MOORE

NATIONAL QUARRIES COMPANY LIMITED

FINANCIAL STATEMENTS

30 SEPTEMBER 2021

National Quarries Company Limited
Financial Statements
30 September 2021

Table of Contents

National Quarries Company Limited

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of National Quarriers Company Limited. which comprise the statement of financial position as at 30 September 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;

- Ensuring that the entity keeps proper accounting records;

- Selecting appropriate accounting policies and applying them in a consistent manner;

- Implementing, monitoring and evaluating the system of internal control that assures security of the entity assets, detection/prevention of fraud, and the achievement of the Company's operational efficiencies;

- Ensuring that the system of internal control operated effectively during the reporting period;

- Producing reliable financial reporting that complies with laws and regulations; and

- Using reasonable and prudent judgement in the determination of estimates.

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

Nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

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

ARSingh	
Aneila Singh	**Gerard Mathura**
Chief Financial Officer (Ag)	**Chief Executive Officer (Ag)**
25 March 2025	**25 March 2025**

MOORE

Independent Auditor's Report

To the Directors,

Report - Audit of the Financial Statements of National Quarries Company Limited

We were engaged to audit the accompanying financial statements of **National Quarries Company Limited (the Company)**, which comprise the statement of financial position as at 30 September 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with International Standards on Auditing. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

The Company did not provide supporting documentation to substantiate the completeness, existence, accuracy and valuation of property, plant and equipment, assets held for sale, other receivables and prepayments, other payables and accruals, development costs, environmental rehabilitation and royalties payable as at 30 September 2021.

We were unable to verify by alternative means the completeness, existence, accuracy and valuation of property, plant and equipment, assets held for sale, other receivables and prepayments, other payables and accruals, development costs, environmental rehabilitation and royalties payable as at 30 September 2021.

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of these elements comprising the statement of financial position and the statement of comprehensive income.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Moore

San Juan
25 March 2025

Chartered Accountants

National Quarries Company Limited
Statement of Financial Position
As at 30 September 2021

	Note	2021 TT$	2020 TT$
ASSETS			
Non-current assets			
Property, plant and equipment	6	24,775,893	28,416,853
Assets held for sale		1,695,000	1,695,000
Development cost	7	5,683,831	5,683,831
Total non-current assets		**32,154,724**	**35,795,684**
Current assets			
Investments	8	264,102	261,148
Inventory	10	4,938,548	5,057,541
Accounts receivable	11	8,526,709	10,542,687
Other receivables and prepayments	12	3,570,489	-
Cash in hand and at bank	9	2,446,950	402,188
Total current assets		**19,746,798**	**16,263,564**
Total assets		**51,901,522**	**52,059,248**
Liabilities			
Non-current liabilities			
Royalties payable		52,582,150	49,221,690
Environmental rehabilitation		24,417,601	24,417,601
Total non-current liabilities		**76,999,751**	**73,639,291**
Current liabilities			
Accounts payable	13	73,575,650	124,224,830
Other payable and accruals	14	63,511,221	-
Bank overdraft	15	-	531,499
Total current liabilities		**137,086,871**	**124,756,329**
Total liabilities		**214,086,622**	**198,395,620**
Shareholder's equity			
Stated capital	16	28,907,000	28,907,000
Accumulated deficit		(191,092,100)	(175,243,372)
Total shareholder's equity		**(162,185,100)**	**(146,336,372)**
Total liabilities and shareholder's equity		**51,901,522**	**52,059,248**

The accompanying notes on pages 9 to 34 form an integral part of these financial statements.

Director: ____________ **Director:** ____________ **Date:** 25/03/2025

National Quarries Company Limited
Statement of Comprehensive Income
For the Year Ended 30 September 2021

