exporTT Limited

Audited Consolidated Financial Statements

September 30, 2018

bakertilly

exporTT Limited

Consolidated Financial Statements
September 30, 2018

(In Thousands of Trinidad and Tobago Dollars)

Contents

exporTT Limited

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of exporTT Limited, ('the Company') and its subsidiary (together the 'Group') which comprise the consolidated statement of financial position as at September 30, 2018, the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of Significant Accounting Policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records,
- Selecting appropriate accounting policies and applying them in a consistent manner,
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of the Group's operational efficiencies,
- Ensuring that the system of internal control operated effectively during the reporting period,
- Producing reliable financial reporting that comply with laws and regulations, and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these consolidated financial statements, management utilised International Financial Reporting Standards ('IFRS'), as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where IFRS presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date; or up to the date; the accompanying consolidated financial statements have been authorised for issue.

Management affirms that it has carried out its responsibilities as outlined above.

Manager, Finance and Investments	General Manager
January 19, 2023	January 19, 2023

bakertilly

The Board of Directors and Shareholders
exporTT Limited
#151B Charlotte Street
PORT-OF-SPAIN

INDEPENDENT AUDITORS' REPORT

Qualified Opinion

We have audited the consolidated financial statements of exporTT Limited and its' subsidiary (the Group) which comprise the statement of financial position as at September 30, 2018, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of Significant Accounting Policies.

In our opinion, except for the limitation of scope matter referred to in the basis of qualified opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Group as at September 30, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Qualified Opinion

As discussed in Note 28, the limitation of scope resulted from the lack of sufficient and appropriate evidence to verify material balances and transactions for the Public Sector Investment Program (PSIP).

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The prior period financial statements were audited by another firm of independent auditors who issued an unqualified opinion dated December 28, 2018.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors and Shareholders
exporTT Limited
#151B Charlotte Street
PORT-OF-SPAIN

INDEPENDENT AUDITORS' REPORT – (Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements – (Continued)

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

The Board of Directors and Shareholders
exporTT Limited
#151B Charlotte Street
PORT-OF-SPAIN

INDEPENDENT AUDITORS' REPORT – (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements – (Continued)

- 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 Group'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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Baker Tilly

January 19, 2023
PORT-OF-SPAIN

exporTT Limited
Consolidated Statement of Financial Position
(In Thousands of Trinidad and Tobago Dollars)

	Notes	As at September 30, 2018	2017 (restated)
ASSETS		$	$
Non-current assets			
Property and equipment	5	4,612	4,826
Investments held at at fair value through profit or loss	6	20,118	21,334
Retirement benefit asset	7	5,486	3,215
Total non-current assets		30,216	29,375
Current assets			
Cash and cash equivalents	9	14,562	16,213
Trade receivable and other assets	10	1,449	592
Investments held at at fair value through profit or loss	6	58,526	57,660
Total current assets		74,537	74,465
Total assets		**104,753**	**103,840**
EQUITY AND LIABILITIES			
Equity			
Share capital	11	8,000	8,000
Government contributions	12	27,319	30,045
Retained earnings		34,218	30,592
Total equity		69,537	68,637
Non-current liabilities			
Grant fund facility (Formerly Borrowings)	13	24,176	22,274
Finance lease obligation	20	63	-
		24,239	22,274
Current liabilities			
Trade and other payables	14	3,721	3,991
Grant fund facility (Formerly Borrowings)	13	824	-
Finance lease obligation- current	20	35	-
Depositor's account	15	1,875	1,868
Deferred income	16	2,145	2,266
Public sector investment program	17	1,781	3,916
Exporters' development fund	18	392	573
Provision for loan guarantee	19	204	315
Total current liabilities		10,977	12,929
Total equity and liabilities		**104,753**	**103,840**

The notes on pages 9 to 41 form an integral part of these consolidated financial statements.

On January 19, 2023, the Board of Directors of exporTT Limited authorized these consolidated financial statements for issue.

_______________ Director _______________ Director

exporTT Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income
(In Thousands of Trinidad and Tobago Dollars)

	Notes	Year ended September 30, 2018	2017 (restated)
		$	$
Income			
Income from government grants		9,535	8,174
Trade certification		2,562	2,604
Investment income, net		2,249	2,252
Training		628	252
Finance lease income		-	2
Other income		4	63
Unrealized gain on investments at fair value through profit or loss		26	1,734
		15,004	15,081
Expenditure			
Salaries and benefits		(9,220)	(9,450)
General and administrative expenses	23	(3,945)	(5,103)
Depreciation	5	(530)	(563)
		(13,695)	(15,116)
Profit/(loss) for the year before taxation		1,309	(35)
Taxation	24	(70)	(53)
Profit/(loss) for the year after taxation		**1,239**	**(88)**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of employment benefit asset	7	2,387	1,405
Total Comprehensive Income		**3,626**	**1,317**

The notes on pages 9 to 41 form an integral part of these consolidated financial statements.

exporTT Limited

Consolidated Statement of Changes in Equity
(In Thousands of Trinidad and Tobago Dollars)

Year ended September 30, 2018	Share capital	Government contributions	Retained earnings	Total
	$	$	$	$
Balance at October 1, 2017	8,000	30,045	30,592	68,637
Profit for the year	-	-	1,239	1,239
Other comprehensive income for the year	-	-	2,387	2,387
Total comprehensive income for the year	-	-	3,626	3,626
Balance as at September 30, 2018	**8,000**	**30,045**	**34,218**	**72,263**
Year ended September 30, 2017 (Restated)				
Balance at October 1, 2016	8,000	30,045	29,275	67,320
Loss for the year	-	-	(88)	(88)
Other comprehensive income for the year	-	-	1,405	1,405
Total comprehensive Income for the year	-	-	1,317	1,317
Balance as at September 30, 2017	**8,000**	**30,045**	**30,592**	**68,637**

The notes on pages 9 to 41 form an integral part of these consolidated financial statements.

exporTT Limited

Consolidated Statement of Cash Flows

(In Thousands of Trinidad and Tobago Dollars)

