

# *Shaffick Hosein & Company*

Chartered Accountants  
and  
Forensic Certified Public Accountants

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**NATIONAL MAINTENANCE TRAINING  
AND  
SECURITY COMPANY LIMITED  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER, 2021**

**NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31<sup>ST</sup> DECEMBER, 2021**

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# Shaffick Hosein & Company

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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

#### Opinion

We have audited the financial statements of National Maintenance Training and Security Company Limited which comprise the statement of financial position as at 31<sup>st</sup> December, 2021 and the statement of comprehensive income, statement of changes in equity and statement of 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 National Maintenance Training and Security Company Limited as at 31<sup>st</sup> December, 2021 and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (\*IFRS\*).

#### Basis of Opinion

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

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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 Audit Committee is responsible for overseeing the Company's financial reporting process.

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.


1a.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 auditors' 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 auditors' 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 Audit Committee 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.

54 Jarvis Street,  
Vistabella.  
15<sup>th</sup> February, 2022



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**NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED**  
**31<sup>ST</sup> DECEMBER, 2021**


<u>ASSETS</u>	<u>NOTES</u>	<u>2021</u>	<u>2020</u>
<b><u>Non - Current Assets</u></b>			
<b><u>FIXED ASSETS</u></b>			
Property, Plant and Equipment	6	27,114,405	26,932,150
<b><u>Other Non-Current Assets</u></b>			
Amount Receivable from GORTT Pensions	3(b)	400,000,000	404,487,179
Deferred Taxation	4	3,774,000	236,000
Amount Received from Gov't FCB	15(a)	-	-
Amount Received from Gov't MTS Contractor	27	200,000,000	200,000,000
Amount received from Gov't RBL ESCR	30	400,000,000	400,000,000
	35	<u>300,000,000</u>	<u>300,000,000</u>
		1,303,774,000	1,304,723,179
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,330,888,405</u>	<u>1,331,655,329</u>
<b><u>CURRENT ASSETS</u></b>			
Amount Receivable from GORTT	3(a)	4,487,179	20,512,821
Inventories	7	5,210,943	5,751,327
Debtors and Prepayments	8	876,879,822	790,453,177
Short Term Investments	9	24,080,787	23,786,308
FCB Facility – (27 Schools)	31	82,198,006	176,330,778
FCB Facility (EFCL)	25	42,814,703	111,090,109
RBL Escrow Account (Operations)	33	4,465,150	36,326,196
Cash on Hand and at Banks	10(a)	<u>33,573,484</u>	<u>1,888,364</u>
		1,073,710,074	1,166,139,080
<b>TOTAL ASSETS</b>		<u>\$2,404,598,479</u>	<u>\$2,497,794,409</u>
<b><u>REPRESENTED BY:</u></b>			
<b><u>EQUITY AND LIABILITIES</u></b>			
Share Capital	11	3,000,000	3,000,000
Revaluation Reserve	14	19,777,867	19,777,867
Retained Earnings		<u>64,059,640</u>	<u>62,715,822</u>
		<u>86,837,507</u>	<u>85,493,689</u>
<b><u>Non-Current Liabilities</u></b>			
Provision for Retirement Lump Sum Benefits	5	219,280,000	189,507,000
Provision for Vacation Leave	12	65,437,224	57,782,972
Deferred Taxation	15(b)	5,003,366	2,286,445
FCB Long Term Loan	29	400,000,000	400,000,000
Amount Due to Bond Holders	3(d)	400,000,000	404,487,179
RBL Long Term Loan	34	300,000,000	300,000,000
FCB Syndicate Loan	26	<u>200,000,000</u>	<u>200,000,000</u>
		1,589,720,589	1,554,063,596

**NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED**  
**31<sup>ST</sup> DECEMBER, 2021**

		<u>2021</u>	<u>2020</u>
<b><u>CURRENT LIABILITIES</u></b>			
Bank Overdraft	10(b)	-	12,946,392
Creditors and Accruals	13	640,653,813	647,745,748
Amount Due to Bond Holders	3(c)	4,487,179	20,512,821
Amount Owed to MTS Contractors	32	82,198,006	176,330,778
Amount Due to Contractors (EFCL)	28	<u>701,385</u>	<u>701,385</u>
		<u>728,040,383</u>	<u>858,237,124</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>\$2,404,598,479</u></b>	<b><u>\$2,497,794,409</u></b>

The notes on pages 6 to 22 form part of these financial statements.

