



THE RUPUNUNI DEVELOPMENT COMPANY LIMITED.



ANNUAL REPORT AND ACCOUNTS

For the Year Ended 31st December, 2021

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

NOTICE OF MEETING Annual General Meeting

Notice is hereby given that the Annual General Meeting of The Rupununi Development Company Limited will be held at The Hand in Hand Mutual Fire Insurance Company Limited Offices at lots 1,2,3 & 4, Avenue of the Republic Georgetown, on Thursday, June 9, 2022, at 10:00 a.m. for the following purposes: -

AGENDA

1. To receive the Report of the Directors and the Accounts for the year ended 31st December 2021 and the Report of the Auditors thereon.
2. Election of Directors.
3. To fix the remuneration of the Directors.
4. Election of Auditors.
5. To fix the remuneration of the Auditors.
6. Any other business which may properly be brought before the meeting.

BY ORDER OF THE BOARD



.....
Ronald Stanley
Company Secretary
April 29, 2022

REGISTERED OFFICE:
1, 2, 3 & 4 Avenue of the Republic
Georgetown,

N.B. A person exercising a proxy need not be a Member of the Company. The form of proxy must be deposited with the Company Secretary at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

Covid-19 safety protocols are in force.

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

HEAD OFFICE

Dadanawa Ranch
Region 9,
South Rupununi
Guyana.

DIRECTORS

WILFRED.A. LEE, A.A., B.Sc., B.S.P., E.M.S.C.P.,B.Soc.Sc.,
Dip.M.,F.C.I.M - Chairman

PAUL. A. CHAN-A-SUE, C.C.H., F.C.A. - Vice Chairman

KEITH EVELYN, B.A. (Hons) Sheff.Hallam., B.Sc. UMIST.,M.B.A. Liv.,
F.C.I.I., A.C.I.B, M.C.I.B.S- Chartered Insurer. Chartered
Banker.

OMADATT SINGH, B.Sc. (Hons.), M.B.A., F.C.C.A., C.P.A., C.G.A., C.P.C.U.

PETER FRASER

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

MANAGEMENT:

Company Secretary/
Accountant

- Ronald Stanley, F.C.C.A., C.P.C.U., M.Sc.

Assistant Company Secretary/
Legal Officer/Human Resources Officer

- Paul S. Braam, L.L.B., L.E.C.

AUDITORS:

- PKF Barcellos Narine & Company
Chartered Accountants

ATTORNEYS-AT-LAW:

- Cameron & Shepherd

BANKERS:

- Republic Bank (Guyana) Limited.

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

**REPORT OF THE CHAIRMAN
FOR THE YEAR ENDED 2021-12-31
BY THE CHAIRMAN – MR. WILFRED. A. LEE**

WELCOME

Dear Shareholders, it is with pleasure that I welcome you to our Company's Annual General Meeting. I am pleased to report to you on the Company's performance for the year ended 31st December 2021.

ECONOMIC REVIEW

Global growth was estimated at 5.9 percent in 2021. The administration of vaccines and significant government support measures from both advanced and emerging market and developing economies has contributed to mitigating the COVID-19 pandemic's adverse impact. This has helped the global economy to recover from the 2020 contraction.

According to the World Economic Outlook, global growth for 2022 is expected to be lower, at 4.4 percent.

The Guyana economy recorded growth of 19.9 percent, while non-oil GDP growth was 4.6 percent in 2021. The GDP growth is forecasted to accelerate to 49.7 percent in 2022.

The agriculture, forestry, and fishing sector contracted by 9.1 percent. This position was mainly on account of reduced output in sugar, rice, and other crops subsectors because of the impact of the floods. On the upside, growth in the livestock sector was estimated at 9.2 percent in 2021.

PERFORMANCE REVIEW

Total Assets for the year decreased by 15.2 percent to \$69.8M compared with \$82.3M in the previous year. This was due mainly to the decrease in the value of the Biological Assets.

Total revenue decreased by 7.2 percent from \$15.2M to \$14.1M. This was due to a decrease in cattle sales because of reduced business activities caused by the COVID 19 pandemic.

The net loss for the year was \$26.0M compared to a \$4.6M net loss in the previous year.

