



# TRINIDAD AND TOBAGO GAZETTE (EXTRAORDINARY)

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1791

## SUPPLEMENT TO THIS ISSUE

THE DOCUMENTS detailed hereunder have been issued and are published as a Supplement to this issue of the *Trinidad and Tobago Gazette*:

### *Legal Supplement Part B—*

Common External Tariff (Suspension) Order, 2023—(Legal Notice No. 364 of 2023).

Common External Tariff (Variation of Duty) Order, 2023—(Legal Notice No. 365 of 2023).

Regulated Industries Commission (Approval of Cess) Order, 2023—(Legal Notice No. 366 of 2023).

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## APPOINTMENT TO BE TEMPORARILY MEMBERS OF THE SENATE

IT IS HEREBY NOTIFIED for general information that Her Excellency the President, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in her by section 44(1)(a) and section 44(4)(a) of the Constitution of the Republic of Trinidad and Tobago, has appointed MR. NDALE YOUNG, to be temporarily a member of the Senate, with effect from 7th November, 2023 and continuing during the absence from Trinidad and Tobago of Senator the Honourable RICHIE SOOKHAI.

6th November, 2023.

C. JACKMAN-WALDRON  
*Secretary to Her Excellency  
the President*

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IT IS HEREBY NOTIFIED for general information that Her Excellency the President, acting in accordance with the advice of the Leader of the Opposition, in exercise of the power vested in her by sections 44(1)(a) and 44(4)(b) of the Constitution of the Republic of Trinidad and Tobago, has appointed TIM GOPEESINGH, to be temporarily a member of the Senate, with effect from 7th November, 2023 and continuing during the absence from Trinidad and Tobago of Senator the Honourable WADE MARK.

7th November, 2023.

C. JACKMAN-WALDRON  
*Secretary to Her Excellency  
the President*



**GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO  
UPDATED PUBLIC STATEMENT OF PALO SECO AGRICULTURAL ENTERPRISES LIMITED FOR 2022  
IN COMPLIANCE WITH SECTIONS 7, 8 AND 9 OF  
THE FREEDOM OF INFORMATION ACT, CHAPTER 22:02 (FOIA)**

In accordance with Sections 7, 8 and 9 of the Freedom of Information Act, Chapter 22:02 ("FOIA"), Palo Seco Agricultural Enterprises Limited ("PSAEL") is required to publish by law updated statements which list the documents and information existing within PSAEL and are generally available to the public.

The Act gives members of the public:

1. A legal right for each person to access information held by the Palo Seco Agricultural Enterprises Limited;
2. A legal right for each person to have official information relating to him/herself amended where it is incomplete, incorrect or misleading;
3. A legal right to obtain reasons for adverse decisions made regarding an applicant's request for information under the FOIA;
4. A legal right to complain to the Ombudsman and to apply to the High Court for Judicial Review to challenge adverse decisions made under the FOIA.

**SECTION 7 STATEMENTS**

**Section 7(1)(a)(i)**

**Function and Structure of PSAEL**

**MISSION STATEMENT**

PSAEL's Mission is **"Transforming communities by providing quality service in the development and implementation of infrastructure and property management solutions."**

**VISION STATEMENT**

PSAEL's Vision is **"A profitable organization benchmarked for quality service and supported by competent and motivated employees."**

Palo Seco Agricultural Enterprises Limited (PSAEL), originally named Palo Seco Estates Limited, was incorporated in October 1956. Since its inception in 1956 the company has had several name changes and on January 8th, 1986 the organization was renamed to its present form - Palo Seco Agricultural Enterprises Limited.

From inception to the mid-nineties the main focus of the company was agriculture. In July 1994, the Ministry of Finance directed PSAEL to manage and divest the agricultural and residential landholdings of Trinidad and Tobago Oil Company Limited (TRINTOC) and Trinidad and Tobago Petroleum Company Limited (TRINTOPEC).

In 1995 with the merger and vesting of the oil related assets of TRINTOC and TRINTOPEC into the Petroleum Company of Trinidad and Tobago Limited (PETROTRIN), PSAEL's core function became the provision of estate maintenance and estate management services to PETROTRIN in addition to its ongoing Agri-Business.

In January 1996, PSAEL was reconstituted and staff from PETROTRIN was seconded to PSAEL to manage PETROTRIN's residual assets. Consequently, in June 2000 PSAEL formalized a Management Contract with TRINTOC, TRINTOPEC and PETROTRIN for the provision of estate maintenance and estate management services by PSAEL for a

management fee.

By 2004, due to a change in mandate, PSAEL ceased its agricultural activities which included products such as pasteurized milk, cocoa, citrus and other short term crops and focused mainly on project management services to both the government and PETROTRIN.

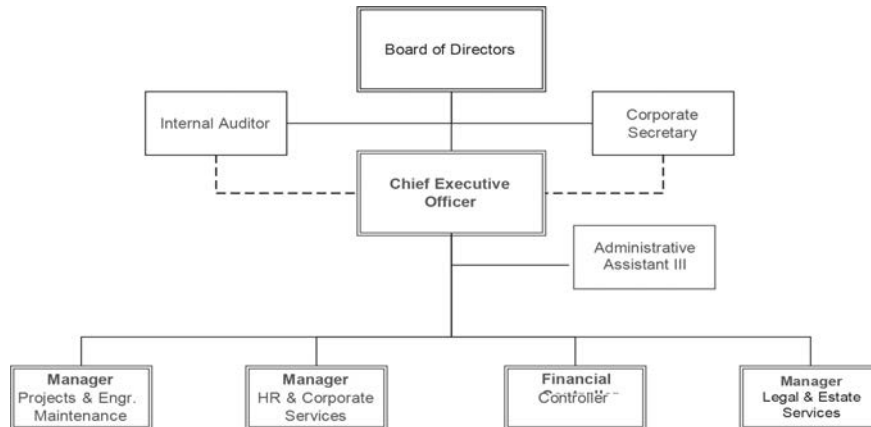
In 2006/2007 PSAEL was established as a Special Purpose State Enterprise. This was formalized by the Ministry of Finance, through the transfer of the shareholdings of TRINTOPEC in PSAEL to the Minister of Finance (Corporation Sole). During 2007/2008, PSAEL was assigned under the Ministry of Local Government with the responsibility for providing infrastructure development in communities across south Trinidad. In September 2013 PSAEL was transferred to the Ministry of Works and Infrastructure (MOWI) with the responsibility for providing project management services for infrastructure development projects. PSAEL was then moved to the Ministry of Rural Development and Local Government in September 2015. Thereafter, in September 2017 PSAEL was transferred to the Ministry of Agriculture, Land and Fisheries where it remains to date.

Presently, PSAEL's main function is:

- a. Provider of estate maintenance and land management services for TRINTOC, TRINTOPEC and BHP Billiton.

**Organisational Structure**

The Organizational Structure of the Company is as follows:



The Board of Directors is the representative of the shareholder and controls the overall direction of the Company.

**Its members are:**

- Ms. Annalean Inniss - Chairman
- Ms. Elizabeth Mohammed-Ali - Deputy Chairman
- Ms. Loretta Hope-Mc Donald - Director
- Mr. Ronald Dwarika - Director
- Mr. Dillon Teelucksingh - Director

There are five (5) Board Sub-Committees that consider, approve and where necessary, make recommendations to the Board of Directors on matters relating to Tenders, Audit, Lands and Projects, Personnel and Organisation and Finance and Investment.

The Leadership Team is responsible for the management of the Company.

