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<td></td>
</tr>
<tr>
<td>Note 14. Approval of financial statements</td>
<td></td>
</tr>
</tbody>
</table>
Auditors' report

To the Directors of Cocoa Development Company of Trinidad and Tobago Limited

We have audited the financial statements of Cocoa Development Company of Trinidad and Tobago Limited as set out on pages 3 to 23 which comprise the statement of financial position as at 30th September, 2016, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Basis for qualified opinion

We were appointed auditors of the company on 31st July, 2017 and thus did not observe the counting of the physical inventories at the beginning or end of the year. We were unable to satisfy ourselves by alternative procedures concerning inventory quantities held at 30th September, 2014, 30th September, 2015 and 30th September, 2016. Since opening and closing inventory quantities enter into the determination of financial position and performance, and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the value of inventory, the profit for the year and the net cash flows reported in the financial statements.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis or qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the company as at 30th September, 2016 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Bertram Hadaway & Company Limited
BERTRAM HADAWAY AND COMPANY LIMITED
Chartered Accountants
Port of Spain
Trinidad, W.I.

1st December, 2017
COCOA DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

Statement of financial position
as at: 30th September, 2014

<table>
<thead>
<tr>
<th>Notes</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ASSETS**

**Current assets**

<table>
<thead>
<tr>
<th>Item</th>
<th>Notes</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory</td>
<td>7</td>
<td>317,463</td>
</tr>
</tbody>
</table>

**Non-current assets**

<table>
<thead>
<tr>
<th>Item</th>
<th>Notes</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>6</td>
<td>1,627,431</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>13</td>
<td>55,927</td>
</tr>
</tbody>
</table>

**TOTAL ASSETS**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,000,821</td>
</tr>
</tbody>
</table>

**LIABILITIES AND EQUITY**

**Current liabilities**

<table>
<thead>
<tr>
<th>Item</th>
<th>Notes</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
<td>11</td>
<td>212,850</td>
</tr>
</tbody>
</table>

**Equity**

<table>
<thead>
<tr>
<th>Item</th>
<th>Notes</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Capital reserve</td>
<td>10</td>
<td>1,977,592</td>
</tr>
<tr>
<td>Accumulated loss</td>
<td></td>
<td>(189,631)</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND EQUITY**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,787,971</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,000,821</td>
</tr>
</tbody>
</table>

The notes on pages 7 to 22 form an integral part of these financial statements.
### Statement of comprehensive income

for the period: 23rd December 2013 to 30th September, 2014

<table>
<thead>
<tr>
<th>Income</th>
<th></th>
<th>Notes/Schedules</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2014</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit fees</td>
<td></td>
<td>24,000</td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td>32,708</td>
</tr>
<tr>
<td>Director fees</td>
<td></td>
<td>116,850</td>
</tr>
<tr>
<td>Professional fees</td>
<td></td>
<td>72,000</td>
</tr>
<tr>
<td>Total expenses</td>
<td></td>
<td>(245,558)</td>
</tr>
<tr>
<td>Net loss for the period before taxation</td>
<td></td>
<td>(245,558)</td>
</tr>
<tr>
<td>Taxation</td>
<td></td>
<td>12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>55,927</td>
</tr>
<tr>
<td>Net loss for the period after taxation</td>
<td></td>
<td>(189,631)</td>
</tr>
</tbody>
</table>

The notes on pages 7 to 22 form an integral part of these financial statements
COCOA DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

Statement of changes in equity
for the period: 23rd December 2013 to 30th September, 2014

<table>
<thead>
<tr>
<th></th>
<th>Share capital</th>
<th>Capital reserves</th>
<th>Accumulated loss</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 23rd December 2013</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Shares issued</strong></td>
<td>10</td>
<td>-</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td><strong>Capital contribution for the period</strong></td>
<td>-</td>
<td>1,977,592</td>
<td>-</td>
<td>1,977,592</td>
</tr>
<tr>
<td><strong>Loss for the period</strong></td>
<td>-</td>
<td>-</td>
<td>(189,631)</td>
<td>(189,631)</td>
</tr>
<tr>
<td><strong>Balance at 30th September 2014</strong></td>
<td>10</td>
<td>1,977,592</td>
<td>(189,631)</td>
<td>1,787,971</td>
</tr>
</tbody>
</table>
COCOA DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

Statement of cash flows

for the period: 23rd December 2013 to 30th September, 2014

<table>
<thead>
<tr>
<th>2014</th>
</tr>
</thead>
</table>

### Cash flows from operating activities

- Net loss before taxation: (245,558)
- Adjustment for:
  - Depreciation: 32,708

### Operating loss before working capital changes

(212,850)

### Changes in operating assets and liabilities

- Increase in creditors and accruals: 212,850

Net increase in cash for the period

212,850

Cash used in operations

- Net cash used in operating activities

Cash and cash equivalents:

- Balance at the beginning of the period

- Balance at the end of the period
1. General information

The Cocoa Development Company of Trinidad and Tobago Limited (CDCTTL) was incorporated in the Republic of Trinidad and Tobago on 23 December, 2013 as a limited liability company, wholly owned by Corporation Sole (Government of the Republic of Trinidad and Tobago).

