

WESTMOORINGS GARDENS LIMITED

FINANCIAL STATEMENTS

31ST DECEMBER 2021



WESTMOORINGS GARDENS LIMITED

Table of Contents

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

	<u>Page</u>
<u>Statement of Management Responsibilities</u>	3
<u>Independent Auditor's Report</u>	4 - 5
<u>Statement of Financial Position</u>	6
<u>Statement of Income and Expenditure</u>	7
<u>Statement of Changes in Equity</u>	8
<u>Statement of Cash Flows</u>	9
<u>Schedules to the Statement of Income and Expenditure</u>	10
<u>Notes to the Financial Statements</u>	11 - 20
1) Incorporation and principal activity	9) Special reserve
2) Significant accounting policies, judgements, estimates and assumptions	10) General reserve
3) Critical accounting estimates and judgements and key sources of estimation uncertainty	11) Windsurf park development fund
4) Property, plant and equipment	12) Other payables and accruals
5) Investment property	13) Revenues
6) Cash investment	14) Miscellaneous taxes
7) Accounts receivable	15) Audit fees
8) Cash and cash equivalents	16) Compensation of key management personnel
	17) Employment disclosure
	18) Events after the reporting period
	19) Approval of financial statements

WESTMOORINGS GARDENS LIMITED

Statement of Management Responsibilities

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

The audited financial statements of **Westmoorings Gardens Limited** (the 'Company') for the year ended **31st December 2021** were prepared by management who is responsible for the integrity and fairness of the information presented.

Management acknowledges its responsibility for:

- a) The preparation of the audited financial statements which comprise the statement of financial position, statement of income and expenditure, statement of changes in equity and statement of cash flows for the year ended **31st December 2021** together with the summary of significant accounting policies, notes and other explanations.
- b) Establishing and maintaining an adequate internal control structure, procedures, accounting records for financial reporting (which form the basis of the audited financial statements) and safeguarding the assets of the company.
- c) Applying the appropriate accounting policies in a consistent manner and calculating reasonable accounting estimates and prudent judgements.
- d) Ensuring that the audited financial statements presented are a true and fair presentation of the state of affairs of the company, which includes ensuring that the information from which the audited financial statements are derived is structured and adequately assessed to ensure that the system of internal controls operated effectively during the reporting period.
- e) On a continuous basis where applicable, implementing, monitoring and evaluating the system of internal controls that assures the security of the company's assets, detection and prevention of material misstatement, whether due to fraud or error and the achievement of the company's operational efficiencies.

These audited financial statements of **Westmoorings Gardens Limited** are prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB – IFRS Foundation) and adopted by the Institute of Chartered Accountants of Trinidad and Tobago (ICATT) and the appropriate accounting policies have been established in a manner which gives a true and fair view of the company's affairs and operating results.

Where IFRS for SMEs provided alternative accounting treatments, management selected those considered most appropriate in the circumstances. These audited financial statements comply in all material respects with local legislation enacted and in force.

Further, no event, circumstance or information has been brought to the attention of management that compromises the company's status as a going concern for the next twelve (12) months from the date of this statement.



.....
Director

.....
20-MAY-2022

.....
Date



.....
Director

.....
20-MAY-2022

.....
Date



INDEPENDENT AUDITOR'S REPORT

To the members of **WESTMOORINGS GARDENS LIMITED**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of **Westmoorings Gardens Limited** (the Company), which comprise the statement of financial position as at December 31st 2021, and the statement of income and expenditure, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at December 31st 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

BASIS FOR OPINION

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

R.S. Baboolal & Co.

.....
R.S. Baboolal & Co.
Chaguanas, Trinidad & Tobago
20th May 2022

WESTMOORINGS GARDENS LIMITED

Statement of Financial Position

As at 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

		<u>2021</u>	<u>2020</u>
<u>Assets</u>	<u>Notes</u>	<u>(\$)</u>	<u>(\$)</u>
<u>Non-Current Assets</u>			
Property, Plant and Equipment	4, 2 c)	436,727	464,775
Investment Property	5, 2 m)	1	1
Cash Investment	6	227,291	185,023
		<u>664,019</u>	<u>649,799</u>
<u>Current Assets</u>			
Accounts Receivable	7, 2 d)	42,874	73,158
Other Current Assets		2,461	2,308
Cash and Cash equivalents	8, 2 f)	269,025	244,806
		<u>314,360</u>	<u>320,272</u>
<u>Total Assets</u>		<u>978,379</u>	<u>970,071</u>
<u>Equity and Liabilities</u>			
<u>Members Reserves</u>			
Special Reserve	9	108,314	108,314
General Reserve	10	835,322	806,975
Windsurf Park Development Fund	11	21,404	41,843
		<u>965,040</u>	<u>957,132</u>
<u>Current Liabilities</u>			
Other Payables and Accruals	12, 2 e)	13,339	12,939
<u>Total Equity and Liabilities</u>		<u>978,379</u>	<u>970,071</u>

