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Chartered Accountants
& Business Advisors

PKF LIMITED

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

FINANCIAL STATEMENTS

31DECEMBER 2022

11

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TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

I N D E X

TRINIDAD & TOBAGO TOURISM BUSINESS DEVELOPMENT LIM1TED

Statement of Management Responsibilities

Management is responsible for the following:

- preparing and fairly presenting the accompanying financial statements of Trin idad and Tobago Tourism Business Development Limited, which comprise the statement of financial position as at 31 December 2022, the statements of comprehensive income, changes in equity and cash flows for theyear then ended, and a summaiy of significant accounting pol icies and other explanatory infonnation ;

- ensuring that the company keeps proper accounting records;

- selecting appropriate accounting policies and applying them in a consistent manner;

- implementing, mon itoring and evaluating the system of internal control that assures security of the company's assets, detection/prevention of fraud, and the achievement of company operational efficiencies;

- ensuring that the system of internal control operated effectively during the rep0tiing period ;

- producing reliable financial reporting that comply with laws and regu lations, including the Companies Act; and

- using reasonable and prudent judgement in the detennination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the Jnternational Accounting Standards Board and adopted by the Institute of Cha1tered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards 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 company will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial

statements have been authorised for issue, if later.

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

John Tang Nian	**Greig Laughlin**
Chairman	**Director**
5th June 2023	5th June 2023

Ms.Alissa Adams

Polftring Exports

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INDEPENDENT AUDITORS' REPORT

The Shareholder

Trinidad and Tobago Tourism Business Development Limited

Opinion

We have audited the financial statements of Trinidad and Tobago Tou rism Business Development Limited, which comprise the statement of financial position as at 31 December 2022, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respect s, the financial position of Trinidad and Tobago Tourism Business Development Limited as at 31 December 2022 and its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Trinidad and Tobago Tourism Development Limited in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), 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.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

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

The Board of Directors is responsible for overseeing the company's financial reporting process.

Telephone: (868) 235-5063
Address: 111 Eleventh Street, Barataria, Trinidad, West Indies
Mailing Address: PO Box 10205, Eastern Main Road, San Juan

Directors: Renee-Lisa Philip Mark K. Superville Jenine Felician-Romain Darcel Corbin

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INDEPENDENT AUDITORS' REPORT
(Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes ouropinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted i naccordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise fromfraud or error and are considered material if, individually or in the aggregate, they could reasonably beexpected 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 judgement 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 procedu res 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 circu mstances, 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 accounti ng, and based on the audit evidence obtained, whether a material u ncertainty 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 auditors' 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 auditors' 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 commu nicate with the Board of Directors 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

Barataria
TRINIDAD
5 June 2023

TRINIDAD AND TOBAGO TOURISM BUSJNESS DEVELOPMENT LIMITED
STATEMENT OF FJNANCIAL POSITION

ASSETS

		31December	
		2022 ($)	2021 ($)
Current Assets:			
Cash and cash equivafertfs	5	3S,S67,-077	40,750,452
Accounts receivable and prepayments	6	257,554	485,707
Investments at amortised cost	7	7.277,582	7,039,781
Total Current Assets		43,102,213	48,275.920
N-on-Cor-r-ent Assets:			
Deferred taxation	8	236	345
Intangible asset	9		
	10		
Property, plant and equipment			
Total Non-Current Assets		236	345
Totaf Assets		43,102,449	48 276.265

LIABILITIES AND SHAREHOLDER'S EQUITY

Current Liabilities:			
Accounts payable and accruals	n	t,,48,196	2,%9-,146'
Corporation tax payable		850	
		1,549,046	2,569,146
Non-Current Liabilities:			
Government guarantee	12	35,307,099	38,092,393
Deferred income	I3	5,085,545	6,39'4,9'46
	14	160,759	219,780
Guarantee liability			
Total Non-Current Liabilities		40.553,403	44,707.119
Total Liabilities		42.102,449	47.276.265
Slrarehotder's Equity=			
Stated capital	15		
Total Shareholder's Equity		1,000,000	1,000,000
Total Liabilities and Shareholder's Equity		43 102 449	48 276J65

These financial statements were approved by the Board of Directors and authorised for issue on 5 June 2023 and signed on their behalf by:

