

MARKETING AND NATIONAL IMPORTING BOARD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2021

HLB GRENADA

MARKETING AND NATIONAL IMPORTING BOARD
Financial Statements for the year ended 31st December 2021

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INDEPENDENT AUDITOR'S REPORT TO
THE BOARD OF DIRECTORS AND THE MINISTER OF FINANCE
ON
MARKETING AND NATIONAL IMPORTING BOARD

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Marketing and National Importing Board (the Board), which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, 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 material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2020 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-size Entities (IFRSs 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Grenada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 (j) in the financial statements, which indicate that the Board incurred substantial losses over the years to the period then ended, and as at that date, its total current liabilities exceeded its total current assets by **\$4,091,078**. This condition, along with other matters described in Note 2 (j), indicates that a material uncertainty exists that may cast significant doubt on the Board's ability to continue as a going concern.

The Entity is wholly owned by the Government of Grenada, and its ability to continue as a going concern is dependent on the continued financial support of the Government. Management has indicated that such support is available and has been committed to the Board as at the date of this report. Our opinion is not modified in respect of this matter.

**INDEPENDENT AUDITOR'S REPORT TO
THE BOARD OF DIRECTORS AND THE MINISTER OF FINANCE
ON
MARKETING AND NATIONAL IMPORTING BOARD**

Report on the Audit of the Financial Statements (continued)

Other information included in the Board's 2021 Annual Report

Other information consists of the information included in the Board's 2021 Annual Report, other than the financial statements and our auditor's report therein. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 IFRSs for SMEs, and for such internal controls 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 Board'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 Board or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO
THE BOARD OF DIRECTORS AND THE MINISTER OF FINANCE
ON
MARKETING AND NATIONAL IMPORTING BOARD

Report on the Audit of the Financial Statements (continued)

Auditors' responsibilities 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 auditors' 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement 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 Board'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 significant doubt on the Authority'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 audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board 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.

INDEPENDENT AUDITORS' REPORT TO
THE BOARD OF DIRECTORS AND THE MINISTER OF FINANCE
ON
MARKETING AND NATIONAL IMPORTING BOARD

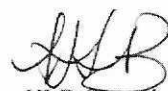
Report on the Audit of the Financial Statements (continued)

Auditors' responsibilities for the audit of the Financial Statements (Continued)

We communicated 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.

St. George's
Grenada

October 30, 2025




HLB Grenada
Certified Chartered Accountants

MARKETING AND NATIONAL IMPORTING BOARD

Statement of Financial position for the year ended 31st December 2021

<u>ASSETS</u>			
	<u>Notes</u>	<u>2021</u>	<u>2020</u>
Non-Current Assets			
Property, plant, and equipment	3	13,731,589	16,626,207
Restricted cash funds	5	<u>101,000</u>	<u>178,000</u>
Total Non-Current Assets		<u>13,832,589</u>	<u>16,804,207</u>
Current Assets			
Inventories	6	317,376	520,016
Trade and other receivables	7	232,788	1,734,175
Cash and cash equivalents	4	<u>141,766</u>	<u>188,966</u>
Total Current Assets		<u>691,930</u>	<u>2,443,157</u>
TOTAL ASSETS		<u>\$14,524,519</u>	<u>\$19,247,364</u>
 <u>EQUITY AND LIABILITIES</u>			
Shareholder's Equity			
Capital contribution		123,000	123,000
Revaluation reserve		14,003,717	14,003,717
Accumulated deficit		<u>(15,882,909)</u>	<u>(13,104,811)</u>
Total Shareholder's Equity		<u>(1,756,192)</u>	<u>1,021,906</u>
Non-Current Liabilities			
Borrowings	10	10,513,606	9,572,645
Deferred income	17	<u>984,097</u>	<u>1,156,454</u>
Total Non-Current Liabilities		<u>11,497,703</u>	<u>10,729,099</u>
Current Liabilities			
Bank overdraft	9	948,349	2,784,515
Trade and other payables	8	3,557,842	3,327,733
Borrowings	10	<u>276,817</u>	<u>1,384,111</u>
Total Current Liabilities		<u>4,783,008</u>	<u>7,496,359</u>
TOTAL EQUITY AND LIABILITIES		<u>\$14,524,519</u>	<u>\$19,247,364</u>

These financial statements were approved by the Board on 27/06/25 and signed on their behalf by