The accompanying notes form an integral part of these financial statements. These financial statements of Westmoorings Gardens Limited were approved and authorized for issue by the Board of Directors on the 20th day of May 2022 and were signed on their behalf by



Director



Director

WESTMOORINGS GARDENS LIMITED

Statement of Income and Expenditure

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

	Notes	2021 (\$)	2020 (\$)
<u>Operating Revenue</u>			
Advertising Income	13, 2 i)	64,600	54,600
Lease Rental Income	13, 2 i)	1,680	1,680
Maintenance and Service Charges	13, 2 i)	359,363	359,363
Other Income	13, 2 i)	74,938	94,320
<u>Total Operating Income</u>		<u>500,581</u>	<u>509,963</u>
<u>Operating Expenses</u>			
General and Administrative Expenses	Schedule 1	(386,549)	(289,093)
Financial Expenses	Schedule 2	(155)	(143)
Professional and Legal Fees	Schedule 3	(105,969)	(106,250)
<u>Total General and Administrative Expenses</u>		<u>(492,673)</u>	<u>(395,486)</u>
<u>Surplus for The Year</u>		<u>7,908</u>	<u>114,477</u>
<u>Represented By</u>			
Surplus for The Year – As Above		7,908	114,477
Capital Expenditure – Windsurf Park Development Fund		20,439	11,000
Transfer from/(to) General Reserve	10	34,937	(157,457)
<u>Net Surplus/(Deficit) Retained</u>		<u>63,284</u>	<u>(31,980)</u>
<u>Comprised Of</u>			
Surplus/(Deficit) Retained – Capital Expenditure (Net)		59,245	(35,968)
Surplus Retained – Prepayments (Net)		2,359	2,308
Lease Rental Income		1,680	1,680
<u>Net Surplus/(Deficit) Retained In General Reserve</u>		<u>63,284</u>	<u>(31,980)</u>

The accompanying notes form an integral part of these financial statements

WESTMOORINGS GARDENS LIMITED

Statement of Changes In Equity

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

	<u>Notes</u>	<u>Special Reserve</u>	<u>General Reserve</u>	<u>Windsurf Park Development Fund</u>	<u>Accumulated Fund</u>	<u>Total</u>
		<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>
<u>Balance at January 1st, 2021</u>		108,314	681,498	52,843	-	842,655
Surplus for The Year		-	-	-	114,477	114,477
Additions to General Reserve (net)	10	-	114,477	-	(114,477)	-
Additions to General Reserve – Windsurf Park Development Fund			11,000	(11,000)	-	-
<u>Balance at December 31st, 2021</u>		108,314	806,975	41,843	-	957,132
<u>Balance at January 1st, 2021</u>		108,314	806,975	41,843	-	957,132
Surplus for The Year		-	-	-	7,908	7,908
Additions to General Reserve (net)	10	-	7,908	-	(7,908)	-
Additions to General Reserve – Windsurf Park Development Fund Expenditure			20,439	(20,439)	-	-
<u>Balance at December 31st, 2021</u>		108,314	835,322	21,404	--	965,040