1.000,000	1,000.000

[redacted]

(The accompanying notes form an integral part of these financial statements)

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED
STATEMENT OF COMPREHENSIVE INCOME

	Note	For the year ended 31December 2022 ($)	2021 ($)
Income:			
Guarantee fees		120,140	128,277
Government subvention – recurrent		394,042	754,004
Government subvention – guarantee		3,700,433	548,663
Interest income		63,061	130,927
Total income		4,277,676	1,561,871
Expenditure:			
Administrative expenses	16	(4,274,325)	(1,560,941)
Net profit before taxation		3,351	930
Taxation	18	(3,351)	(930)
Net comprehensive income for the year			

(The accompanying notes form an integral part of these financial statements)

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31DECEMBER 2022

	Stated Capital ($)
Balance as at 1 January 2021	1,000,000
Net comprehensive income for the year	
Balance as at 31 December 2021	1,000,000
Balance as at 1 January 2022	1,000,000
Net comprehensive income for the year	
Balance as at 31 December 2022	1,000,000

(The accompanying notes form an integral part of these financial statements)

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

STATEMENT OF CASH FLOWS

	For the year ended 31December	
	2022 ($)	2021 ($)
Operating Activities:		
Net profit before taxation	3,351	930
Adjustments for:		
Expected credit loss	20,857	15,697
Bad debts written off	155,029	
Guarantee reversal	(59,021)	(9,505)
Operating surplus before working capital changes	120,216	7,122
Net change in accounts receivable and prepayments	52,267	(170,337)
Net change in accounts payable and accruals	(1,020,950)	1,553,579
Taxation paid	(2,392)	(770)
Cash (used in)/provided by operating activities	(850,859)	1,389,594
Investing Activities:		
Net change in investment activities	(237,801)	(39,781)
Cash used in investment	(237,801)	(39,781)
Financing Activities:		
Net change in deferred income	(1,309,401)	(754,004)
Net change in government guarantee	(2,785,294)	(548,664)
Cash used in financing activities	(4,094,695)	(1,302,668)
Net change in cash resources	(5,183,355)	47,145
Cash resources, beginning of year	40,750,432	40,703,287
Cash resources, end of year	35.567.077	40.750.432
Represented by:		
Cash and cash equivalents	35.567.077	40.750.432

(The accompanying notes form an integral part of these financial statements)

1. Incorporation and Principal Business Activity:

Trinidad and Tobago Tourism Business Development Limited (TTTBDL) was incorporated on 3 August 2012 in the Republic of Trinidad and Tobago and commenced operations in October 2012 as a special purpose company of the Government of the Republic of Trinidad and Tobago (GORTT). Its registered office is level 16, Ministry of Finance and the Economy, Eric Williams Financial Complex, Independence Square, Port of Spain. Its principal business activity is the provision of guarantees to tourism and tourism related businesses .

2. Summary of the Significant Accounting Policies:

(a) Basis of financial statements preparation -

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS's) and are stated in Trinidad and Tobago dollars rounded to the nearest whole dollar. These financial statements are stated on the historical cost basis, except for the measu rement at fair value of certain financial instruments.

(b) Use of estimates -

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and Uabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results

may ultimately differ from those estimates.

(c) New accounting standards and interpretations -

The company has not applied the following standards, revised standards and interpretations that have been issued but are not yet effecti ve as they either do not apply

to the activities of the company or have no material impact on its financial statements:

IFRS 1 First-time Adoption of Financial Reporting Standards - Amendments regarding subsidiary as first-time adopter (effective for accounting periods beginning on or after 1 January 2022).