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 Director

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 Director

The accompanying notes on pages 10 to 19 form an integral part of these financial statements

MARKETING AND NATIONAL IMPORTING BOARD

Statement of Comprehensive Income for the year ended 31st December 2021

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
Sales (Schedule 1)		13,912,432	14,872,643
Less: cost of sales		<u>(11,502,929)</u>	<u>(11,228,361)</u>
Gross profit: 17.32% (2020: 24.5%)		2,409,502	3,644,282
Other income	15	758,111	180,329
Gain on the disposal		471,199	-
General and administration expenses	18	<u>(5,950,693)</u>	<u>(4,255,085)</u>
Operating loss		(2,311,881)	(430,474)
Finance cost	16	<u>(468,147)</u>	<u>(634,774)</u>
Net loss before investment write-off		(2,780,028)	(1,065,248)
Write-off of investment in subsidiary		<u>-</u>	<u>(393,924)</u>
Net loss for the year		<u>(\$2,780,028)</u>	<u>(\$1,459,172)</u>

The accompanying notes on pages 10 to 19 form an integral part of these financial statements

MARKETING AND NATIONAL IMPORTING BOARD

Statement of Changes in Equity for the year ended 31st December 2021

	<u>Contributed Capital</u>	<u>Revaluation Reserve</u>	<u>Accumulated (Deficit)</u>	<u>Total</u>
Balance previously stated as at 31 December 2019	123,000	14,003,717	(11,660,190)	2,466,527
Prior year adjustment	-	-	14,551	14,551
Balance restated as at 31 December 2020	123,000	14,003,717	(11,645,639)	2,481,078
Loss for the year	-	-	(1,459,172)	(1,459,172)
Balance previously stated as at 31 December 2020	123,000	14,003,717	(13,104,811)	1,021,906
Prior year adjustment	-	-	1,930	1,930
Balance restated as at 31 December 2020	123,000	14,003,717	(13,102,881)	1,023,836
Loss for the year	-	-	(2,780,028)	(2,780,028)
Balance at 31 December 2021	<u>\$123,000</u>	<u>\$14,003,717</u>	<u>(\$15,882,909)</u>	<u>(\$1,756,192)</u>

The accompanying notes on pages 10 to 19 form an integral part of these financial statements

MARKETING AND NATIONAL IMPORTING BOARD

Statement of Cash Flows for the year Ended 31st December 2021

	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net loss for the year	(2,780,028)	(1,459,172)
Adjustment for:		
Depreciation	582,325	640,604
Gain on disposal	(471,199)	-
Prior year adjustment	<u>1,930</u>	<u>14,551</u>
Operating deficit before working capital changes	(2,666,972)	(804,017)
Decrease/(Increase) in inventories	202,640	(229,276)
Decrease in accounts receivable and prepayments	1,501,387	22,030
Increase in accounts payable and accrued charges	<u>230,109</u>	<u>470,227</u>
Net cash (used in) operating activities	<u>(732,836)</u>	<u>(541,036)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Amortisation of HACCP Food Safety Programme	-	4,750
Investment in subsidiary written off	-	393,924
Proceeds from sale of fixed assets	3,009,000	-
Purchase of property, plant and equipment	<u>(225,505)</u>	<u>(11,918)</u>
Net cash provided by investing activities	<u>2,783,495</u>	<u>386,756</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Loan received	4,031,635	212,953
Deferred income amortised	(172,357)	(172,355)
Loans repaid	<u>(4,197,971)</u>	<u>-</u>
Net cash (used in)/provided by financing activities	<u>(338,693)</u>	<u>40,598</u>
Net change in cash and cash equivalents	1,711,966	(113,682)
Cash and cash equivalents - at beginning of the year	<u>(2,417,549)</u>	<u>(2,303,867)</u>
- at end of the year	<u>(\$705,583)</u>	<u>(\$2,417,549)</u>
Cash at bank and in hand	141,766	188,966
Restricted cash fund	101,000	178,000
Bank overdraft	<u>(948,349)</u>	<u>(2,784,515)</u>
	<u>(\$705,583)</u>	<u>(\$2,417,549)</u>

The accompanying notes on pages 10 to 19 form an integral part of these financial statements

MARKETING AND NATIONAL IMPORTING BOARD

Notes to the Financial Statements for the year ended 31st December 2021

1. INCORPORATION AND PRINCIPAL ACTIVITY

The Marketing and National Importing Board (The Board) is a statutory body incorporated by Act No. 40 of 1973, known as by People's Law No. 69 of 1979. The Board is an importer of basic food items and also purchases, sells and exports agricultural produce. It's registered office and principal place of business is located at Young Street, St. George's. The Board employs on average ninety-eight (98) persons during the year (2020: 101 persons).

