

SCHOONER COURT
FINANCIAL STATEMENTS
31ST DECEMBER 2021



SCHOONER COURT

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 - 17
1) Incorporation and principal activity	7) Cash and cash equivalents
2) Significant accounting policies, judgements, estimates and assumptions	8) Accounts payable and accruals
3) Critical accounting estimates and judgements and key sources of estimation uncertainty	9) Revenues
4) Investment property	10) Gain on available for sale investments
5) Available for sale investment	11) Amounts due to / from tenants
6) Accounts receivable	12) Audit fees
	13) Green fund levy
	14) Employment disclosure
	15) Events after the reporting period
	16) Approval of financial statements

SCHOONER COURT

Statement of Management Responsibilities

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

The audited financial statements of **Schooner Court** (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.

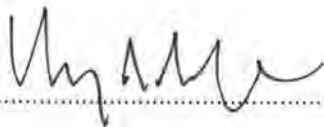
Management acknowledges its responsibility for:

- a) The preparation of the audited financial statements which comprise the statement of financial position, statement of profit or loss and other comprehensive income, 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 **Schooner Court** 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 complies 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

.....
12/07/2022

Date



INDEPENDENT AUDITOR'S REPORT

To the members of **SCHOONER COURT**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of **Schooner Court** (the Company), which comprise the statement of financial position as at December 31st 2021, and the income and expenditure account, 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.

EMPHASIS OF MATTER

We draw your attention to note 6 of the financial statements, which describes management's position in respect of the reported balances relating to accounts receivable. Management does not consider it necessary to provide for impairment of accounts receivable balances owing to the provisions in the various deeds of sub-lease executed with the lessees, which gives management the legal right to collect on the various debts without deduction or set-off. Management have also considered the nature of the company's operations in making this assessment whereby it is normal for aged debts to be settled after a lengthy period notwithstanding their expectations of pursuing full recoveries in the next financial period. Our opinion is not modified in respect of this matter.

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

12th July 2022

SCHOONER COURT


Statement of Financial Position

As at 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

<u>Assets</u>	<u>Notes</u>	<u>2021</u> <u>(\$)</u>	<u>2020</u> <u>(\$)</u>
<u>Non-Current Assets</u>			
Investment Property	4, 2 l)	3	3
Available For Sale Investments	5, 2 j)	24,571	24,145
		<u>24,574</u>	<u>24,148</u>
<u>Current Assets</u>			
Accounts Receivable	6, 2 c)	77,836	90,926
Cash And Cash Equivalents	7, 2 e)	44,188	31,651
		<u>122,024</u>	<u>122,577</u>
<u>Total Assets</u>		<u>146,598</u>	<u>146,725</u>
<u>Equity and Liabilities</u>			
<u>Reserves</u>			
Accumulated Fund		<u>137,943</u>	<u>137,183</u>
<u>Current Liabilities</u>			
Accounts Payable And Accruals	8, 2 d)	<u>8,655</u>	<u>9,542</u>
<u>Total Equity and Liabilities</u>		<u>146,598</u>	<u>146,725</u>

The accompanying notes form an integral part of these financial statements. These financial statements of Schooner Court were approved and authorized for issue by the Board of Directors on the 12 day of July 2022 and were signed on their behalf by



Director

SCHOONER COURT

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>Operating Revenue</u>			
Lease Rental Income	9 (a), 2 h)	760	760
Maintenance And Service Charges	9 (b), 2 h)	54,921	47,654
<u>Total Operating Income</u>		<u>55,681</u>	<u>48,414</u>
<u>Operating Expenses</u>			
General And Administrative Expenses	Schedule 1	(50,543)	(54,806)
Financial Expenses	Schedule 2	(508)	(535)
<u>Total General And Administrative Expenses</u>		<u>(51,051)</u>	<u>(55,341)</u>
<u>Surplus / (Deficit) For The Year</u>		<u>4,630</u>	<u>(6,927)</u>
Gain On Available For Sale Investments	10	426	419
Amounts Due (To) / From Tenants	11, 2 d)	(4,296)	7,268
<u>Surplus Retained In Accumulated Fund</u>		<u>760</u>	<u>760</u>