On 15<sup>th</sup> February, 2022, 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**  
**31<sup>ST</sup> DECEMBER, 2021**

	<u>NOTES</u>	<u>2021</u>	<u>2020</u>
Income from Operations	18	550,346,145	538,976,033
Rent		1,558,868	1,578,788
Interest Received		294,584	381,512
Other Income		55,003	81,164
(Loss)/Gain on Disposal of Fixed Assets		-	(103,606)
<b>TOTAL INCOME</b>		<u>552,254,600</u>	<u>540,913,891</u>
 <b><u>EXPENSES</u></b>			
Depreciation	6	1,022,497	1,033,559
Directors' Fees and Allowances	16	405,000	405,000
Staff and Salary Expenses	19	486,574,436	469,959,131
Operating Expenses	20	24,042,242	26,874,160
Supplies and Materials	21	30,500,643	32,179,394
Finance Charges	22	702,569	911,051
<b>TOTAL EXPENSES</b>		<u>543,247,387</u>	<u>531,362,295</u>
<b>PROFIT FOR THE YEAR BEFORE TAXATION</b>		9,007,213	9,551,596
<b>TAXATION</b>	17	<u>(7,663,398)</u>	<u>(8,000,053)</u>
<b>NET PROFIT FOR THE YEAR AFTER TAXATION</b>		<u>\$1,343,815</u>	<u>\$1,551,543</u>

The notes on pages 6 to 22 form part of these financial statements.

**NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER, 2021**

	<u>SHARE CAPITAL</u>	<u>REVALUATION RESERVE</u>	<u>RETAINED EARNINGS</u>	<u>TOTAL</u>
<b><u>AS AT 31<sup>ST</sup> DECEMBER, 2021</u></b>				
Balance at 01.1.2021	3,000,000	19,777,867	62,715,822	85,493,689
Profit for the Year	-	-	<u>1,343,815</u>	<u>1,343,815</u>
Balance at 31.12.2021	<u>\$3,000,000</u>	<u>\$19,777,867</u>	<u>\$64,059,637</u>	<u>\$86,837,504</u>
<b><u>AS AT 31<sup>ST</sup> DECEMBER, 2020</u></b>				
Balance at 01.1.2020	3,000,000	19,777,867	61,164,279	83,942,146
Profit for the Year	-	-	<u>1,551,543</u>	<u>1,551,543</u>
Balance at 31.12.2020	<u>\$3,000,000</u>	<u>\$19,777,867</u>	<u>\$62,715,822</u>	<u>\$85,493,689</u>

The notes on pages 6 to 22 form part of these financial statements.



**NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED**  
**31<sup>ST</sup> DECEMBER, 2021**

	<u>2021</u>	<u>2020</u>
<b><u>OPERATING ACTIVITIES</u></b>		
Profit for the year before Taxation	9,007,213	9,551,596
<b><u>Adjustments for Non-Cash Items:</u></b>		
Depreciation	1,022,497	1,033,559
Loss on Disposal of Fixed Assets	-	<u>103,606</u>
<b>Operating Profit before Working Capital Changes</b>	<u>10,029,710</u>	<u>10,688,761</u>
<b><u>CHANGES IN OPERATING ASSETS AND LIABILITIES</u></b>		
Increase in Retirement Lump Sum Benefits and Pensions	26,235,000	6,223,000
Increase in Provision for Vacation Leave	7,654,252	2,824,010
(Increase) in Debtors and Prepayments	(86,426,645)	(144,040,479)
Decrease in Other Assets	210,294,865	77,013,110
Decrease/(Increase) in Inventories	540,384	777,267
Increase in Trade Payables	13,846,971	4,540,511
(Decrease)/Increase in Creditors and Accruals	<u>(131,097,315)</u>	<u>32,124,848</u>
	<u>41,047,512</u>	<u>(20,537,733)</u>
<b>Cash provided by Operating Activities</b>	51,077,221	(9,848,972)
Taxation Paid	<u>(4,946,477)</u>	<u>(5,138,505)</u>
<b>Net Cash flow from Operating Activities</b>	<u>46,130,744</u>	<u>(14,987,477)</u>
<b><u>INVESTING ACTIVITIES</u></b>		
Acquisition of Fixed Assets	<u>(1,204,753)</u>	<u>(1,187,454)</u>
<b>Cash used by Investing Activities</b>	<u>(1,204,753)</u>	<u>(1,187,454)</u>
<b><u>FINANCING ACTIVITIES</u></b>		
<b>Cash (used)/provided by Financing Activities</b>	-	-
Net Increase/(Decrease) in Cash and Cash Equivalent	44,925,991	(16,174,931)
Cash at 01.01.	<u>12,728,280</u>	<u>28,903,211</u>
Cash at 31.12.	<u>\$57,654,271</u>	<u>\$12,728,280</u>
<b><u>REPRESENTED BY:</u></b>		
Cash on Hand and at Banks	33,573,484	1,888,364
Short Term Investments	24,080,787	23,786,308
Bank overdraft	-	<u>(12,946,392)</u>
	<u>\$57,654,271</u>	<u>\$12,728,280</u>

The notes on pages 6 to 22 form part of these financial statements.

**NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31<sup>ST</sup> DECEMBER, 2021**

1. **INCORPORATION AND PRINCIPAL BUSINESS ACTIVITY**

The company was incorporated under the Companies Act (1995) in the Republic of Trinidad and Tobago on 27<sup>th</sup> 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 29<sup>th</sup> 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 Financial Reporting 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 accrual 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**  
**FOR THE YEAR ENDED**  
**31<sup>ST</sup> DECEMBER, 2021**

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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 comprehensive income over the period of the borrowings using effective interest method.

2.11 **Critical Accounting Estimates and Judgements**

The Company's financial statements and its financial results are influenced by accounting policies, assumptions, estimates and management judgements, which necessarily have to be made in the course

**NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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of preparation of the financial statements.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and assumptions are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events.

Accounting policies and management's judgements for certain items are especially critical for the Company's results and financial situation due to their materiality.

**2.12 Fixed Assets**

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 & Equipment	33.3%
Motor Vehicles	25%
Computer Equipment	25%
Fire Arms	33.3%
Buildings	2.5%

**2.13 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 add 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.

**2.14 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.

**NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED**  
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2.15 **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.

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.

2.16 **Comparative Information**

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

2.17 **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 interest 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.

**NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED**  
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**31<sup>ST</sup> DECEMBER, 2021**

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(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.

2.18 **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.

2.19 **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 transactions.

2.20 **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

**NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER, 2021**

CONTINUED.....

**3. AMOUNTS DUE FROM THE GOVERNMENT OF TRINIDAD AND TOBAGO** **2021** **2020**

**BONDS**

1. Unit Trust Corporation of T&T	-	11,538,462
2. Unit Trust Corporation of T&T	4,487,179	13,461,538
3. NCB Global Finance Limited	<u>400,000,000</u>	<u>400,000,000</u>
<b>TOTAL BONDS</b>	<b><u>\$404,487,179</u></b>	<b><u>\$425,000,000</u></b>

**REPRESENTED BY:**

Current Portion due from the Government of Trinidad and Tobago	3(a)	4,487,179	20,512,821
Long Term Portion due from the Government of Trinidad and Tobago	3(b)	<u>400,000,000</u>	<u>404,487,179</u>
		<b><u>\$404,487,179</u></b>	<b><u>\$425,000,000</u></b>

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

Current Portion due to Bond Holders	3(c)	4,487,179	20,512,821
Long Term Portion due to Bond Holders	3(d)	<u>400,000,000</u>	<u>404,487,179</u>
Net Defined Liability		<b><u>\$404,487,179</u></b>	<b><u>\$425,000,000</u></b>

1. \$225.0 million issued by the Unit Trust Corporation of Trinidad and Tobago Limited as a first tranche on the 16<sup>th</sup> 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.
  