The address of the company's registered office and principal place of business is 17 Yard Street, Chaguanas.

The company was formed to replace the Cocoa and Coffee Industry Board (CCIB) which has been dissolved as a result of the Cocoa and Coffee Industry Act Chapter 64:20 being repealed by Section 9 of the Finance Act No. 4 of 2014.

The CDCTTL's broad scope and functions are to provide support for the development of the cocoa industry, aim to increase cocoa production, link with various research agencies to improve research and development, help to market Trinidad and Tobago's cocoa beans in international niche markets as well as providing support to local cocoa stakeholders, especially all farmers.

2. Summary of significant accounting policies

(a) Basis of preparation

The financial statements of CDCTTL are prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and are stated in Trinidad and Tobago dollars.

The financial statements have been prepared on the historical cost basis, except for financial instruments which are presented at fair value.
2. Summary of significant accounting policies (continued)

(b) Current versus non-current classification

CDCTTL presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:
- expected to be realised or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is current when:
- it is expected to be settled in normal operating cycle
- it is incurred primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

(c) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in Trinidad and Tobago dollars, which is the Company’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.
2. Summary of significant accounting policies (continued)

(d) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses. CDCTTL recognises significant replacement parts of plant and machinery as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major renovation is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the profit or loss as incurred.

Depreciation is calculated on a straight line basis over the estimated useful lives of the asset as follows:

- Computers: 33.3%
- Furniture and equipment: 10% to 25%
- Motor vehicles: 25%
- Plant and machinery: 25%

An item of property, plant and equipment and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition (including freight and duty) are accounted for on a first-in-first-out basis. Net realizable value is the estimated selling price less estimated cost in the ordinary course of business.
2. Summary of significant accounting policies (continued)

(f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition. The classification depends on the purpose for which the investments were acquired or originated.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Company transfers substantially all risks and rewards of ownership.

The Company's financial assets consist of loans and receivables.

Financial assets recognised in the statement of financial position as trade and other receivables are classified as loans and receivables. They are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

Cash and cash equivalents are also classified as loans and receivables. They are subsequently measured at amortised cost. Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Financial liabilities
Liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or other liabilities, as appropriate.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.
2. Summary of significant accounting policies (continued)

(g) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other
short-term highly liquid investments with original maturities of three months or less, and
bank overdrafts. Bank overdrafts, when they arise, are shown within borrowings in current
liabilities on the statement of financial position.

(h) Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets.
Incremental costs directly attributable to the issue of equity instruments are shown in equity
as a deduction from the proceeds.

(i) Taxation

Taxation expense represents the sum of the tax currently payable and deferred tax. The tax
currently payable is based on taxable profit for the year.

Deferred tax is recognised on differences between the carrying amounts of assets and
liabilities in the financial statements and their corresponding tax bases (known as temporary
differences). Deferred tax liabilities are recognised for all temporary differences that are
expected to increase taxable profit in the future. Deferred tax assets are recognised for all
temporary differences that are expected to reduce taxable profits in the future, and any
unused tax losses or unused tax credits. Deferred tax assets are measured at the highest
amount that, on the basis of current or estimated future taxable profit, is more likely than not
to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is
adjusted to reflect the current assessment of future taxable profits. Any adjustments are
recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax
loss) of the periods in which it expects the deferred tax asset to be realised or the deferred
tax liability to be settled, on the basis of tax rates that have been enacted or substantively
enacted by the end of the reporting period.

Green fund levy is provided at the statutory rate on gross income for the year.
2. Summary of significant accounting policies (continued)

(j) Provisions
Provisions are recognised when CDCTTL has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(k) Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to CDCTTL and the revenue can be reliably measured, regardless of when the consideration is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. CDCTTL has concluded that it is the principal in all of its revenue arrangements since it is the primary obligator in all the revenue arrangements and is also exposed to credit risk.

Revenue comprises the fair value of the consideration received or receivable for the sale of cocoa and coffee in the ordinary course of activities. Revenue is shown net of returns, rebates and discounts.