The cattle market remained challenging. The absence of an international certified abattoir continued to prevent the Company from expanding its revenue through beef export. However, there have been consistent efforts to increase beef sales in the local market.

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

**REPORT OF THE CHAIRMAN
FOR THE YEAR ENDED 2021-12-31
BY THE CHAIRMAN – MR. WILFRED. A. LEE**

Cattle rustling remained prevalent in the Savannah and has contributed to the low growth of the Company's biological assets. There are continuous efforts to implement control measures in mitigating this risk.

The Board remains committed to seeking opportunities, especially those created from the emerging oil and gas sector, to accelerate business growth in its cattle rearing and tourism operations.

Corporate Social Responsibility

The Company remains committed to providing financial resources for initiatives aimed developing the indigenous communities in the region.

TAXATION

The Company contributed \$ 0.01M by way of taxation to the general revenue of the country.

CONCLUSION

In conclusion, I wish to thank my fellow Directors, Management and staff for their continued support and dedication. Special appreciation to our customers for their loyalty during the year.

I look forward to your continued commitment in 2022.

Thank you.


.....

**WILFRED.A. LEE
CHAIRMAN**

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting for the information of Shareholders the Annual Report and Audited Financial Statements for the year ended 2021-12-31.

Principal Activities

The Company engages in the operation of a cattle ranch, which produces beef for the local market. The Company also offers tourism services.

Geographical Analysis

The company has no subsidiary operations; therefore, segment reporting is prepared in accordance with the accounting standards.

	Segment Revenue		Segment Profit/(Loss)	
	Year Ended 2021 G\$	Year Ended 2020 G\$	Year Ended 2021 G\$	Year Ended 2020 G\$
Cattle	14,371,448	15,258,659	(26,009,794)	(4,687,813)
Tourism	16,000	384,000	14,552	62,556
	<u>14,387,448</u>	<u>15,642,659</u>	<u>(25,995,242)</u>	<u>(4,625,257)</u>

Summary of Financial Results

In accordance with Regulation No. 8 of 2002, subsection 6(n), made under the Securities Industry Act 1998, the following are disclosures of comparative financial results and the assets and liabilities of the Company along with any changes to capital.

	2021 G\$	2020 G\$
Turnover	14,070,320	15,213,440
Expenses	29,688,416	27,880,939
Profit/ (loss) before taxation	(25,951,133)	(4,419,730)
Taxation	44,109	205,528
Profit/(loss) for the year after taxation	(25,995,242)	(4,625,257)
Other Comprehensive Income net of taxes	882,029	2,211
Total Comprehensive Income/(loss)	(25,113,213)	(4,623,046)
Assets	69,834,527	82,318,586
Liabilities- Current	15,956,327	14,535,257
Liabilities- Non- Current	87,127,729	75,919,645

Shareholder's Equity

	G\$
Balance as at 31.12.2020	(8,136,316)
Total Comprehensive income/(loss) for the year	(25,113,213)
Retained earnings carried forward	(33,249,529)

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

REPORT OF THE DIRECTORS

Dividend

No dividends were proposed nor paid due to the losses recorded. Dividends are recognized in equity when actually paid.

Interest Capitalized

In accordance with Regulation No. 8 of 2002, subsection 6 (i), made under the Securities Industry Act 1998, the Company did not have any interest that was capital in nature, and hence the financial statements do not include any capitalized interest cost.

Bank Loans and Overdrafts

In accordance with Regulation No. 8 of 2002, subsection 6 (h), made under the Securities Industry Act 1998, the following are disclosures of other borrowings by the company.

Loan balance
31/12/2021
G\$

Hand in Hand Mutual Fire Insurance Co. Ltd.

Repayment schedule

On demand	11,400,000
1 to 2 years	29,042,576
2 to 3 years	29,042,576
Over 5 years	29,042,577

The company did not have an overdraft facility with the banks.

Directorate

The following Directors retire from office and are eligible for re-election:

Mr. Paul A. Chan-A-Sue, C.C.H., F.C.A.