	Year ended September 30, 2018	2017 (restated)
Cash flows from operating activities	**$**	**$**
Net profit for the year	3,626	1,317
Depreciation	530	563
Interest on finance lease	4	-
Provision for guaranteed losses	(111)	34
Release of deferred income	(121)	(234)
Pension asset re-measurement gain	(2,271)	(1,173)
Income capitalised on investments	(192)	(1,750)
Unrealised gain on investments at fair value through profit or loss	(26)	(1,735)
Operating gain/(loss) before working capital changes	1,439	(2,978)
Changes in working capital		
No movement in finance lease receivables	-	1,248
(Increase)/decrease in sundry debtors and prepayments	(857)	163
Decrease in trade and other payables	(270)	(871)
Decrease in public sector investment program	(2,135)	(1,635)
(Decrease)/increase in exporters' development fund	(180)	269
Net cash flows used in operating activities	(2,003)	(3,804)
Cash flows from investing activities		
Purchase of property and equipment	(316)	(120)
Proceeds from sale of equipment	-	12
Proceeds from sale of investments	(2,737)	7,858
Redemption of portfolio	3,834	2,317
Sale of investments	7,789	3,612
Purchase of investments	(8,318)	(9,059)
Increase in depositors account	8	8
Net cash flow generated from investing activities	260	4,628
Cash flows from financing activities		
Finance lease obligation – Issued	110	-
Finance lease repayments	(18)	-
Net cash flow generated from financing activities	92	-
Net (decrease)/increase in cash and cash equivalents for the year	(1,651)	824
Cash and cash equivalents at the beginning of the year	16,213	15,389
Cash and cash equivalents at the end of the year	**14,562**	**16,213**

The notes on pages 9 to 41 form an integral part of these consolidated financial statements.

1. Incorporation and business activities

exporTT Limited (the "Company") formerly known as Business Development Company Limited is incorporated in the Republic of Trinidad and Tobago. Its mandate is to provide support services to established organizations to assist them to achieve sustained growth and international competitiveness.

On October 1, 2012 the Cabinet of the Republic of Trinidad and Tobago agreed that the name of the Company be changed from the Business Development Company Limited to exporTT Limited, that the Company suspend the operations of its Loan Guarantee Program, and that the Company be the sole National Export Facilitation Organization of Trinidad and Tobago with the mandate of creating internationally competitive firms in the non-energy manufacturing and services sectors to grow and diversify trade and generate wealth through export led growth.

The Company's principal activities are trade promotions and business development. The trade promotion function is executed through the implementation of programmes and projects to support the increase of local exporters, the provision of market information to inform business decisions as well as the issuing of Certificates of Origin for goods being exported to countries bound by trade agreements to which Trinidad and Tobago is a signatory. The Company also facilitates the hosting of trade missions and fairs in support of export growth. With respect to business development, the Company engages in productivity and efficiency programmes through training, consultancy, standards implementation programmes and other relevant interventions aimed at improving the operations of local businesses.

The registered office of the Company is located at 151B Charlotte Street, Port-of-Spain.

Caribbean Leasing Company Limited, formerly known as SBDC Leasing Limited, is a wholly owned subsidiary of the Company (together the "Group") and was incorporated in Trinidad and Tobago in 1998. Its primary purpose is to provide financial leases to the business sector to assist in their expansion, modernisation, and growth.

2. Application of new and revised International Financial Reporting Standards ('IFRS')

2.1 New IFRS and Amendments to IFRS that are Mandatorily Effective for the Current Year

In the current year, the Group has applied a number of amendments to IFRS and new interpretations issued by the International Accounting Standards Board ('IASB') that are mandatorily effective for an accounting period that begins on or after October 1, 2017.

- **IFRS 14 *Regulatory Deferral Accounts***

  IFRS 14 specifies the accounting for regulatory deferral account balances that arise from rate-regulated activities. The Standard is available only to first-time adopters of IFRSs who recognized regulatory deferral account balances under their previous GAAP. IFRS 14 permits eligible first-time adopters of IFRSs to continue their previous GAAP rate-regulated accounting policies, with limited changes, and requires separate presentation of regulatory deferral account balances in the statement of financial position and statement of profit or loss and other comprehensive income. Disclosures are also required to identify the nature of, and risk associated with, the form of rate regulation that has given rise to the recognition of regulatory deferral account balances.

  The directors of the Group do not anticipate that the application of these amendments will have a significant impact on the Group's consolidated financial statements.

2. **Application of New and Revised International Financial Reporting Standards ('IFRS') (Continued)**

2.1 **New IFRS and Amendments to IFRS that are Mandatorily Effective for the Current Year (Continued)**

- **Amendments to IFRS 11 *Accounting for Acquisitions of Interest in Joint Operations***

  The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 *Impairment of Assets* regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

  A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

  The amendments to IFRS 11 apply prospectively for annual periods beginning on or after January 1, 2016. The directors of the Group do not anticipate that the application of these amendments to IFRS 11 will have a material impact on the Group's consolidated financial statements.

- **Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortization***

  The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant, and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in the following two limited circumstances,

  a) when the intangible asset is expensed as a measure of revenue, or

  b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

  The amendments apply prospectively for annual periods beginning on or after January 1, 2016. Currently, the Group uses the straight-line method for depreciation and amortisation of its property, plant and equipment, and intangible assets respectively. The directors of the Group believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Group do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Group's consolidated financial statements.

2. **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

2.1 **New IFRS and Amendments to IFRS that are Mandatorily Effective for the Current Year (Continued)**

- **Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants***
  Amends IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture* to:

  a) include 'bearer plants' within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16,
  b) introduce a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales,
  c) clarify that produce growing on bearer plants remains within the scope of IAS 41.

- **Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception**

  Amends IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investments in Associates and Joint Ventures* (2011) to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

  a) The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
  b) A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.
  c) When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.
  d) An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

- ***Annual Improvements 2012 – 2014***

  The *Annual Improvements to IFRS 2012-2014* include a number of amendments to various IFRS, which are summarised below:

  IFRS 5 — Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

  IFRS 7 — Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

2. **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

2.1 New IFRS and Amendments to IFRS that are Mandatorily Effective for the Current Year (Continued)

- ***Annual Improvements 2012 – 2014* (Continued)**

  IAS 19 — Clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high-quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

  IAS 34 — Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.

  The directors of the Group do not anticipate that the application of these amendments will have a significant impact on the Group's consolidated financial statements.

- **Amendment to IAS 1*: Disclosure Initiative***

  Amendments were made to IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgment in presenting their financial reports by making the following changes:

  a) clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply,

  b) clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss,

  c) additional examples of possible ways of ordering the notes to clarify that understand-ability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

The Directors of the Group do not anticipate that the application of these amendments will have a significant impact on the Group's consolidated financial statements.