(l) Leases
Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(m) Government grants
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the period that the related costs, for which it is intended to compensate, are expensed. When a grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.
3. Changes in accounting policies and disclosures

(a) New standards and amendments/revisions to published standards and interpretations effective in 2014

**IAS 19 Employee Benefits**
The narrow scope amendments, entitled Defined Benefit Plans: Employee Contributions, effective 1 July 2014, apply to contributions from employees or third parties to defined benefit plans that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

**IAS 32 Financial Instruments: Presentation**
The amendments, effective 1 January 2014, clarify the meaning of “currently has a legally enforceable right to set-off” and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. In addition, the amendments clarify the rights to set-off must not only be legally enforceable in the normal course of business, but must also be enforceable in the event of default and the event of bankruptcy or insolvency of all of the counterparties to the contract, including the reporting entity itself. The standard further clarifies the entity should have the intention to settle the asset and liability on a net basis.

**IAS 36 Impairment of Assets**
The amendments, entitled Recoverable Amount Disclosures for Non-Financial Assets, effective 1 January 2014, is to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

**IAS 39 Financial Instruments: Recognition and Measurement**
The amendments, entitled Novation of Derivatives and Continuation of Hedge Accounting, effective 1 January 2014, provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria.
3. Changes in accounting policies and disclosures (continued)

(a) New standards and amendments/revisions to published standards and interpretations effective in 2014 (cont’d)

IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interest in Other Entities & IAS 27 Separate Financial Statements
The amendments, entitled Investment Entities, effective 1 January 2014:

- Provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement

- Require additional disclosure about why the entity is considered an investment entity, details of the entity’s unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries

- Require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).

IFRIC 21 Levies
This standard, effective 1 January 2014, provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. The interpretation clarifies that an entity recognises a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognised before the specified minimum threshold is reached.
3. Changes in accounting policies and disclosures (continued)

(b) New and amended accounting standards and interpretations

The Company has not applied the following standards, revised standards and interpretations that have been issued, but are not yet effective and have not been early adopted, up to the date of issuance of the Company's financial statements. The Company intends to adopt these standards, if applicable, when they become effective.

- **IFRS 9**
  Financial Instruments – Classification and measurement (effective for accounting periods beginning on or after 1 January 2018).

- **IFRS 10 & IAS 28**
  Consolidated Financial Statements & Investment in Associates - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture (deferred indefinitely).

- **IFRS 10, IFRS 12 & IAS 28**
  Consolidated Financial Statements, Disclosure of Interest in Other Entities & Investment in Associates - Amendments regarding the application of consolidation exception (effective for accounting periods beginning on or after 1 January 2016).

- **IFRS 11**
  Joint Arrangements - Amendments regarding the accounting for acquisitions of an interest in a joint operation (effective for accounting periods beginning on or after 1 January 2016).

- **IFRS 14**
  Regulatory Deferral Accounts (effective for accounting periods beginning on or after 1 January 2016).

- **IFRS 15**
  Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2018).

- **IAS 1**
  Presentation of Financial Statements - Amendments resulting from disclosure initiative (effective for accounting periods beginning on or after 1 January 2016).

- **IAS 16 & IAS 38**
  Property, Plant and Equipment & Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective for accounting periods beginning on or after 1 January 2016).
3. Changes in accounting policies and disclosures (continued)

(b) New and amended accounting standards and interpretations

- IAS 16 & IAS 41
  Property, Plant and Equipment & Agriculture - Amendments bringing bearer plants into the scope of IAS 16 (effective for accounting periods beginning on or after 1 January 2016).

- IAS 27
  Separate Financial Statements - Amendments regarding the equity method in an entity's separate financial statements (effective for accounting periods beginning on or after 1 January 2016).

- Annual improvements to IFRSs 2012 - 2014 cycle (effective 1 January 2016)

- IFRS 5
  Non-current Assets Held for Sale and Discontinued Operations

- IFRS 7
  Financial Instruments: Disclosures

- IAS 19
  Employee Benefits: Disclosures

- IAS 34
  Interim Financial Reporting
4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

(a) Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management 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 outlined below.

Property, plant and equipment

These assets were transferred to CDCTTL by the Ministry of Food Production for no cash consideration. There has been no differentiation between the cost and written down of the asset at the date of transfer to CDCTTL, and the values have been treated as acquisition costs, and have been depreciated on a straight line basis.

Physical verifications of items of property, plant and equipment were neither conducted upon transfer from the Ministry nor at year end, and all assets are assumed to physically exist.

Inventory

Inventory balances on hand at year end have been determined using inventory counts performed by a related party entity.

Closing inventory has been valued using the most recent acquisition costs for the goods.