	Note	2021 TT$	2020 TT$
Sales		64,635,320	59,179,918
Cost of sales	17	(65,348,983)	(47,455,587)
		(713,663)	11,724,331
Interest and other income		8,608	2,671,033
		(705,055)	**14,395,364**
General and administrative expenses			
Advertising and promotions		112,734	98,046
Audit fees		110,115	185,000
Bank charges and interest		349,134	357,797
Consultancy fees		347,677	340,940
Depreciation		263,300	600,000
Directors' fees		501,661	497,348
Donations and subscriptions		112,299	146,405
Electricity and telephone		2,001,740	2,014,827
Green fund levy		211,878	179,490
Insurance		-	204,955
Legal and professional fees		106,285	84,358
Litigation charge		100,000	549,125
Miscellaneous expenses		146,240	5,492,164
Motor vehicle expenses		98,147	52,270
Penalties and interest		60,080	89,518
Printing and stationery		102,432	103,985
Rental		905,494	1,011,942
Repairs and maintenance		190,608	232,912
Salaries and staff benefits		7,044,533	7,202,016
Security		1,955,560	2,467,930
Total expenditure		**14,719,917**	**21,911,028**
Net loss before taxation		(15,424,972)	(7,515,664)
Taxation		(423,756)	(358,981)
Net loss for the year		**(15,848,728)**	**(7,874,645)**

The accompanying notes on pages 9 to 34 form an integral part of these financial statements.

National Quarries Company Limited
Statement of Changes in Equity
For the Year Ended 30 September 2021

	Stated Capital TT$	Accumulated Deficit TT$	Shareholder's Equity TT$
Balance as at 1 October 2020	28,907,000	(175,243,372)	(146,336,372)
Net loss for the year	-	(15,848,728)	(15,848,728)
Balance as at 30 September 2021	**28,907,000**	**(191,092,100)**	**(162,185,100)**
Balance as at 1 October 2019	28,907,000	(167,368,727)	(168,461,727)
Net loss for the year	-	(7,874,645)	(7,874,645)
Balance as at 30 September 2020	**28,907,000**	**(175,243,372)**	**(146,336,372)**

The accompanying notes on pages 9 to 31 form an integral part of these financial statements.

National Quarries Company Limited
Statement of Cash Flows
For the Year Ended 30 September 2021

	2021 TT$	2020 TT$
Operating activities		
Net loss before taxation	(15,424,972)	(7,515,664)
Adjustments:		
Depreciation	4,221,533	5,773,757
	(11,203,439)	(1,741,907)
Net changes in:		
Accounts receivable	2,015,489	(10,542,688)
Other receivables and prepayments	(3,570,489)	-
Inventory	118,994	1,283,128
Accounts payable	(50,649,181)	6,756,332
Other payables and accruals	63,511,221	-
Royalties payable	3,360,460	2,628,236
	3,583,545	(1,616,899)
Taxes paid	(423,756)	(435,732)
Net cash generated from operating activities	**3,159,789**	**(2,052,631)**
Investing activities:		
Purchase of property, plant and equipment	**(580,574)**	**(750,975)**
Net change in cash and cash equivalents	2,579,215	(2,803,606)
Cash at beginning of year	131,837	2,935,443
Cash at end of year	**2,711,052**	**131,837**
Represented by:		
Cash in hand and at bank	2,446,950	402,188
Investments	264,102	261,148
Bank overdraft	-	(531,499)
	2,711,052	**131,837**

The accompanying notes on pages 9 to 31 form an integral part of these financial statements.

1. General information

The Company was incorporated on February 23, 1979 under the Laws of the Republic of Trinidad and Tobago. Its principal activities are quarrying and mining of sand and gravel and limestone at its two quarries located at Turure Road, Guico, Sangre Grande and Blanchisseuse Road, Blanchisseuse. Its head office is located at Churchill Roosevelt Highway, Arouca. The Company was continued under the provisions of the Companies Act, 1995 on March 15, 1999.

2. Basis of preparation

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and effective for the year ended 30 September 2021.

The accounting policies that follow have been consistently applied to all years presented.

b) Going concern

These financial statements have been prepared on a going concern basis. This basis has been deemed appropriate in view of the Company's ability to continue its operation using internally generated cash flow and support from its shareholder.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the measurement at fair value of available for sale investments and certain other financial instruments.

d) Foreign currency translation

- **Reporting currency**

  The Company has determined the Trinidad and Tobago Dollar (TTD) as its functional currency, as this is the currency of the economic environment in which the Company predominantly operates. The Company's functional currency is also its presentation currency. The financial statements are presented in Trinidad and Tobago Dollars. The Company's main stakeholders are the Government of the Republic of Trinidad and Tobago (GORTT), the Ministry of Finance and its employees.