The accompanying notes form an integral part of these financial statements

WESTMOORINGS GARDENS LIMITED

Statement of Cash Flows

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

	Notes	2021 (\$)	2020 (\$)
<u>Cash Flows from Operating Activities</u>			
Surplus Before Taxation		7,909	114,477
<u>Adjustments for Non-Cash Items</u>			
Depreciation Charges	4, 2 c)	44,912	66,874
Loss on Disposal		87,293	-
<u>Cash Surplus Arising from Operating Activities</u>		140,113	181,351
<u>Adjustments to Reconcile Cash Surplus Provided By Operating Activities</u>			
Decrease in Accounts Receivable	7, 2 d)	30,283	19,003
(Increase) / Decrease in Other Receivables and Prepayments		(153)	557
Increase / (Decrease) in Other Payables and Accruals	12, 2 e)	401	(170)
<u>Net Cash Provided by Operating Activities</u>		170,644	200,741
Taxation Paid		-	-
<u>Cash Surplus from Operating Activities</u>		170,644	200,741
<u>Investing Activities</u>			
Acquisition of Property, Plant and Equipment	4, 2 c)	(104,157)	(30,906)
<u>Cash Used In Investing Activities</u>		(104,157)	(30,906)
Increase in Cash and Cash Equivalents		66,487	169,835
Cash and Cash Equivalents – Beginning of Year		429,829	259,994
<u>Cash and Cash Equivalents – End of Year</u>		496,316	429,829
<u>Analysis of Cash and Cash Equivalents</u>			
Cash Investment	6	227,291	185,023
Cash And Cash Equivalents	8, 2 f)	269,025	244,806
		496,316	429,829

The accompanying notes form an integral part of these financial statements

WESTMOORINGS GARDENS LIMITED

Schedule to the Statement of Income and Expenditure

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

	<u>Notes</u>	<u>2021</u> <u>(\$)</u>	<u>2020</u> <u>(\$)</u>
<u>General and Administrative Expenses – Schedule 1</u>			
Audit Fees	15	11,813	11,813
Bad Debts		-	1,500
Depreciation	4, 2 c)	44,912	66,874
Electricity Charges		10,042	7,639
Insurances		4,159	4,239
Lease Rental Payments		60	60
Loss on Disposal of Plant, Property and Equipment		87,293	-
Maintenance Services and Expenses – Common Areas		47,272	25,539
Maintenance Services and Expenses – Groundskeeping		80,650	83,310
Maintenance Services and Expenses – Park		55,106	44,416
Maintenance Services and Expenses – Tennis Court		8,901	4,786
Miscellaneous Taxes	14	1,498	1,527
National Insurance Payments		5,301	6,117
Office Expenses		11,632	12,420
Penalties And Interest		17	93
Repairs and Maintenance of Equipment		9,105	7,543
Subscriptions and Dues		2,898	2,620
Telephone Expenses		3,268	5,871
Uniforms		-	810
Utilities		1,216	1,216
Website Costs		1,406	700
<u>Total General and Administrative Expenses</u>		<u>386,549</u>	<u>289,093</u>
<u>Financial Expenses – Schedule 2</u>			
Bank Charges		<u>155</u>	<u>143</u>
<u>Professional And Legal Fees – Schedule 3</u>			
Compensation of Key Management Personnel	16	104,000	104,000
Professional Services		1,969	2,250
		<u>105,969</u>	<u>106,250</u>
<u>Total General and Administrative and Financial Expenses</u>		<u>492,673</u>	<u>395,486</u>

The accompanying notes form an integral part of these financial statements

WESTMOORINGS GARDENS LIMITED

Notes to the Financial Statements

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

1. Incorporation and principal activity

The Company was initially incorporated in the Republic of Trinidad and Tobago on 1st May, 1979 and has been continued under the New Companies Act of 1995 as amended by the Companies Amendment Act 1997 on 12th April, 1999 and is a Company limited by Guarantee. Its registered office is situated at Windsurf Park, Windsurf Road East, Westmoorings-by-the-sea.

The Company's principal activities are to oversee the operation and maintenance of the common areas including certain other obligations particular to a gated community development known as Westmoorings by-the-sea. By Deed of assignment dated March 27th, 2001, Westmoorings Gardens Limited came into possession of the reversionary interest in the property as conveyed by Westmoorings Limited (the Developer and Lessor), for a nominal consideration of \$1.00.

The common areas of the larger property comprise 159 residential land lots and 9 townhouse plots of varying sizes. The property consists of roads, road reserves, gardens and drainage infrastructure which Westmoorings Garden's Limited is covenanted to maintain by virtue of the aforementioned deed of Assignment. All of the obligations of the lessor have been assumed by Westmoorings Gardens Limited.

For the current reporting period, headings and references made to profit and loss has been changed to "Income and Expenditure" in properly addressing the true nature and intent of the company as a not-for-profit entity.