2. \$175.0 million issued by the Unit Trust Corporation of Trinidad and Tobago Limited as a second tranche on the 16<sup>th</sup> November, 2002 in favor 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 a series 2 – 10.25%.15%. Fixed Rate Bonds 2002-2022 under a guarantee from the Government of Trinidad and Tobago.

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3. \$400.0 million issued by NCB Global Finance for the repayment of a short-term loan in December 2019 to First Citizens Bank Limited. This money was used to finance the upgrade and maintenance of school infrastructure within Trinidad and Tobago. This bond is issued as a 4.45%, Fixed Rate Bond 2019-2028 under a guarantee from Government of Trinidad and Tobago.

4. <b><u>PENSIONS</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
<b><u>Non - Current Liability</u></b>	\$ <u>      </u> -	\$ <u>      </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.

<b><u>MTS PENSION FUND PLAN</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
<b><u>Non - Current Liability</u></b>		
Defined Benefit Obligation	43,061,000	43,824,000
Fair Value of Assets	(46,835,000)	(44,060,000)
Net Defined Liability	\$(3,774,000)	\$(236,000)

**Movement in Asset Recognized in the Statement of Financial Position**

<b><u>Non - Current Liability</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Defined benefit asset as at 1 <sup>st</sup> January	(236,000)	1,155,000
Experience Gain	(3,305,000)	(1,238,000)
Plus Net Pension Cost	1,224,000	1,409,000
Less: Company Contributions Paid	(1,457,000)	(1,562,000)
Defined Benefit Liability/(Assets) as at 31 <sup>st</sup> December	\$(3,774,000)	\$(236,000)

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

Current Service Cost	1,203,000	1,315,000
Interest on Defined Benefit Obligation	(56,000)	10,000
Amortized Net Loss	<u>77,000</u>	<u>84,000</u>
Net Pension Cost	\$ <u>1,224,000</u>	\$ <u>1,409,000</u>
Actual Return on Plan Assets	<u>4,248</u>	<u>2,564</u>



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5.	<b><u>PROVISION FOR RETIREMENT LUMP SUM BENEFITS</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
	Provision for Termination Lump Sum Benefit	\$ <u>219,280,000</u>	\$ <u>189,507,000</u>
	Company Unfunded Termination Lump Sum Benefit Arrangement:		
		<b><u>2021</u></b>	<b><u>2020</u></b>
	Defined Benefit Obligation	\$ <u>219,280,000</u>	\$ <u>189,507,000</u>
	Movement in the Liability recognized in the Statement of Financial Position:		
		<b><u>2021</u></b>	<b><u>2020</u></b>
	Defined Benefit as at 1 <sup>st</sup> January	189,507,000	181,893,000
	Plus Termination Benefit Net Cost	<u>29,773,000</u>	<u>7,614,000</u>
	Defined Benefit Asset as at 31 <sup>st</sup> December	<u>\$219,280,000</u>	<u>\$189,507,000</u>
	The amounts recognized in the Statement of Comprehensive Income are as follows:		
		<b><u>2021</u></b>	<b><u>2020</u></b>
	Current Service Cost	\$ <u>29,773,000</u>	\$ <u>7,614,000</u>

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**6. PROPERTY, PLANT AND EQUIPMENT**