**Its members are:**

- Chief Executive Officer
- Manager - Projects, Engineering and Maintenance
- Manager - Human Resource and Corporate Services
- Financial Controller
- Manager - Legal and Estate Services

**Office of the Chief Executive Officer**

The Office of the Chief Executive Officer apart from being responsible for the Company's operations, is also responsible for the following functions:

- Health Safety and the Environment
- Business Development
- Communications

**Projects, Engineering and Maintenance**

The Projects, Engineering and Maintenance Department is responsible for the following functions:

- Maintenance

- Project Management
- Engineering (Civil/Structural)
- Quantity Surveying

**Human Resource and Corporate Services**

The Human Resource and Corporate Services Department is responsible for the following functions:

- Human Resources
- Facilities
- Fleet

**Finance**

The Finance Department is responsible for the following functions:

- Financial Accounting
- Account Receivable/Payable
- Information Technology

**Legal and Estate Services**

The Legal and Estate Service Department is responsible for the following functions:

- Legal Services
- Estates Management
- Records Management
- Procurement and Contracts Administration

**Section 7(1)(a)(ii)**

**Categories of documents in the possession of PSAEL**

1. Files dealing with administrative support and general administration of the operations of PSAEL
2. Personnel files detailing inter alia staff movements, job evaluations, human resource and industrial relations issues
3. Files dealing with the accounting and financial management function of PSAEL.
4. Financial records and audit files
5. Files dealing with matters relating to the procurement of supplies, services and equipment

6. Maps, charts, photographs
7. Policy and procedure documents
8. Internal and external correspondence files
9. Legislation and legal instruments
10. Legal opinions and related matters
11. Minutes and agendas of meetings
12. Files dealing with circulars, memoranda, notices, bulletins etc.
13. Reports: statistical, periodic, audit, consultants', technical, corporate, valuation and accident
14. Books, booklets, leaflets, pamphlets, brochures, posters, newspapers clippings
15. Inventories
16. Complaint files
17. Registers, certificates, permits and licenses

**Section 7(1)(a)(iii)**

**Material prepared for publication or inspection**

1. PSAEL's annual audited financial statements.
2. Booklets, leaflets, pamphlets and brochures highlighting various aspects of the Company's functions, organization, operations or services.

The public may inspect and/or obtain copies of the following material between the hours of 8:30 a.m. to 11:00 a.m. and 1:30 p.m. to 3:00 p.m. on normal working days at:

**Address:** Palo Seco Agricultural Enterprises Limited  
31 Casuarina Avenue  
Petrotrin Compound  
Pointe-a-Pierre

**Telephone:** 868-658-1739 / 868-658-4147 / 868-658-3722  
**Fax No.:** 868-658-258 or 868-658-1003  
**E-mail:** contactform@psael.co.tt  
**Website:** www.psael.co.tt

**Section 7(1)(a)(iv)**

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**Literature available by subscription**

This section is not applicable to PSAEL at this time.

**Section 7(1)(a)(v)**

**Procedure to be followed when accessing a document from PSAEL**

**HOW TO REQUEST INFORMATION:**

- General Procedure

PSAEL's policy is to answer all requests for information whether oral or written. However, in order to have the rights given to you by the FOIA (for example the right to challenge a decision if your request for information is refused), you must make your request in writing. The applicant must, therefore, complete the appropriate form (Request for Access to Official Documents) available from PSAEL or alternatively, the applicant may download a copy of the said form from the Government's FOIA website: [www.foia.gov.tt](http://www.foia.gov.tt).

- Addressing Request

To facilitate the prompt handling of your request, please address it to the Designated Officer of PSAEL named in Section 7 (1) (a) (vi).

- Details in the Request

Applicant should provide details that will allow for ready identification and location of the records that are being requested. If insufficient information is provided clarification will be sought from the applicant. If you are not sure how to write your request or what details to include, communicate with our Designated Officer.

**REQUEST NOT HANDLED UNDER THE FOIA**

- A request under the FOIA will not be processed, if what is asked for is information which is readily available to the public, either from this public authority or from another public authority, for example brochures, pamphlets, reports, etc.

**TIME LIMITS**

- General

The FOIA sets a time limit of thirty (30) calendar days for determination of your request for access to documents. If we fail to meet this deadline, the FOIA gives you the right to proceed as though your request had been denied. We will try diligently to comply with the time limit. If it appears that processing your request may take longer than the statutory time limit, we will acknowledge your request and advise you of its status. Since there is a possibility that request may be incorrectly addressed or misdirected, you may wish to call or write to confirm that we have received the request and to ascertain its status.

- Time allowed

We will determine whether to grant your request for access to information as soon as practicable but no later than 30 days as required by section 15 of the FOIA. If a decision is taken to grant access to the information requested, you will be permitted to inspect the documents and/or be provided with copies.

**RESPONDING TO YOUR REQUEST**

- Retrieving Documents

Prior to the commencement of the FOIA old records may have been destroyed. The granting of a request for such documents may, therefore be impossible. Various laws, regulations and manuals give the time period for keeping records before they may be destroyed. For example, The Exchequer and Audit Act, Chap. 69:01.

- Furnishing Documents

An applicant is entitled to copies of information we have in our possession, custody or power. We are required to furnish only one copy of a document. If we cannot make a legible copy of a document, we may not attempt to reconstruct it. Instead, we will furnish the best copy possible and note its quality in our reply.

Please note we are not compelled to do the following:

- Create new documents. For example, we are not required to write a new programme so that a computer will print information in the format you prefer.
- Perform research for you.

**FEES AND CHARGES**

- Section 17 (1) stipulates that no fee shall be charged by a public authority for the making of a request for access to an official document. However, where access to an official document is to be given in the form of printed copies or copies in some form such as a tape disk, film or other material, the applicant shall pay the prescribed fee incurred for duplication of the said material.
- Details of charges for duplication of documents will be determined based upon individual requests by applicants.
- Applicants will be required to complete an official company invoice before funds are paid to the Cashier.

**Section 7(1)(a)(vi)**

**Officers in PSAEL who are responsible for:**

- The initial receipt action upon notices under section 10;
- Requests for access to documents under section 13; and
- Applications for correction of personal information under section 36 of the FOIA

**The Designated Officer is**

Mr. Indarjit Singh  
Chief Executive Officer  
Palo Seco Agricultural Enterprises Limited  
31 Casuarina Avenue  
Pointe-a-Pierre  
Indarjit.Singh@psael.co.tt  
Tel: (868) 658-5445/ 658-4147/1739/3722

**The Alternate Officer is**

Ms. Lea Jacob  
Attorney at Law  
Palo Seco Agricultural Enterprises Limited  
31 Casuarina Avenue  
Pointe-a-Pierre  
Lea.Jacob@psael.co.tt  
Tel: (868) 658-1739/4147/3722/2391

All communications should be addressed as follows:

Designated Officer - Freedom of Information  
Palo Seco Agricultural Enterprises Limited  
31 Casuarina Avenue  
Pointe-a-Pierre

**Section 7(1)(a)(vii)**

**Advisory Boards, Councils, Committees and other bodies (where meetings/minutes are open to the public)**

At the present time there are no bodies in PSAEL that fall within the meaning of this section of the FOIA.

**Section 7(1)(a)(viii)**

**Library/Reading Room Facilities**

Information can be accessed at PSAEL, 31 Casuarina Avenue, Pointe-a-Pierre during the hours of 8:30 a.m. to 11:00 a.m. and 1:30 p.m. to 3:00 p.m. Monday - Friday.

- Users will be liable for any damage caused to the Company's property through the said users' willful, malicious use of the said property.
- No smoking, eating or drinking is allowed.

**Policy of PSAEL for provision of copies of documents:**

- Certain provision of documents may be subject to a small charge to cover administrative costs, where requests require large amounts of paper. This is to be determined at the discretion of the Company.
- Downloading of information from the Company's information technology systems and databases is strictly prohibited.

**SECTION 8 STATEMENTS**

**SECTION 8 (1) (a) (i)**

There are no statements to be published under this section at this time.