2. Significant accounting policies, judgements, estimates and assumptions

a) Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SME's) issued by the International Accounting Standards Board and effective for the year ended **31st December 2021**. The accounting policies that follow have been consistently applied to all the years presented.

b) Basis of preparation

Assets and liabilities are recorded on the historical cost bases except for available for sale investments that are measured at fair values at the end of the reporting period. Historical costs are generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

WESTMOORINGS GARDENS LIMITED

Notes to the Financial Statements

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies, judgements, estimates and assumptions (continued)

c) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses where necessary. The expected useful lives of property, plant and equipment are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

Provision for depreciation, depletion and amortisation of property, plant and equipment is calculated on the reducing balance method utilising rates, which are sufficient to write off the depreciable amount of the assets over their estimated useful life as follows:

Leasehold improvements	10%
Office building	10%
Maintenance and office equipment	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at each statement of financial position date or where changes in circumstances indicate that impairment may have occurred. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carry amount is greater than its estimated recoverable amount.

Cost of borrowing, for acquisition of property, plant and equipment are expensed as they are incurred.

Repairs and renovation costs are normally expensed as they are incurred. Expenses are reposted as assets only if the amounts involved are substantial and one or more of the following conditions are satisfied: the original used life is prolonged, the production capacity is increased, the quality of the products is enhanced materially or the production costs are reduced considerably.

An item of property, plant and equipment is derecognised upon disposal or when the future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of income and expenditure in the period in which the item is derecognised.

d) Accounts and other receivables

Accounts and other receivables are recognised initially at invoice costs and are subsequently measured at net realisable cost using the initial invoice value less any provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the accounts receivable is impaired.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of loss recognised in the statement of income and expenditure within 'administrative and general expenses. When a receivable is uncollectible, it is written off against the allowance account for accounts receivable. Subsequent recoveries of amounts previously written off are credited against 'administrative and general expenses' in the statement of income and expenditure. Other receivables are measured at cost less any impairment

WESTMOORINGS GARDENS LIMITED

Notes to the Financial Statements

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies, judgements, estimates and assumptions (continued)

e) **Accounts and other payables**

Accounts and other payables are recognised initially at fair value based on the original invoice and subsequently measured at amortised cost.

f) **Cash and cash equivalents**

Cash and cash equivalents included cash in hand, deposits held at call with banks, and other short-term highly liquid investments (if any) which are subsequent to an insignificant risk of changes in value.

g) **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, it's carrying amount is the present value of those cash flows.

Where some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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 obligation may be immaterial.

h) **Taxation**

Income and Corporation Taxes (if any) are accounted for on the tax's payable basis where only taxes actually paid / payable for the period are charged to current operations. Accounting profits are adjusted for permanent and temporary timing differences in accordance with best practices and conventions adopted by the Board of Inland Revenue and reflect only that liability without reference to deferred taxation or potential taxation liability arising out of liquidation of assets of the Company. The Directors are of the opinion that the taxation policy adopted by the Company reflects substantially the Company's position.

The Company being a property management company (in addition to being limited by guarantee) is exempt from corporation tax given that it incurs neither a profit nor loss with any surpluses or shortfalls being absorbed by the members. As a result, therefore no taxable provisions are made except for Green Fund Levy Liabilities. At the end of each financial year this policy is reviewed to ensure compliance with applicable legislation and to review the basis of preparation of the Financial Statements.

i) **Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the provision of services or the holding of investments in the ordinary course of the Company's activities. Revenue is shown net of returns, rebates and discounts. Revenue is recognised when the amount of the revenue can be reliably measured and on the accrual basis. Revenue is derived primarily from lease rents charged to the townhouse and residential lot owners and service charges levied on the lots for maintenance services.

WESTMOORINGS GARDENS LIMITED

Notes to the Financial Statements

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies, judgements, estimates and assumptions (continued)

j) **Other financial liabilities**

Other financial liabilities are initially measured at transaction price, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method

k) **Financial instruments**

The methods and assumptions used to estimate the fair value of each class of financial instrument for which it is practical to estimate a value, are as follows:

- **Short term financial assets and liabilities**

The carrying amount of short-term financial assets and liabilities comprising cash and cash equivalents, accounts receivable, accounts payable, investment and loans are a reasonable estimate of their fair values because of the short - term maturity of the estimate.

