

Financial Statements of

**NEWTON BUSINESS PARK PROJECT
COMPANY LIMITED**

March 31, 2010



NEWTON BUSINESS PARK PROJECT COMPANY LIMITED

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Newton Business Park Project Company Limited

We have audited the accompanying financial statements of the Newton Business Park Project Company Limited (the "Company"), which comprise the statement of financial position as at March 31, 2010, the statements of changes in equity, comprehensive loss and 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 these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of 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 our 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, we consider internal control 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 control. An audit also includes evaluating the appropriateness of accounting principles 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 opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Chartered Accountants
Bridgetown, Barbados
February 4, 2016

NEWTON BUSINESS PARK PROJECT COMPANY LIMITED

Statement of Financial Position

As at March 31, 2010
With comparative figures for 2009

(Expressed in Barbados dollars)

	<u>2010</u>	<u>2009</u>
Assets		
Current assets		
Cash and cash equivalents (note 3)	\$ 43,529	52,309
Accounts receivable	<u>27,906</u>	<u>26,780</u>
	71,435	79,089
Development projects (note 4)	<u>-</u>	<u>39,701,472</u>
Total Assets	\$ <u>71,435</u>	<u>39,780,561</u>
Liabilities and Shareholder's Deficiency		
Current liabilities		
Due to related party (note 6)	\$ 12,137,236	18,917,484
Current portion of long term debt (note 5)	<u>-</u>	<u>2,437,318</u>
	12,137,236	21,354,802
Long term debt (note 5)	<u>-</u>	<u>18,671,129</u>
Total Liabilities	<u>12,137,236</u>	<u>40,025,931</u>
Shareholder's Deficiency		
Share capital (note 7)	1,000	1,000
Deficit	<u>(12,066,801)</u>	<u>(246,370)</u>
Total shareholder's deficiency	<u>(12,065,801)</u>	<u>(245,370)</u>
Total Liabilities and Shareholder's Deficiency	\$ <u>71,435</u>	<u>39,780,561</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:

 Director

 Director

NEWTON BUSINESS PARK PROJECT COMPANY LIMITED

Statement of Changes in Equity

For the year ended March 31, 2010
With comparative figures for 2009

(Expressed in Barbados dollars)

	<u>Share Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
Opening balance at April 1, 2008	\$ 1,000	(110,510)	(109,510)
Net loss for the year	<u>-</u>	<u>(135,860)</u>	<u>(135,860)</u>
Closing balance at March 31, 2009	1,000	(246,370)	(245,370)
Comprehensive loss for the year	<u>-</u>	<u>(11,820,431)</u>	<u>(11,820,431)</u>
Closing balance March 31, 2010	\$ <u><u>1,000</u></u>	<u><u>(12,066,801)</u></u>	<u><u>(12,065,801)</u></u>

See accompanying notes to financial statements.

NEWTON BUSINESS PARK PROJECT COMPANY LIMITED

Statement of Comprehensive Loss

For the year ended March 31, 2010
With comparative figures for 2009

(Expressed in Barbados dollars)

	<u>2010</u>	<u>2009</u>
Expenditure		
Administration	\$ 150,405	135,860
Legal fees on disposal of buildings	706,450	-
Loss on disposal of buildings	<u>10,963,576</u>	<u>-</u>
Net loss, being comprehensive loss for the year	\$ <u>11,820,431</u>	<u>135,860</u>

See accompanying notes to financial statements.

NEWTON BUSINESS PARK PROJECT COMPANY LIMITED

Statement of Cash Flows

For the year ended March 31, 2010
With comparative figures for 2009

(Expressed in Barbados dollars)

