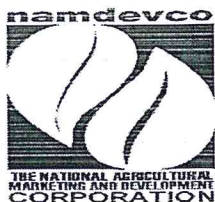
Provisions are recorded when the Corporation has a present or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2012
 (with comparative figures for the year ended 30th September, 2011)

3 PROPERTY PLANT AND EQUIPMENT

	COST/REVALUATION				ACCUMULATED DEPRECIATION					
	Balance 30.09.11	Revaluation & Additions	Disposals	Balance 30.09.12	Balance 30.09.11	Charge for Year	Disposals	Balance 30.09.12	NBV 30.09.12	NBV 30.09.11
Land	9,850,000			9,850,000	-	-		-	9,850,000	9,850,000
Buildings & Building Improvements	24,908,243	4,186,969		29,095,212	5,012,558	449,850		5,462,408	23,632,804	19,895,685
Office Furniture & Equipment	3,737,750	399,508		4,137,258	2,244,722	280,522		2,525,244	1,612,014	1,493,028
Plant & Machinery	2,651,193	404,077		3,055,270	1,354,597	286,595		1,641,192	1,414,078	1,296,596
Implements & Tools	928,605			928,605	245,782	60,499		306,281	622,324	682,823
Motor Vehicle	3,218,022			3,218,022	1,841,088	354,217		2,195,305	1,022,717	1,376,934
	45,293,813	4,990,554	-	50,284,367	10,698,747	1,431,683	-	12,130,430	38,153,937	34,595,066



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2012

(with comparative figures for the year ended 30th September, 2011)

	2012	Restated 2011
	\$	\$
4 INVESTMENTS		
Money Market Fund investments	<u>10,642,713</u>	<u>12,156,971</u>

These investments generate interest income in the range of 1% to 2% per annum.

5 RECEIVABLES AND PREPAYMENTS

Receivables	14,254,082	11,441,863
Less: Provision for Doubtful Debts	<u>(10,738,140)</u>	<u>(10,738,140)</u>
	3,515,942	703,723
Prepayments	<u>289,904</u>	<u>295,018</u>
	<u>3,805,846</u>	<u>998,741</u>

6 ADVANCES

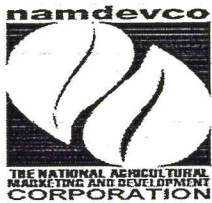
Paddy	8,787,673	8,787,673
Livestock	1,113,553	1,113,553
Less: Provision for Doubtful Recovery	<u>(9,901,225)</u>	<u>(9,901,225)</u>
	<u>1</u>	<u>1</u>

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	515	3,248
Cash at Bank	<u>42,785,681</u>	<u>16,716,178</u>
Balance at September 30	<u>42,786,196</u>	<u>16,719,426</u>

Cash at Bank comprises the cash held in operating accounts that bear interest income of approximately 1% per annum. Included in Cash at Bank is \$142,000 (2011: \$142,000) denominated in US dollars.



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2012

(with comparative figures for the year ended 30th September, 2011)

	2012	Restated 2011
	\$	\$
8 CAPITAL ACCOUNT		
Balance brought forward	4,339,171	4,339,171
Other movements for the year	-	-
	<u>4,339,171</u>	<u>4,339,171</u>
9 REVALUATION RESERVE		
Balance at September 30	<u>10,038,212</u>	<u>10,038,212</u>
<p>This balance represents the revaluation surplus on the Corporation's lands located in Debe, San Fernando and Toco.</p>		
10 ACCUMULATED FUND		
Balance brought forward-originally report	34,366,090	31,796,520
Prior Year Adjustment (See Note 21)	-	4,304,439
Balance brought forward-restated	34,366,090	36,100,959
Surplus/(Deficit) Income for the year	22,627,560	(3,419,599)
Deferred Grant Income	(1,380,763)	(1,204,340)
Government Subvention - Capital	9,700,000	3,050,000
Recurrent Subventions transferred to Capital	651,322	263,884
Other movements for the year	-	(424,814)
Balance at September 30	<u>65,964,209</u>	<u>34,366,090</u>
<p>The balance represents the accumulation of annual recurrent surpluses and deficits and capital grants net of amounts amortised as deferred income.</p>		
11 DEVELOPMENT PROGRAMME	<u>10,220,632</u>	<u>10,220,632</u>
<p>This balance represents Government Grants received for capital projects.</p>		
12 CURRENT LIABILITIES		
Payables and accruals	3,287,525	4,144,704
VAT Payable	1,538,944	1,361,396
	<u>4,826,469</u>	<u>5,506,100</u>



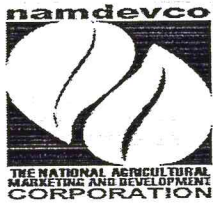
NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2012

(with comparative figures for the year ended 30th September, 2011)