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

(a) Basis of Accounting

These financial statements have been prepared in accordance with IFRS for SMEs and are expressed in Eastern Caribbean Currency Dollars. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and equity investment securities.

The preparation of financial statements in conformity with IFRS for SME's requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in applying the Company's accounting policies. There was no item that required management judgment that may have had a material impact on the financial statements.

(b) Accounts Receivables

Trade receivables are amounts due from customers for goods and services provided in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets, if not, they are classified as non-current assets.

Provision for doubtful accounts is made based on the specific identification of doubtful accounts. As debts become uncollectible, they are written off against the provision and charge to current year's operation.

(c) Foreign Currency:

The Eastern Caribbean Dollar is the functional currency of measurement and presentation of the Board's financial statements. Foreign currency transactions during the year have been recorded at the rates of exchange ruling at the dates of the transactions. Monetary amounts receivable or payable at the year-end in foreign currencies are translated to the functional currency at the rates of exchange ruling at that date. Profits or losses on translation of monetary items are reflected in comprehensive income.

Monetary items are units of currency held and assets and liabilities to be received or paid for in a fixed or determinable number of units of currency.

MARKETING AND NATIONAL IMPORTING BOARD

Notes to the Financial Statements for the year ended 31st December 2021 continued

SIGNIFICANT ACCOUNTING POLICIES continued

(c) Foreign Currency continued

Non-monetary items carried at historical cost are reported using the exchange rate at the date of the transaction. Other non-monetary items which are carried at fair value are reported at the exchange rate that existed when the fair values were determined. When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is also recognized in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is also recognized in profit or loss.

Other comprehensive income comprises items of income and expense that are not recognized in profit or loss but rather in equity, such as changes in appraisal surplus, remeasurements on defined employee benefit plans, etc.

(d) Financial Instruments:

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset is a contractual right to receive cash in the future, while a financial liability is a contractual obligation to deliver cash in the future.

A financial asset or a financial liability is recognised when the Board becomes a party to the contractual provisions of the instrument and in the case of a financial asset when control over the asset is transferred to the Board. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial instruments carried on the statement of financial position include cash and bank balances, accounts receivable, trade deposits, investment in subsidiary, trade payables and long-term loans. Financial assets and liabilities are carried at amounts which approximate their fair values at the statement of financial position date. Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. employee benefit plans, etc.

(e) Revenue Recognition:

Revenue from the sale of goods is recognised when all significant risks and rewards have been passed to the buyer, along with effective control over the goods sold. In the case of services, revenue is recognised when the outcome of a transaction can be estimated reliably, taking into consideration the probability of economic benefits flowing to the Board, the stage of completion of the transaction at the year-end and the costs incurred on and to complete the transaction. Revenue is accounted for on an accrual basis.

MARKETING AND NATIONAL IMPORTING BOARD

Notes to the Financial Statements for the year ended 31st December 2021 continued

SIGNIFICANT ACCOUNTING POLICIES continued

(f) Cash and Cash equivalents

Cash and cash equivalents comprise of cash on hand and at bank which are subject to an insignificant risk of change in value. Bank overdraft is included as a component of cash and cash equivalents for the purpose of the cash flow statement. Bank overdraft is shown as a short-term debt in current liabilities on the statement of financial position.

(g) Trade Payables and accruals

Trade payables and accruals are obligations to pay for goods and services that have been acquired from suppliers in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less, if not, they are presented as non-current liabilities.

(h) Provisions

Provisions are recognized when the company has a present legal or constructive obligation, as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. As at the financial year end there were no provisions.

(i) Finance Charges

Finance charges are recognized in the statement of comprehensive income as an expense in the period in which they are incurred.

(j) Going Concern

The Board has incurred a net loss of \$2,780,028 for the year ended December 31, 2021, with an accumulated loss of \$15,882,909. As at that date, the Board's total current liabilities exceeded its total current assets by \$4,091,078. These conditions indicate the existence of material uncertainty that may cast significant doubt on the Board's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Board is wholly owned by the Government of Grenada, which has historically provided financial support in the form of debt guarantees. Management is confident that such support will continue, and accordingly, the financial statements have been prepared on a going concern basis.