<u>Original Costs</u>	<u>FURNITURE &amp; FITTINGS</u>	<u>OFFICE EQUIPMENT</u>	<u>PLANT &amp; EQUIPMENT</u>	<u>VEHICLES</u>	<u>COMPUTER EQUIPMENT</u>	<u>FIRE ARMS</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>TOTAL</u>
Cost at 1.1.21	3,396,562	3,760,967	18,111,562	4,102,828	5,121,366	1,668,959	21,823,838	8,176,163	66,162,245
Additions	78,803	7,322	309,796	-	115,931	692,900	-	-	1,204,752
Disposals	-	-	-	-	-	-	-	-	-
Cost at 31.12.21	<u>\$3,475,365</u>	<u>\$3,768,289</u>	<u>\$18,421,358</u>	<u>\$4,102,828</u>	<u>\$5,237,297</u>	<u>\$2,361,859</u>	<u>\$21,823,838</u>	<u>\$8,176,163</u>	<u>\$67,366,997</u>
<b><u>ACCUMULATED DEPRECIATION</u></b>									
Bal b/f 1.1.21	2,833,649	3,683,566	17,206,759	3,620,987	4,720,249	1,551,908	-	5,612,977	39,230,095
Charge for the Year	76,354	16,161	490,965	109,894	135,691	88,777	-	104,655	1,022,497
Disposals as at 31.12.21	-	-	-	-	-	-	-	-	-
AS AT 31.12.21	<u>\$2,910,003</u>	<u>\$3,699,727</u>	<u>\$17,697,724</u>	<u>\$3,730,881</u>	<u>\$4,855,940</u>	<u>\$1,640,685</u>	<u>\$-</u>	<u>\$5,717,632</u>	<u>\$40,252,592</u>
<b><u>NET BOOK VALUE</u></b>									
AS AT 31.12.21	<u>\$565,362</u>	<u>\$68,562</u>	<u>\$723,634</u>	<u>\$371,947</u>	<u>\$381,357</u>	<u>\$721,174</u>	<u>\$21,823,838</u>	<u>\$2,458,531</u>	<u>\$27,114,405</u>
AS AT 31.12.20	<u>\$562,913</u>	<u>\$77,401</u>	<u>\$904,803</u>	<u>\$481,841</u>	<u>\$401,117</u>	<u>\$117,051</u>	<u>\$21,823,838</u>	<u>\$2,563,186</u>	<u>\$26,932,150</u>

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<b>7. <u>INVENTORIES</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Electronics Security	230,681	244,923
Raw Materials and Consumables	5,360,801	5,886,943
LESS: Provision for Obsolescence	<u>(380,539)</u>	<u>(380,539)</u>
	<u>\$5,210,943</u>	<u>\$5,751,327</u>
<b>8. <u>DEBTORS AND PREPAYMENTS</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Trade Debtors	648,019,372	550,336,874
Provision for Bad Debts	<u>(34,412,134)</u>	<u>(34,412,134)</u>
Prepayments and Other Receivables	<u>263,272,584</u>	<u>274,528,437</u>
	<u>\$876,879,822</u>	<u>\$790,453,177</u>
<b>9. <u>SHORT TERM INVESTMENTS</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Unit Trust Corporation	12,601,712	12,453,585
FCB Abercrombie Fund	<u>11,479,075</u>	<u>11,332,723</u>
	<u>\$24,080,787</u>	<u>\$23,786,308</u>
<b>10. (a) <u>CASH ON HAND AND CASH AT BANKS</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Petty Cash Floats	110,500	107,500
First Citizens Bank Limited	72,327	72,627
Republic Bank Limited – Current Account	33,355,900	-
Scotia Bank T&T Limited	<u>34,757</u>	<u>1,708,237</u>
	<u>\$33,573,484</u>	<u>\$1,888,364</u>
<b>10. (b) <u>BANK OVERDRAFT</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
The bank overdraft is with Republic Bank Limited	\$ _____ -	<u>\$12,946,392</u>
<b>11. <u>SHARE CAPITAL</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
<b><u>AUTHORIZED</u></b>		
Unlimited Ordinary Shares	\$ _____ -	\$ _____ -
<b><u>ISSUED AND FULLY PAID</u></b>		
3,000,000 Ordinary Shares	<u>\$3,000,000</u>	<u>\$3,000,000</u>

