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OFFICE OF THE PARLIAMENT

COCOA DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2015

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64 Abercromby Street, P.O.S., Trinidad, W.I. Tel: 625-1558, 624-5913

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 21 which comprise the statement of financial position as at 30th September, 2015, 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 and 30th September, 2015. 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, 2015 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 2015

	Notes	2015	2014
ASSETS			
Current assets			
Cash and cash equivalents	7	8,548,380	-
Trade and other receivables	8	4,125,940	-
Inventory	9	2,808,981	317,463
		15,483,301	317,463
Non-current assets			
Property, plant and equipment	6	1,160,196	1,627,431
Deferred tax asset	18	-	55,927
		1,160,196	1,683,358
TOTAL ASSETS		16,643,497	2,000,821
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	13	459,284	212,850
Taxation payable		1,346,876	-
Deferred tax liability	18	62,577	-
Deferred income	14	8,140,787	-
		10,009,524	212,850
Capital and reserves			
Share capital	11	10	10
Capital reserves	12	2,873,853	1,977,592
Accumulated surplus		3,760,110	(189,631)
		6,633,973	1,787,971
TOTAL LIABILITIES AND EQUITY		16,643,497	2,000,821

Director: [signature] Director: Jacqueline Rawlins

The notes on pages 7 to 21 form an integral part of these financial statements

COCOA DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

Statement of comprehensive income

for the year ended: 30th September 2015

	Notes	2015	10 months to Sept, 2014
Income			
Foreign sales		7,443,732	-
Local sales		349,989	-
Subvention		1,806,170	-
		9,599,891	-
Cost of sales			
Cocoa and coffee		1,072,617	-
Commission		668,045	-
		1,740,662	-
Gross profit		7,859,229	-
Expenses			
Administrative and expenses		2,444,108	245,558
Net profit/(loss) for the year before taxation		5,415,121	(245,558)
Taxation	15	(1,465,380)	55,927
Net profit/(loss) for the year after taxation		3,949,741	(189,631)

The notes on pages 7 to 21 form an integral part of these financial statements

COCOA DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

Statement of changes in equity

for the year ended: 30th September 2015

	Stated capital	Capital reserves	Accumulated surplus	Total
Balance at 23rd December 2013		-	-	-
Shares issued	10	-	-	10
Capital contribution for the period	-	1,977,592	-	1,977,592
Loss for the period	-	-	(189,631)	(189,631)
Balance at 30th September 2014	10	1,977,592	(189,631)	1,787,971
Capital contribution for the year	-	896,261	-	896,261
Profit for the year	-	-	3,949,741	3,949,741
Balance at 30th September 2015	10	2,873,853	3,760,110	6,633,973

COCOA DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

Statement of cash flows

for the year ended: 30th September 2015

	2015	10 months to Sept, 2014
Cash flows from operating activities		
Net profit/(loss) before taxation	5,415,121	(245,558)
Adjustments for:		
Depreciation	392,501	32,708
Loss on disposal of property, plant and equipment	63,944	-
Operating profit before working capital changes	5,871,566	(212,850)
Changes in operating assets and liabilities		
Increase in trade and other receivables	(3,354,816)	-
Increase in inventory	(2,491,518)	-
Increase in creditors and accruals	371,571	212,850
	(5,474,763)	212,850
Cash generated from operations	396,803	-
Investing activities		
Proceeds from sale of property, plant and equipment	10,790	
Net cash from investing activities	10,790	-
Financing activities		
Proceeds from subventions	8,140,787	
Net cash from financing activities	8,140,787	-
Net increase in cash for the year	8,548,380	-
Cash and cash equivalents:		
Balance at the beginning of the year	-	-
Balance at the end of the year	8,548,380	-

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. 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.

The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

(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.

All other liabilities are classified as non-current.

2. Significant accounting policies (continued)

(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.

(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 assets as follows:

Plant and machinery	25%
Furniture and equipment	10 - 25%
Computers	33.3%
Motor vehicles	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 realizable 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 realisable value is the estimated selling price less estimated costs in the ordinary course of business.

2. 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 financial assets 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.

(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 financial liabilities on the statement of financial position.

2. Significant accounting policies (continued)

(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 comprised of corporation tax based on taxable profit for the year and green fund levy at the statutory rate on gross income 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.

(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.

2. Significant accounting policies (continued)

(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.

(n) Comparative information

Where necessary, comparative data has been adjusted to conform with changes in presentation in the current year. Adjustments to previously reports results would be made in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

3. Changes in accounting policies and disclosures

(a) New standards and amendments/revisions to published standards and interpretations effective in 2015

No new standards and amendments/revisions to published standards and interpretations became effective in the financial year.

COCOA DEVELOPMENT COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the financial statements

for the year ended: 30th September 2015

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 and 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 and 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 a intangible assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective for accounting periods beginning on or after 1 January 2016).

- IAS 16 & IAS 41 — Property, plant and equipment and 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).

3. Changes in accounting policies and disclosures (continued)

(b) New and amended accounting standards and interpretations (continued)

- 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.

Government grants
Grants are received from the Government of Trinidad and Tobago for the purpose of financing the operations of CDCTTL, and have been treated as deferred income. It is thereafter transferred to profit and loss in the period in which the relevant expenses are incurred.

In addition, advances were made by the government for the purchase of cocoa and coffee beans. These have been offset directly against the cost of sales in the statement of comprehensive income.

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.