MARKETING AND NATIONAL IMPORTING BOARD

Notes to the Financial Statements for the year ended 31st December 2021 continued

SIGNIFICANT ACCOUNTING POLICIES continued

(k) Property, plant & equipment

Property, plant and equipment are stated at historical cost except for land and buildings which are stated at 2012 valuation. The valuation was conducted by the qualified engineering firm of Kenrick Gabriel and Associates. Depreciation is provided on all depreciable assets on the straight-line basis, at rates sufficient to write off the cost or valuation of the assets over the period of their estimated useful lives. The cost or valuation of property, plant and equipment sold, retired or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss reflected in comprehensive income. Maintenance and repairs are charged to comprehensive income, whilst the cost of improvements is capitalized. Leasehold improvement represents expenditure incurred on an additional unit leased at the Excel Plaza Mall at Grand Anse, St. George.

The rates used in providing for depreciation are as follows:

Buildings	2.5%
Furniture and Equipment	10%
Motor Vehicle	25%

MARKETING AND NATIONAL IMPORTING BOARD

Notes to the Financial Statements for the year ended 31st December 2021 continued

3. PROPERTY, PLANT AND EQUIPMENT

	Property	Leasehold Land	Building	Motor Vehicles	Furniture Fixtures & Equipment	Total
<u>Balance at December 31st, 2019</u>						
Cost	258,817	4,503,125	13,609,946	408,894	6,334,650	25,115,432
Accumulated Depreciation	-	-	2,388,069	401,910	5,070,562	7,860,541
Net Book Value	\$258,817	\$4,503,125	\$11,221,877	\$6,984	\$1,264,088	\$17,254,891
<u>For the year ended December 31st, 2020</u>						
Opening Balance	258,817	4,503,125	11,221,877	6,984	1,264,088	17,254,891
Additions for the year	-	-	-	-	11,918	11,918
Disposals for the year	-	-	-	-	-	-
Depreciation charge for the year	-	-	340,248	6,983	293,371	640,602
Net Book Value	\$258,817	\$4,503,125	\$10,881,629	\$1	\$982,635	\$16,626,207
<u>Balance at December 31st, 2020</u>						
Cost	258,817	4,503,125	13,609,946	408,894	6,346,568	25,127,350
Accumulated Depreciation	-	-	2,728,317	408,893	5,363,933	8,501,143
Net Book Value	\$258,817	\$4,503,125	\$10,881,629	\$1	\$982,635	\$16,626,207
<u>For the year ended December 31st, 2021</u>						
Opening Balance	258,817	4,503,125	10,881,629	1	982,635	16,626,207
Additions for the year	-	-	-	110,265	115,240	225,505
Disposals for the year	-	-	2,537,801	-	-	2,537,801
Depreciation charge for the year	-	-	265,604	27,567	289,151	582,322
Net Book Value	\$258,817	\$4,503,125	\$8,078,224	\$82,699	\$808,724	\$13,731,589
<u>Balance at December 31st, 2021</u>						
Cost	258,817	4,503,125	8,534,344	479,536	6,461,808	20,237,630
Accumulated Depreciation	-	-	456,120	396,837	5,653,084	6,506,041
Net Book Value	\$258,817	\$4,503,125	\$8,078,224	\$82,699	\$808,724	\$13,731,589

MARKETING AND NATIONAL IMPORTING BOARD

Notes to the Financial Statements for the year ended 31st December 2021 continued

4. CASH AND CASH EQUIVALENTS

	<u>2021</u>	<u>2020</u>
Cash on hand	25,861	31,984
Cash at bank	<u>115,905</u>	<u>156,982</u>
Total cash and cash equivalents	<u>\$141,766</u>	<u>\$188,966</u>

5. RESTRICTED CASH FUNDS

RBTT fixed deposit	-	77,000
Republic Bank security deposit	<u>101,000</u>	<u>101,000</u>
Total restricted cash funds	<u>\$101,000</u>	<u>\$178,000</u>

The Board has recorded restricted cash under non-current assets representing funds at Republic Bank Grenada Limited and RBTT Bank Grenada Limited. These funds are held to secure advances made to the Board.