**Section 8 (1) (a) (ii)**

**Manuals, rules of procedure, statements of policy, records of decisions, letters of advice to persons outside the public authority, or similar documents containing rules, policies, guidelines, practices or precedents that apply under this section are as follows:**

- State Enterprises Performance Monitoring Manual
- Company Loan Policy
- Compensation Policy
- Corrective Action and Discipline Policy
- Donations and Sponsorship Policy
- Dress Code Policy
- Employment Policy
- Grievance Policy
- Harassment Policy
- Leave Administration Policy and Procedure
- Media Relations Policy
- Performance Appraisal Manual
- Performance Management Policy
- Office Paper Recycling Program Guidelines
- Sexual Harassment Policy
- Training and Development Policy
- Transport Policy
- Corporate HSE Policy Statement
- Emergency Response Plan
- Incident Reporting Policy
- Medical Emergency Policy
- Personal Protective Equipment Policy and Procedure
- Health, Safety and Environment Execution Manual
- Substance Abuse Policy
- Electronic Equipment Assignment Policy
- Records Management Policy
- Records Retention & Disposition Policy
- Electronic Records Management Procedure
- Records Management Procedure
- Vital Records Procedure
- Document Control Policy
- Land Policy
- Legal and Estate Services Department Procedure
- Squatter Regularization and Containment Policy

**SECTION 8 (1) (b)**

There are no statements to be published under this section at this time.

**SECTION 9 STATEMENTS**

**Section 9(1)(a)**

**A report or a statement containing the advice or recommendations, of a body or entity established within PSAEL**  
There are no statements to be published under this section at this time.

**Section 9(1)(b)**

**A report or a statement containing the advice or recommendations:**

- of a body or entity established outside PSAEL by or under a written law
- or by a Minister of Government or other public authority for the purpose of submitting a report or reports, providing advice or making recommendations to PSAEL or to the responsible Minister for PSAEL

- State Enterprises Performance Monitoring Manual

**Section 9(1)(c)**

**A report or a statement containing the advice or recommendations of an inter-departmental Committee whose membership includes an officer of PSAEL:**  
There are no statements to be published under this section at this time.

**Section 9(1)(d)**

**A report or a statement containing the advice or recommendations, of a committee established within PSAEL to submit a report, provide advice or make recommendations to the responsible Minister for PSAEL or to another officer of PSAEL who is not a member of the committee.**  
There are no statements to be published under this section at this time.

**Section 9(1)(e)**

**A report (including a report concerning the results of studies, surveys or tests) prepared for PSAEL by a scientific or technical expert, whether employed within PSAEL or not, including a report expressing the opinion of such an expert on scientific or technical matters.**

- Survey plans

**Section 9(1)(f)**

**A report prepared for PSAEL by a consultant who was paid for preparing the report.**

- Legal Opinions
- Audit report

**Section 9(1)(g)**

**A report prepared within PSAEL and containing the results of studies, surveys or tests carried out for the purpose of assessing, or making recommendations on the feasibility of establishing a new or proposed Government policy, programme or project.**

At this time we have no reports or statements containing advice or recommendations under this section.

**Section 9(1)(h)**

**Reports on the performance or efficiency of PSAEL, or of an office, division or branch of PSAEL, whether the report is of a general nature or concerns a particular policy, programme or project administered by PSAEL.**

- Departmental periodic highlights and performance indicators
- Monthly summary of tenders and contracts awarded
- Personal performance/assessment reports
- Monthly Corporate Overview, annual report and other periodic financial data
- Periodic personnel administration and human resources reports
- Audit reports
- Financial reports

**Section 9(1)(i)**

**A report containing:**

- Final plans or proposals for the re-organization of the functions of PSAEL;
- The establishment of a new policy, programme or project to be administered by PSAEL, or
- The alteration of an existing policy programme or project administered by PSAEL, whether or not the plans or proposals are subject to approval by an officer of PSAEL, another public authority, the responsible Minister for PSAEL or Cabinet.

- Budgets
- Organization Structures and Functional Charts
- Human resource matters including job descriptions and evaluations and collective agreements

**Section 9(1)(j)**

**A statement prepared within PSAEL and containing policy directions for the drafting of legislation.**

At this time we have no statements containing advice or recommendations under this section.

**Section 9(1)(k) - A report of a test carried out within PSAEL on a product for the purpose of purchasing equipment.**

There are no statements to be published under this section at this time.

**Section 9(1)(l) - An environmental impact statement prepared within PSAEL.**

At this time we have no statements containing advice or recommendations under this section.

**Section 9(1)(m) - A valuation report prepared for PSAEL by a valuator, whether or not the valuator is an officer of PSAEL.**

- Valuations for transfers of land
- Valuation of Trintoc/Trintopoc/PSAEL land holdings
- Valuation of land for leasing purposes





Chartered Accountants  
& Business Advisors  
PKF LIMITED

## INDEPENDENT AUDITORS' REPORT

### The Shareholders

#### Palo Seco Agricultural Enterprises Limited

### Opinion

We have audited the financial statements of Palo Seco Agricultural Enterprises Limited, which comprise the statement of financial position as at 30 September 2019, and the statements of comprehensive income, changes in shareholders' equity and 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 Palo Seco Agricultural Enterprises Limited as at 30 September 2019 and its financial performance and its 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Palo Seco Agricultural Enterprises Limited 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.

### Material Uncertainty Relating to Going Concern

We draw attention to Note 2 (j) to the financial statements, which indicates that as at 30 September 2019, the company's current liabilities exceeded its current assets by \$33,844,492. Additionally, the consistent non-receipt of amounts due from related parties has adversely affected the working capital of the company, leading to its inability to fulfill its current obligations to various contractors. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

### Responsibilities of Management and the Board of Directors 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 has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the company's financial reporting process.

PKF Limited (Trinidad) is a member of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

Telephone: (868) 235-5063  
Address: 111 Eleventh Street, Barataria 250623, Trinidad, West Indies  
Mailing Address: PO Box 10205, Eastern Main Road, San Juan

Directors: René-Lisa Philip Mark K. Superville Jenine Felician-Romain Darcel Corbin



Chartered Accountants  
& Business Advisors

**INDEPENDENT AUDITORS' REPORT (Cont'd) PKF LIMITED**

**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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 Board of Directors 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 blue ink that reads 'PKF'.

4 November 2022  
BARATARIA  
TRINIDAD



1795—Continued

## PALO SECO AGRICULTURAL ENTERPRISES LIMITED—CONTINUED

## PALO SECO AGRICULTURAL ENTERPRISES LIMITED

## STATEMENT OF FINANCIAL POSITION

	Notes	30 September	
		2019 (\$)	2023 (\$)
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash in hand and bank	5	4,298,259	3,592,270
Accounts receivable and prepayment	6	819,193	972,079
Taxation recoverable		<u>403,871</u>	<u>403,871</u>
<b>Total Current Assets</b>		<u>5,521,323</u>	<u>4,968,220</u>
<b>Non Current Assets:</b>			
Amounts due from related parties	7	77,643,299	86,034,055
Property, plant and equipment	8	2,668,670	3,017,032
Investments-available-for-sale	9	1,234,140	1,040,736
Deferred taxation	10	<u>7,849,195</u>	<u>6,953,230</u>
<b>Total Non-Current Assets</b>		<u>89,395,304</u>	<u>97,045,053</u>
<b>Total Assets</b>		<u>94,916,627</u>	<u>102,013,273</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities:</b>			
Accounts payable and accruals	11	<u>39,365,815</u>	<u>39,927,116</u>
<b>Total Current Liabilities</b>		<u>39,365,815</u>	<u>39,927,116</u>
<b>Non-Current Liabilities:</b>			
Amounts due to related parties	7	917,208	1,035,275
Medium Term Loan	12	<u>29,310,285</u>	<u>29,310,285</u>
<b>Total Non-Current Liabilities</b>		<u>30,227,493</u>	<u>30,345,560</u>
<b>Total Liabilities</b>		<u>69,593,308</u>	<u>70,272,676</u>
<b>Shareholders' Equity:</b>			
Stated capital		301,790	301,790
Investment remeasurement reserve		(40,860)	(234,264)
Retained earnings		<u>25,062,389</u>	<u>31,673,071</u>
<b>Total Shareholders' Equity</b>		<u>25,323,319</u>	<u>31,740,597</u>
<b>Total Liabilities and Shareholders' Equity</b>		<u>94,916,627</u>	<u>102,013,273</u>