2. Basic of preparation (continued)

d) Foreign currency translation (continued)

- **Transactions and balances**

  Transactions in currencies other than TTD are recorded at rates prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

  Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on the exchange are included in the Statement of Comprehensive Income.

e) Use of estimates and judgements

The preparation of these financial statements in conformity with IFRS requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Significant accounting policies

The significant accounting policies adopted in the preparation of the financial statements have been consistently applied to all periods in the financial statements and are set out below.

3.1 Accounting standards and interpretations

a) New standards and amendments effective in the period on or after 1 October 2020

A The following standards and amendments have become effective for the annual periods commencing on or after 1 January 2021.

- *Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 & IAS 39 - Interest Rate Benchmark Reform – Phase 2*
- *Amendments to IFRS 16 - Covid-19-Related Rent Concessionsk*

3. Significant accounting policies (continued)

3.1 Accounting standards and interpretations (continued)

a) New standards and amendments effective in the period on or after 1 October 2020 (continued)

Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 & IAS 39 Interest Rate Benchmark Reform – Phase 2

As a result of these amendments, among other matters, an entity:

- will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;

- will not have to discontinue its hedge accounting solely because it makes changes required by the reform, if the hedge meets other hedge accounting criteria; and

- will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.

Amendments to IFRS 16 'Leases' Covid-19 Related Rent Concessions

Amendments to IFRS 16 'Leases' provide a practical expedient that permits lessees to account for the rent concessions, that occur as a direct consequence of the COVID - 19 pandemic and meets specified conditions, as if they were not lease modifications.

The amendment is effective 1 June 2020.

Amendments to IFRS 16 'Leases' Covid-19 Related Rent Concessions beyond 30 June 2021

This amendment extends the practical expedient to rent concessions that reduce only lease payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

The amendment is effective 1 April 2021. Earlier application is permitted, including in financial statements not authorised for issue at the date this Standard was issued.

Where an entity early adopts Covid-19-Related Rent Concessions then they shall disclose that fact (including the requirements in the paragraph above) and provide the additional disclosures.

3. Significant accounting policies (continued)

3.2 Accounting standards and interpretations (continued)

b) New standards and amendments issued but not yet effective for year ending September 30, 2021

Amendments to IFRS 16 'Leases' provide a practical expedient that permits lessees to account for the rent concessions, that occur as a direct consequence of the COVID - 19 pandemic and meets specified conditions, as if they were not lease modifications. Although, the amendment is applicable for annual periods commencing on or after 1 June 2021.

- *Amendments to IFRS 16 - Covid-19-Related Rent Concessions*
- *IFRS 17 - Insurance Contracts*
- *Amendments to IAS 1 - Classification of Liabilities as Current or Non-current*
- *Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before intended use*
- *Amendments to IFRS 3 - Reference to the Conceptual Framework*
- *Amendments to IAS 37 - Onerous Contracts – Cost of Fulfilling a Contract*
- *Annual Improvements to IFRS Standards 2018–2021*
- *Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture*
- *Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies*
- *Amendments to IAS 8 - Disclosure of Accounting Policies and Definition of Accounting Estimates.*
- *Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction*

Amendments to IFRS 16 'Leases' Covid-19 Related Rent Concessions beyond 30 June 2021

This amendment extends the practical expedient to rent concessions that reduce only lease payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

The amendments are applicable for annual periods commencing on or after 1 April 2021.

IFRS 17 'Insurance contracts' establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. IFRS 17 is effective for annual periods commencing on or after 1 January 2023.

3. Significant accounting policies (continued)

3.1 Accounting standards and interpretations (continued)

b) New standards and amendments issued but not yet effective for year ending September 30, 2021 (continued)

Amendments to IAS 1 'Presentation of financial statements' clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The meaning of settlement of a liability is also clarified. The amendments are applicable for annual periods commencing on or after 1 January 2023.

Amendments to IAS 16 'Property, plant and equipment' require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related costs in profit or loss, instead of deducting the amounts received from the cost of the asset. The amendments are applicable for annual periods commencing on or after 1 January 2022.

Amendments to IFRS 3 'Business combinations' update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments are applicable for annual periods commencing on or after 1 January 2022.

Amendments to IAS 37 'Provisions, contingent liabilities and contingent assets' specify the costs that an entity includes when assessing whether a contract will be loss-making. The amendments are applicable for annual periods commencing on or after 1 January 2022.