- **Long term financial assets and liabilities**

The fair value of medium and long-term financial assets and liabilities approximates their carrying amounts.

l) **Financial risk management**

The Company's activities expose it to two types of risk; credit risk and liquidity risk.

a) **Credit risk**

Credit Risk is managed on a member-to-member basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions as well as credit exposures to members including outstanding receivables and committed transactions. The Company has no significant concentrations of credit risk.

b) **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the Company aims to maintain flexibility in funding by keeping committed credit lines available.

m) **Investment property**

Investment Property represents leasehold lands carried at cost with no provision for amortization. Management considers that fairer presentation is achieved when the carrying value of the lease represents the full value of the nominal consideration paid. The Investment Property earns fixed long - term rental yields for a limited term period and is further detailed in note 5 of the Financial Statements.

n) **Currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment which the entity operates (i.e. the functional currency) and the financial statements are presented in Trinidad and Tobago Dollars.

o) **Comparative figures**

Comparative figures are restated to conform to current years' presentation if required and are usually disclosed separately in the general notes to the financial statements. Details stating the prior period balance in addition to the impact of the restatement is also disclosed where applicable.

WESTMOORINGS GARDENS LIMITED

Notes to the Financial Statements

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

3. Critical accounting estimates, assumptions and judgements and key sources of uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, seldom equal the related actual results.

a) Income taxes

The Company is not subject to income taxes under the Income Tax Act in Trinidad and Tobago but is subject to levy and other statutory dues as guided by the Miscellaneous Taxes Act.

b) Revenue recognition

The Company declares its income based on the arrangements for determination of certain amounts to be billed to the lot owners as certified by the External Auditor and the budget prepared by Management. In assessing the risks involved, Management views the trend history of the tenants' payment cycle and reviews the tenancy position but relies heavily on the ability to recover any jeopardised income out of levy actions.

4. Property, plant and equipment

	<u>Leasehold Improvements</u>	<u>Office Building</u>	<u>Maintenance And Office Equipment</u>	<u>Total</u>
	\$	\$	\$	\$
<u>Year Ended 31st December, 2021</u>				
Opening Net Book Value	335,742	77,502	51,531	464,775
Additions	4,200	-	99,957	104,158
Disposals	(83,287)	-	(4,006)	(87,293)
Depreciation	(25,281)	(7,750)	(7,557)	(44,912)
<u>Closing Net Book Value</u>	231,374	69,752	135,601	436,727
<u>Year Ended 31st December, 2021</u>				
Cost/Valuations	368,462	135,000	213,813	717,275
Accumulated Depreciation	(137,088)	(65,248)	(78,212)	(280,548)
<u>Closing Net Book Value</u>	231,374	69,752	135,601	436,727
<u>Year Ended 31st December, 2020</u>				
Opening Net Book Value	350,697	86,113	63,933	500,743
Additions	26,765	-	4,141	30,906
Depreciation	(41,720)	(8,611)	(16,543)	(66,874)
<u>Closing Net Book Value</u>	335,742	77,502	51,531	464,775
<u>Year Ended 31st December, 2020</u>				
Cost/Valuations	494,075	135,000	125,419	754,494
Accumulated Depreciation	(158,333)	(57,498)	(73,888)	(289,719)
<u>Closing Net Book Value</u>	335,742	77,502	51,531	464,775

The company benefitted from an office building measuring approximately 650 sq. ft. constructed on Windsurf Park and gifted with free and clear title by the Ministry of Works & Infrastructure in a previous financial period. The amount capitalised represents the net market value of the asset gifted and which the Board of Director's have agreed to recognise as the value of the gift received. Capital improvements made to the leasehold property (common areas) are also been capitalized and depreciated accordingly.

WESTMOORINGS GARDENS LIMITED

Notes to the Financial Statements

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

5. Investment property

	<u>2021</u> <u>(\$)</u>	<u>2020</u> <u>(\$)</u>
Standing to account at year end	<u>1</u>	<u>1</u>

By deed of assignment dated 27th March 2001, Westmoorings Gardens Limited came into possession of the common areas in the leased property as conveyed by Westmoorings Limited (the Developer and Lessor) for a nominal consideration of \$1.00. The common areas in the property comprises approximately 12.68 Acres of roads, road reserves, drains, designated green areas etc and is reflected at cost. The leased property comprises several parcels with 99-year lease terms ranging from year 1981 – 1987 and expiring on year 2080 – 2086. No amortisation is provided on the lease as management considers that fairer presentation is achieved when the carrying value of the lease represents the full value of the nominal consideration paid.