The accompanying notes form an integral part of these financial statements

SCHOONER COURT

Statement of Changes In Equity

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

	<u>Notes</u>	<u>Accumulated Fund</u> <u>(\$)</u>	<u>Total</u> <u>(\$)</u>
<u>Balance At January 1st, 2020</u>		136,423	136,423
Transfer To Accumulated Fund	10	(419)	(419)
Surplus For The Year		760	760
Gain On Available For Sale Investments	10	419	419
<u>Balance At December 31st, 2020</u>		137,183	137,183
<u>Balance At January 1st, 2021</u>		137,183	137,183
Transfer To Accumulated Fund	10	(426)	(426)
Surplus For The Year		760	760
Gain On Available For Sale Investments	10	426	426
<u>Balance At December 31st, 2021</u>		137,943	137,943

The accompanying notes form an integral part of these financial statements

SCHOONER COURT

Statement of Cash Flows

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

		<u>2021</u>	<u>2020</u>
	<u>Notes</u>	<u>(\$)</u>	<u>(\$)</u>
<u>Cash Flows From Operating Activities</u>			
Surplus Before Taxation		760	760
<u>Adjustments For Non-Cash Items</u>			
Gain On Available For Sale Investments	10	426	419
Transfer To Accumulated Fund	10	(426)	(419)
<u>Cash Surplus Arising From Operating Activities</u>		<u>760</u>	<u>760</u>
<u>Adjustments To Reconcile Surplus Cash Provided By Operating Activities</u>			
Decrease / (Increase) In Accounts Receivable	6, 2 c)	13,090	(6,680)
(Decrease) / Increase In Accounts Payable And Accruals	8, 2 d)	(887)	1,036
<u>Net Cash Generated From / (Used In) Operating</u>		<u>12,963</u>	<u>(4,884)</u>
Taxation Paid		-	-
<u>Cash Surplus / (Deficit) From Operating Activities</u>		<u>12,963</u>	<u>(4,884)</u>
Increase / (Decrease) In Cash And Cash Equivalents		12,963	(4,884)
Cash And Cash Equivalents – Beginning of Year		55,796	60,680
<u>Cash And Cash Equivalents – End of Year</u>		<u>68,759</u>	<u>55,796</u>
<u>Analysis Of Cash And Cash Equivalents</u>			
Cash And Cash Equivalents	7, 2 e)	44,188	31,651
Available For Sale Investments	5, 2 j)	24,571	24,145
<u>Cash And Cash Equivalents – End of Year</u>		<u>68,759</u>	<u>55,796</u>

The accompanying notes form an integral part of these financial statements

SCHOONER COURT

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	12	6,750	6,750
Bad Debts		-	949
Green Fund Levy	13, 2 g)	168	147
Lease Rent Expense		10	10
Office Expense		-	330
Professional Services		2,625	2,250
Repairs And Maintenance – Landscaping		1,100	4,460
Service Charges		39,890	39,910
<u>Total General And Administrative Expenses</u>		<u>50,543</u>	<u>54,806</u>
<u>Financial Expenses – Schedule 2</u>			
Bank Charges		<u>508</u>	<u>535</u>
<u>Total Expenses</u>		<u>51,051</u>	<u>55,341</u>

The accompanying notes form an integral part of these financial statements

SCHOONER COURT

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 8th June, 1982 as "Schooner Court Limited" and has been continued under the New Companies Act of 1995 as amended by the Companies Amendment Act 1997 as "Schooner Court". The Company is limited by Guarantee and its registered office is situated at No. 9 Starboard Drive, Schooner Court, 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 gated community development known as Schooner Court. By Deed of sublease dated 20th September, 1988, Schooner Court came into possession of the reversionary interest in the property as conveyed by Westmoorings Limited (the Developer and Lessor), for a nominal consideration of Five Trinidad and Tobago Dollars (TT\$5.00) and is subsequently reflected at amortised cost. The development also forms part of a larger gated community development known as Westmoorings by-the-sea and is overseen by Westmoorings Gardens Limited.

The company's operations are to oversee the common areas of the larger property which comprises seventy-six (76) townhouses. The property consists of roads, reserves, gardens and drainage infrastructure which Schooner Court is covenanted to maintain by virtue of the aforementioned deed of sublease. All of the obligations of the lessor has been assumed by Schooner Court.

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. 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.

c) 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.

SCHOONER COURT

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) Accounts and other receivables (continued)

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 profit or loss and other comprehensive income. Other receivables are measured at cost less any impairment

d) 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.

e) 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.

f) 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, its 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.

g) Taxation

Income and Corporation Taxes (if any) are accounted for on the taxes 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.

SCHOONER COURT

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)

h) 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 rent and service charges levied to the townhouse owners in accordance with the respective deeds of sublease.

i) 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

j) 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.

k) 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 customers 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.

l) 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.

m) 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.

SCHOONER COURT

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)

n) 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. There have been no restatement of comparative figures for the reporting period.