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<b>12. <u>PROVISION FOR VACATION LEAVE</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Provision for Vacation Leave	\$ <u>65,437,224</u>	\$ <u>57,782,972</u>
<b>13. <u>CREDITORS AND ACCRUALS</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Trade Creditors	22,113,617	8,266,650
Accruals	539,554,188	500,553,430
Provisions	503,993	1,593,922
Projects	77,033,534	135,695,174
VAT	<u>1,448,481</u>	<u>1,636,572</u>
	<u>\$640,653,813</u>	<u>\$647,745,748</u>
<b>14. <u>REVALUATION RESERVE</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Revaluation Reserve	\$ <u>19,777,867</u>	\$ <u>19,777,867</u>
<p>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 31<sup>st</sup> December, 2012.</p>		
<b>15. <u>DEFERRED TAXATION</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
a) <u>Deferred Tax Asset</u>		
Brought Forward	-	1,157,025
Amount utilized during the Year (Note 17)	<u>-</u>	<u>(1,157,025)</u>
Balance Carried Forward	<u>\$ -</u>	<u>\$ -</u>
b) <u>Deferred Tax Liability</u>		
Balance Brought Forward	2,286,445	581,923
Charge to Statement of Comprehensive Income (Note 17)	<u>2,716,921</u>	<u>1,704,522</u>
Balance Carried Forward	<u>\$5,003,366</u>	<u>\$2,286,445</u>
<b>16. <u>RELATED PARTIES</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Directors' Compensation	\$ <u>405,000</u>	\$ <u>405,000</u>
<u>Key Management Compensation</u>		
Salaries and Other Short-Term Benefits	3,205,069	3,205,069
Post-Employment Benefits	<u>217,817</u>	<u>217,817</u>
	<u>\$3,422,886</u>	<u>\$3,422,886</u>

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<b>17. <u>TAXATION</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Business Levy	3,297,449	3,426,872
Green Fund Levy	1,649,028	1,711,634
Deferred Tax Asset	-	1,157,025
Deferred Tax (Reduction)/Charge	<u>2,716,921</u>	<u>1,704,522</u>
Provision for Taxation	<u>\$7,663,398</u>	<u>\$8,000,053</u>
Profit before Taxation	9,007,214	9,551,596
Expenses not deductible for Tax	1,071,698	1,020,453
Income/Allowances subject to Tax	<u>(972,915)</u>	<u>(972,915)</u>
Taxable Profit for the Year	<u>9,105,997</u>	<u>9,599,134</u>
Tax Calculated at 30%	<u>2,731,799</u>	<u>2,879,740</u>
<b>18. <u>INCOME FROM OPERATIONS</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Agriculture	8,944,928	8,989,426
Engineering	10,334,868	12,744,634
Janitorial & Maintenance	250,122,956	241,024,844
Security	259,193,737	253,676,839
Technical	<u>21,749,656</u>	<u>22,540,290</u>
	<u>\$550,346,145</u>	<u>\$538,976,033</u>
<b>19. <u>STAFF AND SALARY EXPENSES</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Casual Labour	73,807	89,705
Dental & Vision	141,563	283,530
Group Life	71,943	74,982
Health Plan Employer's Contribution	503,780	874,632
Interest Subsidy – Loan Employee	2,418	6,515
Local Travel Expenses	7,651	28,134
Medical Expenses	206,695	388,545
NIS Employer's Contribution	35,784,307	35,306,746
Pension Plan	1,427,160	1,542,934
Salaries – Monthly	16,518,431	17,641,377
Staff Welfare	114,512	155,566
Wages – Fortnightly	<u>431,722,169</u>	<u>413,566,465</u>
	<u>\$486,574,436</u>	<u>\$469,959,131</u>

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<b>20. <u>OPERATING EXPENSES</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Accommodation	61,251	105,651
Air Travel	14,338	12,850
Canine	2,584,255	1,408,666
Consumable Tools	-	18,065
Electricity	810,370	849,257
Firearm/Gun Lodging	143,624	134,860
Industrial Relations	4,129	-
Insurance	2,633,206	2,280,637
Legal & Professional Fees	1,307,388	1,593,905
Motor Vehicle Expenses	1,094,279	1,230,497
Office Expenses	4,110	5,832
Public Relations	2,286,705	3,693,537
Rent	7,002,721	8,963,370
Software License Fees	226,439	189,564
Telephone/Fax	741,345	996,563
Tenders	21,188	33,063
Training	5,064,680	5,309,768
Transportation	5,008	3,998
Water Rates	37,206	44,077
	<u>\$24,042,242</u>	<u>\$26,874,160</u>
<b>21. <u>SUPPLIES AND MATERIALS</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Consumables	10,350,680	10,639,589
Maintenance and Repairs	15,055,765	15,649,180
Supplies	<u>5,094,198</u>	<u>5,890,625</u>
	<u>\$30,500,643</u>	<u>\$32,179,394</u>
<b>22. <u>FINANCE CHARGES</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Bank Charges and Interest	634,069	865,051
Fees on Bond Issues	<u>68,500</u>	<u>46,000</u>
	<u>\$702,569</u>	<u>\$911,051</u>
<b>23. <u>SUBSEQUENT EVENTS</u></b>		

The company is in the process of wage negotiations with various unions which represent the employees and cover the years 2011 to 2021. 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 instructions. 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 back pay which may arise on the completion of the wage negotiations.