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

2. Summary of the Significant Accounting Policies (Cont'd):

(c) **New accounting standards and interpretations (cont'd) -**

IFRS 3	Business Combinations - Amendments regarding the reference to the conceptual framework (effective for accounting periods beginning on or after 1 January 2022).
IFRS 4	Insurance Contracts - Amendments regarding the interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021).
IFRS 4	Insurance Contracts - Amend ments regarding IFRS 17 and the extension of the temporary exemption from applying IFRS 9 (effective for accounting periods beginning on or after 1 January 2023).
IFRS 7	Financial Instruments: Disclosu res - Amendments regarding additional disclosures arising from interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021).
IFRS 9	Financial Instruments - Amend ments regarding replacement issues in the context of the interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021).
IFRS 9	Financial Instru ments - Amendments regarding fees in the 'ten percent' test for derecognition of financial liabilities (effective for accounting periods beginning on or after 1 January 2022).
IFRS 16	Leases - Amend ments regarding the interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021).
IFRS 16	Leases – Amendment to extend the exemption from assessing whether a COVID -19 related rent concession is a lease modification (effective for accounting periods beginning on or after 1 April 2021).
IFRS 16	Leases - Amend ments regarding the accounting treatment of lease incentives (effective for accounting periods beginning on or after 1 January 2022).
IFRS 17	Insurance Contracts (effective for accounting periods beginning on or after 1 January 2023).
IAS 1	Presentation of Financial Statements - Amend ments regarding the disclosure of accounting policies (effective for accounti ng periods beginning on or after 1 January 2023).
IAS 1	Presentation of Financial Statements - Amendments regarding the classification of liabilities as current and non-current (effective for accounting periods beginning on or after 1 January 2023).

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31DECEMBER 2022

2. Summary of the Significant Accounting Policies (Cont'd):

(c) New accounting standards and interpretations (cont'd) -

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates (effective for accounting periods beginning on or after 1 January 2023).

IAS 12 Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations (effective for accounting periods beginning on or after l January 2023).

IAS 16 Property, Plant and Equipment - Amend ments regarding proceeds before intended use (effective for accou nti ng periods beginning on or after I January 2022).

IAS37 Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding onerous contracts and cost of fulfilling a contract (effective for accounting periods beginning on or after 1January 2022).

IAS 39 Financial Instruments: Recognition and Measurement - Amend ments regarding replacement issues in the context of the IBOR reform (effective for accounting periods beginning on or after l January 2021).

IAS 41 Agriculture - Amend ments regarding taxation in fair value measurements (effective for accou nting periods beginning on or after 1 January 2022).

(d) Comparative information -

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

(e) Foreign currency -

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling at the reporting date. All revenue and expenditu re transactions denominated in foreign currencies are translated at the average rate and the resulting profits and losses on exchange from these trading activities are recorded in the Statement of Comprehensive Income.

(t) Cash and cash equivalents -

For the purposes of the cash flow statements, cash and cash equivalents comprise of cash in hand, deposits held at call with banks and investments in money market instruments, net of bank overdraft.

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31DECEMBER 2022

2. Summary of the Significant Accounting Policies (Cont'd):

(g) Fixed assets -

Fixed assets are stated at historical cost or valuation less accumulated depreciation and impairment in value. Depreciation is provided for on a straight-line basis.

The following rates considered appropriate to write-off the assets over their estimated useful lives are applied:

Office furniture	20%
Office equipment	20%
Computer hardware	25%

Depreciation is charged on a pro rata basis in the year of acquisition as well as in the year of disposal.

(h)

The assets' residual values and useful lives are reviewed at each reporting date, and adjusted as appropriate . An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals of fixed assets are determi ned by reference to their carrying amounts and are taken into account in determining the net (deficit)/surplus for the year.

Repairs and maintenance costs are charged to the Statement of Comprehensive Income when expenditure is incurred.

Taxation -

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax ratesand tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is provided in full, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and l iabilities and their carrying amou nts for financial reporti ng purposes. Deferred tax assets and liabilities are measured at the rate that is expected to apply to the year when the asset is realised or the liability is settled, based on the enacted tax rate at the reporting date. Deferred tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

2. Summary of the Significant Accounting Policies (Cont'd):

(i) Income recognition -

Income from guarantees is accounted for on the accruals basis.

Government grant -

Grants from GORTT are recognised at fair values, where there is a reasonable assurance that the grant will be received, and the company will comply with all conditions attached. Grants relating to operating expenses are deferred and included in non-current liabilities. They are recognised in the Statement of Comprehensive Income over the period necessary to match them against relevant expenses.