Annual Improvements to IFRS Standards 2018–2021 amend:

- IFRS 1 to simplify the application of IFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences;
- IFRS 9 to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;
- IFRS 16 illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements.
- IAS 41 to remove the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in other accounting standards.

The amendments are applicable for annual periods commencing on or after 1 January 2022.

3. Significant accounting policies (continued)

3.1 Accounting standards and interpretations (continued)

b) New standards and amendments issued but not yet effective for year ending September 30, 2021 (continued)

Amendments to IFRS 10 'Consolidated financial statements' and IAS 28 'Investments in associates' clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. Otherwise, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments have been deferred until IASB has finalised its research project on the equity method.

Amendments to Disclosure of Accounting Policies and Definition of Accounting Estimates modify:

- IFRS 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- IAS 1, to require entities to disclose their material accounting policy information rather than their significant accounting policies;
- IAS 8, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
- IAS 34, to identify material accounting policy information as a component of a complete set of financial statements; and
- IFRS Practice Statement 2 Making Materiality Judgements, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Amendments to Deferred tax related to assets and liabilities arising from a single transaction modify IAS 12 to clarify the accounting for deferred tax on transactions that, at the time of the transaction, give rise to equal taxable and deductible temporary differences. In specified circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The amendments clarify that the exemption does not apply to transactions for which entities recognise both an asset and a liability and that give rise to equal taxable and deductible temporary differences. This may be the case for transactions such as leases and decommissioning, restoration and similar obligations. Entities are required to recognise deferred tax on such transactions.

The Standard amends IFRS 1 to require deferred tax related to leases and decommissioning, restoration and similar obligations to be recognised by first-time adopters at the date of transition to International Accounting Standards, despite the exemption set out in IAS 12.

3. Significant accounting policies (continued)

3.1 Accounting standards and interpretations (continued)

b) New standards and amendments issued but not yet effective for year ending September 30, 2021 (continued)

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3.2 Property, plant and equipment

Fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is calculated on the reducing balance basis at varying rates, which are estimated to be sufficient to write down the cost of the assets to residual value by the expiration of their useful lives.

Depreciation charges commence the month after acquisition. No depreciation charge is computed in the month of disposal.

The rates used are as follows;

Property Plant and Equipment	12.50%
Mining Equipment	33.33%
Buildings	2%
Office Equipment, Furniture and Fittings	12,50%
Motor Vehicles	25%
Road Works	2%
Computer Equipment	33.33%
Appliances	12.50%

No depreciation is charged on freehold land or capital work in progress.

Increases in the carrying amount arising on revaluation of land and buildings are credited to the Capital Revaluation Reserve in Equity. Decreases that offset previous increases of the same asset are charged against reserves directly in Equity; all other decreases are charged to the Statement of Comprehensive Income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the Statement of Comprehensive Income and depreciation based on the asset's original cost is transferred from Capital Revaluation Reserve to Retained Earnings. When revalued assets are sold, the amounts included in reserves are transferred to retained earnings.

The assets residual values and useful lives are reviewed at each reporting date and adjusted as appropriate. An asset's carrying amount is written down immediately to its recoverable amount is the asset's carrying amount if greater than its estimated recoverable amount.

3. Significant accounting policies (continued)

3.2 Property, plant and equipment (continued)

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the gain/loss on disposal account in the Statement of Comprehensive Income.

3.3 Development cost

The Company has capitalized capping costs incurred on mining pits and has classified these costs as development costs in conformance with *IFRS 6 - Exploration for and Evaluation of Mineral Resources.* These costs were incurred before the commencement of mining activities and after the financial and commercial viability of operating these mining pits have been determined. These costs are to be written off over a period of six to eight years, the expected period of commercial production of the mining pits.

3.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. Cash and cash equivalents are subject to insignificant risk of changes in value.

3.5 Investments

The Company has classified all its investments as available for sale. These securities are intended to be held for an indefinite period of time but may be sold in response to the needs for liquidity or changes in interest rates, exchange rates or equity prices. After initial recognition, available for sale investments are measured at fair value with unrealized gains or losses recognized in the investment remeasurement reserve.

3.6 Financial instruments

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognized in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

3. Significant accounting policies (continued)

3.6 Financial instruments (continued)

Financial assets

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, that is the date on which the company commits itself to purchase or sell an asset. A regular way purchase and sale of financial assets is a purchase or sale of asset under a contract whose terms require delivery if the asset within the timeframe established generally by regulation or convention in the marketplace concerned.