6. Cash investments

	<u>2021</u> <u>(\$)</u>	<u>2020</u> <u>(\$)</u>
Standing to account at year end	<u>227,291</u>	<u>185,023</u>

The amount represents the balance on a money market investment account held at the Trinidad and Tobago Unit Trust Corporation and carries an effective interest rate of 1% for both periods. Contributions to the account and redemptions are at the discretion of management and is usually made when surplus cash is available or short-term cash funding is required. Funds granted by Windsurf Park Committee to the company in an earlier financial period for the upkeep and maintenance of Windsurf Park as it relates to items of capital expenditure has been deposited into this account. The account has been reclassified to a non-current asset (and comparative restatement) in keeping with its inherent long-term attributes.

7. Accounts receivable

	<u>2021</u> <u>(\$)</u>	<u>2020</u> <u>(\$)</u>
Gross receivables at year end – 100% Local	<u>42,874</u>	<u>73,158</u>

The Receivables are stated at gross amounts and is representative of service charges and lease rental billings to the land owners / tenants (lessees). Service charges are billed to the residential lots as well as two thirds the number of townhouses on each townhouse plot. Lease rents are billed to both the residential lots as well as the Townhouse plots. There was no doubtful debt provision for the reporting year nor its comparative period.

8. Cash and cash equivalents

	<u>2021</u> <u>(\$)</u>	<u>2020</u> <u>(\$)</u>
Bank balance – commercial chequing and savings account	267,025	242,806
Cash on hand	2,000	2,000
	<u>269,025</u>	<u>244,806</u>

This sum represents the bank balance held at a local bank and denominated in Trinidad and Tobago currency. It comprises a commercial chequing account used by the Company in its daily operations. The Company does not operate any financing or overdraft facility with the bank and the account balance remain unencumbered.

WESTMOORINGS GARDENS LIMITED

Notes to the Financial Statements

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

9. Special reserve

	<u>2021</u> (\$)	<u>2020</u> (\$)
Opening balance b/w/d	<u>108,314</u>	<u>108,314</u>

By resolution of the Board of Directors dated 7th August 2013 and based upon management committee's recommendations a Special Reserve was established in order to fund certain operations of the company that was not envisaged within the company's normal activities. The reserve is increased only when the company has earned a surplus after tax of 100% of the profits retained from **extra-ordinary activities** designated by management and which does not fall within the scope of general property management. These may be in the form of fundraisers other such extraordinary activities. There was no movement attributable to this account for the respective periods.

No distribution is to be made out of this fund as payments, transfers, dividends etc. to the members of the company.

10. General reserve

At the statement of financial position date, the Company's General Reserve was stated as follows:

	<u>2021</u> (\$)	<u>2020</u> (\$)
Opening balance B/w/d	806,975	681,498
(a) Amounts appropriated out of surplus for the year	1,680	1,680
(b) Amounts retained relating to capital expenditure	104,157	30,906
(c) Prepayments	2,359	2,308
(d) Depreciation	(44,912)	(66,874)
	<u>870,259</u>	<u>649,518</u>
(e) Retained in general reserve	(34,937)	157,457
	<u>835,322</u>	<u>806,975</u>

By a resolution of the Board of Directors dated 9th June 2014 and based upon the management committee's recommendations, a General Reserve was established in order to fund certain operations of the company that was not envisaged within the company's normal activities and to make same available for utilization in the discharge of unplanned and unforeseen obligations that transcends its normal operations as the property management company.

- a) Management has appropriated a fixed sum in the amount stated from the tenants' account relating to lease rental income and prepayments.
- b) Amounts retained in respect of capital expenditure incurred have been appropriated from the tenants' account and included in the General Reserve.
- c) Amounts treated as prepayments consists of the apportioned value of insurances paid by the company which relates to an upcoming reporting period.
- d) Depreciation in relation to capital expenditure have been appropriated and transferred out of the General Reserve.
- e) The sum has been absorbed into the General Reserve and comprises the net deficit on capital and routine expenditure obligations of the Company that is not being passed to the tenants.

WESTMOORINGS GARDENS LIMITED

Notes to the Financial Statements

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

11. Windsurf park development fund

	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
Opening balance fwd	41,843	52,843
Expenditure relating to Windsurf Park	(20,439)	(11,000)
	<u>21,404</u>	<u>41,843</u>

In May 2013, Westmoorings Gardens Limited (WGL) assumed the responsibilities for the maintenance and upkeep of Windsurf Park. An obligation that was previously held by Windsurf Park Committee. The Committee was initially established to oversee the operations for the maintenance and upkeep of Windsurf Park situate within the development and has since been disbanded. On assuming the responsibility by WGL, Windsurf Park Committee granted a sum of money on the condition that same be used specifically for the upkeep of Windsurf Park with respect to items of a capital nature. The balance on the account represents the residual funds after deduction of expenditures relating directly to Windsurf Park.