(k) Provisions -

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(l) Financial instruments -

All recognised financial assets that are within the scope of International Financial Reporting Standard (IFRS) 9 are required to be subsequently measured at amortised cost or fair value on the basis of:

(i) the entity's business model for managing the financial assets; and
(ii) the contractual cash flow characteristics of the financial assets.

The company reassess its business models each reporting period to determine whether they have changed. No such changes have been identified for the current year.

Principal is the fair value of the financial asset at initial recognition. Interest is consideration for the time value of money and for credit and other risks associated with the principal outstanding. Interest also has a profit margin element.

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

2. **Summary of the Significant Accounting Policies (Cont'd):**

(l) **Financial instruments (cont'd) -**
Initial measurement

All financial instru ments are initially measured at the fair value of consideration given or received.

The company measures fair values in accordance with IFRS 13, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The company

uses a fair value hierarchy that categorises valuation techniques into three levels:

(i) Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Assets and liabilities are classified as Level 1 if their value is observable in an active market. The use of observable market prices and model inputs, when available, reduces the need for management judgement and estimation, as well as the uncertainty related with the estimated fair value.

(ii) Level 2 i nputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability.

(iii) Level 3 inputs are unobservable inputs. Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data.

Subsequent measurement

Those financial assets which are held within a business model with the sole objective of collecting contractual cash flows which comprise principal and interest only, are subsequently measured at amortised cost. Gains/losses arising on remeasurement of such financial assets are recognised in profit or loss as movements in Expected Credit Loss (ECL). When a financial asset measu red at amortised cost is derecognised, the gain/loss is reflected in profit or loss.

Those financial assets which are held within a business model with the objectives of (i) collecting contractual cash flows which comprise principal and interest only, as well as (ii) selling the financial assets, are subsequently measured at Fair Value Through Other Comprehensive Income (FVTOCI). Gains/losses arising on remeasurement of such financial assets are recognised i n OCI as *'Items that may be reclassified subsequently to P&L'* and are called *'Net FV gainl(loss) onfinancial assets classified as at FVOCI'* .

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

2. **Summary of the Significant Accounting Policies (Cont'd):**

()) **Financial instruments (cont'd)**

Subsequent measurement (cont'd)

All other financial assets are subsequently measured at Fair Value Through Profit and Loss (FVTPL), except for equity investments, which the company has opted, irrevocably, to measure at FVTOCI. Gains/losses arising on remeasurement of such financial assets are recognised in profit or loss as *'Net FV gain/(loss) on financial assets classified at FVTPL'*.

When a financial asset measu red at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss.

Reclassification

If the business model under which the company holds financial assets changes, the financial assets affected are reclassified accordingly from the first day of the first reporting period following the change in business model.

Write-off

Financial assets are written off when the company has no reasonable expectations of recovery, for example, when the company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay. A write-off constitutes a derecognition event. Subsequent recoveries resulting from the company's enforcement activities wil1 result in gains.

Financial liabilities

Since the company does not trade in financial liabilities, and since there are no measurement or recognition inconsistencies, all financial liabilities are initially measured at fair value, net of transaction costs and subsequently, at amortised cost using the effective interest method . The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected l ife of the financial instrument to the net carrying amount on initial recognition. Financial liabilities recognised at amortised cost are not reclassified.

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31DECEMBER 2022

3. Financial Risk Management:

Financial risk factors

The company is exposed to credit risk, liquidity risk, currency risk, operational risk, compliance risk and reputation risk arising from the financial instruments that it holds. The risk management policies employed by the company to manage these risks are discussed below:

Financial Instruments

The following table summarizes the carrying amounts and fair values of the company's financial assets and liabilities:

	2022	
	Carrying Value ($)	Fair Value ($)
Financial Assets		
Cash and cash equivalents	35,567,077	35,567,077
Accounts receivable and prepayments	257,554	257,554
Financial Liabilities		
Accounts payable and accruals	1,548,196	1,548,196
Corporation tax payable	850	850
Government guarantee	35,307,099	35,307,099
Deferred income	5,085,545	5,085,545

	2021	
	Carrying Value ($)	Fair Value ($)
Financial Assets		
Cash and cash equivalents	40,750,432	40,750,432
Accounts receivable and prepayments	485,707	485,707
Financial Liabilities		
Accounts payable and accruals	2,569,146	2,569,146
Government guarantee	38,092,393	38,092,393
Deferred income	6,394,946	6,394,946