4. Critical accounting estimates and judgements (continued)

(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 year ended: 30th September 2015

6. Property, plant and equipment

	Computers	Furniture and equipment	Motor vehicles	Plant and machinery	Total
Cost					
1st October 2014	521,159	728,066	253,730	157,184	1,660,139
Disposals	-	(83,814)	-	-	(83,814)
30 September 2015	521,159	644,252	253,730	157,184	1,576,325
Accumulated depreciation					
1st October 2014	14,462	9,686	5,286	3,274	32,708
For the year	173,546	116,226	63,433	39,296	392,501
Disposals	-	(9,080)	-	-	(9,080)
30 September 2015	188,008	116,832	68,719	42,570	416,129
Net book value					
30 September 2014	506,697	718,380	248,444	153,910	1,627,431
30 September 2015	333,151	527,420	185,011	114,614	1,160,196

7. Cash and cash equivalents

	2015	2014
Cash at bank	8,547,769	-
Cash in hand	611	-
	8,548,380	-

The company's bank account was opened on 27th November 2014.

8. Trade and other receivables

	2015	2014
Trade receivables	4,028,343	-
Other receivables	97,597	-
	4,125,940	-

Trade receivables consist of amounts due from customers in the ordinary course of business ($2.4m) and amounts due from a related party as a result of stock shortages ($1.5m).

Trade and other receivables are non-interest bearing.

9. Inventory

	2015		2014	
	kgs	$	kgs	$
Cocoa				
Grade 1	119,405	2,806,018	-	313,830
Grade 2	-	-	-	-
Grade 3	1,957	2,153	-	-
Dust	-	-	-	-
Coffee	60	810	-	3,633
	121,422	2,808,981	-	317,463

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 previous financial period, the book value of inventory held by the CCIB was transferred to CDCTTL by the Ministry. A physical inventory count had not been conducted at 30th September, 2014 and as a result no quantity values were available.

10. 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:

	2015	2014
Key management personnel compensation		
- Salaries and other short term employee benefits	467,400	116,850
Transactions with key management personnel:		
- Inventory purchased	440,882	-
- Outstanding balances receivable	19,576	-
	460,458	-
Transactions with other related parties:		
- Inventory purchased	5,483,552	-
- Outstanding balances receivable	1,369,661	-
- Commission paid	668,045	-
	7,521,258	-

11. Stated capital

	2015	2014
Authorised		
Unlimited number of ordinary shares with no par value		
Issued and fully paid		
10 ordinary shares - stated value	10	10

12. Capital reserves

	2015	2014
Computers	521,159	521,159
Furniture and equipment	728,066	728,066
Motor vehicles	253,730	253,730
Plant and machinery	157,184	157,184
Inventory: cocoa - grade 1	313,830	313,830
Inventory: coffee	3,633	3,633
Trade and other receivables	771,124	-
Share capital	(10)	(10)
Payment to creditor by CCIB	125,137	-
	2,873,853	1,977,592

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.

13. Trade and other payables

	2015	2014
Trade payables	260,394	-
Payroll liabilities		
PAYE	16,075	-
NIS	14,669	-
Health surcharge	396	-
Consultancy/Transition management fees	-	72,000
Directors fees	-	116,850
Professional fees	41,500	-
Accounting fees	74,250	-
Audit fees	52,000	24,000
	459,284	212,850

14. Deferred income

	2015	2014
Deferred income at start of year	-	-
Subventions received	9,946,957	-
Amounts utilised	(1,806,170)	
Deferred income at end of year	8,140,787	-

CDCTTL received grants from the government for the purpose of financing its operations, with no terms for future repayment. As such, the company has recognised income in the current year of $1.8m (2014: NIL).

15. Taxation

	2015	2014
Current charge (see below)	(1,346,876)	-
Deferred tax (charge)/credit (**Note 18**)	(118,504)	55,927
Tax (charge)/credit for the year	(1,465,380)	55,927

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

	2015	2014
Profit/(loss) before taxation	5,415,121	(245,558)
Corporation tax at statutory rate 25%	1,353,780	(61,390)
Tax effect of:		
Permanent differences		
Non-deductible expenses	93,840	5,463
Tax exempt income	(1,951)	-
Timing (temporary) differences		
Depreciation	27,371	(89,948)
Loss relief (utilised)/carried forward	(145,875)	145,875
Corporation tax	1,327,165	-
Green fund levy	19,711	-
Current charge	1,346,876	-

16. Operating leases

The company rents office space under an operating lease arrangement transferred from CCIB as at 27th November 2014. No formal lease agreement has been established in the name of CDCTTL.

At the year end the company has commitments under the above lease arrangement as follows:

	2015	2014
Within one year	207,000	238,625
Later than one year and no later than five years	-	207,000
	207,000	445,625

17. Administrative and general expenses

	2015	2014
Professional fees	555,889	72,000
Director's fees	467,400	116,850
Depreciation	392,501	32,708
Salaries and wages	257,043	-
Rent	238,625	-
Audit and accounting fees	186,250	24,000
Advertising and promotion	97,511	-
Loss on disposal of property, plant and equipment	63,944	-
Loss on foreign exchange	57,285	-
Utilities	52,018	-
Meeting and conferences	46,576	-
Janitorial services	8,400	-
Printing, stationery and office expenses	8,093	-
Interest and bank charges	5,448	-
Repairs and maintenance	2,939	-
Motor vehicle expenses	2,656	-
Staff benefit and welfare	821	-
Security	600	-
Entertainment	109	-
	2,444,108	245,558

Notes to the financial statements

for the year ended: 30th September 2015

18. Deferred tax (liability)/asset

	2015	2014
Balance at start of year	55,927	-
Net credit to profit and loss for year	(118,504)	55,927
Balance at end of year	(62,577)	55,927

19. Approval of financial statements

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