

**RURAL DEVELOPMENT COMPANY OF  
TRINIDAD AND TOBAGO LIMITED**

FINANCIAL STATEMENTS

YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2021

MAHARAJ  
MOHAMMED  
& Co.  
Chartered Accountants

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2021

<b>C O N T E N T S</b>	<b>Page</b>
<b>Statement of Management's Responsibilities</b>	<b>2</b>
<b>Independent Auditors' Report</b>	<b>3 – 5</b>
<b>Statement of Financial Position</b>	<b>6</b>
<b>Statement of Comprehensive Income</b>	<b>7</b>
<b>Statement of Changes in Equity</b>	<b>8</b>
<b>Statement of Cash Flows</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>10 - 19</b>
<b>Schedules to the Statement of Comprehensive Income</b>	<b>20</b>

# RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

## STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Management is responsible for the following:

- Preparing and fairly presenting the financial statements of the Rural Development Company of Trinidad and Tobago Limited, which comprise the statement of financial position as at 30<sup>th</sup> September, 2021, the statements of comprehensive income, changes in equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of Company's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Company's Act; and
- Using reasonable and prudent judgement in the determination of estimates.

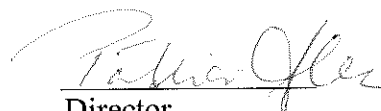
In preparing these audited financial statements, Management utilized the International Financial Reporting Standard, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards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

Nothing has come to the attention of Management to indicate that The Rural Development Company of Trinidad and Tobago Limited will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorized for issue, if later.

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



Director  
27<sup>th</sup> January 2022



Director  
27<sup>th</sup> January 2022

Chartered Accountants  
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San Fernando,  
Trinidad, W.I.  
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**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF  
RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED**

*Report on the Financial Statements*

We have audited the financial statements of Rural Development Company of Trinidad and Tobago Limited which comprises the statement of financial position as at 30<sup>th</sup> September 2021, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and incorporating summary of significant accounting policies and other explanatory notes, as stated on pages 6 to 19.

*Opinion*

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Rural Development Company of Trinidad and Tobago Limited as at 30<sup>th</sup> September 2021 and the results of its operations and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

*Basis for Opinion*

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so. Those charged with governance are 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

*Auditors' Responsibilities for the Audit of the Financial Statements (continued)*

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

A handwritten signature in cursive script that reads 'Maharaj Mohammed & Co.'.

Maharaj Mohammed & Co.  
Chartered Accountants  
Trinidad & Tobago

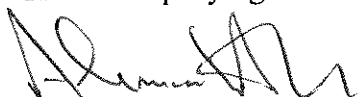
27<sup>th</sup> January 2022

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

STATEMENT OF FINANCIAL POSITION  
AS AT 30<sup>TH</sup> SEPTEMBER 2021

<u>ASSETS</u>	Notes	2021 \$	2020 \$
<b>Current assets</b>			
Cash and bank balances	4	218,841,368	49,840,408
Accounts and other receivables	5	2,089,787	1,193,923
Amounts due by related parties	6	120,347,848	81,981,276
Taxation recoverable		<u>229,062</u>	<u>248,594</u>
Total current assets		<u>341,508,065</u>	<u>133,264,201</u>
<b>Non-current assets</b>			
Property, plant and equipment	11	584,741	682,694
NRWRP software investment	16	<u>-</u>	<u>57,375</u>
Total non-current assets		<u>584,741</u>	<u>740,069</u>
<b>Total Assets</b>		<b><u>342,092,806</u></b>	<b><u>134,004,270</u></b>
 <u>EQUITY AND LIABILITIES</u>			
<b>Shareholders' Equity</b>			
Stated capital	9	10	10
Retained earnings		<u>9,073,924</u>	<u>4,479,041</u>
Total shareholders' equity		<u>9,073,934</u>	<u>4,479,051</u>
<b>Current liabilities</b>			
Accounts payable and accruals	8	1,896,624	29,297,307
Amounts due to related parties	7	30,641,973	121,914
Taxation payable		<u>-</u>	<u>43,080</u>
Total current liabilities		<u>32,538,597</u>	<u>29,462,301</u>
<b>Non-current liabilities</b>			
Loan	13	300,437,325	100,000,000
Deferred tax liability	14	<u>42,950</u>	<u>62,918</u>
Total non-current liabilities		<u>300,480,275</u>	<u>100,062,918</u>
Total Liabilities		<u>333,018,872</u>	<u>129,525,219</u>
<b>Total Liabilities and Shareholders' Equity</b>		<b><u>342,092,806</u></b>	<b><u>134,004,270</u></b>

The accompanying notes on pages 10 to 19 form an integral part of these financial statements.