Mr. Keith Evelyn, B.A. (Hons) Sheff. Hallam., B.Sc. UMIST., M.B.A. Liv.,
F.C.I.I., A.C.I.B., M.C.I.B.S-Chartered Insurer. Chartered
Banker.

BENEFICIAL INTEREST OF DIRECTORS, CHIEF EXECUTIVE AND THEIR ASSOCIATES

	Shares Held 31/12/2021	Shares Held 31/12/2020
Peter S. Fraser	10	10

Directors Contract

There are no service contracts for the Directors proposed for re- election.

At no time during the current financial year has any Director been a party to a material contract with the Company or was materially interested in any contract which was significant in relation to the Company's business.

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

REPORT OF THE DIRECTORS

	2021 G\$	2020 G\$
Director's fee per annum		
Mr. Wlifred Lee	297,840	297,840
Mr. Paul A. Chan-A- Sue	198,588	198,588
Mr. Keith Evelyn	198,588	198,588
Mr. Omadatt Singh	198,588	198,588
Mr. Peter Fraser	198,588	198,588

	2021 G\$	2020 G\$
Substantial Shareholdings		
Hand in Hand Mutual Fire Insurance Co. Ltd	102,652	102,652
Hand in Hand Mutual Life Assurance Co. Ltd	29,300	29,300
Trust Company (Guyana) Limited	47,900	47,900
Duane De Freitas	50,600	50,600
Adrian De Freitas	54,980	54,980

A substantial Shareholder is defined as a person entitled to exercise or control the exercise of 5% or more of the voting power of any general meeting of the issuer.

Auditors

The Auditors, PKF Barcellos Narine and Company, retire and have indicated their willingness to be reappointed.

By Order of the Board



.....
Ronald Stanley
Company Secretary

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUPUNUNI DEVELOPMENT COMPANY LIMITED ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

Qualified Opinion

We have audited the accompanying financial statements of Rupununi Development Company Limited which comprise the statement of financial position as at December 31, 2021 and the statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the effects of the matters described in the basis for qualified opinion, the financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Qualified Opinion

The company undertake a physical verification of cattle as at December, 31 2021 which is done on a sample basis as the wide area of the Ranch makes it difficult for a complete round up. Those rounded up are then verified to the register. However, the area is prone to Rustling and wild animals, as such the sampling system may not be appropriate to validate the Biological Assets of G\$ 47,941,988 shown in the financial statements and management should consider a complete round up.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the financial statement section of our report. We are independent of the company within the meaning of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going Concern

The company's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the company's financial statements is appropriate.

Management has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the company's ability to continue as a going concern.

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 and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. Those charged with governance are responsible for overseeing the company's financial reporting process.

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUPUNUNI DEVELOPMENT COMPANY LIMITED ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

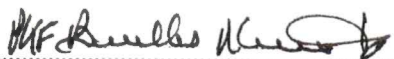
Auditors' Responsibility

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 International Standards on Auditing 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 International Standards on Auditing, 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 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 significant 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 audit 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.


PKF, BARCELLOS, NARINE & CO.
106 -107 Lamaha Street
North Cummingsburg
Georgetown

April 28, 2022

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2021

	Notes	<u>2021</u> G\$	<u>2020</u> G\$
Turnover - Livestock		14,070,320	15,213,440
Add			
Other Income			
Interest and Dividends		301,128	45,219
Spares, Tourism and Transportation		<u>16,000</u>	<u>384,000</u>
		<u>317,128</u>	<u>429,219</u>
Total Revenue		14,387,448	15,642,659
Increase/(Decrease) in Fair Value of Biological Assets		<u>(10,753,893)</u>	<u>7,754,711</u>
		3,633,555	23,397,370
Add:			
Ranch Store Gross Profit		<u>103,728</u>	<u>63,840</u>
		3,737,283	23,461,210
Ranch Management Expenses	12	22,372,866	21,411,616
Financial Expense	13	<u>7,315,550</u>	<u>6,469,323</u>
		<u>29,688,416</u>	<u>27,880,939</u>
Net Loss Before Taxation		(25,951,133)	(4,419,729)
Taxation	14	<u>44,109</u>	<u>205,528</u>
Net Loss for the Year		(25,995,242)	(4,625,257)
Other Comprehensive Income			
Fair Value Gain- on Investments		<u>882,029</u>	<u>2,211</u>
Net Comprehensive Loss for the Year		<u>(25,113,213)</u>	<u>(4,623,046)</u>
Loss per Share in Dollars	15	(70.7)	(12.6)