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<b>24. <u>CONTINGENT LIABILITIES</u></b>		<b><u>2021</u></b>	<b><u>2020</u></b>
Performance Bonds		\$ _____ -	\$ <u>1,543,327</u>
Litigation Matters		\$ <u>503,993</u>	\$ <u>1,593,922</u>

The company has a number of small legal claims pending against it. The directors are of the opinion that the company will be successful in defending most of the matters.

<b>25. <u>FCB FIXED RATE FACILITY (EFCL)</u></b>		<b><u>2021</u></b>	<b><u>2020</u></b>
FCB Facility (EFCL)		\$ <u>42,814,703</u>	\$ <u>111,090,109</u>

This amount represents the fixed rate facility to facilitate payments for additional repairs to schools (See note 27).

<b>26. <u>FCB SYNDICATED LOAN</u></b>		<b><u>2021</u></b>	<b><u>2020</u></b>
FCB SYNDICATED LOAN		\$ <u>200,000,000</u>	\$ <u>200,000,000</u>

<b>27. <u>AMOUNT RECEIVED FROM GOVERNMENT OF TRINIDAD AND TOBAGO FCB)</u></b>		<b><u>2021</u></b>	<b><u>2020</u></b>
Amount Received from the Government of the Republic of Trinidad and Tobago FCB)		\$ <u>200,000,000</u>	\$ <u>200,000,000</u>

The Government of the Republic of Trinidad and Tobago has agreed that First Citizens Bank Limited be awarded the mandate to arrange and fully underwrite Two (2) year fixed rate Syndicated Loan facility in the sum of TT\$200,000,000 for the National Maintenance Training and Security Company Limited to facilitate payments for additional repairs to schools.

The Terms of this Facility is as follows:

Type of Facility: Syndicated Loan Facility

Facility Amount: (200,000,000)

Currency: Trinidad and Tobago Dollars (TTD)

Purpose: To assist with the payment of outstanding contractor payables for work done on schools as well as to facilitate payments for additional repairs to schools before September 2020.

Term – Two (2) Years

Interest Rate: Fixed at 3.00% per annum

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Interest Payment: Payable semi-annually in arrears on the outstanding balance of the facility commencing six (6) months after the Issue Date.

Prepayment Options: No prepayment allowed over the useful life of the Facility.

Principal Repayment: Payable at Maturity

Security: Unconditional Deed of Guarantee by the Government of the Republic of Trinidad and Tobago. This is to be evidenced in the first instance by a letter of Government Guarantee from the Minister of Finance pending the completion and execution of the Deed of Guarantee.

Availability Period: To be fully drawn on disbursement date.

Arrangement Fee: 40 basis points of total amount issued, payable upon disbursement.

Administrative Agent: Fee: TT\$57,000 payable in advance.

Collateral Agent Fee: TT\$35,000 payable in advance; plus one time establishment fee for the Administrative/Collateral Agent of \$TT8,000 payable in advance.

Legal Fees: TT\$50,000 plus VAT and disbursements.

Stamp Duty: Estimated at TT\$800,000

Default Interest: 2% above the applicable interest rate.

28.	<b><u>AMOUNT DUE TO CONTRACTORS (EFCL)</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
	Amount Due To Contractors (EFCL)	\$ <u>701,385</u>	\$ <u>701,385</u>
29.	<b><u>FCB LONG TERM LOAN</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
	FCB Long Term Loan	\$ <u>400,000,000</u>	\$ <u>400,000,000</u>
30.	<b><u>AMOUNT RECEIVED FROM GOV'T (MTS CONTRACTORS)</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
	MTS CONTRACTORS	\$ <u>400,000,000</u>	\$ <u>400,000,000</u>

This represents the seven year fixed rate facility to finance the construction and outfitting of priority schools within Trinidad.