 :Director

 :Director

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2021

	Note	2021 \$	2020 \$
<b>Revenues</b>			
Project management fees		2,596,812	3,853,392
Government subventions		5,576,389	3,169,556
NRWRP department surplus from operations	12	7,009,022	5,594,531
Other income		2,775,894	2,861,439
Gain on disposal of property plant and equipment		<u>-</u>	<u>33,259</u>
Total revenue		17,958,117	15,512,177
<b>Direct costs</b>			
Project management expenses		<u>-</u>	<u>(2,652)</u>
<b>Gross income</b>		17,958,117	15,509,525
<b>Expenses</b>			
Personnel costs and expenses		5,856,372	5,979,160
Depreciation		128,415	122,973
Administrative and other		1,233,139	1,007,602
Interest and bank charges		<u>6,089,426</u>	<u>3,293,882</u>
		<u>13,307,352</u>	<u>10,403,617</u>
<b>Profit before taxation</b>		4,650,765	5,105,908
Taxation charge	15	<u>(55,882)</u>	<u>(44,172)</u>
<b>Net profit for the year</b>		<u>4,594,883</u>	<u>5,061,736</u>

The accompanying notes on pages 10 to 19 form an integral part of these financial statements.



RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2021

	<b>Stated Capital \$</b>	<b>Retained Earnings \$</b>	<b>Total \$</b>
Balance as at 1 <sup>st</sup> October 2020	10	4,479,041	4,479,051
Profit for the year	<u>-</u>	<u>4,594,883</u>	<u>4,594,883</u>
Balance as at 30 <sup>th</sup> September 2021	<u>10</u>	<u>9,073,924</u>	<u>9,073,934</u>
Balance as at 1 <sup>st</sup> October 2019	10	(582,695)	(582,685)
Profit for the year	<u>-</u>	<u>5,061,736</u>	<u>5,061,736</u>
Balance as at 30 <sup>th</sup> September 2020	<u>10</u>	<u>4,479,041</u>	<u>4,479,051</u>

The accompanying notes on pages 10 to 19 form an integral part of these financial statements.

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2021

	Note	2021 \$	2020 \$
<b>Operating Activities</b>			
Net profit before taxation		4,650,765	5,105,908
<b>Adjustments for:</b>			
Loss / (gain) on disposal of property, plant and equipment		24,236	(33,259)
Depreciation of property, plant and equipment		<u>147,555</u>	<u>122,973</u>
Net loss before working capital changes		4,822,556	5,195,622
<b>Movements in working capital</b>			
Increase in accounts and other receivables		(876,332)	(973,777)
Increase in amounts due from related parties		(38,366,572)	(48,122,615)
Decrease in accounts payable and accruals		(27,443,760)	(7,293,968)
Increase / (decrease) in amounts due to related parties		<u>30,520,059</u>	<u>(1,159,636)</u>
<b>Cash used in operating activities</b>		(31,344,049)	(52,354,374)
Taxation		<u>(42,628)</u>	<u>(3,662)</u>
<b>Net cash used in operations</b>		<u>(31,386,677)</u>	<u>(52,358,036)</u>
<b>Investing activities</b>			
Proceeds from disposal of property, plant and equipment		-	42,000
NRWRP payroll software investment		-	(57,375)
Purchase of property, plant and equipment		(49,688)	(162,965)
<b>Cash used in investing activities</b>		<u>(49,688)</u>	<u>(178,340)</u>
<b>Financing activities</b>			
Proceeds from drawdown on new loan		<u>200,437,325</u>	<u>100,000,000</u>
<b>Cash provided by financing activities</b>		<u>200,437,325</u>	<u>100,000,000</u>
<b>Net increase in cash and cash equivalents</b>		<u>169,000,960</u>	<u>47,463,624</u>
<b>Cash and cash equivalents</b>			
- at the beginning of the year		49,840,408	2,376,784
- at the end of the year	3	<u>218,841,368</u>	<u>49,840,408</u>
		<u>169,000,960</u>	<u>47,463,624</u>

The accompanying notes on pages 10 to 19 form an integral part of these financial statements.

# RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2021

### **1. Incorporation and principal activities**

The company was incorporated in the Republic of Trinidad and Tobago on 2<sup>nd</sup> May 2005. The registered office is situated at Bunglow #221058 LP# 6 Skid Row Road, Brechin Castle, Couva. The company is a Special Purpose State Enterprise, with the Ministry of Finance as Corporation Sole.

The principal activities of the company are to provide project management services in the development and implementation of projects to improve the infrastructure, utilities and community facilities in rural communities of Trinidad and Tobago. These services were expanded to include the contract administration and supervision of construction of the contracts awarded.

In the main, the projects are identified by the Ministry of Rural Development and Local Government. The project management services include procuring of contractors on approved development projects, administration and supervision, and where applicable, design fee services.

The financial statements were authorized for issue by the Board of Directors on 26<sup>th</sup> January 2022.

### **2. Significant accounting policies**

#### **(a) Basis of preparation**

These financial statements are expressed in Trinidad and Tobago dollars and have been prepared under the historical cost convention, in accordance with International Financial Reporting Standards.

#### **(b) Use of estimates**

The preparation of financial statements, in conformity with International Financial Reporting Standards, require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### **(c) Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost and comprise cash in hand and bank balances disclosed in Trinidad and Tobago dollars, and other short-term highly liquid investments.

# RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2021

### 2. Significant accounting policies (continued)

#### (d) Foreign currency

Foreign currency transactions during the year are translated into Trinidad and Tobago dollars at the exchange rates ruling at the dates of the transactions. Current assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the statement of financial position date. Gains or losses thus arising are included in the Statement of Comprehensive Income.

#### (e) Property, plant and equipment

Property, plant and equipment are stated at cost and are being depreciated on the reducing balance basis, at varying rates which are sufficient to write off the cost of the assets over their estimated useful lives as follows:

Leasehold improvements	Straight-line over 15 years
Security and other equipment	15% - 20%
Office furniture and equipment	15% - 20%
Motor vehicles	25%
Computer equipment	25%

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

As asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

#### (f) Accounts receivable

Accounts receivable are amounts due from customers for goods sold or services performed in the ordinary course of business. All collections from sales are expected in one year or less and are classified as current assets. Accounts receivable are initially recognized at the transaction price. They are subsequently measured at cost less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the company will not be able to recover all amounts due according to the original terms of the receivables.

# RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2021

### 2. Significant accounting policies (continued)

#### (g) Accounts payable

Accounts payable are obligations on the basis of normal credit terms and do not bear interest.

#### (h) Revenue

##### (i) *Project management services rendered*

Revenue from services rendered is recognised in Statement of Comprehensive Income in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or associated costs.

##### (ii) *Government Income*

These are Subventions received from the government towards the operation of the Company. Government Subventions are accounted for on a cash basis due to the uncertainty of the timing of the receipt.

##### (iii) *Design fees and other income*

Design fees and other income are recognized on an accrual basis.

#### (i) Deferred taxation

Deferred income tax is provided using the liability method on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the rate that is expected to apply to the period when the asset is realized or the liability is settled, based on the enacted tax rate at the statement of financial position date.

#### (j) Taxation

The company is subject to Corporation Tax based on the stipulated rate for the respective year of income, in addition to Green Fund Levy at the rate of 0.3% of gross revenue.

#### (k) Stated capital

Ordinary shares are classified as equity.

### 3. Comparative information

Were applicable the prior year balances have been restated to conform to current year presentation.

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2021

**4. Cash and bank balances**

Cash and cash equivalents consist of cash on hand, balances with banks and short-term investments. Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	2021	2020
	\$	\$
Cash on hand	3,114	1,752
Cash at bank	206,239,667	44,262,228
NRWRP operating account	12,586,147	5,564,156
Short-term investments	<u>12,440</u>	<u>12,272</u>
	<u>218,841,368</u>	<u>49,840,408</u>

The short-term investments comprise Money-Market deposits in the Abercrombie Fund of First Citizens Bank Limited.