These financial statements were approved by the Board of Directors and authorised for issue on November 4, 2023, and signed on their behalf by

  
Chairman

  
Director

(The accompanying notes form an integral part of these financial statements)

1795—Continued

PALO SECO AGRICULTURAL ENTERPRISES LIMITED INDEPENDENT AUDITOR'S REPORT—CONTINUED

## PALO SECO AGRICULTURAL ENTERPRISES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

		For the year ended 30 September	
	<u>Notes</u>	<u>2019</u> (\$)	<u>2018</u> (\$)
<b>Income:</b>			
Management fees		-	(85,339)
Project management income		-	(576,323)
Land management services		1,250,488	2,161,481
Land and building rental		2,263,841	2,533,340
Interest income		63,993	72,552
Other income		<u>2,936,911</u>	<u>557,304</u>
		<u>6,515,233</u>	<u>4,663,015</u>
<b>Operating Expenditure:</b>			
Project expenses	14	294,930	973,620
Other direct expenses	15	<u>765,349</u>	<u>1,479,037</u>
		<u>1,060,279</u>	<u>2,452,657</u>
<b>Operating income</b>		<u>5,454,954</u>	<u>2,210,358</u>
<b>Expenditure:</b>			
Administrative and general expenses	16	7,316,913	1,802,875
Interest and bank charges		<u>1,127,436</u>	<u>213,321</u>
		<u>8,444,349</u>	<u>2,016,196</u>
Net (loss)/profit before taxation:		(2,989,395)	194,162
Taxation	17	<u>843,337</u>	<u>(102,046)</u>
Net (loss)/profit after taxation		(2,146,058)	92,116
<b>Other comprehensive income:</b>			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Unrealised gain/(loss) on available-for-sale financial assets		<u>193,404</u>	<u>(75,818)</u>
<b>Total Comprehensive (Loss)/Income for the year</b>		<u><u>(1,952,654)</u></u>	<u><u>16,298</u></u>

(The accompanying notes are an integral part of these financial statements)

1795—Continued

PALO SECO AGRICULTURAL ENTERPRISES LIMITED INDEPENDENT AUDITOR'S REPORT—CONTINUED

**PALO SECO AGRICULTURAL ENTERPRISES LIMITED**  
**STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	<u>Stated Capital</u> (\$)	<u>Investment Remeasurement Reserve</u> (\$)	<u>Retained Earnings</u> (\$)	<u>Shareholder's Equity</u> (\$)
Balance, 1 October 2017	301,790	(158,446)	31,580,955	31,724,299
Total comprehensive loss for the year	-	(75,818)	92,116	16,298
Balance, 30 September 2018	<u>301,790</u>	<u>(234,264)</u>	<u>31,673,071</u>	<u>31,740,597</u>
Balance, 1 October 2018	301,790	(234,264)	31,673,071	31,740,597
Adjustment for expected credit loss	-	-	(4,464,624)	(4,464,624)
Restated balance, 1 October 2018	301,790	(234,264)	27,208,447	27,275,973
Total comprehensive loss for the year	-	193,404	(2,146,058)	(1,952,654)
Balance, 30 September 2019	<u>301,790</u>	<u>(40,860)</u>	<u>25,062,389</u>	<u>25,323,319</u>

(The accompanying notes are an integral part of these financial statements)



1795—Continued

## PALO SECO AGRICULTURAL ENTERPRISES LIMITED INDEPENDENT AUDITOR'S REPORT—CONTINUED

## PALO SECO AGRICULTURAL ENTERPRISES LIMITED

## STATEMENT OF CASH FLOWS

	For the year ended 30 September	
	<u>2019</u> (\$)	<u>2018</u> (\$)
<b>OPERATING ACTIVITIES:</b>		
Net (loss)/profit before taxation	(2,989,395)	194,162
Adjustments to reconcile net income from operating activities:		
Depreciation	372,109	446,572
Loss on disposal of fixed asset	<u>1,769</u>	<u>1,840</u>
	(2,615,517)	642,574
Net change in accounts receivable and prepayments	81,154	(7,559)
Net change in amounts due from related parties	3,997,864	1,279,635
Net change in accounts payables and accruals	(561,301)	(31,078,919)
Net change in amounts due to related parties	<u>(118,067)</u>	<u>(641,755)</u>
	784,133	(29,806,024)
Taxes paid	<u>(52,628)</u>	<u>(41,997)</u>
Cash provided by/(used in) by operating activities	<u>731,505</u>	<u>(29,848,021)</u>
<b>INVESTING ACTIVITIES:</b>		
Proceeds on disposal	851	4,602
Purchase of fixed assets	<u>(26,367)</u>	<u>(20,331)</u>
Net cash used in investing activities	<u>(25,516)</u>	<u>(15,729)</u>
<b>FINANCING ACTIVITIES</b>		
Medium-term loan	<u>-</u>	<u>29,310,285</u>
Net cash provided by financing activities	<u>-</u>	<u>29,310,285</u>
Net change in cash resources	705,989	(553,465)
Cash Resources, beginning of year	<u>3,592,270</u>	<u>4,145,735</u>
Cash resources, end of year	<u><u>4,298,259</u></u>	<u><u>3,592,270</u></u>
<b>Represented by:</b>		
Cash in hand and at bank	<u><u>4,298,259</u></u>	<u><u>3,592,270</u></u>

(The accompanying notes are an integral part of these financial statements)

1795—Continued

PALO SECO AGRICULTURAL ENTERPRISES LIMITED INDEPENDENT AUDITOR'S REPORT—CONTINUED

**PALO SECO AGRICULTURAL ENTERPRISES LIMITED****NOTES TO THE FINANCIAL STATEMENTS****30 SEPTEMBER 2019****1. Incorporation and Principal Business Activity:**

Palo Seco Agricultural Enterprises Limited (PSAEL), (formerly Trinidad Tesoro Agricultural Company Limited) was incorporated on 11 October 1956. It was a wholly-owned subsidiary of Trinidad and Tobago Petroleum Company Limited (TRINTOPEC), a company incorporated in Trinidad and Tobago on 19 November 1985.

In May 2006, the Government of Trinidad and Tobago declared PSAEL a Special Purpose State Enterprise. In June 2008, the company transferred its shares to the Minister of Finance as Corporation Sole, with 1 share held by a nominee, on behalf of the Minister of Finance as Corporation Sole.

The principal activities of the company have been redirected to the generation of revenue from Land Management Services, which involves services rendered for land management and administration and estate surveillance; as well as monetisation of its land assets. It currently has a Land Management Services arrangement with the Trinidad and Tobago Oil Company Limited (TRINTOC), TRINTOPEC and BHP Billiton (Trinidad-2C) Limited.

The company's registered address is 31 Casuarina Avenue Petrotrin Compound, Pointe-a-Pierre.

**2. Significant Accounting Policies:****a) Basis of financial statements preparation -**

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) and are stated in Trinidad and Tobago dollars rounded to the nearest whole dollar. These financial statements are stated on the historical cost basis, except for the measurement at fair value of available-for-sale investments and certain other financial instruments.