(In Thousands of Trinidad and Tobago Dollars)

2. Application of New and Revised International Financial Reporting Standards ('IFRS') (Continued)

2.1 New IFRS and Amendments to IFRS That Are Mandatorily Effective for the Current Year (Continued)

- **Amendments to IAS 27: *Equity Method in Separate Financial Statements***

  Amendments were made to IAS 27 Separate Financial Statements to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. Consequently, an entity is permitted to account for these investments either:

  (i) at cost; or

  (ii) in accordance with IFRS 9 (or IAS 39); or

  (iii) using the equity method.

  This is an accounting policy choice for each category of investment.

2.2 New and Revised IFRS In Issue but Not Yet Effective

The Company has not applied the following new and revised IFRS that have been issued but are not yet effective:

• IFRS 9	Financial instruments[2]
• IFRS 15	Revenue from Contracts with Customers[2]
• IFRS 16	Leases[3]
• Amendments to IAS 12	Recognition of Deferred Tax Assets Unrealised Losses[1]
• Amendments to IAS 7	Disclosure initiative[1]
• Amendments to IFRS 2	Classification and Measurement of Share based[2]
• Amendments to IFRS	Annual improvements to IFRS 2014-2016[1]
• IFRIC 22	Foreign currency transactions and advance Considerations[2]
• IFRIC 23	Uncertainty over income tax treatments[3]
• Amendments to IAS 40	Transfers of investment property[2]
• IFRS 17	Insurance Contracts[4]

[1] Effective for annual periods beginning on or after January 1, 2017, with earlier application permitted.
[2] Effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.
[3] Effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.
[4] Effective for annual periods beginning on or after January 1, 2021, with earlier application permitted.

2. **Application of New and Revised International Financial Reporting Standards ('IFRS') (Continued)**

2.2 **New and Revised IFRS in Issue but Not Yet Effective (Continued)**

- **IFRS 9 *Financial Instruments***

  IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of this IFRS was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

  Key requirements of IFRS 9:

  - all recognized financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of the subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.
  - with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
  - in relation to the impairment of financial assets, IFRS 9 requires an expected loss model, as opposed to an incurred loss model under IAS 39. The expected loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

2. Application of New and Revised International Financial Reporting Standards ('IFRS') (continued)

2.2 New and Revised IFRS In Issue but Not Yet Effective (Continued)

- **IFRS 9 *Financial Instruments* (Continued)**

  - the new general hedge accounting requirements retain three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

  The Directors of the Group anticipate that the application of IFRS 9 in the future may have a material impact on the amounts reported in respect of the Group's financial assets and liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Group undertakes a detailed review.

- **IFRS 15 *Revenue from Contracts with Customers***

  In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

  The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

  - Step 1: Identify the contract(s) with a customer.
  - Step 2: Identify the performance obligations in the contract.
  - Step 3: Determine the transaction price.
  - Step 4: Allocate the transaction price to the performance obligations in the Contract.
  - Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

  Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

2. Application of New and Revised International Financial Reporting Standards ('IFRS') (Continued)

2.2 New and revised IFRS in Issue but Not Yet Effective (Continued)

- **IFRS 15 *Revenue from Contracts with Customers* (Continued)**

  On June 20, 2016, the IASB issued amendments in *Clarifications to IFRS 15 'Revenue from Contracts with Customers'* which addressed three of the five topics identified (identifying performance obligations, principal versus agent considerations, and licensing) and provide some transition relief for modified contracts and completed contracts. The IASB concluded that it was not necessary to amend IFRS 15 with respect to collectability or measuring non-cash consideration. In all its decisions, the IASB considered the need to balance helping entities with implementing IFRS 15 and not disrupting the implementation process.

  The directors of the Group anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

- **IFRS 16 *Leases***

  IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

  The directors of the Group anticipate that the application of IFRS 16 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 16 until the Group performs a detailed review.

- **Classification and Measurement of Share-Based Payment Transactions *(Amendments to IFRS 2)***

  Amendments to IFRS 2 Share-based Payment clarify the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

  The directors of the Group do not anticipate that the application of these amendments will have a significant impact on the Group's consolidated financial statements.

2. **Application of New and Revised International Financial Reporting Standards ('IFRS') (Continued)**

2.2 **New and Revised IFRS in Issue but Not Yet Effective (Continued)**

- **Amendments to IAS 12, *(Recognition of Deferred Tax Assets for Unrealized Losses)***

  Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.

  The carrying amount of an asset does not limit the estimation of probable future taxable profits.

  Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.

  An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

  The directors of the Group do not anticipate that the application of these amendments will have a significant impact on the Group's consolidated financial statements.

- **Amendments to IAS 7, *(Disclosure Initiative)***

  Amends IAS 7 Statement of Cash Flows to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

  The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Company's financial statements.

- ***Annual Improvements 2014-2016***

  IFRS 1 – Deletes the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose.

  IFRS 12 – Clarifies the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.*

  IAS 28 – Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

2. **Application of New and Revised International Financial Reporting Standards ('IFRS') (Continued)**

2.2 **New and Revised IFRS in Issue but Not Yet Effective (Continued)**

- ***IFRIC 22*** Foreign Currency Transactions and Advance Consideration

  The interpretation addresses foreign currency transactions or parts of transactions where:

  - there is consideration that is denominated or priced in a foreign currency,
  - the entity recognizes a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income, and
  - the prepayment asset or deferred income liability is non-monetary.

  The Interpretations Committee came to the following conclusion:

  - The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability.
  - If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

- ***IFRIC 23 Uncertainty over Income Tax Treatments***

  The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

  - Whether tax treatments should be considered collectively
  - Assumptions for taxation authorities' examinations
  - The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
  - The effect of changes in facts and circumstances

- **Amendments to IAS 40, *Transfer of investment property***

  The amendments to IAS 40 *Investment Property*:

  - Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.
  - The list of examples of evidence in paragraph 57(a) – (d) is now presented as a non-exhaustive list of examples instead of the previous exhaustive list.

- **IFRS 17, *Insurance Contracts***

  IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 *Insurance Contracts* as of January 1, 2023.

3. Summary of Significant Accounting Policies

The Significant Accounting Policies applied in the preparation of these consolidated financial statements are set out below.

(a) Basis of Preparation

The financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards ("IFRS") under the historical cost convention as modified by the revaluation of the investments at fair value through profit or loss. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Areas involving a higher degree of judgement of complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in note 4.

(b) Basis of Consolidation

The consolidated financial statements comprise of the financial statements of exporTT Limited (formerly Business Development Company Limited) and its subsidiary, Caribbean Leasing Company Limited, as at September 30, each year. The financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies.

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than fifty percent (50%) of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

All inter-company balances and transactions, including unrealized profits arising from intra-company transactions have been eliminated in full. Unrealized losses are eliminated unless costs cannot be recovered.