6. INVENTORIES

Commodities	135,693	151,979
Produce	154,994	98,222
Dry and other goods	2,609	239,960
Packaging materials	<u>24,080</u>	<u>29,855</u>
Total inventories	<u>\$317,376</u>	<u>\$520,016</u>

7. TRADE AND OTHER RECEIVABLES

Trade debtors	1,326,344	1,959,329
Less: Allowance for doubtful debts	<u>(1,122,316)</u>	<u>(471,247)</u>
Net receivables	204,028	1,488,082
Other receivables	<u>28,760</u>	<u>246,093</u>
Total trade and other receivables	<u>\$232,788</u>	<u>\$1,734,175</u>

Trade receivables are recognised at fair value less provision for impairment. Provision for impairment of trade receivables is established when there is objective evidence that the Board 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 trade receivable is impaired. Increases or decreases in the amount of the provision are recognised in the statement of comprehensive income within general and administrative expenses.

MARKETING AND NATIONAL IMPORTING BOARD

Notes to the Financial Statements for the year ended 31st December 2021 continued

8. TRADE AND OTHER PAYABLES

	<u>2021</u>	<u>2020</u>
Trade payables	2,709,340	2,338,570
Other payables	<u>848,502</u>	<u>989,163</u>
	<u>\$3,557,842</u>	<u>\$3,327,733</u>

9. BANK OVERDRAFT

The overdraft facility held with Republic Bank (Grenada) Limited is secured against a security deposit held at the said bank of \$100,000 up to \$250,000. Interest is at the rate of 10% per annum.

The overdraft facility of \$1,500,000 with Grenada Cooperative Bank bears interest at the rate of 9.5% per annum and is secured by mortgage over the Young Street and Grenville properties owned by the Board.

MARKETING AND NATIONAL IMPORTING BOARD

Notes to the Financial Statements for the year ended 31st December 2021 continued

10. BORROWING

	<u>2021</u>	<u>2020</u>
<u>Long-term Borrowings</u>		
Government of Grenada	7,685,805	3,654,170
Grenada Co-operative Bank Limited	3,104,618	3,172,898
ANSA	-	4,129,688
Total Loans	10,790,423	10,956,756
Less: Current Portion	<u>(276,817)</u>	<u>(1,384,111)</u>
Total long-term borrowings	<u>10,513,606</u>	<u>9,572,645</u>
<u>Short-term borrowings</u>		
Current loan portion		
Grenada Co-operative Bank	276,817	419,851
ANSA	-	964,260
Total Short-term borrowings	<u>276,817</u>	<u>1,384,111</u>
Total Borrowings	<u>\$10,790,423</u>	<u>\$10,956,756</u>

On 25th April 2003, the Board secured a loan of US\$4,000,000 through a MNIB Bond Issue guaranteed by the Government of Grenada. The Bond Issue is a 10-year, 9.5% fixed rate instrument governed by a Trust Deed between the Board and ANSA Financial Holdings Limited (the Trustee), a company registered in Trinidad and Tobago. The interest and principal on the loan were due and payable on 25th April 2013.

However, on October 31, 2014, ANSA Financial Holdings accepted a proposal put forward by the MNIB and agreed to have the mortgage and bond refinanced to reflect a balance of US\$3 million. Of that amount, US\$1.5 million was repaid on November 27, 2014, as per the agreement. The balance of US\$1.5 million is to be repaid over a ten (10) year period. Annual Interest is at the rate of 6% for years 1 - 5 and 7% for years 6 - 10. Payments of interest and principal are due quarterly. This interest is frozen until the new Bond instrument is executed. The loan is secured by a mortgage of MNIB property at Mt. Gay, St George. The forgiveness represents accumulated interest of EC\$4,795,008 and principal of EC\$1,462,043, totaling \$6,257,051.

During 2016 a loan of \$4.5 million was taken with the Grenada Cooperative Bank. As at 21st December 2016 the sum of \$3,902,969 was drawn of which \$2,087,615.21 was used to pay off the RBTT loan. The loan carries a 6.5% rate of interest and is repayable over a 15-year period. Monthly repayment is \$39,200.00. The loan is secured by mortgage over the Young Street and Grenville properties, owned by the Board.