**5. Accounts receivables and other**

	2021	2020
	\$	\$
Other receivables	1,961,835	1,190,565
Prepayments	-	3,358
Value Added Tax recoverable	<u>127,952</u>	<u>-</u>
	<u>2,089,787</u>	<u>1,193,923</u>

**6. Amounts due by related party:**

<i>Ministry of Rural Development and Local Government</i>	2021	2020
	\$	\$
Current period projects	38,366,572	-
2020 projects	62,042,101	62,042,101
2019 projects	<u>19,939,175</u>	<u>19,939,175</u>
	<u>120,347,848</u>	<u>81,981,276</u>

This represents payments due from various projects that were approved by the Ministry of Rural and Local Development. These amounts were billed upon completion of the contracts and inspection by the Company's as well as the Ministry of Rural Development's engineering department.

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2021

<b>7. Amounts due to related parties:</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Ministry of Agriculture, Land and Fisheries	121,914	121,914
Ministry of Rural Development and Local Government	<u>30,520,059</u>	<u>-</u>
	<u>30,641,973</u>	<u>121,914</u>

The transactions conducted with related parties were carried out on commercial terms and conditions at market rates.

The company had related company transactions during the year as follows:

Sales to related party	<u>40,887,314</u>	<u>14,431,310</u>
Expenditure incurred to related party:		
Construction of bridges	5,296,350	-
Road and drainage upgrade	16,061,355	-
Recreational ground and sports arenas	8,615,181	-
Construction of retaining walls	10,180,980	-
NELP projects	<u>132,982</u>	<u>-</u>
	<u>40,286,848</u>	<u>-</u>

<b>8. Accounts payable and accruals</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Trade payables	288,569	25,951,594
Due to contractors	-	1,388,717
Accruals	195,580	849,200
Gratuity provisions	<u>1,412,475</u>	<u>1,107,796</u>
	<u>1,896,624</u>	<u>29,297,307</u>

<b>9. Stated capital</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Authorized		
An unlimited number of ordinary shares		
Issued		
10 ordinary shares	<u>10</u>	<u>10</u>

<b>10. Employees</b>	<b>2021</b>	<b>2020</b>
The number of employees at 30th September:	<u>24</u>	<u>24</u>

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2019

11. Property, plant and equipment

Year ended 30 <sup>th</sup> September 2021	Computer Equipment \$	Office Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Office Furniture \$	Security Services \$	Site Equipment \$	Total \$
<i>Cost</i>								
Beginning of the year	735,291	503,806	-	1,077,330	415,116	63,783	6,800	2,802,126
Additions	68,070	-	-	-	3,905	1,863	-	73,838
Disposal	(280,273)	(69,617)	-	-	(35,972)	(15,322)	-	(401,184)
End of the Year	<u>523,088</u>	<u>434,189</u>	-	<u>1,077,330</u>	<u>383,049</u>	<u>50,324</u>	<u>6,800</u>	<u>2,474,780</u>
<i>Accumulated depreciation</i>								
Beginning of the year	556,893	378,376	-	746,198	389,110	48,825	30	2,119,432
Charge for the year	60,915	18,814	-	55,002	8,184	3,286	1,354	147,555
Disposal	(272,085)	(55,268)	-	-	(35,333)	(14,262)	-	(376,948)
End of the Year	<u>345,723</u>	<u>341,922</u>	-	<u>801,200</u>	<u>361,961</u>	<u>37,849</u>	<u>1,384</u>	<u>1,890,039</u>
<b>Net book value 2021</b>	<b><u>177,365</u></b>	<b><u>92,267</u></b>	<b>-</b>	<b><u>276,130</u></b>	<b><u>21,088</u></b>	<b><u>12,475</u></b>	<b><u>5,416</u></b>	<b><u>584,741</u></b>
<b>Year ended 30<sup>th</sup> September 2020</b>								
<i>Cost</i>								
Beginning of the year	619,913	470,581	309,634	1,077,330	415,116	56,220	-	2,948,794
Additions	115,378	33,225	-	-	-	7,563	6,800	162,966
Disposal	-	-	(309,634)	-	-	-	-	(309,634)
End of the Year	<u>735,291</u>	<u>503,806</u>	-	<u>1,077,330</u>	<u>415,116</u>	<u>63,783</u>	<u>6,800</u>	<u>2,802,126</u>
<i>Accumulated depreciation</i>								
Beginning of the year	526,664	360,930	300,892	679,971	382,608	46,286	-	2,297,351
Charge for the year	30,229	17,446	-	66,227	6,502	2,539	30	122,973
Disposal	-	-	(300,892)	-	-	-	-	(300,892)
End of the Year	<u>556,893</u>	<u>378,376</u>	-	<u>746,198</u>	<u>389,110</u>	<u>48,825</u>	<u>30</u>	<u>2,119,432</u>
<b>Net book value 2020</b>	<b><u>178,398</u></b>	<b><u>125,430</u></b>	<b>-</b>	<b><u>331,132</u></b>	<b><u>26,006</u></b>	<b><u>14,958</u></b>	<b><u>6,770</u></b>	<b><u>682,694</u></b>



RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2021

**12. National Reforestation and Watershed Rehabilitation Programme (NRWRP)**

By way of Cabinet Note Number 634 dated 9<sup>th</sup> April 2020, the NRWRP was transferred from the Ministry of Agriculture, Land and Fisheries to the RDC. In turn the NRWRP was established as a separate organizational department of the RDC in June of 2020.

The following income statement reflects the outcome of the operations of NRWRP for the year ended 30<sup>th</sup> September 2021 and comparative five-month period May 2020 to September 2020:

*NATIONAL REFORESTATION AND WATERSHED REHABILITATION PROGRAMME  
STATEMENT OF COMPREHENSIVE INCOME*

	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Revenue</b>		
Government subventions	78,948,667	20,660,330
<b>Direct costs</b>		
Contractor's payments	(7,401,524)	(1,556,007)
Salary and wages	(61,357,115)	(12,853,145)
	<u>(68,758,639)</u>	<u>(14,409,152)</u>
<b>Gross income</b>	10,190,028	6,251,178
<b>Expenses</b>		
Office supplies	112,010	1,798
Personnel	2,183,653	626,137
Rent or lease	110,544	-
Bank interest and charges	53,167	3,606
Advertising	14,840	25,106
Maintenance and repairs	413,177	-
Utilities	14,271	-
Professional fees	18,000	-
Telephone	12,901	-
Vehicle	11,932	-
Security	206,536	-
Health and safety	9,448	-
Meeting	1,386	-
Depreciation	<u>19,141</u>	<u>-</u>
	<u>3,181,006</u>	<u>656,647</u>
<b>Net surplus</b>	<u>7,009,022</u>	<u>5,594,531</u>

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2021

13. Bank loans	2021 \$	2020 \$
First Citizens Bank – (note i)	100,000,000	100,000,000
RBC Royal Bank – (note ii)	<u>200,437,325</u>	<u>-</u>
	<u>300,437,325</u>	<u>100,000,000</u>

*Note i. – First Citizens Bank Limited*

A loan facility in the principal sum of TT\$100 million, was granted in November of 2019, to offset expenses for projects approved and as instructed by the Ministry of Rural Development and Local Government.

Interest is fixed on dated issue at Central Bank of Trinidad and Tobago Prime Lending Rate (average) less 3.76% p.a.; to be reset every 2 years. A floor rate of 5.5% p.a. Current effective 5.5p.a.

The term of the loan is seven (7) years with interest to be semi-annually. Principal to be repaid via equal semi-annual payments of TTD\$7,777,777.78 commencing six months from the 2<sup>nd</sup> anniversary of the facility with balloon payment of 30% at maturity. Interest charged at 6.45% per annum.

The Government of the Republic of Trinidad & Tobago has issued an unconditional irrevocable guarantee in respect of the above obligation.

*Note ii. - RBC Royal Bank (Trinidad and Tobago) Limited*

A Government approved a fixed rate loan facility of the principal sum of TT\$200,437,325.00 in July 2021. The loan was used to expenditure for critical projects for the fiscal year 2020/2021, and to fulfil payment obligations to contractors as instructed by the Ministry of Rural Development and Local Government.

Interest on the principal amount is accrued at a rate of 3.57% per annum. The terms of the loan is six (6) years. The principal amount shall be repaid together with accrued interest via six (6) equal semi-annual blended payments of principal commencing on the third year of the first drawdown date.