“The accompanying notes form an integral part of these financial statements”

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

TRADING ACCOUNT - RANCH STORE FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u> G\$	<u>2020</u> G\$
Sales	864,404	633,960
Opening Inventories	125,180	45,300
Purchases	<u>735,736</u>	<u>650,000</u>
	860,916	695,300
Less:		
Closing Inventories	<u>100,240</u>	<u>125,180</u>
	<u>760,676</u>	<u>570,120</u>
Ranch Store Gross Profit	<u>103,728</u>	<u>63,840</u>

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2021


ASSETS	Notes	<u>2021</u> G\$	<u>2020</u> G\$
Non Current Assets			
Tangible Fixed Assets	2	6,122,303	6,554,675
Investments	3	<u>7,039,329</u>	<u>6,157,300</u>
		13,161,632	12,711,975
Current Assets			
Guyana Revenue Authority		225,926	192,750
Biological Assets	4	47,941,988	58,695,881
Inventories	5	100,240	125,180
Receivables	6	3,757,591	4,351,510
Cash and Bank		<u>4,647,150</u>	<u>6,241,290</u>
		56,672,895	69,606,611
Total Assets		<u>69,834,527</u>	<u>82,318,586</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share Capital	7	1,838,920	1,838,920
Reserve - Capital		1,304,413	1,304,413
- General	8	1,008,970	1,008,970
Other Reserve	9	6,763,954	5,881,925
Accumulated Deficit		<u>(44,165,786)</u>	<u>(18,170,544)</u>
		(33,249,529)	(8,136,316)
Non Current Liability			
Related Company	10(a)	87,127,729	75,919,645
Current Liabilities			
Related Company	10(b)	11,400,000	9,872,507
Payables	11	2,027,998	1,972,624
Taxation		<u>2,528,329</u>	<u>2,690,126</u>
		15,956,327	14,535,257
Total Equity and Liabilities		<u>69,834,527</u>	<u>82,318,586</u>

These Financial Statements were approved by the Board of Director on.....28th April, 2022.....

On Behalf of the Board:


.....
Mr. Paul A. Chan-A-Sue - Vice - Chairman


.....
Mr. Keith Evelyn- Director


.....
Mr. Ronald Stanley - Company Secretary

“The accompanying notes form an integral part of these financial statements”

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR END DECEMBER 31, 2021

	Share Capital G \$	Other Reserve G \$	Capital Reserve G \$	General Reserve G \$	Accumulated Deficit G \$	Total G \$
Balance - January 1, 2020	1,838,920	5,879,714	1,304,413	1,008,970	(13,545,287)	(3,513,270)
Net Loss for the Year	-	-	-	-	(4,625,257)	(4,625,257)
Other Comprehensive Income	-	2,211	-	-	-	2,211
Balance - December 31, 2020	<u>1,838,920</u>	<u>5,881,925</u>	<u>1,304,413</u>	<u>1,008,970</u>	<u>(18,170,544)</u>	<u>(8,136,316)</u>
Balance - January 1, 2021	1,838,920	5,881,925	1,304,413	1,008,970	(18,170,544)	(8,136,316)
Net Loss for the Year	-	-	-	-	(25,995,242)	(25,995,242)
Other Comprehensive Income	-	882,029	-	-	-	882,029
Balance - December 31, 2021	<u>1,838,920</u>	<u>6,763,954</u>	<u>1,304,413</u>	<u>1,008,970</u>	<u>(44,165,786)</u>	<u>(33,249,529)</u>

“The accompanying notes form an integral part of these financial statements”