**b) Use of estimates -**

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

1795—Continued

PALO SECO AGRICULTURAL ENTERPRISES LIMITED INDEPENDENT AUDITOR'S REPORT—CONTINUED

**PALO SECO AGRICULTURAL ENTERPRISES LIMITED****NOTES TO THE FINANCIAL STATEMENTS****30 SEPTEMBER 2019****2. Significant Accounting Policies (Cont'd):****c) New Accounting Standards and Interpretations -**

The company has not applied the following new standards, revised standards and interpretations that 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 1   | First-time Adoption of Financial Reporting Standards - Amendments regarding the deletion of short-term exemptions for first-time adopters (effective for accounting periods beginning on or after 1 January 2018). |
| IFRS 2   | Share-based Payment - Amendments regarding the classification and measurement of share-based payment transactions (effective for accounting periods beginning on or after 1 January 2018).                         |
| IFRS 4   | Insurance Contracts - Amendments regarding the application of IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (effective for accounting periods beginning on or after 1 January 2018).            |
| IFRS 9   | Financial Instruments - Amendments regarding the application of IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (effective for accounting periods beginning on or after 1 January 2018).          |
| IFRS 9   | Financial Instruments - Amendments regarding prepayment features with negative compensation (effective for accounting periods beginning on or after 1 January 2019).   |
| IFRS 15  | Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2018).   |
| IFRS 17  | Insurance Contracts (effective for accounting periods beginning on or after 1 January 2022).   |
| IAS 28   | Investment in Associates - Amendments regarding the long-term interests in associates and Joint Ventures (effective for accounting periods beginning on or after 1 January 2019).                                  |
| IAS 40   | Investment Property - Amendments regarding the transfer of investment property (effective for accounting periods beginning on or after 1 July 2018).   |
| IFRIC 22 | Foreign Currency Transactions and Advance Consideration (effective for accounting periods beginning on or after 1 January 2018).   |
| IFRIC 23 | Uncertainty over Income Tax Treatments (effective for accounting periods beginning on or after 1 January 2019).  |



## PALO SECO AGRICULTURAL ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. Summary of Accounting Policies (Cont'd):d) **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:

Lease improvements	-	10%	Building and pastures	-	10%
Furniture and fittings	-	10 - 16 2/3%	Machinery & equipment-		10%
Computer equipment	-	33 1/3%	Freehold land.	-	0%

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.

An 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 recognised in the Statement of Comprehensive Income.

e) **Taxation -**Current Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred Tax

Deferred income tax is provided, using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

**PALO SECO AGRICULTURAL ENTERPRISES LIMITED****NOTES TO THE FINANCIAL STATEMENTS****30 SEPTEMBER 2019****2. Summary of Accounting Policies (Cont'd):****f) Financial instruments -**

All recognised financial assets that are within the scope of International Financial Reporting Standard (IFRS) 9 are required to be subsequently measured at amortised cost or fair value on the basis of:

- (i) the entity's business model for managing the financial assets; and
- (ii) the contractual cash flow characteristics of the financial assets.

The company reassess its business models each reporting period to determine whether they have changed. No such changes have been identified for the current year.

Principal is the fair value of the financial asset at initial recognition. Interest is consideration for the time value of money and for credit and other risks associated with the principal outstanding. Interest also has a profit margin element.

**Initial measurement**

All financial instruments are initially measured at the fair value of consideration given or received.

The company measures fair values in accordance with IFRS 13, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The company uses a fair value hierarchy that categorises valuation techniques into three levels:

- (i) Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Assets and liabilities are classified as Level 1 if their value is observable in an active market. The use of observable market prices and model inputs, when available, reduces the need for management judgement and estimation, as well as the uncertainty related with the estimated fair value.
- (ii) Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability.
- (iii) Level 3 inputs are unobservable inputs. Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data.



**PALO SECO AGRICULTURAL ENTERPRISES LIMITED****NOTES TO THE FINANCIAL STATEMENTS****30 SEPTEMBER 2019****2. Summary of Accounting Policies (Cont'd):****f) Financial instruments (cont'd) -****Subsequent measurement**

Those financial assets which are held within a business model with the sole objective of collecting contractual cash flows which comprise principal and interest only, are subsequently measured at amortised cost. Gains/losses arising on remeasurement of such financial assets are recognised in profit or loss as movements in Expected Credit Loss (ECL). When a financial asset measured at amortised cost is derecognised, the gain/loss is reflected in profit or loss.

Those financial assets which are held within a business model with the objectives of (i) collecting contractual cash flows which comprise principal and interest only, as well as (ii) selling the financial assets, are subsequently measured at Fair Value Through Other Comprehensive Income (FVTOCI). Gains/losses arising on remeasurement of such financial assets are recognised in OCI as *'Items that may be reclassified subsequently to P&L'* and are called *'Net FV gain/(loss) on financial assets classified as at FVOCI'*.

All other financial assets are subsequently measured at Fair Value Through Profit and Loss (FVTPL), except for equity investments, which the company has opted, irrevocably, to measure at FVTOCI. Gains/losses arising on remeasurement of such financial assets are recognised in profit or loss as *'Net FV gain/(loss) on financial assets classified at FVTPL'*. When a financial asset measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss.

**Reclassification**

If the business model under which the company holds financial assets changes, the financial assets affected are reclassified accordingly from the first day of the first reporting period following the change in business model

**Write-off**

Financial assets are written off when the company has no reasonable expectations of recovery, for example, when the company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay. A write-off constitutes a derecognition event. Subsequent recoveries resulting from the company's enforcement activities will result in gains.

**Financial liabilities**

Since the company does not trade in financial liabilities, and since there are no measurement or recognition inconsistencies, all financial liabilities are initially measured at fair value, net of transaction costs and subsequently, at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount on initial recognition. Financial liabilities recognised at amortised cost are not reclassified.



**PALO SECO AGRICULTURAL ENTERPRISES LIMITED****NOTES TO THE FINANCIAL STATEMENTS****30 SEPTEMBER 2019****2. Summary of Accounting Policies (Cont'd):****f) Financial instruments (cont'd) -****Finance Leases**

Assets obtained under finance leases are capitalised in the Statement of Financial Position and are depreciated over their estimated useful economic lives or the lease term, whichever is the shorter. The interest element of these obligations is charged to the Statement of Comprehensive Income over the relevant period. The capital element of the future payments is treated as a liability. Leases in which a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

**g) Revenue recognition -****i) Project management services rendered**

Revenue from services rendered is recognised in the 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) Rental income**

Rental income is recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

**h) Foreign currency -**

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling at the Statement of Financial Position date. All revenue and expenditure transactions denominated in foreign currencies are translated at the average rate and the resulting profits and losses on exchange from these trading activities are recorded in the Statement of Comprehensive Income.

**i) Comparative figures -**

Certain changes in the presentation have been made during the year and comparative figures have been restated accordingly. These changes have no impact on the surplus reported for the previous year.

## PALO SECO AGRICULTURAL ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. Summary of Accounting Policies (Cont'd):j) **Going concern -**

These financial statements have been prepared on the going concern basis, despite the excess of current liabilities over current assets and the consistent non-receipt of current amounts due from related parties. This has adversely affected the company's ability to fulfil its obligations to various contractors engaged on Ministerial projects. This basis has been deemed appropriate, as it is the company's intention to pursue receipt of amounts due; request assistance from its Line Ministry through subventions to finance the expenses of the company; and refocus on its core business operations.