(c) Functional and Reporting Currency

The consolidated financial statements are presented in Trinidad and Tobago dollars, which is the Group's functional currency, and are rounded to the nearest thousand.

(In Thousands of Trinidad and Tobago Dollars)

3. **Summary of Significant Accounting Policies (Continued)**

(d) **Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation and impairment losses. The Group recognizes in the carrying amount of an item of property and equipment, the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably.

When parts of an item of property and equipment have different useful lives, those components are accounted for as separate items of property and equipment.

Depreciation on leasehold buildings and lease equipment is computed on a straight-line method to apportion the cost of the asset over the estimated useful lives.

The depreciation rates used are as follows:

Asset	Depreciation rate %
Building	2
Office furniture and fittings	12 – 15
Office equipment	25
Air conditioning units	20 – 33.33
Computer equipment	20 – 33.33
Computer software	33
Motor vehicle	25

Leasehold improvements are written off over the remaining period of the respective lease.

(e) **Employee Benefits**

(i) Short-term

Employee benefits are all forms of consideration given by the Group in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, NIS contributions, annual leave, and non-monetary benefits such as medical care and loans; post-employment benefits such as pensions; and other long-term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognized in the following manner: short-term employee benefits are recognized as a liability, net of payments made, and charged as expense. Post-employment benefits are accounted for as described below.

(ii) Post-employment

Independent qualified actuaries carried out a valuation of the Group's significant post-retirement benefits as at September 30, 2018 and have been fully reflected in these financial statements.

(iii) Pension Obligations

The Group operates a defined benefit plan providing pensions at retirement based on the average of the final five years' Annual Basic Earnings preceding retirement for each year of service. Members are required to contribute at the rate of 3% of pensionable earnings below the National Insurance Scheme (NIS) limit plus 5% of pensionable earnings in excess of the NIS limit.

3. **Summary of Significant Accounting Policies (continued)**

(e) **Employee Benefits (Continued)**

(iii) Pension obligations (continued)

The Group funds the balance of costs. At present, the Group contributes at a rate of 7.44% of pensionable earnings, taking account of the recommendation of independent qualified actuaries who carry out the full valuation of the plan every year, the last being as at September 30, 2018. The next actuarial valuation will be done as at September 30, 2020.

The funds of the plan are administered by fund managers appointed by the trustees of the plan. The pension plan is generally funded by payments from the Group, taking account of the recommendations of independent qualified actuaries.

Pension accounting costs are assessed using the projected unit credit method. Under this method, the cost of providing pension benefits is included in the consolidated statement of profit or loss and other comprehensive income so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries, who carry out a full valuation of the plan at least every three years. The pension obligations are measured as the present value of the estimated future cash outflows using interest rates of long-term government securities. Actuarial gains and losses are only recognized when they fall outside a corridor equal to 10% of the larger of the value of the plan's assets and the value of the plan's liabilities. These gains and losses are recognized over the average remaining service lives of employees.

The methods employed are adequate for the purpose of this valuation, which conforms to the requirement of IFRS. The full results of the valuation exercise are disclosed in note 7 to these consolidated financial statements.

(f) **Financial Assets**

The Group classifies its investments as either fair value through profit or loss for equities with a quoted market price or at cost less impairment for other equity investments that are not publicly traded or whose fair value cannot be measured reliably. All other financial assets are measured at amortized cost. Management determines the classification of its financial assets at initial recognition.

Financial Assets – At Fair Value Through Profit and Loss

Financial assets at fair value through profit and loss are those equity investments that are publicly traded or whose fair value can be measured reliably. These financial assets are initially recognized at the transaction price excluding transaction costs and are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognized in profit and loss.

Unrealized gains and losses arising from changes in the fair value of securities classified as available for sale are recognized in the statement of changes in equity.

Dividends on equity instruments are recognized in the profit and loss account as part of income when the Group's right to receive payments is established.

The fair values of quoted financial assets in active markets are based on current bid prices. Purchase and sale of financial assets are recognized at the settlement date.

Financial assets are derecognized when the right to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

3. **Summary of Significant Accounting Policies (continued)**

(g) **Finance Leases**

Leases which transfer substantially all the risks and rewards incident to ownership in the asset to the lessee are classified as finance leases. A receivable of an amount equal to the present value of the lease payments, including any guaranteed residual value, is recognized.

The difference between the gross receivable and the present value of the receivable is unearned finance income and is recognized over the term of the lease using the effective interest rate method. Finance lease receivables are included in loans and advances to customers.

Finance charges (including initial direct fees) on leased assets are taken into income using the amortization method. This basis reflects a constant periodic rate on the lessor's net investment in the finance lease. Finance leases are stated in the consolidated statement of financial position net of unearned interest income.

Initial direct fees are stated in the consolidated statement of financial position as deferred income and recognized into income over the life of the lease using the amortisation method.

(h) **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand and at bank. The carrying value approximates the fair value due to its highly liquid nature and the fact that it is readily converted to known amounts of cash at hand and is subject to insignificant risk of change in value.

(i) **Trade Accounts Receivable**

Trade accounts receivable is stated net of any specific provision established to recognize anticipated losses for bad and doubtful debts. Bad debts are written off during the year in which they are identified.

(j) **Government Grants (Subvention)**

Subventions received from the Government of the Republic of Trinidad and Tobago (GORTT) are recognized in the consolidated statement of profit or loss and other comprehensive income on an accrual basis so as to match them with expenditure towards which they are intended to compensate.

(k) **Provision for Guarantee Losses**

The provision for guarantee losses is calculated on the value of loans that are in default as communicated by financial institutions in their monthly reports. These provisions represent losses that the Group has incurred in relation to guarantees extended.

(l) **Provisions**

A provision is recognized in the consolidated statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments at the time value of money and, where appropriate, the risks specific to the liability.

3. **Summary of Significant Accounting Policies (Continued)**

(m) **Research and Development Fund**

The Company acts as an agent for the Government of the Republic of Trinidad and Tobago (GORTT) for the administration of the Research and Development Fund. Funds are received from the GORTT for the pay-out of approved research and development grants and expenditures, in accordance with the Fund's objectives and guidelines.

The Company receives no fees for this service. Funds received are credited directly to the Research and Development Fund, with the corresponding approved grants and expenditures being directly debited.

(n) **Deferred Income**

(i) Trade Certification refers to advance payments made by exporters to the Group for recurring trade certification services, in particular the issuing of Certificates of Origin, which have not yet been rendered. Exporters can make advance payments for these services to the Group and, as the services are rendered, the corresponding fees are deducted from the advance payments and taken to the consolidated statement of profit or loss and other comprehensive income.