	2012	Restated 2011
	\$	\$
13 OTHER RECEIPTS		
Deferred Grant Income	1,380,763	1,204,340
Rents	1,076,700	1,084,779
Market and Public Relations	856,363	937,691
Other	122,600	14,347
	<u>3,436,426</u>	<u>3,241,157</u>
14 GOODS AND SERVICES		
Contract employment	7,766,093	11,924,934
Security	2,642,888	2,969,195
Promotion, Publicity and Printing	1,990,177	3,101,453
Electricity	759,032	748,467
Fees	512,173	729,842
Short term employment	440,939	181,326
Insurance	428,972	370,360
Office Stationery and Supplies	382,834	219,831
Repairs and maintenance of buildings	361,070	458,151
Telephones	271,441	466,460
Maintenance of Vehicles	200,691	119,583
Other Contracted services	168,904	99,229
Water and Sewerage Rates	138,375	96,965
Repairs and maintenance of equipment	115,164	164,999
Materials and Supplies	103,875	286,014
Travelling	78,343	163,263
Rent Accomodation	78,000	45,000
Uniforms	64,587	36,073
Rent Motor vehicles and equipment	57,311	69,190
Hosting Conferences	28,046	162,413
Training	21,900	2,626
Books and Periodicals	17,623	13,069
Bank Charges	17,649	10,331
Postage	10,657	9,868
Overseas travel	2,995	18,162
Medical expenses	1,011	1,747
Doubtful Debt Provisioning Expense	-	10,751,163
House Rates	-	-
Non-recoverable VAT	1,274,305	1,817,568
	<u>17,935,055</u>	<u>35,037,282</u>



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2012

(with comparative figures for the year ended 30th September, 2011)

	2012	Restated 2011
	\$	\$
15 PERSONNEL EXPENDITURE		
Wages, allowances and Overtime	4,309,988	5,245,531
Salaries	3,574,096	4,876,898
Government contribution to NIS	568,709	562,373
Directors' fees	417,127	322,279
	<u>8,869,920</u>	<u>11,007,081</u>
16 CURRENT TRANSFERS AND SUBSIDIES		
Pensions	1,549,445	1,333,953
Depreciation	1,431,683	1,481,277
Gratuities	324,603	352,397
Support for Agro Processing	-	63,000
	<u>3,305,731</u>	<u>3,230,627</u>
17 RE-CURRENT GRANTS TRANSFERRED TO CAPITAL		
Other Minor Equipment	493,323	214,213
Office Equipment	213,379	28,703
Furniture and Furnishings	96,883	20,968
Motor Vehicles	-	-
Addition to property, plant and equipment	803,585	263,884
Less: Capital grants funding	(152,263)	-
	<u>651,322</u>	<u>263,884</u>
18 DEVELOPMENT PROGRAMME		
Building Improvement - OVFM	2,585,654	-
Building Improvement - NWM	978,420	828,812
Building Improvement - SWM	160,410	660,231
Farmers' Markets	-	-
Building Improvement - Packing House	462,485	52,995
Building Improvement - Tech Pack	-	23,669
	<u>4,186,969</u>	<u>1,565,707</u>



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2012

(with comparative figures for the year ended 30th September, 2011)

19 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.

20 OPERATING LEASE ARRANGEMENTS

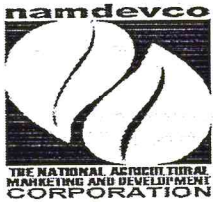
The Corporation has lease agreements with government authorities for certain lands that it occupies. The Corporation does not have the option to purchase any of the lands and due to this and other terms, the leases are accounted for as operating leases. Where lease agreements have expired, the Corporation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

For the current year, payments of \$78,000 (2011: \$45,000) relating to these leases are recognised as expenses under 'Rent Accomodation'.

Lands Occupied Under Operating Leases:	Expiry Date
Southern Wholesale Market	June 2104
Port of Spain Wholesale Fish Market	Expired
Orange Valley Fish Market	Expired
Piarco Packing House	July 2043
Chacon Street and South Quay	Expired
King's Wharf San Fernando	Expired

21 PRIOR PERIOD ADJUSTMENT

A Prior Period Adjustment was made to reverse liabilities of \$2,930,550 which were recorded in an earlier year and which were subsequently settled but not reversed. A further Prior Period Adjustment was made to capitalise expenditure of \$1,573,889 incurred in 2010 to construct the Head Office Extension which was not previously recognised as Property, Plant and Equipment. The Accumulated Fund account balance was increased by the aggregate value of these two Prior Period Adjustments. In addition, a provision of \$200,000 for a number of annual audit fees is being recorded through another Prior Period Adjustment.



NATIONAL AGRICULTURAL MARKETING AND DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2012

(with comparative figures for the year ended 30th September, 2011)

22 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.