MARKETING AND NATIONAL IMPORTING BOARD

Notes to the Financial Statements for the year ended 31st December 2021 continued

11. PENSION SCHEME

The Board maintains a defined contribution pension plan. Both employer and employee contribute equally to the plan. The Board's contribution to the scheme for the year was \$54,624.42 (2020 - \$44,330).

12. TAXATION

The Board is exempt from tax on its income under section 25 of the Income Tax Act 1994.

13. CONTINGENT LIABILITIES

At year end the Board was contingently liable in respect of a Customs Bond amounting to \$40,000.

14. LEASEHOLD COMMITMENTS

	<u>2021</u>	<u>2020</u>
Payments due within next three years by lease expiry date		
Under one year	168,000	168,000
One to three years	<u>504,600</u>	<u>504,600</u>
	<u>\$672,600</u>	<u>\$672,600</u>

15. OTHER INCOME

Rental income	13,800	49,680
Grant income	725,079	112,677
Miscellaneous income	-	2,450
Cash (shortage)/overages	<u>19,232</u>	<u>15,522</u>
	<u>\$758,111</u>	<u>\$180,329</u>

16. FINANCE COSTS

Bank charges	84,961	79,132
Overdraft interest and charges	177,939	286,670
Local loan interest	<u>205,247</u>	<u>268,972</u>
	<u>\$468,147</u>	<u>\$634,774</u>

MARKETING AND NATIONAL IMPORTING BOARD

Notes to the Financial Statements for the year ended 31st December 2021 continued

17. DEFERRED INCOME

The sum of \$782,681 was contributed jointly by the Caribbean Development Bank and the Government of Grenada as grant funding to upgrade the pack house at River Road.

The sum of \$1,075,280 was contributed by Caribbean Development Bank as a grant to fund a food safety development project. An additional \$10,529 was received in 2019 to complete the project.

Deferred revenue is apportioned over a ten-year period commencing 2016. The cost of the asset (Park House) is reflected under building in note 6 (property, plant & equipment).

	<u>2021</u>	<u>2020</u>
Balance brought forward	1,156,454	1,328,807
Less: Amortized to income for the year	<u>(172,357)</u>	<u>(172,353)</u>
Balance carried forward	<u>\$984,097</u>	<u>\$1,156,454</u>

18. GENERAL AND ADMINISTRATIVE

Salaries, wages and NIS allowances	2,288,204	2,208,025
Bad debt expense	1,250,259	-
Utilities	537,091	460,586
Depreciation	582,325	640,604
Stamps, stationery and office expenses	93,322	95,994
Rent and rates	175,200	171,063
Pension Scheme	55,748	55,198
Group health	71,895	72,067
Board members' allowances	26,800	35,300
Travelling and transportation	13,305	25,829
Audit and accountancy fees	35,973	23,059
Legal and professional fees	239,969	33,689
Repairs and maintenance	90,767	54,895
Insurance	111,894	115,355
Research and development	1,000	-
Motor vehicle expenses	76,184	75,958
Advertising expenses	74,548	40,061
Subscriptions and donations	16,245	5,385
Security services	30,724	57,112
Unclaimed VAT	74,719	-
Cleaning and sanitation	84,953	74,763
Refreshment/meal allowance	8,179	7,199
Staff uniform	5,693	2,393
Taxes and licenses	3,801	550
Miscellaneous	1,895	-
	<u>\$5,950,693</u>	<u>\$4,255,085</u>

MARKETING AND NATIONAL IMPORTING BOARD

Notes to the Financial Statements for the year ended 31st December 2021 continued

Schedule 1

	<u>2021</u>	<u>2020</u>
Sales	13,912,432	14,872,643
Less: cost of goods sold		
Inventory- beginning of year	520,016	290,740
Purchases	<u>11,300,289</u>	<u>11,457,637</u>
	11,820,305	11,748,377
Less: Inventory- end of year	<u>317,376</u>	<u>520,016</u>
	<u>11,502,929</u>	<u>11,228,361</u>
Gross profit	<u>\$2,409,503</u>	<u>\$3,644,282</u>
Gross profit percentage to sales	17.32%	24.5%
Rate of inventory turnover	27.5 times	27.7 times
The following are included in purchases:		
Direct expenses		
Truckage and freight	43,945	125,062
Handling charges and stevedoring	41,471	12,989
Packaging materials	<u>156,053</u>	<u>127,164</u>
	241,469	265,215
Spoilage	<u>\$109,093</u>	<u>\$-</u>