

INDEPENDENT AUDITORS' REPORT

The Shareholder
National Quarries Company Limited

The accompanying summary financial statements, which comprise of the statement of financial position as at 30 September 2010, the statement of comprehensive income, the statements of changes in shareholder's equity and cash flows for the year then ended, are derived from the audited financial statements of National Quarries Company Limited for the year ended 30 September 2010. We expressed an unmodified audit opinion on those financial statements in our report dated 28 September 2017. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of National Quarries Company Limited.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with the basis of criteria established by management. Under management's established criteria, management prepares the financial statements in accordance with International Financial Reporting Standards but summarises it by disclosing the statement of financial position, the statement of comprehensive income, the statement of changes in shareholder's equity and the statement of cash flows and excluding the summary of significant accounting policies and other explanatory information.

Auditors' Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of National Quarries Company Limited for the year ended 30 September 2010 are consistent, in all material respects, with the audited financial statements, on the basis of management's established criteria as described above.

Port of Spain
23 January 2018

NATIONAL QUARRIES COMPANY LIMITED STATEMENT OF FINANCIAL POSITION			NATIONAL QUARRIES COMPANY LIMITED STATEMENT OF COMPREHENSIVE INCOME		
ASSETS	30 September			For the year ended 30 September	
	2010 (\$)	2009 (\$)		2010 (\$)	2009 (\$)
Current Assets:					
Cash in hand and at bank	6,078,901	3,658,722	Sales	121,866,645	120,566,095
Investments	5,114,691	4,996,359	Less: Cost of Sales	<u>117,613,419</u>	<u>90,674,596</u>
Accounts receivable and prepayments	4,491,299	25,140,611		4,253,226	29,891,499
Inventories	<u>59,756,300</u>	<u>41,018,855</u>	Interest and other revenue	<u>4,966,962</u>	<u>2,320,953</u>
Total Current Assets	<u>75,441,191</u>	<u>74,814,547</u>		<u>9,220,188</u>	<u>32,212,452</u>
Non-Current Assets:			General and Administrative Expenses:		
Development cost	22,235,440	25,266,383	Advertising and promotions	560,108	1,112,818
Fixed assets	<u>71,434,009</u>	<u>74,196,338</u>	Audit fees	115,000	93,000
Total Non-Current Assets	<u>93,669,449</u>	<u>99,462,721</u>	Bank charges and interest	3,135,114	2,515,453
Total Assets	<u>169,110,640</u>	<u>174,277,268</u>	Bad debt expense	4,022,902	1,500,000
			Commissions	60,782	-
			Consultancy fees	815,320	607,294
LIABILITIES AND SHAREHOLDER'S EQUITY			Depreciation	380,695	424,954
Current Liabilities:			Directors' fees	129,786	255,810
Bank overdraft	3,557,518	498,174	Donations and subscriptions	551,364	454,795
Accounts payable and accruals	80,464,027	57,716,348	Electricity and telephone	681,969	517,519
Taxation payable	7,595	2,820	Entertainment	97,164	116,185
Loans - Current portion	<u>5,420,710</u>	<u>5,949,716</u>	Green Fund Levy	123,237	120,566
Total Current Liabilities	<u>89,449,850</u>	<u>64,167,058</u>	Insurance	691,111	738,734
Non-Current Liabilities:			Legal and professional fees	659,522	807,169
Royalties payable	19,086,862	16,657,480	Litigation expenses	-	12,700,000
Provision for severance benefits	369,316	4,651,982	Miscellaneous expenses	129,811	259,309
Environmental rehabilitation	11,586,311	10,192,769	Motor vehicle expenses	255,273	79,038
Loans - Non-current portion	<u>17,620,524</u>	<u>22,034,888</u>	Printing and stationery	49,726	67,621
Total Non-Current Liabilities	<u>48,663,013</u>	<u>53,537,119</u>	Rates and taxes	67,149	67,549
Total Liabilities	<u>138,112,863</u>	<u>117,704,177</u>	Rental	439,729	488,296
Shareholder's Equity:			Repairs and maintenance	493,095	382,001
Stated capital	28,907,000	41,607,000	Salaries and staff benefits	6,711,297	6,227,474
Accumulated surplus	<u>2,090,777</u>	<u>14,966,091</u>	Security	700,961	461,142
Total Shareholder's Equity	<u>30,997,777</u>	<u>56,573,091</u>	Severance benefit	429,602	343,095
Total Liabilities and Shareholder's Equity	<u>169,110,640</u>	<u>174,277,268</u>	Staff training	228,382	355,363
			Travelling	<u>319,929</u>	<u>284,777</u>
				<u>21,849,028</u>	<u>30,979,962</u>
			Net (loss)/profit before taxation	(12,628,840)	1,232,490
			Taxation	<u>(246,474)</u>	<u>(241,132)</u>
			Net (loss)/profit for the year	<u>(12,875,314)</u>	<u>991,358</u>