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. Investment property

	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
Standing to account at year end	<u>3</u>	<u>3</u>

By deed of assignment dated 20th September 1988 Schooner Court Limited came into possession of the common areas in the leased property (the reserved property) as conveyed by Westmoorings Limited (the Developer and Lessor) for a nominal consideration of Five Trinidad and Tobago Dollars (TT\$5.00). The common areas in the property comprises roads, reserves, drains, gardens and forms part and parcel of the larger leased property which comprises some 3.95 acres in total and carrying 99-year lease terms commencing from 11th February, 1977, less four (4) days. In accordance with the IFRS for SME's, Management has the option to measure the asset at fair value but have elected to adopt the amortised cost model in the financial statements.

5. Available for sale investment

	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
Available for sale investments held at the beginning of the year	24,145	23,726
Gain on available for sale investments	426	419
	<u>24,571</u>	<u>24,145</u>

The balance standing to this account represents long term investments held by the Company in the Savinvest Structured Investment Fund managed by Bourse Securities Limited, with First Citizens Trustee Services Limited as Trustee for the fund. The company may channel excess liquidity towards this account at the discretion of management from time to time in the hope that the returns may contribute to alternative revenue streams that may be used to off-set future expenditure. The sum standing to this account represents an investment made in an earlier financial period. The effective interest rate is 1.76% (Comparative 1.77%).

SCHOONER COURT

Notes to the Financial Statements

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

6. Accounts receivable

	<u>2021</u> <u>(\$)</u>	<u>2020</u> <u>(\$)</u>
Gross receivables at year end – 100% Local	<u>77,836</u>	<u>90,926</u>

The Receivables are stated at gross amounts and is representative of service charges and lease rental billings to the tenants. There have been no doubtful debt provisions for the current nor comparative period.

In accordance with the provisions of the deeds of sub-lease between the company and its lessees, a statement of account is required to be taken annually comprising the apportionable costs of the company's operations to be met/borne by the company's lessees. Given the nature of the company's operations this assessment is undertaken once annually and settled at several year intervals. As such there are infrequent movements in the accounts receivable balances when compared to year-over-year balances and are sometimes collected several years after becoming due.

The deeds of sub-lease also entitle the company to certain rights and remedies that it may exercise in order enforce collections. It also obligates the lessees to settle the amounts due without deduction or set-off. Owing to this legal position management considers that the accounts receivables are collectible and will be collected in a later financial period. In making its assessment management have also considered the implications of impairment provisions forming part of apportionable costs pursuant to the company's obligations under the deeds of sub-lease.

Management have committed to a plan to improve receivable collections in the next financial period having considered the future cash flow implications that may be experienced as a consequence of overdue accounts receivable and consequently no impairment adjustments were made in the reporting period.

7. Cash and cash equivalents

	<u>2021</u> <u>(\$)</u>	<u>2020</u> <u>(\$)</u>
Republic Bank Trinidad And Tobago Limited	43,212	31,651
Undeposited Funds	976	-
	<u>44,188</u>	<u>31,651</u>

The amount represents the balance held in a chequing account at the Republic Bank Limited. Receipts from service charges paid by townhouse owners are credited to the account and is also used to fund the expenditures incurred by the company. The Company does not operate any overdraft facility with the institution and the account balance remain unencumbered.

8. Accounts payable and accruals

	<u>2021</u> <u>(\$)</u>	<u>2020</u> <u>(\$)</u>
Accounts payable and accruals	<u>8,655</u>	<u>9,542</u>

Schooner Court forms part and parcel of a larger estate known as Westmoorings-by-the-sea.

The entire estate is overseen by Westmoorings Gardens Limited (WGL) who is primarily responsible for its general upkeep and maintenance. WGL invoices Schooner Court together with other tenants for service charges for the upkeep and maintenance of the roads, reserves, gardens and parks of the larger estate in accordance with the terms and conditions of the deed of leases between Westmoorings Limited, Westmoorings Gardens Limited, Schooner Court and others. Other accounts payable and accruals represents amounts incurred during the normal course of business and largely relates to expenditure.

SCHOONER COURT

Notes to the Financial Statements

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

9. Revenues

	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
(a) Lease rental income	760	760
(b) Maintenance and service charges	54,921	47,654
(c) Amounts due from/to tenants	(4,296)	7,268
	<u>51,385</u>	<u>55,682</u>

- a) Lease Rental Income accrues at the rate of Ten Trinidad and Tobago Dollars (TT\$10) per townhouse on the January 1st 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 seventy-six (76) townhouses at a rate of \$773.00 (2020 - \$773.00) per annum and is billed to fund the operating activities of the company.
- c) An account has been taken with respect to the costs, charges and expenses for the period in accordance with clause 8, 9 and 10 of the seventh schedule of the deed of sub-lease for the townhouse owners and the amounts certified as being due to them.