When financial assets are recognised initially, they are measured at fair value or the consideration given plus transaction costs directly attributable to the acquisition of the asset.

Financial assets are derecognised when the contractual rights to receive the cash flows expire or where the risks and rewards of ownership of the assets have been transferred.

Impairment of financial assets

The company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or group of financial assets is impaired and impairment losses are incurred if and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the company about the following loss events:

i) Significant financial difficulty of the issuer or obligor.

ii) A breach of contract, such as default or delinquency in interest or principal payments.

iii) It becoming probable that the borrower will enter in bankruptcy or other financial reorganization.

iv) The disappearance of an active market for that financial asset because of financial difficulties.

3. Significant accounting policies (continued)

3.6 Financial instruments (continued)

Impairment of financial assets (continued)

v) Observable data indicating that there is a measurable decrease in the estimated cash-flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with individual financial assets in the group, including adverse changes in the payment status of borrowers in the Company or national or economic conditions that correlate with defaults on assets in the Company.

The company first assesses whether objective evidence of impairment exists individually for Financial assets that are individually significant. If the company determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

Impairment losses are recorded in an allowance account and are measured and recognised as follows:

i) **Financial assets measured at amortised cost**

The difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate is recognised in the Statement of Comprehensive Income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improvement in the debtor's credit rating), the previously recognised loss is reversed to the extent that the carrying amount of the financial asset does not exceed what the amortised cost would have been had the impairment not been recognised at the date that the impairment is reversed. The amount of the reversal in recognised in the Statement of Comprehensive Income.

3. Significant accounting policies (continued)

3.6 Financial instruments (continued)

ii) Financial assets measured at cost

The difference between the assets' carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the current market's rate of return for similar financial assets is recognised in the Statement of Comprehensive Income. These losses are not reversed.

Financial liabilities

When financial liabilities are recognised initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the liability. Financial liabilities are the-measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when they are extinguished that is when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognised in the Statement of Comprehensive Income.

Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less and are carried at cost, which approximates market value.

Trade receivables

Trade receivables are measured cost. Appropriate allowances for estimated irrecoverable amounts are recognised in Statement of Comprehensive Income when there is objective evidence that the asset is impaired.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Bank loans

Bank loans are recognised initially at fair value, net of transaction costs incurred. Bank loans are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Comprehensive Income over the period of the loan using the effective interest method.

Shares

Shares are classified as equity and stated at fair value.

3. Significant accounting policies (continued)

3.6 Financial instruments (continued)

Leasing commitments

Assets obtained under finance leases are capitalized 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.

Investment income

Income from investments is accounted for on the accruals basis except for dividends, which are accounted for on a cash basis, consistent with International Accounting Standard (IAS) #10.

3.7 Provisions

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3.8 Revenue recognition

The Company derives its income from the sale of aggregate processed. Revenue is recognised upon delivery of products and customer acceptance, if any, or performance of services, net of sales taxed and discounts.

4. Financial risk management

Financial risk factors

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:

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

4. Financial risk management (continued)

Financial risk factors (continued)

	2021	
Financial assets	**Carrying Value**	**Fair Value**
	TT$	**TT$**
Cash in hand and at bank	2,446,950	2,446,950
Investments	264,102	264,102
Accounts receivable	8,526,709	8,526,709
Other receivables and prepayments	2,446,950	2,446,950
Financial liabilities		
Accounts payable	73,575,650	73,575,650
Other payables and accruals	63,511,221	63,511,221

	2020	
	Carrying Value	**Fair Value**
	TT$	**TT$**
Cash in hand and at bank	402,188	402,188
Investments	261,148	261,148
Accounts receivable and prepayments	10,542,687	10,542,687
Financial liabilities		
Bank Overdraft	531,499	531,499
Accounts Payable and accruals	124,224,830	124,224,830

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 and liabilities, including loans. The exposure is managed through the matching of funding products with financial services and monitoring market conditions and yields.