On 23 January 2018, the Board of Directors of National Quarries Company Limited authorised these financial statements for issue.

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**NATIONAL QUARRIES COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

	<u>Stated Capital (\$)</u>	<u>Accumulated Surplus (\$)</u>	<u>Shareholder's Equity (\$)</u>
Balance as at 1 October 2008	28,907,000	13,974,733	42,881,733
Deposit on Shares	12,700,000	-	12,700,000
Net profit for the year	-	<u>991,358</u>	<u>991,358</u>
Balance as at 30 September 2009	<u>41,607,000</u>	<u>14,966,091</u>	<u>56,573,091</u>
Balance as at 1 October 2009	41,607,000	14,966,091	56,573,091
Deposit on Shares not receivable	(12,700,000)	-	(12,700,000)
Net loss for the year	-	<u>(12,875,314)</u>	<u>(12,875,314)</u>
Balance as at 30 September 2010	<u>28,907,000</u>	<u>2,090,777</u>	<u>30,997,777</u>

**NATIONAL QUARRIES COMPANY LIMITED
STATEMENT OF CASH FLOWS**

	For the year ended 30 September	
	<u>2010 (\$)</u>	<u>2009 (\$)</u>
Operating Activities:		
Net (loss)/profit before taxation	(12,628,840)	1,232,490
Adjustment for items not requiring the use of funds: -		
Depreciation	7,863,311	7,688,441
Amortization of development costs	3,030,943	2,678,222
Profit on disposal of fixed assets	(11,052)	(282,018)
Bad debt expense	<u>4,022,902</u>	<u>1,500,000</u>
	2,277,264	12,817,135
Net change in accounts receivable and prepayments	16,626,410	(17,622,624)
Net change in inventories	(18,737,445)	(31,469,713)
Net change in accounts payable and accruals	22,747,679	31,066,598
Net change in provision for severance benefits	(4,282,666)	798,214
Additions to development cost	-	(7,944,143)
Net change in provision for environmental rehabilitation	1,393,542	1,554,863
Net change in royalties payable	2,429,382	3,309,315
Taxation	<u>(241,699)</u>	<u>(246,382)</u>
Cash provided by/(used in) operating activities	<u>22,212,467</u>	<u>(7,736,737)</u>
Investing Activities:		
Proceeds from disposal of fixed assets	40,387	353,050
Purchase of fixed assets	<u>(5,130,317)</u>	<u>(12,568,591)</u>
Cash used in investing activities	<u>(5,089,930)</u>	<u>(12,215,541)</u>
Financing Activities:		
Net change in loans	(4,943,370)	13,956,796
(Decrease)/increase in stated capital	<u>(12,700,000)</u>	<u>12,700,000</u>
Cash (used in)/provided by financing activities	<u>(17,643,370)</u>	<u>26,656,796</u>
Net change in cash resources	(520,833)	6,704,518
Cash resources - at beginning of year	<u>8,156,907</u>	<u>1,452,389</u>
- end of year	<u>7,636,074</u>	<u>8,156,907</u>
Represented by:		
Cash in hand and at bank	6,078,901	3,658,722
Investments	5,114,691	4,996,359
Bank overdraft	<u>(3,557,518)</u>	<u>(498,174)</u>
	<u>7,636,074</u>	<u>8,156,907</u>

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