10. Gain on available for sale investments

	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
Net gain for the period	<u>426</u>	<u>419</u>

Due to the nature of the company's investments held in the Savinvest Mutual Fund, gains and losses arise as a result of the performance of the fund subject to market fluctuations. These gains or losses are treated as Other Comprehensive Income in the Statement of Comprehensive Income. In the reporting period and its comparative, the Association realized a gain on its investments.

11. Amounts due to / from tenants

	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
Amounts due from / to tenants	<u>(4,296)</u>	<u>7,268</u>

An account has been taken with respect to the costs, charges and expenses for the period in accordance with clause 8, 9 and 10 of the seventh schedule of the deed of sub-lease for the townhouse owners and the amounts certified as being due to them has been credited to their respective receivable balances (if any) in accordance with clause 2 (b) of the sixth schedule to the deed of sub-lease. The amount due for tenants have also been reflected in the income and expenditure account.

12. Audit fees

	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
Amounts due and paid for the reporting periods	<u>6,750</u>	<u>6,750</u>

SCHOONER COURT

Notes to the Financial Statements

For the year ended 31st December 2021

(Amounts expressed in Trinidad & Tobago Dollars)

13. Green fund levy

	<u>2021</u> <u>(\$)</u>	<u>2020</u> <u>(\$)</u>
Green fund levy due	<u>168</u>	<u>147</u>

Schooner Court being a company limited by guarantee, and activities of which do not revolve around commercial or similar trading activities that give rise to taxable profits, is deemed to be exempt from Corporation Tax. No account has been taken with respect to tax provisions in this regard 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 and any surplus earned is refunded in the proportionate amount, and conversely with respect to shortfalls being collected in accordance with clause 6 of the Deed of sub-lease.

14. Employment disclosure

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

	<u>2021</u> <u>(\$)</u>	<u>2020</u> <u>(\$)</u>
Part time - directors	<u>3</u>	<u>3</u>
Total value of vacation leave due	<u>Nil</u>	<u>Nil</u>

15. Events after the reporting period

Management continues to evaluate the impact of the coronavirus disease 2020 (COVID-19) that occurred in 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 cover its operating expenditure 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 tracking adherence to fixed cost budgets
- Maintaining the Company's cash liquidity position by increased credit control monitoring and working together with property holders to ensure that fees are paid on a timely basis.

16. Approval of financial statements

These financial statements were approved by the Board of Directors and authorised for issue on the 12 day of July, 2022.



R.S. BABOOLAL & CO.

Chartered Certified Accountants

Senior Partner: Roshan S. Baboolal, FCCA., CA., ASQ-CQA, MIFC., CPA (INTL), MBA (HONS.), CGA, IIA
Partner: Sunil Moonsammy, CA, FCCA, BSc. (Hons), CFE, FMVA, MSc.

- Registered Offices: IDC Industrial Estate, 26-32 Sookhai Boulevard, Chaguana, 500444, Trinidad W.I.
Tel.: 1 (868) 665-4883 Fax.: 1 (868) 665-6287
- Operations Offices: Ground Floor, Kamus Building, Lot 37, IDC Industrial Estate, Chaguana, Trinidad, W.I.
Tel.: 1 (868) 665-2607, 1 (868) 498-4RSB (4772)
- Email: info@rsbcott.com
- Website: www.rsbcott.com

Our Ref: RSB/08/22/A3510

3rd August 2022

Schooner Court
No. 9, Starboard Drive,
Schooner Court, Westmoorings By The Sea
CARENAGE

Dear Sirs,

RE: STATEMENT OF CERTIFICATION OF MAINTENANCE OPERATIONS OF SCHOONER COURT FOR THE FINANCIAL YEAR ENDING DECEMBER 31ST, 2021 w. r. t. CLAUSE 8, 9 AND 10 OF THE SEVENTH SCHEDULE OF THE DEED OF SUBLEASE BETWEEN SCHOONER COURT AND OTHERS

We have been retained to act and report in accordance with clause **8, 9 and 10 of the Seventh Schedule** of the **Deed of SubLease** between **Schooner Court** and the Various Tenants/ Owners / or occupiers of the development known as **Schooner Court** as defined in the deed of assignment registered as No. 17061 of 1988 on 20th September, 1988 between Westmoorings Limited and Schooner Court.