No distribution is to be made out of this fund as payments, transfers, dividends etc. to the members of the company and is to be used specifically to fund items of capital expenditure relating to Windsurf Park. The fund is not to be used for routine general maintenance.

12. Other payables and accruals

	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
Balance standing to account at year end	<u>13,339</u>	<u>12,939</u>

13. Revenues

	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
(a) Lease rental income	1,680	1,680
(b) Maintenance and service charges	359,363	359,363
(c) Other income and interest earned	74,938	94,320
(d) Advertising income	64,600	54,600
	<u>502,581</u>	<u>509,963</u>

- a) Lease Rental Income accrues at the rate of \$10 per residential lot (159) / townhouse plot (9) on the 1st January each year and is levied in accordance with clause F of the Deed of Sub-Lease.
- b) Maintenance and Service Charges are levied in advance on 159 residential lots as well as two thirds the number of townhouses (297) on each townhouse plot at the rate of \$797.5 per annum and is billed to fund the operating activities of the Company. The fee has been instituted by an approved budget adopted by the Board and is levied in accordance with clause 5 of the Deed of Sub-Lease.
- c) The interest earned for the financial year in a Cash Investment held at the Trinidad & Tobago Unit Trust Corporation is reflected in this balance together with other income earned from donations received and other corporate fund-raising activities.

WESTMOORINGS GARDENS LIMITED

Notes to the Financial Statements

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

13. Revenues (continued)

- d) WGL continued the letting of park benches via the placement of signs to local businesses to facilitate the advertising of their products and services at an annual rental fee. The funds collected are intended to offset the costs incurred by the company with respect to the upkeep and maintenance of Westmoorings by-the-sea.

14. Miscellaneous taxes

	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
Green fund levy	<u>1,498</u>	<u>1,527</u>

Westmoorings Gardens Limited being a company limited by guarantee, and whose activities do not revolve around commercial or similar trading undertakings that give rise to taxable profits, is deemed to be exempt from Corporation Tax. No account has been taken with respect to tax provisions save and except for Green Fund Levy liabilities which falls under the Miscellaneous Taxes Act.

Any activity undertaken by the Company is done on the basis of securing the interests of its members in accordance with their obligations under the deed of sub-lease and any surplus earned is refunded in the proportionate amount, and conversely with respect to shortfalls being collected in accordance with clause 5 of the Deed of sub-lease.

15. Audit fees

	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
Amounts due (and paid) for the reporting periods	<u>11,813</u>	<u>11,813</u>

16. Compensation of key management personnel

	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
Total remuneration paid at year end	<u>104,000</u>	<u>104,000</u>

An amount is paid to a property manager for her part time services rendered to the company via fixed monthly payments.

17. Employment disclosure

At the statement of financial position date, the company's employment structure was as follows:

	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
Part time - casual	2	1
Part time - directors	13	13
	<u>15</u>	<u>14</u>

WESTMOORINGS GARDENS LIMITED

Notes to the Financial Statements

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

18. Events after the reporting period

Management continues to evaluate the impact of the coronavirus disease 2019 (COVID-19) that occurred during the comparative period and is still subsisting, particularly in respect of the company's revenue earning abilities and cash liquidity position. This disease was declared a pandemic by the World Health Organisation on March 11th, 2020. Management has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31st December 2021 have not been adjusted to reflect their impact. The extent of the impact on the financial position and performance of the Company depends on future developments, including but not limited to (i) the continued duration and spread of the outbreak, (ii) the continued extent of restrictions and advisories, and (iii) the prolonged and continued effects on the local and global financial and economic markets, all of which are highly uncertain and cannot be predicted. Management believes that it is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

The continuation of these circumstances however could have a negative impact on the Company's financial condition and results. Management is optimistic that the Company will continue to meet its obligations to tenants for maintenance activities in spite of these circumstances and have formulated and implemented certain plans in order to combat the aforementioned consequences. Some of these plans are as follows:

- Monitoring and controlling operating costs and adhering to fixed cost budgets
- Maintaining the Company's cash liquidity position by increased credit control monitoring and working together with tenants to ensure that tenants accounts are kept up to date

19. Approval of financial statements

These financial statements were approved by the board of Directors and authorised for issue on the 20th day of May, 2022.