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities		
Net loss	\$ (11,820,431)	(135,860)
Adjustments for:		
Loss on disposal of buildings	<u>10,963,576</u>	<u>-</u>
Operating excess of revenue over expenditure before working capital changes	(856,855)	(135,860)
Increase in accounts receivable	<u>(1,126)</u>	<u>(6,750)</u>
Net cash used in operating activities	<u>(857,981)</u>	<u>(142,610)</u>
Cash flows from investing activities		
Additions to development projects - net	(3,262,104)	(8,876,948)
Proceeds from disposal of development projects	<u>32,000,000</u>	<u>-</u>
Net cash from (used in) investing activities	<u>28,737,896</u>	<u>(8,876,948)</u>
Cash flows from financing activities		
Long term loan installments paid	(21,108,447)	(2,291,413)
Due to related party	<u>(6,780,248)</u>	<u>11,258,581</u>
Net cash (used in) from financing activities	<u>(27,888,695)</u>	<u>8,967,168</u>
Net decrease in cash and cash equivalents	(8,780)	(52,390)
Cash and cash equivalents - beginning of year	<u>52,309</u>	<u>104,699</u>
Cash and cash equivalents - end of year (note 3)	\$ <u><u>43,529</u></u>	<u><u>52,309</u></u>

See accompanying notes to financial statements.

NEWTON BUSINESS PARK PROJECT COMPANY LIMITED

Notes to Financial Statements

March 31, 2010

(Expressed in Barbados dollars)

1. Establishment. Principal Activity and Principal Place of Business

Newton Business Park Project Company Limited (NBPPCL) was incorporated on June 12, 2001 as the Special Purpose Vehicle Company established under a Build Own Transfer (BOT) arrangement set up to carry out construction works at the Newton Business Park Project – Phase 1. It is a wholly owned subsidiary of Barbados Investment and Development Company.

The Company's principal place of business is located at Princess Alice Highway, St. Michael.

2. Significant Accounting Policies

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB).

These financial statements were approved by the Board of Directors on February 4, 2016.

Significant accounting policies are as follows:

(a) Basis of preparation

The financial statements are presented in Barbados dollars. They are prepared on the historical cost basis.

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The financial statements are presented in Barbados Dollars which is the Company's functional currency.

(b) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flows statement, cash and cash equivalents comprise cash on hand and deposits held at call with other banks with original maturities of 90 days or less.

NEWTON BUSINESS PARK PROJECT COMPANY LIMITED

Notes to Financial Statements

March 31, 2010

(Expressed in Barbados dollars)

2. Significant Accounting Policies, continued

(c) *Impairment*

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is an indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive loss.

(d) *Accounts receivable*

Trade receivables are carried at original invoice amount less an estimate for doubtful receivables based on a review of all outstanding amounts at the year end. The provision for doubtful receivables is based on the specific identification of doubtful receivables. Additions to the provision are charged to current operations. As receivables become uncollectible they are written off against the provision.

(e) *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. They are subsequently stated at amortised cost with any difference between cost and redemption value recognised in the statement of comprehensive loss over the period of the borrowing on an effective interest basis.

(f) *New standards and interpretations not yet adopted*

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which were not yet effective at the reporting date, and which the Company has not adopted early. The Company has assessed the relevance of all such new standards, interpretations and amendments and has determined that none of these will have an effect on the financial statements of the Company.

(g) *Standards, interpretations and amendments to existing standards effective for the current year:*

During the year, certain new standards, interpretations and amendments to the existing standards became effective. Management has assessed that the following pronouncements were relevant to the preparation of these financial statements and as such are reflected in these financial statements:

- Amendments to *IAS 32 Financial instruments: Presentation and IAS 1, Presentation of Financial Statements* is effective for annual periods beginning on or after January 1, 2009. The amendments allow certain instruments that would normally be classified as liabilities to be classified as equity if certain conditions are met. Where such instruments are reclassified, the entity is required to disclose the amount, the timing and the reason for the reclassification.
- *IAS 1 (Revised 2008) – Presentation of Financial Statements* requires the presentation of all non-owners changes in equity either in a single statement of comprehensive income, or in an income statement and a statement of comprehensive income.

NEWTON BUSINESS PARK PROJECT COMPANY LIMITED

Notes to Financial Statements

March 31, 2010

(Expressed in Barbados dollars)

2. Significant Accounting Policies, continued

(h) Foreign currency translation

(i) Functional and presentation currency

Both the functional and presentation currency of the Company is Barbados Dollars.