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31DECEMBER 2022

3. Financial Risk Management (Cont'd):

(a) [redacted]

(b)

Credit risk -

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The company relies heavily on its policies and guidelines on trade debtors management, which sets out the current policies governing the granting of credit to customers function and provides a comprehensive framework for prudent risk management of the credit function. Adherence to these guidelines is expected to communicate the company's credit philosophy, provide policy guidelines to team members involved in granting credit, establish minimum standards for credit analysis, documentation, decision making and post-disbursement administration, as well as create analysis, documentation, decision making and post-disbursement administration, as well as create the foundation for sound credit portfolio.

The company's debtors' portfolio is managed and consistently monitored by management and is adequately secured by collateral and where necessary, provisions have been established for potential credit losses on delinquent accounts.

Cash balances are held with high credit quality financial institutions and the company has policies to limit the amount of exposure to any financial institution.

The company also actively monitors global economic developments and government policies that may affect the growth rate of the local economy.

Significant increase in credit risk

The company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than thirty (30) days past due, unless the company has reasonable and supportable information that demonstrates otherwise. The company has monitoring procedures to ensure that significant increase in credit risk is identified before default occurs.

Liquidity risk -

Liquidity risk is the risk that arises when the maturity dates of assets and liabilities do not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets. The company is able to make daily calls on its available cash resources to settle financial and other liabilities.

3. Financial Risk Management(Cont'd):

(b) Liquidity risk (cont'd) -

1. Risk management

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the company. The company employs various asset/liability techniques to manage liquidity gaps. Liquidity gaps are mitigated by the marketable nature of a substantial segment of the company's assets as well as generating sufficient cash from government grants and loan repayments.

To manage and reduce liquidity risk the company's management activel y seeks to match cash inflows with liability requirements.

ii. Liquidity gap

	2022			
	Up to 1year ($)	1to 5 years ($)	Over 5 years ($)	Total ($)
Financial Assets				
Cash and cash equivalents	35,567,077			35,567,077
Accounts receivable and prepayments	257,554			257,554
	35,82tli(iJl			J5,82MiJl
Financial Liabilities				
Accounts payable and Accruals	1,548,196			1,548,196
Corporation tax payable	850			850
Government guarantee			35,307,099	35,307,099
Deferred income			5,085,545	5,085,545
	1,542,046		40,322,644	41,241,620

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31DECEMBER 2022

3. Financial Risk Management (Cont'd):

(b) Liquidity risk (cont'd) -

ii. Liq u idity gap (cont'd)

	2021			
	Up to 1year ($)	1to 5 years ($)	Over 5 years ($)	Total ($)
Financial Assets				

(c)

(d)

(e)

Cash and cash equivalents

40,750,432

40,750,432 Accounts receivable and

prepayments

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707

485 707

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lities Accounts payable and accruals	2,569,146			2,569,146
Government guarantee			38,092,393	38,092,393
Deferred income			6,394,946	6,394,946
	2,562,146		44,481,332	41,056,485

Currency risk -

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercialtransactions and recognised assets and liabilities are denominated i n a currency that is notthe company's measurement currency . The company is exposed to minimal foreignexchange risk. The company's management monitors the exchange rate fluctuations on acontinuous basis and acts accordingl y.

Operational risk -

Operational risk is the risk derived from deficiencies relating to the company 's information technology and control systems, as well as the risk of human error and natural disasters. The compan y's systems are evaluated, maintained and upgraded continuously.

Compliance risk -

Compliance risk is the risk of financial loss, incl udi ng fines and other penal ties, wh ich arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the monitoring controls appl ied by the company.

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3. Financial Risk Management (Cont'd):

(0 Reputation risk •

The risk of loss of reputation ansmg from the negative pu blicity relating to the company's operations (whether true or false) may resu lt in a reduction of its clientele, reduction in revenue and legal cases against the company. The company applies procedures to minimize this risk.