(ii) When assets are purchased from funds advanced by the Government of the Republic of Trinidad and Tobago (GORTT) (see note O), the total cost of the purchase is re-allocated from advances to deferred income. This deferred income is taken to the consolidated statement of profit or loss and other comprehensive income over time to off-set the depreciation charges for these assets as they are incurred.

(o) **Government Advances**

These are advances received from the GORTT for approved Public Sector Initiative Programmes (PSIP). The Company acts as an agent of the GORTT to receive these funds and disburse them in accordance with the programme's objectives and guidelines and receives no fees for this service. Funds received for approved programmes are credited directly to Government advances, with the corresponding expenditure being debited directly to this account. The Company also receives advances to fund the purchase of property and equipment for its own use.

(p) **Trade and Other Payables**

Trade and other payables are stated at cost.

(q) **Income and Expenditure**

Other income and expenditure items are dealt with on the accrual basis.

(r) **Taxation**

The profits of the Group have been exempted from corporation tax by a provision of the Finance Act 1993 (Act No. 6 of 1993) which amended Section 6 of the Corporation Tax Act Chapter 75:02 effective January 1, 1993. The subsidiary, Caribbean Leasing Company Limited was exempt from the payment of corporation taxes for an initial period of ten (10) years from October 1999. This period has now been extended for a further ten years.

3. **Summary of Significant Accounting Policies (continued)**

(s) **Impairment of Financial and Non-Financial Assets**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of profit or loss and other comprehensive income.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

Financial assets are impaired when the carrying value is greater than the recoverable amounts and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

All non–performing leases are individually reviewed and specific provisions made for the impaired portion based on the realizable value of the lease collateral and discounted by the original effective interest rate of the lease. The provision made is the difference between the lease balance and the discounted value of the collateral.

When all efforts have been exhausted to recover a non–performing lease, that lease is deemed uncollectible and written off against the related provision for leases.

(t) **Foreign Currency Transactions**

Transactions in foreign currencies are translated to the respective functional currency of the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognized in profit or loss, except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation.

3. **Summary of Significant Accounting Policies (Continued)**

(u) **Comparative**

Where necessary comparative figures have been adjusted to conform with changes in the presentation in the current year.

(v) **Offsetting Financial Assets and Financial Liabilities**

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

4. **Critical Judgements and the Use of Estimates**

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, contingent assets and contingent liabilities at the date of the consolidated financial statements and income and expenses during the reporting period.

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 judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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.

Management has made the following judgements in its application of the Group's accounting policies that have the most significant effect on the amounts reported in the financial statements:

Impairment of Financial Assets

Management makes judgements at each reporting date to determine whether financial assets are impaired. Financial assets are impaired when the carrying value is greater than the recoverable amount, and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

Valuation of Investments

For unquoted equity instruments and unlisted securities, fair values are estimated using certain valuation techniques which have been refined to accommodate the specific circumstances of the issuer.

Net Pension Asset

In conducting the valuation exercise to measure the effect of the employee benefit plan, the Group's independent actuary uses judgement and assumptions in determining discount rates, salary increases, NIS ceiling increases, pension increases and the rate of return on the assets of the plan.

(In Thousands of Trinidad and Tobago Dollars)

5. Property and Equipment

	Land & Building	Motor Vehicles	Furniture Fixtures & Equipment	Computer Equipment & Software	Leasehold Improvements	Total
	$	$	$	$	$	$
Cost						
Balance as at September 30, 2016	5,579	423	3,344	7,350	38	16,734
Additions	-	-	31	89	-	120
Disposals	-	(19)	-	-	-	(19)
Balance as at September 30, 2017	5,579	404	3,375	7,439	38	16,835
Additions	18	170	8	120	-	316
Balance as at September 30, 2018	5,597	574	3,383	7,559	38	17,151
Accumulated depreciation						
Balance as at September 30, 2016	1,662	174	2,543	7,037	38	11,454
Charge for the year	112	82	170	199	-	563
Disposals	-	(8)	-	-	-	(8)
Balance as at September 30, 2017	1,774	248	2,713	7,236	38	12,009
Charge for the year	113	105	161	151	-	530
Balance as at September 30, 2018	1,887	353	2,874	7,387	38	12,539
Net book value						
Balance as at September 30, 2018	**3,710**	**221**	**509**	**172**	**-**	**4,612**
Balance as at September 30, 2017	**3,805**	**156**	**662**	**203**	**-**	**4,826**
Balance as at September 30, 2016	**3,917**	**249**	**801**	**313**	**-**	**5,280**

(In Thousands of Trinidad and Tobago Dollars)

6. **Investments**

	2018	2017
	$	$
a) Non-current assets held at fair value through profit or loss		
TT$ government bonds	10,382	12,373
US$ government bonds	6,631	6,639
Corporate bonds	3,105	2,322
	20,118	21,334
b) Current assets held at fair value through profit or loss		
Money market instruments	16,683	16,609
Certificate of deposits	435	-
Certificate of deposits – Third parties	1,872	2,295
Treasury bills and short-term deposits	1,296	1,471
Equities	38,240	37,285
	58,526	57,660
	78,644	**78,994**

The Group's Investment Guarantee Portfolio comprises of varying types of securities held by counterparties which trade within local and international markets. The classification depends on the nature and purpose of the financial instruments traded which is determined at the date of initial recognition. Securities traded less than a twelve-month term are considered short term and any securities traded beyond twelve months are considered long term. Certificate of deposits for third parties are funds held on behalf of NGC with accumulated interest.

7. **Retirement Benefit Asset**

The Group's employees are members of Small Business Development Company Limited Staff Pension Fund Plan (the 'Plan'). This is a defined benefit pension plan that provides pensions related to employees' length of service and basic earnings at retirement. The Plan's financial funding position is assessed by means of actuarial valuations which was completed as at September 30, 2018 and carried out by an independent actuary.

The Plan's assets are invested in a strategy agreed with the plan's Trustee and Management Committee. This strategy is largely dictated by statutory constraints (at least 80% of the assets must be invested in Trinidad & Tobago and no more than 50% in equities) and the availability of suitable investments.

In 2009 Republic Bank Limited withdrew as Trustee of the Plan. A new Trustee for the Plan has not yet been selected and in the meanwhile the Management Pension Committee of Small Business Development Company Limited are acting as trustee for the plan.