2021

	Effective Rate	Up to 1 Year TT$	1 to 5 Years TT$	Over 5 Years TT$	Non-Interest Bearing TT$	Total TT$
Financial assets						
Cash in hand and bank	0.20%	2,446,950	-	-	-	2,446,950
Investment	0.60-1.13%	264,102	-	-	-	264,102
Accounts receivable	0.00%	-	-	-	8,526,709	8,526,709
Other receivables and prepayments	0.00%	-	-	-	3,570,489	3,570,489
		2,711,052	**-**	**-**	**12,097,198**	**14,808,250**
Financial liabilities						
Bank overdraft	9.2%	-	-	-	-	-
Accounts payable	0.00%	-	-	-	73,575,650	73,575,650
Other payable and accruals	0.00%	-	-	-	63,511,221	63,511,221
		-	**-**	**-**	**137,086,871**	**137,086,871**

2020

	Effective Rate	Up to 1 Year	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
Financial assets						
Cash in hand and at bank	0.20%	402,188	-	-	-	402,188
Investment	0.60-1.13%	261,148	-	-	-	261,148
Accounts receivable and prepayments	0.00%	-	-	-	10,542,687	10,542,687
		663,336	**-**	**-**	**10,542,687**	**11,206,023**
Financial liabilities						
Bank overdraft	9.2%	531,499	-	-	-	531,499
Accounts payable and accruals	0.00%	-	-	-	124,224,832	124,224,832
		531,499	**-**	**-**	**124,224,832**	**124,756,331**

4. Financial risk management (continued)

b) Credit risk

Cash balances are held with high credit quality financial institutions and the company has policies to limit the amount of exposure to any single financial institution.

The company also actively monitors global economic developments and government policies that may affect the growth rate of local economy.

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.

Risk management

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the company. The company employs various asset/liability techniques to manage liquidity gaps. Liquidity gaps are mitigated by the marketable nature of a substantial segment of the company's assets. To manage and reduce liquidity risk the company's management actively seeks to match cash inflows with liability requirements.

		2021		
Liquidity gap	**Up to 1 Year**	**1 to 5 Years**	**Over 5 Years**	**Total**
	TT$	**TT$**	**TT$**	**TT$**
Financial assets				
Cash in hand and at bank	2,446,950	-	-	2,446,950
Investment	264,102	-	-	264,102
Accounts receivable	8,526,709			8,526,709
Other receivables and prepayments	3,570,489	-	-	3,570,489
	14,808,250	**-**	**-**	**14,808,250**
Financial liabilities				
Bank overdraft	-	-	-	-
Accounts payable	73,575,650			73,575,650
Other payables and accruals	63,511,221	-	-	63,511,221
	137,086,871	**-**	**-**	**137,086,871**

4. Financial risk management (continued)

Risk management (continued)

Liquidity gap		2020		
	Up to 1 Year	1 to 5 Years	Over 5 Years	Total
	TT$	TT$	TT$	TT$
Financial assets				
Cash in hand and at bank	402,188	-	-	402,188
Investment	261,148	-	-	261,148
Accounts receivable and prepayments	10,542,687	-	-	10,542,687
	10,206,023	**-**	**-**	**10,206,023**
Financial liabilities				
Bank overdraft	531,499	-	-	531,499
Accounts payable and accruals	124,224,832	-	-	124,224,832
	124,756,331	**-**	**-**	**124,756,331**

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.

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.

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 supervision applied by the Securities and Exchange Commission of Trinidad and Tobago, as well as by the monitoring controls applied by the company. The company has an Internal Audit Department, which does routine reviews on compliance.

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 the risk.

5. Critical accounting estimates and judgements

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

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 addressed as follows;

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 critical judgements apart from those involving estimations which have the most significant effect on the amounts recognised in the financial statements, are as follows;

- whether investments are classified as held to maturity investments, available for sale or loans and receivables.
- whether leases are classified as operating leases or finance leases.
- which depreciation method for plant and equipment is used.

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) Impairment of assets

Management assesses at each reporting date whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

ii) Property, plant and equipment

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.