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021

Cash Flow From Operating Activities	<u>2021</u> G\$	<u>2020</u> G\$
Net Loss Before Taxation	(25,951,133)	(4,419,729)
Adjustments for:		
Loss on Disposal	33,996	18,503
(Increase)/Decrease in fair value of biological assets	10,753,893	(7,754,711)
Depreciation	<u>1,100,495</u>	<u>1,164,357</u>
	<u>11,888,384</u>	<u>(6,571,851)</u>
Operating Loss Before Working Capital Changes	(14,062,749)	(10,991,580)
Working Capital Changes		
Payables	55,373	342,725
Receivables	593,919	154,155
Inventories	<u>24,940</u>	<u>(79,880)</u>
	<u>674,232</u>	<u>417,000</u>
Net Cash Outflow From Operations	(13,388,517)	(10,574,580)
Taxation		
Taxes Paid	<u>(239,082)</u>	<u>(274,424)</u>
	<u>(13,627,599)</u>	<u>(10,849,004)</u>
Cash Flow From Investing Activity		
Purchase of Tangible Fixed Assets	<u>(702,120)</u>	<u>(222,000)</u>
	<u>(14,329,719)</u>	<u>(11,071,004)</u>
Cash Flow From Financing Activity		
Related Company	<u>12,735,579</u>	<u>9,872,509</u>
Net Decrease in Cash and Cash Equivalents	(1,594,140)	(1,198,495)
Cash and Cash Equivalents - January 1	<u>6,241,290</u>	<u>7,439,785</u>
Cash and Cash Equivalents - December 31	<u>4,647,150</u>	<u>6,241,290</u>
Analysis of Cash on Hand and at Bank - December 31		
Cash on Hand	737,928	1,160,819
Cash at Bank	<u>3,909,222</u>	<u>5,080,471</u>
	<u>4,647,150</u>	<u>6,241,290</u>

"The accompanying notes form an integral part of these financial statements"

A n n u a l R e p o r t

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

NOTES OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2021

1. Accounting Policies

(i) Incorporation and Principal Activity

The Company was incorporated in the Co-operative Republic of Guyana on November 27, 1919 and continued under the Companies Act 1991 on May 3, 1997. It operates a cattle ranch with a consumer store for its workers at Rupununi, Region 9, Guyana.

These financial statements were approved by the board on..... April 28, 2022.....

(ii) Significant Accounting Policies

Basis of Preparation

These financial statements have been prepared under the historical cost convention in accordance with International Financial Reporting Standards (IFRS) and its presentation comply with the Companies Act 1991.

(a) New and Revised International Financial Reporting Standards (IFRSs)

There were several pronouncements by the International Accounting Standards Board (IASB) which are effective for the current financial year. These were issued as a result of the Board's annual improvements to the standards in issue.

There were also several other pronouncements as a result of the ongoing improvements which are adopted when they become effective.

Management reviews all pronouncements and those that have an impact on the company's financial reporting are generally adopted.

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

1. Accounting Policies Cont'd:

New and Revised International Financial Reporting Standards (IFRSs) Cont'd:

(i) The following pronouncements if applicable are mandatorily effective for the current financial year:

New and Amended Standards	Effective Annual Periods Beginning:
Interest Rate Benchmark Reform -- Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 1 2021
Covid-19 - Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)	April 1, 2021

(ii) The following pronouncements have been issued but are not yet effective. However, they are available for early adoption.

Property, Plant and Equipment - Proceeds before intended use (Amendments to IAS 16)	January 1, 2022
Reference to the Conceptual Framework (Amendments to IFRS 3)	January 1, 2022
Annual Improvements to IFRS standards 1,9,16 and IAS 41	January 1, 2022
Onerous Contracts _ Cost Of Fulfilling A Contract	January 1, 2022
Classification of Liabilities as Current and Non Current (Amendments to IAS 1)	January 1, 2023
IFRS 17 Insurance Contracts	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2021

1. Accounting Policies Cont'd:

(b) Information about Key Sources of Estimation of Uncertainty and Judgments

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of the future.

Key Sources of Estimation of Uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below:

(i) Statutory Taxes

Provision is made for taxes due at the tax rate effective at the statement of financial position date. Any additional tax due is provided for as a current year tax expense.

(ii) Other Provisions

Provision is made for expenses relating to the current year for which there is no set amount to be incurred. These amounts are best estimates based on the closest comparable amount.