The former Trustee, Republic Bank Limited, had elected to fund the benefits by way of a Deposit Administration Contract with Pan American Life Insurance of Trinidad and Tobago (formerly American Life and General Insurance Company (Trinidad and Tobago) Limited)) and this continues to be in effect.

(In Thousands of Trinidad and Tobago Dollars)

7. **Retirement Benefit Asset (Continued)**

	2018	2017
	$	$
a) The amounts recognized in the consolidated statement of financial position are as follows:		
Present value of the defined benefit obligation	(9,568)	(10,973)
Fair value of plan assets	15,054	14,188
	5,486	3,215
Unrecognized actuarial gains	-	-
Asset recognized in the consolidated statement of financial position	**5,486**	**3,215**
b) Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	14,188	13,026
Expected returns on plan assets	719	666
Actuarial loss on plan assets	(223)	(99)
Employer contributions	435	453
Member contributions	187	188
Benefits paid	(194)	(46)
Expense allowance	(58)	-
Closing fair value of plan assets	**15,054**	**14,188**
c) Change in the present value of defined benefit obligation:		
Opening present value of defined benefit obligations	10,973	9,587
Current service cost	668	827
Plan participant contributions	187	188
Interest cost	544	529
Experience adjustments	(2,086)	-
Actuarial gain from changes in demographic assumptions	(696)	-
Actuarial loss from changes in financial assumptions	172	-
Actuarial gain on obligations	-	(112)
Benefits paid	(194)	(46)
Closing present value of defined benefit obligations	**9,568**	**10,973**
d) The amounts recognized in the consolidated statement of profit or loss are as follows:		
Current service cost	668	827
Interest cost	544	529
Expected return on plan assets	(719)	(666)
Administration expenses	58	-
Net actuarial gain recognized for the year	-	(5)
Expense recognized in the consolidated statement of profit or loss	**551**	**685**

(In Thousands of Trinidad and Tobago Dollars)

7. **Retirement Benefit Asset (Continued)**

	2018 $	2017 $
e) Actual return on plan assets:		
Expected return on plan assets	719	666
Actuarial loss on plan assets	(223)	(99)
Actual return on plan assets	**496**	**567**

f) Asset allocation:

	2018	2017
Deposit administration contract	100%	100%

The Plan is fully invested in a Deposit Administration Account with Pan American Life Insurance of Trinidad and Tobago.

g) The principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2018	2017
Discount rate at September 30,	5.50%	5.00%
Expected returns on plan assets	4.00%	5.00%
Average individual salary increases	3.00%	3.00%
Future pension increases	0.00%	0.00%
NIS ceiling increases	0.00%	3.00%

h) Funding:

Members are required to contribute at the rate of 3% of pensionable earnings below the NIS limit plus 5% of pensionable earnings in excess of the NIS limit. The Group funds the balance of costs. In the current year, the Group contributed at a rate of 7.44% of pensionable earnings.

The Company meets the balance of the cost of funding the defined benefit Pension Plan and the Company must pay contributions at least equal to those paid by members, which are fixed. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the Plan and the assumptions used to determine the funding required may differ from those set out above. The Company expects to pay around $0.5 million to the Pension Plan in fiscal year 2019.

(In Thousands of Trinidad and Tobago Dollars)

8. Finance Leases Receivable

	2018 $	2017 $
Gross lease receivable in 1 year	-	-
Gross lease receivable within 1 to 5 years	-	-
Gross finance leases receivable	-	-
Less: unearned interest income	-	-
Net investment in finance leases	-	-
Other lease receivables	1,855	1,855
Finance leases receivable	1,855	1,855
Provision for doubtful leases	(1,855)	(1,855)
	-	-
Current portion of finance lease receivable	-	-
Finance leases receivable within 1 to 5 years	-	-

Provision for doubtful leases

	2018	2017
Balance at beginning of year	1,855	1,043
Provision for the year	-	812
Balance at end of year	**1,855**	**1,855**

Number of finance leases existing at the year's end 2018: nil (0) (2017: nil (0)). The finance lease programme has ended with the final lease having matured at February 2018. The provision for doubtful leases represents amounts which are past due and impaired.

9. Cash and Cash Equivalents

	2018 $	2017 $
Cash and bank	13,765	13,727
Short-term deposits	797	2,486
	14,562	**16,213**

(In Thousands of Trinidad and Tobago Dollars)

10. Trade Receivable and Other Assets

	2018 $	2017 $
Trade receivable	249	58
Prepayments	83	80
Sundry receivables	847	140
Interest receivable	270	314
	1,449	**592**

Age of receivables that are past due but not impaired	2018 $	2017 $
1 – 30 Days	134	30
31 – 60 Days	51	22
61 – 90 Days	14	5
Over 90 Days	50	1
Total trade receivables	**249**	**58**

Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Group has not recognized an allowance for doubtful debts because there has not been a significant change in credit quality and all amounts outstanding are still considered recoverable.

11. Share Capital

Authorized:

Unlimited number of ordinary shares of no-par value

Issued and fully paid:	2018 $	2017 $
8,000,002 ordinary shares of no-par value	**8,000**	**8,000**

(In Thousands of Trinidad and Tobago Dollars)

12. Government Contributions

These are contributions made by the Government of the Republic of Trinidad and Tobago to capitalize and fund the long-term operations of the Group.

	2018	2017
	$	$
Loan guarantee contribution	26,124	28,850
Other government contributions	1,195	1,195
	27,319	**30,045**

Loan Guarantee Programme

The loan guarantee programme was established in 1990 under the Small Business Development Company Limited (SBDC) and continued under the Business Development Company Limited (BDC). The programme was specifically designed to assist business in securing loans from lending agencies by providing part collateral; since the lack of collateral had been identified as the major constraint to obtaining the financing required for business establishment and expansion.

The programme provided support to existing and expanding businesses as well as new/start-up businesses. Guarantees were provided to businesses for funding purposes (working capital, inventory, purchase of equipment, purchase of an existing business as a going concern) upon qualification for a loan from the Lender and the BDC. A one-time premium fee of 5% of the guaranteed amount was charged by the BDC for the processing of the guarantee with the maximum guaranteed value being $500,000 or up to 85% of the loan value and a maximum loan repayment period of 7 years.

In 2012, the focus of the BDC was shifted to exporting and exporters, as mandated by the GORTT and the Company's name was changed to exporTT Limited. Guarantees under the programme were no longer issued, however, guarantees previously issued are currently maintained/managed under exporTT Limited with the last Guarantee maturing in 2018.