(b) Critical judgements in applying the Company's accounting policies

Critical judgements, apart from those involving estimations, which have the most significant effect on the amount recognized in the financial statements, are as follows:

- whether leases are classified as operating leases or finance leases
- which depreciation method for plant and equipment is used.
5. Financial risk management

The Company is exposed to credit 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) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. CDCTTL is exposed to credit risk from its operating activities; primarily trade receivables. The Company has policies in place to ensure that all amounts due are collected within the specified credit period.

Cash balances are held with high credit quality financial institutions, but the Company has no policies to limit the amount of exposure to any financial institution.

(b) 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 currency exposures to the United States Dollar. The Company’s management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

(c) 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 minimize human error. Additionally, staff is often rotated and trained on an on-going basis.

(d) Compliance risk

Compliance risk is the risk of financial loss, including fine 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 supervision applied by the Ministry, as well as by the monitoring controls applied by the Company.

(e) Reputation risk

The risk of loss of reputation arising from the negative publicity related 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 the risk.
COCOA DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the financial statements
for the period: 23rd December 2013 to 30th September, 2014

6. Plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>Computers</th>
<th>Furniture and equipment</th>
<th>Motor vehicles</th>
<th>Plant and machinery</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>521,159</td>
<td>728,066</td>
<td>253,730</td>
<td>157,184</td>
<td>1,660,139</td>
</tr>
<tr>
<td>30 September 2014</td>
<td>521,159</td>
<td>728,066</td>
<td>253,730</td>
<td>157,184</td>
<td>1,660,139</td>
</tr>
</tbody>
</table>

| **Accumulated depreciation** |         |                         |                |                     |         |
| For the year          | 14,462    | 9,686                   | 5,286          | 3,274               | 32,708   |
| 30 September 2014     | (14,462)  | (9,686)                 | (5,286)        | (3,274)             | (32,708) |

| **Carrying amount**   |         |                         |                |                     |         |
| 30 September 2014     | 506,697  | 718,380                 | 248,444        | 153,910             | 1,627,431 |
### 7. Inventory

<table>
<thead>
<tr>
<th></th>
<th>2014 kgs</th>
<th>2014 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cocoa</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grade 1</td>
<td>-</td>
<td>313,830</td>
</tr>
<tr>
<td>Grade 2</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Grade 3</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Dust</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Coffee</td>
<td>-</td>
<td>3,633</td>
</tr>
</tbody>
</table>

Inventories consist of both cocoa and coffee beans at varying stages of processing. It is held off-site at the premises of a related party for processing and fulfillment of supply contracts.

During the current financial year, the book value of inventory held by the CCIB was transferred to CDCTTL by the Ministry. A physical inventory count had not been conducted, and as a result no quantity values were available.

### 8. Related party disclosures

A number of transactions are entered into with related parties in the normal course of business. These transactions are carried out on commercial terms and conditions at market rates.

There are no other transactions carried out or balances outstanding with related parties except for the following:

<table>
<thead>
<tr>
<th>2014</th>
<th>Key management personnel compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Salaries and other short term employee benefits</td>
</tr>
</tbody>
</table>
COCOA DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the financial statements

for the period: 23rd December 2013 to 30th September, 2014

9. Share capital

Authorised
An unlimited number of ordinary shares of no par value

Issued and fully paid
10 ordinary shares - stated value

10. Capital reserve

2014
Computers 521,159
Furniture and equipment 728,066
Motor vehicles 253,730
Plant and machinery 157,184
Inventory: cocoa - grade 1 313,830
Inventory: coffee 3,633
Share capital

(10)

1,977,592

The capital reserve is comprised of assets and liabilities brought forward from the Cocoa and Coffee Industry Board, where there is evidence that ownership has been transferred and cash flows relating to each item are attributable to CDCTTL.

11. Trade and other payables

2014
Directors fees 116,850
Consultancy / Transition management fees 72,000
Audit fees 24,000

212,850
Notes to the financial statements
for the period: 23rd December 2013 to 30th September, 2014

12. Taxation

Current charge (see below)  
Deferred tax credit (Note 13)  

2014  
-(55,927)  
-(55,927)  

The company's effective tax rate varies from the statutory rate as a result of the differences shown below:

Loss before taxation  
Tax charge at the statutory rate of 25%  
Tax effect of:
Permanent differences  
Non-deductible expenses  
Timing (temporary) differences  
Depreciation  
Unrelieved losses  
Current tax charge  

13. Deferred tax asset

Balance at start of period  
Credit to profit and loss for the period  
Balance at end of period  

2014  
-(55,927)  
-(55,927)  

14. Approval of financial statements

These financial statements were approved by the board of directors and authorised for issue on 1st December, 2017.