3. Financial Risk Management:**Financial risk factors****Financial Instruments**

The following table summarizes the carrying amounts and fair values of the company's financial assets and liabilities:

	2019	
	<u>Carrying Value</u>	<u>Fair Value</u>
	(\$)	(\$)
<b>Financial Assets</b>		
Cash in hand and at bank	4,298,259	4,298,259
Accounts receivable and prepayments	819,193	819,193
Amounts due from related parties	77,643,299	77,643,299
<b>Financial Liabilities</b>		
Accounts payable and accruals	39,365,815	39,365,815
Amounts due to related parties	917,208	917,208
Medium-term loan	29,310,285	29,310,285
	2018	
	<u>Carrying Value</u>	<u>Fair Value</u>
	(\$)	(\$)
<b>Financial Assets</b>		
Cash in hand and at bank	3,592,270	3,592,270
Accounts receivable and prepayments	972,079	972,079
Amounts due from related parties	86,034,055	86,034,055
<b>Financial Liabilities</b>		
Accounts payable and accruals	39,927,116	39,927,116
Amounts due to related parties	1,035,275	1,035,275
Medium-term loan	29,310,285	29,310,285

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PALO SECO AGRICULTURAL ENTERPRISES LIMITED INDEPENDENT AUDITOR'S REPORT—CONTINUED

## PALO SECO AGRICULTURAL ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

3. Financial Risk Management (Cont'd):**Financial risk factors (cont'd)**

The company is exposed to interest rate risk, credit risk, liquidity risk, currency risk, operational risk, compliance risk and reputation risk arising from the financial instruments that it holds. The risk management policies employed by the company to manage these risks are discussed below:

a) **Interest rate risk -**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets. Its effect, though, is immaterial.

Interest rate sensitivity analysis

The company's exposure to interest rate risk is summarized in the table below, which analyses assets and liabilities at their carrying amounts categorized according to their maturity dates.

	Effective Rate (\$)	2019				Non-Interest Bearing (\$)	Total (\$)
		Up to 1 year (\$)	1 to 5 years (\$)	Over 5 years (\$)			
<b>Financial Assets</b>							
Cash in hand and at bank	1%	4,298,259	-	-	-	4,298,259	
Accounts receivable and prepayments	0%	-	-	-	819,193	819,193	
Amounts due to related parties	0%	-	-	-	77,643,299	77,643,299	
		<u>4,298,259</u>	<u>-</u>	<u>-</u>	<u>78,462,492</u>	<u>82,760,751</u>	
<b>Financial Liabilities</b>							
Accounts payable and accruals	0%	-	-	-	39,365,815	39,365,815	
Amounts due to related Parties	0%	-	-	-	917,208	917,208	
Medium-term loan	3.75%	-	29,310,285	-	-	29,310,285	
		<u>-</u>	<u>29,310,285</u>	<u>-</u>	<u>40,283,023</u>	<u>69,593,308</u>	



1795—Continued

PALO SECO AGRICULTURAL ENTERPRISES LIMITED INDEPENDENT AUDITOR'S REPORT—CONTINUED

## PALO SECO AGRICULTURAL ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

3. **Financial Risk Management (Cont'd):**a) **Interest rate risk (cont'd) -**Interest rate sensitivity analysis (cont'd)

	Effective Rate (\$)	2018				Non- Interest Bearing (\$)	Total (\$)
		Up to 1 year (\$)	1 to 5 years (\$)	Over 5 years (\$)			
<b>Financial Assets</b>							
Cash in hand and at bank	1%	3,592,270	-	-	-	-	3,592,270
Accounts receivable and prepayments	0%	-	-	-	972,079	-	972,079
Amounts due to related parties	0%	-	-	-	86,034,055	-	86,034,055
		<u>3,592,270</u>	<u>-</u>	<u>-</u>	<u>87,006,134</u>	<u>-</u>	<u>90,598,404</u>
<b>Financial Liabilities</b>							
Accounts payable and accruals	0%	-	-	-	39,927,116	-	39,927,116
Amounts due to related Parties	0%	-	-	-	1,035,275	-	1,035,275
Medium-term loan	3.75%	-	29,310,285	-	-	-	29,310,285
		<u>-</u>	<u>29,310,285</u>	<u>-</u>	<u>40,962,391</u>	<u>-</u>	<u>70,272,676</u>

b) **Credit risk -**

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date.

The company's debtors' portfolio is managed and consistently monitored by the company's management. The company has identified the need for the effective management of its trade receivables and has moved to establish better communication with its major customers.

Cash balances are held with high credit quality financial institutions and the company also actively monitors global economic developments and government policies that may affect the growth rate of the local economy.

1795—Continued

PALO SECO AGRICULTURAL ENTERPRISES LIMITED INDEPENDENT AUDITOR'S REPORT—CONTINUED

## PALO SECO AGRICULTURAL ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

3. Financial Risk Management (Cont'd):b) Credit risk (cont'd) -Maximum exposure to credit risk before collateral held

The table below represents a worst case scenario of credit risk exposure to the company, without taking into account any collateral held.

	30 September	
	2019	2018
	(\$)	(\$)
Cash in hand and at bank	4,298,259	3,592,270
Accounts receivable and prepayments	819,193	972,079
Amounts due from related parties	<u>77,643,299</u>	<u>86,034,055</u>
	<u><b>82,760,751</b></u>	<u><b>90,598,404</b></u>

The maximum exposure to credit risk is summarised as follows:

	2019				
	Neither past due nor <u>impaired</u>	Past due but <u>not impaired</u>	<u>Impaired</u>	Allowance for <u>impairment</u>	<u>Net</u>
	(\$)	(\$)	(\$)	(\$)	(\$)
Cash in hand and at bank	4,298,259	-	-	-	4,298,259
Accounts receivable and prepayments	3,582	887,343	-	(71,732)	819,193
Amounts due from related parties	<u>82,648</u>	<u>81,953,543</u>	<u>-</u>	<u>(4,392,892)</u>	<u>77,643,299</u>
	<u><b>4,384,489</b></u>	<u><b>82,840,886</b></u>	<u><b>-</b></u>	<u><b>(4,464,624)</b></u>	<u><b>82,760,751</b></u>
	2018				
	Neither past due nor <u>impaired</u>	Past due but <u>not impaired</u>	<u>Impaired</u>	Allowance for <u>impairment</u>	<u>Net</u>
	(\$)	(\$)	(\$)	(\$)	(\$)
Cash in hand and at bank	3,592,270	-	-	-	3,592,270
Accounts receivable and prepayments	(36,061)	1,008,140	-	-	972,079
Amounts due from related parties	<u>554,090</u>	<u>85,479,965</u>	<u>-</u>	<u>-</u>	<u>86,034,055</u>
	<u><b>4,110,299</b></u>	<u><b>86,488,105</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>90,598,404</b></u>

## PALO SECO AGRICULTURAL ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

3. Financial Risk Management (Cont'd):c) **Liquidity risk -**

Liquidity risk is the risk that arises when the maturity dates of assets and liabilities do not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The company is able to make daily calls on its available cash resources to settle financial and other liabilities.

The table below, which analyses assets and liabilities based on the remaining period from the reporting date to the contractual maturity date, summarises the company's exposure to liquidity risk:

	2019			Total (\$)
	Up to 1 year (\$)	1 to 5 years (\$)	Over 5 years (\$)	
<b>Financial Assets</b>				
Cash in hand and at bank	4,298,259	-	-	4,298,259
Accounts receivable and prepayments	819,193	-	-	819,193
Amounts due from related parties	-	77,643,299	-	77,643,299
	<u>5,117,452</u>	<u>77,643,299</u>	<u>-</u>	<u>82,760,751</u>
<b>Financial Liabilities</b>				
Account payable and accruals	39,365,815	-	-	39,365,815
Amounts due to related parties	-	917,208	-	917,208
Medium-term loan	-	29,310,285	-	29,310,285
	<u>39,365,815</u>	<u>30,227,493</u>	<u>-</u>	<u>69,593,308</u>
	2018			Total (\$)
	Up to 1 year (\$)	1 to 5 years (\$)	Over 5 years (\$)	
<b>Financial Assets</b>				
Cash in hand and at bank	3,592,270	-	-	3,592,270
Accounts receivable and prepayments	972,079	-	-	972,079
Amounts due from related parties	-	86,034,055	-	86,034,055
	<u>4,564,349</u>	<u>86,034,055</u>	<u>-</u>	<u>90,598,404</u>
<b>Financial Liabilities</b>				
Account payable and accruals	39,927,116	-	-	39,927,116
Amounts due to related parties	-	1,035,275	-	1,035,275
Medium-term loan	-	29,310,285	-	29,310,285
	<u>39,927,116</u>	<u>30,345,560</u>	<u>-</u>	<u>70,272,676</u>



**PALO SECO AGRICULTURAL ENTERPRISES LIMITED****NOTES TO THE FINANCIAL STATEMENTS****30 SEPTEMBER 2019****3. Financial Risk Management (Cont'd):****d) Currency risk -**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the company's measurement currency. The company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollar. The company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

**e) Operational risk -**

Operational risk is the risk derived from deficiencies relating to the company's information technology and control systems, as well as the risk of human error and natural disasters. The company's systems are evaluated, maintained and upgraded continuously. Supervisory controls are installed to minimise human error. Additionally, staff is often rotated and trained on an on-going basis.