6. Property, plant and equipment

	Property Plant and Equipment	Mining Equipment	Buildings	Office Equipment	Furniture and Fittings	Motor Vehicles	Road Work	Computer and Equipment	Appliances	Total
	TT$	TT$	TT$	TT$	TT$	TT$	TT$	TT$	TT$	TT$
Cost										
Bal as at 1 Oct 2020	85.570,867	9,740,384	11,367,444	1,656,139	2,778,149	396,933	2,182,764	8,100,173	352,095	122,144,948
Additions	174,650	122,482	5,700	10,680	56,655	-	-	207,407	3,000	580,574
Bal as at 30 Sep 2021	**85.745,517**	**9,862,866**	**11,373,144**	**1,666,819**	**2,834,804**	**396,933**	**2,182,764**	**8,307,580**	**355,095**	**122,725,522**
Accumulated Depreciation										
Bal as at 1 Oct 2020	70,224,031	8,763,236	2,773,649	1,095,734	2,514,849	348,526	551,001	7,223,853	233,216	93,728,095
Charge for the Year	3,313,172	645,061	-	-	263,300	-	-	-	-	4,221,533
Bal as at 30 Sept 2021	**73,537,203**	**9,408,297**	**2,773,650**	**1,095,734**	**2,778,149**	**348,526**	**551,001**	**7,223,853**	**233,216**	**98,286,328**
Net Book Value										
Bal as at 30 Sept 2021	**12,208,314**	**454,569**	**8,599,494**	**571,085**	**56,655**	**48,407**	**1,631,763**	**1,083,727**	**121,879**	**24,775,893**
Bal as at 30 Sept 2020	**15,346,836**	**977,148**	**8,593,795**	**560,405**	**263,300**	**48,407**	**1,631,763**	**876,320**	**118,879**	**28,416,853**

6. Property, plant and equipment (continued)

	Property Plant and Equipment	Mining Equipment	Buildings	Office Equipment	Furniture and Fittings	Motor Vehicles	Road Work	Computer and Equipment	Appliances	Total
	TT$	TT$	TT$	TT$	TT$	TT$	TT$	TT$	TT$	TT$
Cost										
Bal as at 1 Oct 2019	85,284,726	9,430,846	11,367,444	1,627,679	2,712,755	396,933	2,182,764	8,042,463	348,363	121,393,973
Addition	286,141	309,538	-	28,460	65,394	-	-	57,710	3,732	750,975
Bal as at 30 Sep 2020	**85,570,867**	**9,740,384**	**11,367,444**	**1,656,139**	**2,778,149**	**396,933**	**2,182,764**	**8,100,173**	**352,095**	**122,144,948**
Accumulated Depreciation										
Bal as at 1 Oct 2019	66,910,843	8,352,872	2,773,649	1,095,734	1,914,849	348,526	551,001	7,223,853	233,216	89,404,543
Charge for the Year	3,313,188	410,364	-	-	600,000	-	-	-	-	4,323,552
Bal as at 30 Sept 2020	**70,224,031**	**8,763,236**	**2,773,649**	**1,095,734**	**2,514,849**	**348,526**	**551,001**	**7,223,853**	**233,216**	**93,728,095**
Net Book Value										
Bal as at 30 Sept 2020	**15,346,836**	**977,148**	**8,593,795**	**560,405**	**263,300**	**48,407**	**1,631,763**	**876,320**	**118,879**	**28,416,853**
Bal as at 30 Sept 2019	**18,373,883**	**1,077,974**	**8,593,795**	**531,945**	**797,906**	**48,407**	**1,631,763**	**818,610**	**115,147**	**31,989,430**

		2021 TT$	2020 TT$
7.	**Development cost**		
	Balance at beginning of year	5,683,831	7,134,036
	Amortization charge for the year	-	(1,450,205)
	Balance at end of year	**5,683,831**	**5,683,831**
8.	**Investments**		
	First Citizens Merchant Bank Limited	22,287	22,008
	The Royal Merchant Bank and Finance Company Limited	27,259	27,259
	Trinidad and Tobago Unit Trust Corporation	214,556	211,880
		264,102	**261,148**
9.	**Cash in hand and at bank**		
	Petty cash	12,000	11,000
	First Citizens Bank Limited	2,434,950	390,163
	Scotiabank Trinidad and Tobago Limited	-	1,025
		2,446,950	**402,188**
10.	**Inventories**		
	Mined Raw Material	671,268	671,268
	Finished Goods - Processed Aggregate	1,843,576	1,824,196
	Stores and Spare Parts	2,423,704	2,562,077
		4,938,548	**5,057,541**
11.	**Accounts receivable**		
	Trade receivables	10,897,013	11,117,175
	Provision for doubtful debts	(2,370,304)	(2,370,304)
		8,526,709	8,746,871
	Other receivables	-	1,501,481
	Prepayments	-	294,335
	Deferred expenses	-	-
		8,526,709	**10,542,687**
	Provision for doubtful debts		
	Balance beginning of year	2,370,304	2,370,304
	Charge for the year	-	-
	Balance end of year	**2,370,304**	**2,370,304**
12.	**Other receivables and prepayments**		
	Other receivables	1,443,499	-
	Prepayments	319,025	-
	Deferred expenses	1,807,965	-
		3,570,489	**-**