In August, 2017, the Ministry of Trade and Industry issued a letter informing exporTT that the Cabinet Minute No. 1287 of July 20, 2017, has agreed to the establishment of a Grant Fund Facility in the amount of TT$25 million. The letter also instructed exporTT to contribute from its internal financial resources towards establishing the Grant Fund Facility. These funds were appropriated from Government Contributions during the year ended 2018.

(In Thousands of Trinidad and Tobago Dollars)

13. Grant Fund Facility (formerly Borrowings)

This long-term borrowing was payable to the Government of the Republic of Trinidad and Tobago (GORTT). It was initially loaned from the Government of the Republic of China to the GORTT and was interest-free with a ten (10) year moratorium, which commenced on January 1, 1998. The loan has been serviced by the Central Bank of Trinidad and Tobago to the Government of the Republic of China. The Cabinet of the Republic of Trinidad and Tobago by the way of Cabinet Minute No. 1287 on July 20, 2017 has agreed to repurpose the loan to establish a Grant Fund Facility for Small and Medium-Sized Manufacturers to facilitate acquisition of machinery and equipment for local manufacturers. The Ministry of Trade and Industry has informed the entity to transfer the existing funds held by Caribbean Leasing Company Limited to exporTT Limited whom will operationalize and administer the Facility.

	2018 $	2017 $
Grant Fund Facility (formerly Borrowings) – non-current	24,176	22,274
Grant Fund Facility (formerly Borrowings) – current	824	-
	25,000	**22,274**

14. Trade and Other Payables

	2018 $	2017 $
Trade payables	38	-
Payroll related liabilities	2,730	2,973
Accrued expenses	440	545
Other payables	513	473
Taxation payable	-	-
	3,721	**3,991**

The ageing analysis of trade payables is as follows:

<u>Ageing</u>		
1 – 30 Days	7	222
31 – 60 Days	44	236
61 – 90 Days	-	22
Over 90 Days	-	44
Total trade payables	**51**	**524**

(In Thousands of Trinidad and Tobago Dollars)

15. Depositor's Account

	2018	2017
	$	$
Balance as at October 1	1,868	1,860
Interest earned	7	8
Balance as at September 30	**1,875**	**1,868**

This is a contribution made by a private company towards the Loan Guarantee Program.

exporTT Limited under the terms of the agreement is allowed to use the funds to finance guarantees provided to commercial lenders against loans made to small businesses and micro entrepreneurs, pursuant to a loan guarantee agreement executed with their said commercial lenders.

Interest earned on this investment is allocated as follows: 33% exporTT Limited and 67% private company.

The depositor can request repayment of all or any part of the net balance at any time.

16. Deferred Income

	2018	2017
	$	$
Government advances – property and equipment	1,766	1,892
Advance payments – certificates of origin (see note 3(o))	379	374
	2,145	**2,266**

<u>Government Advances – Property and Equipment</u>

Under the Public Sector Investment Program (PSIP), exporTT Limited was awarded grants to upgrade the Group's building infrastructure and modernize Information Technology Systems. The Group used the grants to acquire assets which is currently recognized as deferred income and amortized over the useful lives of the assets.

17. Public Sector Investment Program

	2018	2017
	$	$
Balance as at October 1	3,916	5,551
Funding received	835	1,698
Expenditure	(2,970)	(3,333)
Balance as at September 30	**1,781**	**3,916**

This funding is advanced from the Government of Trinidad and Tobago (GORTT) for approved Public Sector Investment Programmes (PSIP). exporTT acts as an agent of the GORTT to receive these funds and disburse them in accordance with the programme's objectives and guidelines and receives no fees for this service. Funds received from the GORTT for approved programmes are credited directly to PSIP with the corresponding expenditure being debited directly to this account. The Company also receives advances to fund the purchase of property and equipment for its own use.

(In Thousands of Trinidad and Tobago Dollars)

18. Exporters' Development Fund

	2018	2017
	$	$
Centre Pour Development De Enterprise (CDE Fund)	184	184
EPA Standby Facility	32	32
United States FDA Food & Safety Modernization Act	176	357
	392	**573**

Centre Pour Development De Enterprise (CDE Fund)

The European Union disburses funds to CDE with parameters to carry out specific projects to help promote export development for Caribbean countries to enter the European Union market. exporTT receives funding from CDE with guidelines to create projects for the development of the local food and beverage industry to countries within export to the European Union market.

United States FDA Food & Safety Modernization Act

exporTT receives funding from the Government of Trinidad & Tobago to assist the Local Food & Beverage Cottage Industry in meeting the standards of the US Food Drug & Administration requirements for export to the United States of America.

19. Provision for Guaranteed Losses

	2018	2017
	$	$
Balance at beginning of year	315	281
Recovery of amounts previously paid	23	34
Less Guarantee honoured	(134)	-
Balance at end of year	**204**	**315**

The Group's loan guarantee portfolio supported three (3) (2017: three (3)) operating loans.

20. Finance Lease Obligation

		2018	2017
	Motor vehicle PDS – 9759	$	$
a)	Current portion	35	-
b)	Non-current portion	63	-
	Total Finance Lease Obligation	**98**	**-**

(In Thousands of Trinidad and Tobago Dollars)

21. Related Party Transactions

Parties are related, if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

A number of commercial transactions are entered into with related parties in the normal course of business. These transactions are carried out on commercial terms and conditions and market rates.

	2018 $	2017 $
a) Director's fees	**378**	**315**
b) Key management compensation:		
Salaries and other short-term employee benefits	**2,594**	**2,150**

22. Lease Adjustments

The carrying amounts on the Group's lease portfolio were reassessed during the financial year.

23. General and Administrative Expenses

	2018 $	2017 $
Utilities	429	500
Insurance	122	113
Repairs and maintenance	271	271
IT and connectivity expenses	333	330
Research and database subscriptions	284	260
Professional fees and subscriptions	543	445
Legal fees	-	177
Director's fees and expenses	398	338
Provision for bad debts	70	1,016
Other expenses	1,495	1,653
	3,945	**5,103**

24. Taxation

exporTT Limited has a tax exemption to October 2019. The taxation expense relates to green fund levy calculated and business levy payments. Green fund levy and business levy are computed at a rate of 0.3% and 0.6% respectively on net sales for 2018 (2017: 0.1% and 0.3% of net sales till January 31, 2017, and 0.3% and 0.6% respectively for the remainder of 2017).

25. Financial Risk Management

Risk Management

Risk is inherent in the Group's activities, but it is managed through a process of ongoing identification, measurement and monitoring subject to risk limits and other controls.

Risk Management Structure

The Board of Directors is responsible for the overall risk management approach and for providing the risk strategies and principles to identify and control risks, however there are separate functions for managing and monitoring risks.