The Government of the Republic of Trinidad & Tobago has issued an unconditional irrevocable guarantee in respect of the above obligation

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH SEPTEMBER 2020

<b>14. Deferred taxation</b>	<b>2021</b>	<b>2020</b>
	\$	\$
<i>Deferred Tax Liability</i>		
Net book value per accounting records	584,741	682,694
Tax written down value	<u>(441,576)</u>	<u>(472,966)</u>
Temporary differences	143,165	209,728
Deferred tax liability @ 30%	<u>42,950</u>	<u>62,918</u>
<i>Net Deferred Tax benefit / (charge) (Note 15)</i>	<u>19,968</u>	<u>(5,397)</u>

<b>15. Taxation</b>	<b>2021</b>	<b>2020</b>
	\$	\$
<i>Reconciliation between accounting loss and taxation benefit/(charge)</i>		
Accounting income	4,650,765	5,105,908
Items (allowable)/disallowed	<u>(5,392,991)</u>	<u>(5,634,542)</u>
Allowable loss for the year	(742,226)	(528,634)
Allowable losses brought forward	<u>(11,268,083)</u>	<u>(10,739,449)</u>
Allowable losses carried forward	<u>(12,010,309)</u>	<u>(11,268,083)</u>

There have been no adjustments to account for a Deferred tax asset as this is recognized only if there is a reasonable expectation of realization. Deferred tax assets 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 unused tax losses can be utilized.

*Taxation (charge)/ benefit is made up as follows:*

Business levy	(63,657)	(25,850)
Green Fund levy	(12,193)	(12,925)
Deferred tax benefit / (charge) (Note 14)	<u>19,968</u>	<u>(5,397)</u>
	<u>(55,882)</u>	<u>(44,172)</u>

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH SEPTEMBER 2020

<b>16. NRWRP software investment</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Paymaster Software	<u>-</u>	<u>57,375</u>

The balance represents funds paid for the setup and installation of a payroll software to be used by the National Reforestation and Watershed Rehabilitation Programme division and RDC. The software became fully operational, and was transferred to property plant and equipment in the current period.

**17. Going concern**

The assumption that the Company will continue as a going concern is based on its ability to continue to obtain financing from its primary shareholder, in the form of annual subventions per budgetary allocations of the Ministry of Finance, Trinidad & Tobago. Additionally, profits are expected to be derived from the NRWRP Division and management of projects for the Ministry of Rural Development and Local Government.

**18. Subsequent events**

On March 11<sup>th</sup> 2020, the World Health Organization declared the novel Coronavirus (COVID-19) outbreak a global pandemic. Management has considered the consequences of Covid-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern.

Between 30<sup>th</sup> September 2021 and the date on which the Board of Directors approved financial statements (13<sup>th</sup> December 2021), no event took place, to the entity's knowledge, that would justify being mentioned under post-balance sheet events.

RURAL DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

SCHEDULES TO THE STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2021

<b>1. Finance costs</b>	<b>2021</b>	<b>2021</b>
	\$	\$
Loan interest	6,077,481	3,280,556
Bank interest and charges	<u>11,945</u>	<u>13,326</u>
	<u>6,089,426</u>	<u>3,293,882</u>
<b>2. Personnel expenses</b>	<b>2021</b>	<b>2020</b>
	\$	\$
Staff welfare	9,308	2,927
Gratuity	726,316	1,022,078
Salaries and wages	<u>5,120,748</u>	<u>4,954,155</u>
	<u>5,856,372</u>	<u>5,979,160</u>
<b>3. Administrative and other expenses</b>	<b>2021</b>	<b>2020</b>
	\$	\$
Advertising	25,500	73,774
Books and periodicals	4,650	-
Motor vehicle	95,933	85,445
Subscriptions and donations	12,210	2,000
Meetings and annual events	11,555	11,193
Insurance	31,677	27,487
Professional fees	333,707	52,811
Repairs and maintenance	94,489	103,774
Janitorial and cleaning	53,200	71,876
Office and general	200,530	158,692
Penalties and interest	104,715	273,788
Telephone and utilities	173,226	63,983
Rental of machinery & equipment	35,460	46,490
Security	9,168	-
Loss on disposal of property plant and equipment	24,236	-
Cash over and short	-	(5,544)
Health and safety	<u>22,883</u>	<u>41,833</u>
	<u>1,233,139</u>	<u>1,007,602</u>