	2021 TT$	2020 TT$
13. Accounts payable		
Providers of heavy equipment	-	34,773,104
Due to truckers	-	3,477,852
Trade payables	73,575,650	22,678,299
Other payables	-	63,295,575
	73,575,650	**124,224,830**
14. Other payables and accruals		
Other payables	63,511,221	-
	63,511,221	**-**
15. Bank overdraft		
Scotiabank Trinidad and Tobago Limited	-	-
First Citizens Bank Limited	-	531,499
	-	**531,499**
16. Stated capital		
Authorized -		
Unlimited ordinary shares of no par value		
Issued-		
23,280,000 ordinary shares of no par value	2,480,000	2,480,000
Deposit on shares	26,427,000	26,427,000
	28,907,000	**28,907,000**
17. Cost of sales		
Opening stock – finished goods	1,824,196	3,419,139
Cost of production	63,786,192	43,001,088
Other overheads	3,836,026	2,724,971
Less: Closing stock – finished goods	(4,276,026)	(1,824,196)
Cost of sales of processed material	**65,170,388**	**47,321,002**
Cost of mined raw material sold directly	178,595	134,586
Cost of sales	**65,348,983**	**47,455,588**
Cost of production		
Mined raw material transferred to production	24,335,776	18,086,167
Depreciation	3,958,232	3,723,552
Salaries and wages	22,962,789	13,007,029
Equipment rental and other overheads	12,529,395	8,184,340
Cost of production	**63,786,192**	**43,001,088**

17. Cost of sales (continued)

	2021 TT$	2020 TT$
Other costs		
Opening stock – spares and consumables	2,562,077	2,497,623
Repairs and maintenance	3,302,579	2,789,425
Closing stock – spares and consumables	(2,028,630)	(2,562,077)
	3,836,026	**2,724,971**
Cost of mined raw material transferred to production		
Opening stock – mined raw materials	671,268	423,907
Plus: Cost of mining this period		
Equipment rental	18.975,108	12,489,809
Amortisation of development costs	-	1,450,205
Royalties	3,360,459	2,628,236
Salaries and wages	1,600,988	1,617,384
Other	-	282,480
	23,936,556	**18,468,114**
Less: Closing stock – mined raw materials	(253,893)	(671,268)
	24,353,931	**18,220,753**
Mined raw material		
Transferred to production	24,335,775	18,086,167
For direct sale	18,156	134,586
	24,353,931	**18,220,753**

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 transactions with related parties and key management personnel during the year were as follows;

	2021 TT$	2020 TT$
Expenses		
Director fees	501,500	486,000
Director expenses	161	11,348
	501,661	**497,348**
Key management compensation		
Short-term benefits	-	3,181,112

19. Fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The existence of published price quotation in an active market is the best evidence of fair value. Where market prices are not available, fair values are estimated using various valuation techniques, including using recent arm's length market transactions between knowledgeable, willing parties, if available, current fair value of another financial instrument that is substantially the same and discounted cash flow analysis.

The following methods have been used to estimate the fair values of various classes of financial assets and liabilities:

i) Short term financial assets and liabilities

The carrying amount of short-term financial assets and liabilities comprising cash and cash equivalents, sundry debtors and creditors, amounts due from clients and due to insurers and clients, are a reasonable estimate of their fair values because of the short maturity of these instruments.

ii) Long-term financial assets and liabilities

In the absence of an active market for the company's long-term floating rate financial asset, it is not possible to determine the fair value of these financial instruments. The company's long-term financial liability is assumed to equate with market as the interest rate is fixed.

20. Capital risk management

The company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders. The company's overall strategy remains unchanged from previous years.

The capital structure of the company consists of equity attributable to shareholders and comprises stated capital and accumulated surplus.