**f) Compliance risk -**

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the monitoring controls applied by the company.

**g) Reputation risk -**

The risk of loss of reputation arising from the negative publicity relating to the company's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the company. The company engages in public social endeavours to engender trust and minimize this risk.

**PALO SECO AGRICULTURAL ENTERPRISES LIMITED****NOTES TO THE FINANCIAL STATEMENTS****30 SEPTEMBER 2019****4. Critical Accounting Estimates and Judgments:**

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make judgements, estimates and assumptions in the process of applying the company's accounting policies.

Estimates and judgments 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. The company makes estimates and assumptions concerning the future. However, actual results could differ from those estimates and the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Changes in accounting estimates are recognised in the Statement of Comprehensive Income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date (requiring management's most difficult, subjective or complex judgements) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

i) Significant increase of credit risk:

The company computes twelve-month ECL for Stage 1 assets and lifetime ECL for Stage 2 or Stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Assessing whether there has been a significant increase in credit risk required judgement takes into account reasonable and supportable forward-looking information.

ii) Fair value measurement and valuation process

In estimating the fair value of a financial asset or a liability, the company uses market-observable data to the extent it is available. Where such Level 1 inputs are not available, the company uses valuation models to determine the fair value of its financial instruments.

iii) Fixed assets

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of these assets. Judgement is also used in determining which depreciation method for fixed assets is used.

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PALO SECO AGRICULTURAL ENTERPRISES LIMITED INDEPENDENT AUDITOR'S REPORT—CONTINUED

## PALO SECO AGRICULTURAL ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

5. Cash in Hand and Bank:

	30 September	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
Cash on Hand	11,751	6,100
Cash at Bank	2,392,800	2,107,611
Short-term investments	<u>1,893,708</u>	<u>1,478,559</u>
	<u><b>4,298,259</b></u>	<u><b>3,592,270</b></u>

Cash and cash equivalents consist of cash on hand, balances with banks and short-term investments. The short-term investments comprise mutual and income funds held at local financial institutions. Interest is earned at 1.00% (2018: 1.00%) per annum. Cash at bank is also held at local financial institutions.

6. Accounts Receivables and Prepayments:

	30 September	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
Accounts receivable	836,400	952,275
Accrued income	539	15
Other receivables and prepayments	139,993	138,516
Value Added Tax (VAT) receivable	<u>28,671</u>	<u>(4,049)</u>
	1,005,603	1,086,757
Less: Allowance for expected credit loss	<u>(186,410)</u>	<u>(114,678)</u>
	<u><b>819,193</b></u>	<u><b>972,079</b></u>
Allowance for expected credit loss:		
Balance brought forward	114,678	114,678
Opening adjustment for expected credit losses	71,732	-
Charge for the year	<u>-</u>	<u>-</u>
Balance carried forward	<u><b>186,410</b></u>	<u><b>114,678</b></u>



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PALO SECO AGRICULTURAL ENTERPRISES LIMITED INDEPENDENT AUDITOR'S REPORT—CONTINUED

## PALO SECO AGRICULTURAL ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

7. Related Party Balances:

	30 September	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
<u>Amounts due from:</u>		
TRINTOPEC	86,893	92,329
TRINTOC	38,640	3,479,707
Ministry of Local Government	32,418,637	32,418,637
Ministry of Works and Infrastructure	2,140,116	4,913,637
Ministry of Labour & Small/Micro Enterprise Development	152,091	53,280
Ministry of Science, Technology and Tertiary Education	24,459	44,153
PETROTRIN	12,075,786	9,932,743
National Gas Company of Trinidad and Tobago Limited	<u>35,099,569</u>	<u>35,099,569</u>
	82,036,191	86,034,055
Less: Allowance for expected credit loss	<u>4,392,892</u>	<u>-</u>
	<u><u>77,643,299</u></u>	<u><u>86,034,055</u></u>
 Allowance for expected credit loss:		
Balance brought forward	-	-
Opening adjustment for expected credit losses	4,392,892	-
Charge for the year	<u>-</u>	<u>-</u>
Balance carried forward	<u>4,392,892</u>	<u>-</u>
 <u>Amounts due to:</u>		
Petrotrin	<u>917,208</u>	<u>1,035,275</u>

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## PALO SECO AGRICULTURAL ENTERPRISES LIMITED INDEPENDENT AUDITOR'S REPORT—CONTINUED

## PALO SECO AGRICULTURAL ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

8. Property, Plant and Equipment:

	Freehold Land (\$)	Leasehold Improvements (\$)	Buildings and Pastures (\$)	Furniture and Fittings (\$)	Machinery and Equipment (\$)	Computer Equipment (\$)	Total (\$)
<b>Cost:</b>							
Balance, 1 October 2018	132,414	3,847,362	4,705,148	2,026,802	897,938	2,405,090	14,014,754
Additions	-	-	-	-	-	26,367	26,367
Disposals	-	-	-	-	-	(8,844)	(8,844)
Reclassification	-	-	-	(11,033)	-	(111,944)	(122,977)
Balance, 30 September 2019	<u>132,414</u>	<u>3,847,362</u>	<u>4,705,148</u>	<u>2,015,769</u>	<u>897,938</u>	<u>2,310,669</u>	<u>13,909,300</u>
<b>Accumulated Depreciation:</b>							
Balance, 1 October 2018	-	1,975,105	4,705,148	1,346,489	874,849	2,096,131	10,997,722
Charge for the year	-	187,226	-	73,138	4,618	107,127	372,109
Disposals	-	-	-	-	-	(6,224)	(6,224)
Reclassification	-	-	-	(11,033)	-	(111,944)	(122,977)
Balance, 30 September 2019	-	<u>2,162,331</u>	<u>4,705,148</u>	<u>1,408,594</u>	<u>879,467</u>	<u>2,085,090</u>	<u>11,240,630</u>
<b>Net Book Value</b>							
Balance, 30 September 2019	<u>132,414</u>	<u>1,685,031</u>	-	<u>607,175</u>	<u>18,471</u>	<u>225,579</u>	<u>2,668,670</u>
Balance, 30 September 2018	<u>132,414</u>	<u>1,872,257</u>	-	<u>680,313</u>	<u>23,089</u>	<u>308,959</u>	<u>3,017,032</u>

The freehold lands have not been revalued in accordance with IAS 16 – Property, Plant and Equipment as cabinet has approved the vesting of the said lands to the related company- Heritage Petroleum Company Limited.