Judgement in applying the entity's accounting policies

The company exercised judgement in computing the following :

- Depreciation
- Provision for Bad and Doubtful debts

(c) Tangible Fixed Assets

(i) Presentation and Disclosure

The company's tangible fixed assets are stated in the statement of financial position at valuation less accumulated depreciation. The company also carries out annual impairment review.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives using the reducing balance basis. The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and any changes in estimate is accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of equipment and motor vehicle is determined as the difference between the sales proceed and the carrying amount of the asset and is recognised in the statement of comprehensive income.

(ii) Depreciation

No depreciation is charged on freehold land. Other tangible fixed assets are depreciated at 10,15 and 20% on the reducing balance basis.

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2021

1. Accounting Policies Cont'd:

(d) Revenue Recognition

Revenue from sale of goods is recognised when all significant risks and rewards of ownership have been transferred to the buyer. In general, this coincides with the transfer of legal title or the passing of possession to the buyer.

(e) Interest Income

This is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(f) Foreign Currency

Functional and Presentation Currency

The company's financial statements are presented in Guyana Dollars. This is the currency of the primary economic environment in which the entity operates (its functional currency).

Transactions and Balances

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement of financial position date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in the statement of comprehensive income in the period in which they arise.

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

1. Accounting Policies Cont'd:

(g) Investments

Investments are recognised in the financial statements in compliance with International Accounting Standard. The company's investments have been classified as "available for sale financial assets". These are accounted for at fair value which is determined at the end of each financial year. "Available for sale" investments are initially recognised at cost and adjusted to fair value subsequently.

Gains or losses on "available for sale of financial assets" are recognised through the statement of other comprehensive income until the asset is sold or otherwise disposed, at which time previously recognised gains or losses are transferred to the profit or loss for that period.

(h) Biological Assets

The company is engaged in the rearing of cattle on a large scale for resale. These are valued at the original cost plus rearing expenses incurred. Each category of livestock was thereon valued at a price relative basis, whereby the lowest realisable market price for each category at December 31, 2021 was used.

(i) Inventories

Inventories are valued at lower of cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business less selling expenses.

(j) Receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'receivables'. Receivables are measured at cost less any impairment.

(k) Cash and Cash Equivalents

Cash and cash equivalents comprise of cash in hand and bank balances that are not restricted.

(l) Related Company

Related company relationship exists between the company and its major shareholder. The movement during the year represents loan net of repayments and expenses paid on behalf of the company.

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

1. Accounting Policies Cont'd:

(m) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past transaction and 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 period, 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.

When 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.

(n) Taxation

Taxation expenses include statutory taxation.

Statutory

The tax payable is based on taxable profit for the year. Taxable profit differs from the net profit as reported in the statement of comprehensive income because it excludes items of income and expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax charge is calculated using tax rates that have been enacted at the date of the statement of financial position.

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

2. Tangible Fixed Assets	Leasehold <u>Land</u> G \$	Freehold Land and Building and Coral G \$	General Equipment G \$	Total G \$
Cost				
January 1, 2020	248,000	250,000	19,006,637	19,504,637
Addition	-	-	222,000	222,000
Disposal	-	-	(34,684)	(34,684)
December 31, 2020	<u>248,000</u>	<u>250,000</u>	<u>19,193,953</u>	<u>19,691,953</u>
January 1, 2021	248,000	250,000	19,193,953	19,691,953
Addition	-	-	702,120	702,120
Disposal	-	-	(151,217)	(151,217)
December 31, 2021	<u>248,000</u>	<u>250,000</u>	<u>19,744,856</u>	<u>20,242,856</u>
Depreciation				
January 1, 2020	-	9,900	11,979,202	11,989,102
Retired on Disposal	-	-	(16,181)	(16,181)
Charged for the year	-	-	1,164,357	1,164,357
December 31, 2020	<u>-</u>	<u>9,900</u>	<u>13,127,378</u>	<u>13,137,278</u>
January 1, 2021	-	9,900	13,127,378	13,137,278
Charged for the Year	-	-	1,100,496	1,100,496
Retired on Disposal	-	-	(117,221)	(117,221)
December 31, 2021	<u>-</u>	<u>9,900</u>	<u>14,110,653</u>	<u>14,120,553</u>
Net Book Values:				
December 31, 2020	<u>248,000</u>	<u>240,100</u>	<u>6,066,575</u>	<u>6,554,675</u>
December 31, 2021	<u>248,000</u>	<u>240,100</u>	<u>5,634,203</u>	<u>6,122,303</u>