Risk Measurement and Reporting Systems

The Group's risks are measured using methods which reflect the expected loss likely to arise in normal circumstances. The models make use of probabilities derived from historical experience, adjusted to reflect the current economic environment.

Monitoring and controlling risks is primarily performed based on limits established by its board of directors. These limits reflect the business strategy and market environment of the Group as well as the level of risk that the Group is willing to accept.

The Board is provided with tailored, up-to-date, risk reports for periodic review.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk, and foreign currency risk. Management reviews and agrees policies for managing each of these risks which are summarized below.

Credit Risk

The Group is exposed to credit risk, which is the risk that its counterparties may cause a financial loss by failing to discharge their contractual obligations. Credit risk arises from cash equivalents, deposits with financial institutions as well as outstanding receivables. The credit quality of customers, their financial position, past experience and other factors are taken into consideration in assessing credit risk. Management does not expect any losses from non-performance by counterparties. There was no concentration of risk due to the number and diversity of operations.

Liquidity Risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. The Group's liquidity risk management process is measured and monitored by senior management within the Group. This process includes:

1. Monitoring cash flows and liquidity on a weekly basis. This incorporates an assessment of expected cash flows and available cash on hand.
2. Maintaining committed lines of credit.
3. Maintaining liquidity ratios.

(In Thousands of Trinidad and Tobago Dollars)

25. Financial Risk Management (Continued)

Liquidity Risk (Continued)

	< 1 year	> 1year	Contractual cash flows	Carrying amount
	$	$	$	$
As at September 30, 2018				
Grant fund facility	824	24,176	25,000	25,000
Finance lease obligation	35	63	98	98
Trade and other payables	3,721	-	3,721	3,721
Depositors account	1,875	-	1,875	1,875
Public sector investment program	1,781	-	1,781	1,781
Exporters development fund	392	-	392	392
Total	**8,628**	**24,239**	**32,867**	**32,867**
As at September 30, 2017				
Borrowings	-	22,274	22,274	22,274
Trade and other payables	3,991	-	3,991	3,991
Depositors account	1,868	-	1,868	1,868
Public sector investment program	3,916	-	3,916	3,916
Exporters development fund	573	-	573	573
Total	**10,348**	**22,274**	**32,622**	**32,622**

Market Risk

Market risk is the risk that the fair value of future cash flows of the financial instrument will fluctuate because of changes in market prices. The Group takes on exposure to market risks from changes in foreign exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis.

(i) Currency Risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

The Group manages its foreign exchange risk by the following:

- Ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions.
- Holding foreign currency balances.

The impact on the consolidated statement of profit or loss at September 30, 2018 if the US$ strengthened/ weakened against the TT$ by an average rate of 3% is a loss or gain of $740,365 (2017: $789,378) respectively.

Additionally, the impact on comprehensive income at September 30, 2018 if the CAD$ strengthened/ weakened against the TT$ by an average rate of 5% is a loss or gain of $183,801 (2017: $176,240) respectively.

(In Thousands of Trinidad and Tobago Dollars)

25. **Financial Risk Management (Continued)**

Market Risk (Continued)

(i) Currency Risk (Continued)

In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(ii) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

Interest Sensitivity of Assets and Liabilities

The Group is exposed to various risks associated with the effect of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. Management sets limits on the level of mismatch of interest rate repricing that may be undertaken.

The table below summarises the Group's exposure to interest rate risks. Included in the table are the Group's assets at carrying amounts, categorized by the earlier of contractual repricing or maturity dates.

	<1	1-5 years	>5	Non-interest bearing	Total
	$	$	$	$	$
As at September 30, 2018					
Assets					
Due from banks	14,562	-	-	-	14,562
Investments	5,534	7,075	11,112	54,923	78,644
Total assets	**20,096**	**7,075**	**11,112**	**54,923**	**93,206**
Interest sensitivity gap	**20,096**	**7,075**	**11,112**	**54,923**	**93,205**
As at September 30, 2017					
Assets					
Due from banks	16,213	-	-	-	16,213
Investments	3,622	5,383	10,567	59,422	78,994
Total assets	**19,835**	**5,383**	**10,567**	**59,422**	**95,207**
Interest sensitivity gap	**19,835**	**5,383**	**10,567**	**59,422**	**95,207**

(In Thousands of Trinidad and Tobago Dollars)

25. **Financial Risk Management (Continued)**

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an efficient capital structure to optimise the cost of capital. Capital is comprised of share capital, government contributions and retained earnings. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as the Net Debt divided by total capital. Net debt is calculated as total borrowings (Including current and non-current borrowings as shown in the consolidated statement of financial position) add bank overdraft less cash and cash equivalents. Total capital is calculated as shareholders equity as shown in the consolidated statement of financial position plus net debt. Gearing is the measure of financial leverage, demonstrating the degree to which the Group's activities are funded by owner's funds versus creditor funds. The Group's management policy is to keep the ratio less than 40%.

26. **Restatement**

Pension Plan Actuarial Changes

Bacon Woodrow performed the IAS 19 valuation for the year ended 2018. During the performance of the valuation, prior year experience gains were discovered totalling $1.405m from the previous actuarial valuation. Bacon's recommendation stated that the unrecognized gains should be recognized immediately as presented in note 7 (a). Based on IAS 8, these adjustments have been retrospectively applied.

Impact of Restatement

The following summarizes the impact of the restatement on the Group's financial statements:

Consolidated Statement of Financial Position	As previously reported 2017 $	Adjustments $	As Restated 2017 $
Retirement Benefit Asset	1,810	1,405	3,215
Retained Earnings	29,187	1,405	30,592

Consolidated Statement of Comprehensive Income	As previously reported 2017 $	Adjustments $	As Restated 2017 $
Loss for the year after taxation	(88)	-	(88)
Re-measurement of post – employment benefit obligations	-	1405	1,405
Total Comprehensive (Loss)/Income	(88)	1405	1,317

27. **Legal Matter**

On June 7, 2018, Caribbean Leasing Company Limited (the subsidiary) initiated legal proceedings against a customer and the matter is currently ongoing. The amount due from the customer has been fully provided for as at September 30, 2018.

28. **Limitation of Scope**

Sufficient and appropriate supporting documents were not retrieved to verify some material balances and transactions for the Public Sector Investment Program (PSIP). This is due to the fact that numerous documents and records were destroyed by a sewage issue on the compound which was a circumstance beyond the control of management.

About Baker Tilly

Baker Tilly is a full-service accounting and advisory firm that offers industry specialised services in assurance, tax and advisory.

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