We have reviewed the Interim financial transactions consisting primarily of a statement of cash intake and outgoings (on the Accruals Principle) together with the underlying documentation in support of the transactions with respect to the maintenance of Schooner Court in accordance with the captioned **Deed of SubLease**.

Our review included Accounting and Audit procedures with reference to Financial Statements (i.e. Approved Financial Statements) in addition to Managements' representations in order to determine the state of the company's cash operations in meeting obligations under the lease. The company engaged only in cash transactions and there were no non-cash items.

We have been engaged to act on the, **6th April, 2022** and to report on the budget for the financial year ended **December 31st 2021** which was not in accordance with the Lessors Obligations as per clause 8, 9 and 10 of the Seventh Schedule of the deed of sublease which requires these statements to be reported and certified on or before two (2) months subsequent to the close of the reporting year.

Accordingly, we do not express an Audit opinion on these Financial Transactions.



...2/

ICATT REGISTERED AUDITORS AND ACCOUNTANTS

ACCOUNTING • AUDITING • CONSULTANCY • FINANCIAL & BUSINESS MANAGEMENT • FRAUD EXAMINATION • MEDIATION • TAXATION

Our Ref: RSB/08/22/A3510

3rd August 2022

Schooner Court
CARENAGE.

RE: STATEMENT OF CERTIFICATION OF MAINTENANCE OPERATIONS OF SCHOONER COURT FOR THE FINANCIAL YEAR ENDING DECEMBER 31ST, 2021 w. r. t. CLAUSE 8, 9 AND 10 OF THE SEVENTH SCHEDULE OF THE DEED OF SUBLEASE BETWEEN SCHOONER COURT AND OTHERS

Based on our review of the statement of expenditure and cash generation and on management's representation as to its intentions and assumptions, we are of the opinion that:

- The records of the company are intact and represent those expenses necessarily incurred by the company in carrying out its maintenance functions and based on Management representations the final **Statement of Account** for Year Ended **December 31st, 2021** gives a true and fair representation of the State of the company's affairs and undertakings.
- That each tenant (76 in total) contribute in the manner set out in the relevant clause of the **Deed of SubLease** and as set out in the attached statement.

We hereby certify that:

- a. The Total cost of maintaining the estate known as **Schooner Court** for the year ending **December 31st, 2021** was in the amount of **Fifty-One Thousand And Fifty-One Trinidad and Tobago Dollars (TT\$51,051.00)**.
- b. That the Proportionate amount to be allocated to each tenant (76 apartments, rounded to the nearest dollar) in accordance with **clause 8, 9 and 10, of the Seventh Schedule** based on the above is **Fifty-Seven Trinidad and Tobago Dollars (TT\$57.00)** per year or **Five Trinidad and Tobago Dollars (TT\$5.00)** per month, per tenant.

R.S. Baboolal & Co.

.....
R.S. Baboolal & Co.
CHARTERED CERTIFIED ACCOUNTANTS

RSB/am

SCHOONER COURT
STATEMENT OF ACCOUNT
FOR FINANCIAL YEAR ENDED DECEMBER 31ST, 2021

TTS

a)	<u>Actual Cash Cost Of Routine Maintenance / Operations</u>		
	<u>For Year Ended 31/12/2021</u>		51,051
	Net cash required for carrying out operations for the year		\$51,051
b)	<u>Amount Actually Billed To Tenants</u>		
	Billings For Service Charges & Service Related Fees to 31/12/2021		56,107
	Deduct: Lease Rental Income		(760)
	Total Billings to 31/12/2021		\$55,347
	<u>Cash Surplus On Maintenance Operations As At 31st December, 2021</u>	(a - b)	4,296
c)	<u>Total Costs Required For Operations</u>	\$51,051	
	<u>Total Number of Townhouse Units</u>	76	
	<u>Contribution Due By Each Tenant</u>	\$56	\$672
		<i>(Per Month)</i>	<i>(Per Year)</i>
d)	<u>Actual Cash Contributed During The Period</u>	\$55,347	
	<u>Total Number of Townhouse Units</u>	76	
	<u>Actual Contribution Billed/Paid Per Tenant</u>	\$61	\$728
		<i>(Per Month)</i>	<i>(Per Year)</i>

Post Budget Analysis - For Management Purposes Only

Excess To Be Refunded To Each Tenant

(\$55,347- \$51,051) / 76			
	5	(c - d)	57
	<i>(Per Month)</i>		<i>(Per Year)</i>

Rounded to nearest unit and dollar