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

	2021		2020	
	Fair Value G \$	Book Value G \$	Fair Value G \$	Book Value G \$
3. Investments - Fair Value				
Local Companies				
Meat Marketing Ltd - 260 Ordinary shares	260	260	260	260
Sterling Products Ltd - 22 106 shares	6,963,390	55,265	6,081,361	55,265
Livestock Development Co. Ltd - 58,729 shares	58,729	58,729	58,729	58,729
	<u>7,022,379</u>	<u>114,254</u>	<u>6,140,350</u>	<u>114,254</u>
Guyana Government - 7% Fixed Date Debenture	12,950	12,950	12,950	12,950
Guyana Defence Bonds	4,000	4,000	4,000	4,000
	<u>7,039,329</u>	<u>131,204</u>	<u>6,157,300</u>	<u>131,204</u>

Investment in Sterling Products was valued based on trading price whilst other investments held are valued at cost.

4. Biological Assets - Fair Value	No. of Cows	<u>2021</u> G\$	<u>2020</u> G\$
Balance - January 1	2,740	58,695,881	50,941,170
Births	471	6,386,760	8,420,760
Sales	(155)	(4,700,868)	(5,251,034)
Donation	(28)	(599,810)	(192,797)
Not Brought to the coral	(737)	(15,787,907)	(257,062)
Deaths/Slaughtered	(53)	(1,135,358)	(1,071,093)
Changes in Fair Value	(502)	(5,083,291)	6,105,938
Balance - December 31	<u>2,238</u>	<u>47,941,988</u>	<u>58,695,881</u>

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u> G\$	<u>2020</u> G\$
5. Inventories		
Ranch Store	<u>100,240</u>	<u>125,180</u>
6. Receivables		
Trade Debtors	2,683,370	2,604,778
Staff Advances	<u>1,074,221</u>	<u>1,746,732</u>
	<u>3,757,591</u>	<u>4,351,510</u>
Trade receivables are outstanding for more than 90 days but are not impaired.		
7. Share Capital		
Authorised 400 000 Ordinary Shares	<u>2,000,000</u>	<u>2,000,000</u>
Issued and Fully Paid 367 784 Ordinary Shares	<u>1,838,920</u>	<u>1,838,920</u>
Significant Ordinary Shareholdings		
Hand-in-Hand Mutual Life Assurance Company Ltd.	29,300	29,300
Hand in Hand Mutual Fire Insurance Company Ltd.	102,652	102,652
Trust Company (Guyana) Limited	47,900	47,900
Adrian De Freitas	54,980	54,980
Duane De Freitas	50,600	50,600
8. General Reserves		
Balance Brought Forward from 1983	180,660	180,660
Bonus Shares Issued:		
JP Santos Trading	110,000	110,000
Guyana Stockfeeds	17,000	17,000
Sterling Products Limited	518,580	518,580
Livestock Development Company Ltd.	<u>182,730</u>	<u>182,730</u>
	<u>1,008,970</u>	<u>1,008,970</u>

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

9. Other Reserve	<u>2021</u> G\$	<u>2020</u> G\$
Balance - January 1	5,881,925	5,879,714
Movement in Fair Value of Investment	<u>882,029</u>	<u>2,211</u>
Balance - December 31	<u>6,763,954</u>	<u>5,881,925</u>

Arising from fair value gain on investments.

10. Related Company - Hand-in-Hand Mutual Fire Insurance Company Ltd.

Balance - January 1	85,792,152	75,919,645
Add:		
Interest Charged for the Year	7,298,350	6,354,974
Loan to the Company	<u>5,437,227</u>	<u>3,517,533</u>
Balance - December 31	<u>98,527,729</u>	<u>85,792,152</u>
(a) Non Current Liability	87,127,729	75,919,645
(b) Current Liability	11,400,000	9,872,507

This balance represents loan given and expenses paid for the company

This balance is expected to be repaid by December 31, 2023.