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<b>31. <u>FCB FACILITY (27 SCHOOLS)</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
FCB Facility (27 Schools)	\$82,198,006	\$176,330,778

The Government of the Republic of Trinidad and Tobago has agreed to approve funding in the sum of TT \$400,000,000.00 Government Guaranteed Loan Facility to the National Maintenance Training and Security Company Limited to commence work on the construction and outfitting of Priority Schools.

Cabinet by Minute F (EMD): 18/2/2011, agreed, inter alia, that First Citizens Bank Limited (FCB) be awarded the mandate to arrange a seven (7) year, \$400 Million Fixed Rate Facility on behalf of the National Maintenance Training and Security to finance the construction and outfitting of Priority Schools.

Subsequently, on November 8<sup>th</sup>, 2019, the Ministry of Finance issued the Mandate and Letter of Guarantee to FCB to arrange the aforementioned financing. The Ministry of Finance will provide funding to service the interest and principal payments due on this loan.

The Terms of this Facility is as follows:

Type of Facility: Demand Loan Facility

Facility Amount: Up to Four Hundred Million (400,000,000)

Currency: Trinidad and Tobago Dollars (TTD)

Purpose: General Corporate Expenses

Interest Rate: Fixed on issue date at Central Bank of Trinidad and Tobago Prime Lending Rate (Average) less 3.76% per annum; to be reset every two (2) years and a Floor Rate of 5.50% per annum. Current effective rate 5.50% per annum.

Interest Accrual: Actual/360

Repayment: Principal to be repaid via equal semi-annual payments commencing six (6) months from the 2<sup>nd</sup> anniversary of the Facility within a balloon payment of Interest to be repaid semi-annually commencing six (6) months from date of disbursement.

Term: Single Disbursement.

<b>32. <u>AMOUNT OWED TO MTS CONTRACTORS</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Amount owed to MTS CONTRACTORS	\$82,198,006	\$176,330,778
<b>33. <u>RBL ESCROW ACCT (OPERATIONS)</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Operations	\$4,465,150	\$36,326,196

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34.	<b><u>REPUBLIC BANK LONG TERM LOAN</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
	Long Term Loan	\$ <u>300,000,000</u>	\$ <u>300,000,000</u>
35.	<b><u>AMTS RECEIVED FROM GOV'T RBL ESCR</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
	Amts rec'd from Gov't RBL ESCR	\$ <u>300,000,000</u>	\$ <u>300,000,000</u>

The Government of the Republic of Trinidad and Tobago as per Cabinet Minute F (DMD) 18/2/207 has agreed that Republic Bank Limited be awarded the mandate to arrange a (9) year Fixed Loan Rate Facility in the amount of TT \$300,000,000.00 to meet the operating expenses of the National Maintenance Training and Security Company Limited.

The Terms of this Facility is as follows:

Type of Facility: Fixed Rate Loan  
 Facility Amount: 300,000,000  
 Currency: Trinidad and Tobago Dollars (TTD)  
 Purpose: Operating Expenses of the National Maintenance Training and Security Company Limited.

Term: Nine (9) Years  
 Interest Rate: Fixed at 5.20% per annum  
 Repayment: Bullet at Maturity  
 Interest Payment: Interest to be repaid semi-annually calculated on an actual 365 days basis, commencing six (6) months after issue date.

Security: Letter of Guarantee pending the finalization of the Government Guarantee. Deed of Guarantee to be provided within six (6) months of due date.

Security Conditions: If the Deed of Guarantee is not provided within one hundred and eighty (180) days of issue date of the loan, a step-up rate by 200 basis points will be applicable, until received.

Prepayment Options: Not pre-payable

Arranger Fees: 0.20% of the facility amount payable upon first disbursement

Legal Fees: TT\$60,000.00 plus VAT and Disbursements and TT\$1.2Mn. Stamp duties subject to BIR approval. For the account of the Borrower.

Facility Agent Fees: Estimated to TT\$45,000.00 per annum plus an establishment fee of TT\$5,000.00 for the account of the Borrower.

Governing Law: As required by the laws of the Republic of Trinidad and Tobago.