(ii) Transactions & balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(i) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(j) Development projects

Recognition and measurement

Development projects are measured at cost less accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Borrowing costs related to the acquisition, construction or production of qualifying assets are capitalized during the period of the acquisition, construction or production of the asset.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within "other income" in the statement of comprehensive loss.

NEWTON BUSINESS PARK PROJECT COMPANY LIMITED

Notes to Financial Statements

March 31, 2010

(Expressed in Barbados dollars)

3. Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise:

	<u>2010</u>	<u>2009</u>
Cash and bank balances	\$ <u>43,529</u>	<u>52,309</u>

4. Development Projects

	Construction <u>In progress</u>	Other <u>Costs</u>	<u>Total</u>
Cost			
Balance at March 31, 2008	\$ 29,968,255	856,269	30,824,524
Additions	<u>7,268,249</u>	<u>1,608,699</u>	<u>8,876,948</u>
Balance at March 31, 2009	<u>37,236,504</u>	<u>2,464,968</u>	<u>39,701,472</u>
Balance at April 1, 2009	37,236,504	2,464,968	39,701,472
Additions	1,358,778	1,903,326	3,262,104
Disposals	<u>(38,595,282)</u>	<u>(4,368,294)</u>	<u>(42,963,576)</u>
Balance at March 31, 2010	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value			
At March 31, 2009	\$ <u>37,236,504</u>	<u>2,464,968</u>	<u>39,701,472</u>
At March 31, 2010	<u>-</u>	<u>-</u>	<u>-</u>

NEWTON BUSINESS PARK PROJECT COMPANY LIMITED

Notes to Financial Statements

March 31, 2010

(Expressed in Barbados dollars)

5. Long Term Debt

	<u>2010</u>	<u>2009</u>
Republic Finance and Merchant Bank Ltd. (FINCOR)	\$ <u>-</u>	<u>21,108,447</u>
Less: instalments due within the next 12 months and shown under current liabilities	<u>-</u>	<u>(2,437,318)</u>
	\$ <u><u>-</u></u>	<u><u>18,671,129</u></u>

On October 6, 2007, Newton Business Park Project Company Limited entered into a \$24,493,647 loan agreement with the Republic Finance and Merchant Bank Limited (FINCOR), Trinidad, for the construction of Newton Business Park – Project Phase 1. Semi-annual instalments of blended principal and interest of \$1,950,056 are made in April and October. This loan is guaranteed by the Government of Barbados.

The loan was repaid on February 2, 2010.

6. Related Party Balances and Transactions

	<u>2010</u>	<u>2009</u>
Due to parent:		
Barbados Investment and Development Company	\$ <u>12,137,236</u>	<u>18,917,484</u>

The amount due to the parent company is unsecured and has no stated terms of repayment.

7. Share Capital

Authorised:

The Company is authorised to issue an unlimited number of common shares.

Issued:

	<u>2010</u>	<u>2009</u>
1,000 (2009: 1,000) common shares	\$ <u>1,000</u>	<u>1,000</u>

NEWTON BUSINESS PARK PROJECT COMPANY LIMITED

Notes to Financial Statements

March 31, 2010

(Expressed in Barbados dollars)

8. Financial Risk Management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and structured environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a member or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The liquidity position is monitored daily; management seeks to maintain levels of cash deposits which are sufficient to meet reasonable expectation of its short term obligations.

NEWTON BUSINESS PARK PROJECT COMPANY LIMITED

Notes to Financial Statements

March 31, 2010

(Expressed in Barbados dollars)

8. Financial Risk Management; continued

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) *Currency risk*

The Company is exposed to currency risk on purchases that are denominated in a currency other than the functional currency of the Company.

(ii) *Interest rate risk*

The Company faces some risks associated with the effects of fluctuations in the levels of interest rates on certain financial assets and liabilities. The interest rates and terms of repayment of long-term debt are disclosed in note 5 to the financial statements, and are fixed for the most part.

(iii) *Capital management*

The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.

There were no changes to the Company's approach to capital management during the year.

9. Taxation

Under the Companies Act of Barbados, the Company is exempt from payment of all taxes on income.