Interest is charged on this balance at 8 % per annum

Biological Assets situated at Dadawana Ranch are pledged as collateral.

11. Payables

Accruals	879,500	879,500
Stale Dated Cheques	<u>1,148,498</u>	<u>1,093,124</u>
	<u>2,027,998</u>	<u>1,972,624</u>

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u> G\$	<u>2020</u> G\$
12. Ranch Expenses		
Fuel, Oil and Lubricants	786,885	937,400
Repairs and Maintenance -Building	330,820	545,060
-Equipment	10,500	19,500
Ration, Risk and Hardship Allowance	1,545,749	3,379,399
Casual Labour	1,773,250	1,716,750
Ranch Allowance	271,982	-
Tourism Commission	-	26,000
Sub Total	<u>4,719,186</u>	<u>6,624,109</u>
Management Expenses		
Repairs and Maintenance - Vehicles	568,000	272,860
Audit Fees	855,000	855,000
Depreciation	1,100,495	1,164,357
Directors' Fees (Note 16)	1,092,192	1,208,035
Salaries	7,120,991	6,789,979
National Insurance	397,216	289,540
Travelling	3,064,120	1,806,193
Stationery and Office Supplies	454,610	466,654
Professional Fees	9,700	6,730
Meals and Entertainment	1,235,378	1,238,030
Medical	-	31,800
Assets Scrapped	33,996	18,503
Internet and Satellite Fees	646,911	635,192
Bad Debt	1,075,071	4,634
Sub Total	<u>17,653,680</u>	<u>14,787,507</u>
Total Ranch and Management Expenses	<u>22,372,866</u>	<u>21,411,616</u>

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

13	Financial Expense	<u>2021</u> G\$	<u>2020</u> G\$
	Bank Charges	17,200	114,349
	Loan Interest	7,298,350	6,354,974
		<u>7,315,550</u>	<u>6,469,323</u>
14	Taxation	<u>2021</u> G\$	<u>2020</u> G\$
	Property Tax	34,687	196,484
	Withholding Tax	9,422	9,044
		<u>44,109</u>	<u>205,528</u>
15	Loss per Share in Dollars		
	This is computed as follows:		
	Net Loss for the Year	(25,995,242)	(4,625,257)
	Divided by:		
	Number of Shares Issued	367,784	367,784
	Loss per Share in Dollars	(70.7)	(12.6)
16	Directors' Fees	<u>2021</u> G\$	<u>2020</u> G\$
	Wilfred Lee	297,840	297,840
	Paul Chan-A-Sue	198,588	198,588
	Keith Evelyn	198,588	198,588
	Omadatt Singh	198,588	198,588
	Peter Fraser	198,588	198,588
		<u>1,092,192</u>	<u>1,092,192</u>

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

17. Fair Value of Financial Assets and Liabilities

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by quoted market value, if any exist.

The company's financial assets and liabilities, as disclosed in the Statement of Financial Position approximate their fair value.

18. The application to the Guyana Lands and Survey Department for renewal of the Manari and Dadawana leases now totalling 112,640 acres is being considered by the Department.

THE RUPUNUNI DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

PROXY

The undersigned Shareholder of The Rupununi Development Company Limited hereby appoints

Mr/Mrs.....

of (address).....

or failing him/her (Mr/Mrs).....

of (address)

as nominee of the undersign to attend and act for the undersigned and on behalf of the undersign at the Annual General Meeting of the said Company to be held on Thursday June 9, 2022 and at any adjournments thereof in the same manner, to the same extent and with the same powers as if the undersigned were present at the said meeting or such adjournments thereof.

Dated this..... day of,2022

To be valid, this proxy form must be completed and deposited at the Registered Office of the Company, 1,2,3&4 Avenue of the Republic, Georgetown, not less than forth-eight hours before the time for holding the meeting or adjourned meeting.

.....
Signature of Shareholder

.....
Signature of Shareholder

.....
Printed Name of Shareholder

.....
Printed Name of Shareholder