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## PALO SECO AGRICULTURAL ENTERPRISES LIMITED INDEPENDENT AUDITOR'S REPORT—CONTINUED

## PALO SECO AGRICULTURAL ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

8. Property, Plant and Equipment (Cont'd):

	Freehold Land (\$)	Leasehold Improvements (\$)	Buildings and Pastures (\$)	Furniture and Fittings (\$)	Machinery and Equipment (\$)	Computer Equipment (\$)	Total (\$)
<b>Cost:</b>							
Balance, 1 October 2017	132,414	3,847,362	4,705,148	2,020,852	897,938	2,404,567	14,008,281
Additions	-	-	-	5,950	-	14,381	20,331
Disposals	-	-	-	-	-	(13,858)	(13,858)
Balance, 30 September 2018	132,414	3,847,362	4,705,148	2,026,802	897,938	2,405,090	14,014,754
<b>Accumulated Depreciation:</b>							
Balance, 1 October 2017	-	1,767,076	4,705,148	1,264,881	869,077	1,952,384	10,558,566
Charge for the year	-	208,029	-	81,608	5,772	151,163	446,572
Disposals	-	-	-	-	-	(7,416)	(7,416)
Balance, 30 September 2018	-	1,975,105	4,705,148	1,346,489	874,849	2,096,131	10,997,722
<b>Net Book Value</b>							
Balance, 30 September 2018	132,414	1,872,257	-	680,313	23,089	308,959	3,017,032
Balance, 30 September 2017	132,414	2,080,286	-	755,971	28,861	452,183	3,449,715

The freehold lands have not been revalued in accordance with IAS 16 – Property, Plant and Equipment as cabinet has approved the vesting of the said lands to the related company-PETROTRIN.



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PALO SECO AGRICULTURAL ENTERPRISES LIMITED INDEPENDENT AUDITOR'S REPORT—CONTINUED

## PALO SECO AGRICULTURAL ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

9. Investments:

Fair Value at Other Comprehensive Income	30 September	
	<u>2019</u> (\$)	<u>2018</u> (\$)
Quoted Equity Investment - CLICO Investment Fund	1,094,140	900,736
Unquoted Equity Investment - The Co-operative Citrus Growers' Association of Trinidad and Tobago	<u>140,000</u>	<u>140,000</u>
	<u><u>1,234,140</u></u>	<u><u>1,040,736</u></u>

10. Deferred Taxation:

	30 September	
	<u>2019</u> (\$)	<u>2018</u> (\$)
Balance, beginning of year	6,953,230	7,013,279
Effect on Statement of Comprehensive Income	<u>895,965</u>	<u>(60,049)</u>
Balance, end of year	<u><u>7,849,195</u></u>	<u><u>6,953,230</u></u>
Deferred taxation is attributable to the following items:		
Excess of net-book value over written down tax value	(105,612)	(116,161)
Taxable losses	<u>7,954,807</u>	<u>7,069,391</u>
	<u><u>7,849,195</u></u>	<u><u>6,953,230</u></u>

11. Accounts Payable and Accruals:

	30 September	
	<u>2019</u> (\$)	<u>2018</u> (\$)
Trade payables	38,151,575	38,403,928
Accruals and provisions	1,124,298	1,430,535
Other payable	<u>89,942</u>	<u>92,653</u>
	<u><u>39,365,815</u></u>	<u><u>39,927,116</u></u>

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## PALO SECO AGRICULTURAL ENTERPRISES LIMITED INDEPENDENT AUDITOR'S REPORT—CONTINUED

## PALO SECO AGRICULTURAL ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

12. **Medium-Term Loan:**

	30 September	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
First Citizens Bank Limited	<u>29,310,285</u>	<u>29,310,285</u>

The balance represents a three-year demand loan taken in September 2018 to facilitate the payment of a judgement debt and statutory interest owed. The loan is repayable over six (6) semi-annual interest-only payments commencing six (6) months after the date of initial disbursement. Two (2) interest payments in the sum of \$1,114,401 were remitted for financial year 2019. A principal payment is expected at maturity in September 2021. The interest rate is fixed at 3.75% per annum. The entire loan is secured by a Deed of Guarantee from the Government of the Republic of Trinidad and Tobago.

13. **Stated Capital:**

	30 September	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
<b>Authorised:</b> 70,000 ordinary shares of no par value.		
<b>Issued and fully paid:</b> 60,358 ordinary shares at \$5 per share	<u>301,790</u>	<u>301,790</u>

14. **Project Expenses:**

	30 September	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
NGC Road Rehabilitation and Community Upgrade Projects	-	(853,388)
PETROTRIN Projects	51,117	165,550
Salaries and wages	212,972	1,548,910
Motor vehicle rental and expenses	30,841	93,325
Demolition	<u>-</u>	<u>19,223</u>
	<u>294,930</u>	<u>973,620</u>

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## PALO SECO AGRICULTURAL ENTERPRISES LIMITED INDEPENDENT AUDITOR'S REPORT—CONTINUED

## PALO SECO AGRICULTURAL ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

15. Other Direct Expenses:

	30 September	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
Salaries, benefits and national insurance	<u>765,349</u>	<u>1,479,037</u>

16. Administrative and General Expenses:

	30 September	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
Public relations and recruitment costs	31,710	31,631
Bad and doubtful debts	1,886,971	(3,397,768)
Computer and office equipment rental	172,630	174,007
Depreciation	334,157	407,335
Directors' fees and expenses	429,876	413,906
Insurance	26,208	44,495
Janitorial	110,967	133,763
Building rental expense	37,875	39,750
Motor vehicles rental and expenses	185,356	365,428
Office expenses	100,469	101,178
Professional fees	2,042,777	119,548
Repairs and maintenance	64,124	130,158
Safety expenses	5,259	1,772
Salaries, benefits and national insurance	1,492,841	2,803,529
Security	193,268	181,859
Utilities	<u>202,425</u>	<u>252,284</u>
	<u>7,316,913</u>	<u>1,802,875</u>



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## PALO SECO AGRICULTURAL ENTERPRISES LIMITED INDEPENDENT AUDITOR'S REPORT—CONTINUED

## PALO SECO AGRICULTURAL ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

17. **Taxation:**

	30 September	
	2019 (\$)	2018 (\$)
Business Levy	(35,085)	(28,019)
Green Fund Levy	(17,543)	(13,978)
Deferred taxation	<u>895,965</u>	<u>(60,049)</u>
	<u>843,337</u>	<u>(102,046)</u>
Reconciliation arising from using the basic rate of tax as follows:		
Net (loss)/profit before taxation	<u>(2,989,395)</u>	<u>194,162</u>
Tax calculated at 30%	896,819	(58,249)
Expenses not deductible for tax purposes	(854)	(1,800)
Business Levy	(35,085)	(28,019)
Green Fund Levy	<u>(17,543)</u>	<u>(13,978)</u>
	<u>843,337</u>	<u>(102,046)</u>

18. **Related Party Transactions:**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial decisions.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the company.

A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms at market rates. Balances and transaction with related parties and key management personnel during the year were as follows:

	30 September	
	2019 (\$)	2018 (\$)
<b>Assets</b>		
Amounts due from related parties	<u>82,036,191</u>	<u>86,034,055</u>
<b>Liabilities</b>		
Amounts due to related parties	<u>923,958</u>	<u>1,035,275</u>
<b>Income</b>		
Sales from related parties	<u>3,388,487</u>	<u>4,661,251</u>
<b>Expenses</b>		
Directors' fees	<u>429,876</u>	<u>413,906</u>

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PALO SECO AGRICULTURAL ENTERPRISES LIMITED INDEPENDENT AUDITOR'S REPORT—CONTINUED

## PALO SECO AGRICULTURAL ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

19. Contingent Liabilities:

	30 September	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
i) Performance and rehabilitation bonds	<u>415,788</u>	<u>415,788</u>
<p>Performance and rehabilitation bonds require the company to make payments to third parties in the event that the company does not perform or rehabilitate what is expected of them under the terms of the related contracts. The equivalent value of one of the short-term investments held with a local financial institution has been placed as security for the bonds.</p>		
ii) Provision for legal matters	<u>255,000</u>	<u>435,976</u>
a. Legal action against the company by employee union (on behalf of former employee - SS), in relation to the claim of unfair dismissal, in the amount of \$125,000.		
b. Legal action against the company by former employee - SSL in relation to the claim of unlawful discrimination (race), in the amount of \$130,000.		

The above-listed balances were settled in the financial year 2019/2019 and 2019/2020 and the financial statements have been adjusted to reflect the actual settlement amounts.