4. Critical Accounting Estimates and Judgments:

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make judgments, estimates and assumptions in the process of applying the company's accounting policies.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. However, actual results could differ from those estimates as 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 discussed below:

Changes in accounting estimates are recognised in the Statement of Comprehensive Income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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4. Critical Accounting Estimates and Judgments (Cont'd):

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date (requiring management's most difficult, subjective or complex judgments) that have a significant risk of causing a material adjustment to the carrying amounts of assets and

liabilities within the next financial year are as follows:

i) Significant increase of credit risk

The company computes twelve-month ECL for Stage 1 assets and lifetime ECL for Stage 2 or Stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Assessing whether there has been a significantincrease in credit risk required judgement takes into account reasonable and supportable forward-looking information.

ii) Fair value measurement and val uation process

In estimating the fair value of a financial asset or a liability, the company uses market-observable data to the extent it is available. Where such Level 1 inputs are not available, the company uses valuation models to determine the fair value of its financial instruments .

iii) Fixed assets

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of these assets. Judgement is also used in determining which depreciation method for fixed assets is used.

5. Cash and Cash Eq uivalents:

	31Decem ber	
	2022 ($)	2021 ($)
First Citizens Bank Limited – TT$ Guarantee Account	29,601,265	32,591,639
First Citizens Bank Limited – Operational Account	5,965,812	8,158.793
	35.567.077	40.750.432

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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6. Accounts Receivable and Prepayments:

	31December 2022 ($)	2021 ($)
Guarantee fees receivable	567,889	602,780
Other receivables	36,562	211,300
Prepayments	4 484	2 151
	608,935	816,231
Less: Expected credit loss allowance	(351,381)	(330.524)
	257.554	485,707
Expected credit loss allowance:		
Balance brought forward	330,524	314,827
Charge for the year	20.857	15 697
Balance carried forward	351.381	330,524

7. Investments at Amortised Cost:

	31Decem ber 2022 ($)	2021 ($)
Fixed Deposits		
First Citizens Bank Limited	7,277,582	7,039,781

8. Deferred Taxation:

	31Decem ber 2022 ($)	2021 ($)
Balance at beginning of year	345	505
Effect on the Statement of Comprehensive Income	(109)	(160)
Balance at end of year	236	345

Deferred taxation is attributable to the following item:

Excess of written-down value over net book value	236	345

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9. Intangible Asset:

	Computer Software ($)	[redacted]
Cost		
Balance, 1 January 2022	12,797	12,797
Additions		
Balance, 31 December 2022	12 797	12 797
Accumulated Amortisation		
Balance, 1 January 2022	12,797	12,797
Charge for the year		
Balance, 31 December 2022	12 797	12 797
Net Book Value		
Balance, 31 December 2022		
Balance, 31 December 2021		

	Computer Software ($)	Total ($)
Cost		
Balance, 1 January 2021	12,797	12,797
Additions		
Balance, 31 December 2021	12 797	12 797
Accumulated Amortisation		
Balance, 1 January 2021	12,797	12,797
Charge for the year		
Balance, 31 December 2021	12 797	12 797
Net Book Value		
Balance, 31 December 2021		
Balance, 31 December 2020		

Total ($)

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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10. Property, Plant and Equipment:

	Office Furniture ($)	Office Equipment ($)	Computer Hardware ($)	Total ($)
Cost				
Balance, 1 January 2022	6,440	2,271	7,900	16,611
Additions				
Balance, 31 December 2022	6 440	2,271	7900	16 611
Accumulated Depreciation				
Balance, 1 January 2022	6,440	2,271	7,900	16,611
Charge for the year				
Balance, 31 December 2022	6 440	2,271	7 900	16 611
Net Book Value				
Balance, 31 December 2022				
Balance, 31 December 2021				

	Office Furniture ($)	Office Equipment ($)	Computer Hardware ($)	Total ($)
Cost				
Balance, 1 January 2021	6,440	2,271	7,900	16,611
Additions				
Balance, 31 December 2021	6 440	2,271	7 900	16 611
Accumulated Depreciation				
Balance, 1 January 2021	6,440	2,271	7,900	16,611
Charge for the year				
Balance, 31 December 2021	6 440	2,271	7 900	16 611
Net Book Value				
Balance, 31 December 2021				
Balance, 31 December 2020				

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NOTES TO THE FINANCIAL STATEMENTS

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11. Accounts Payable and Accruals:

	31December 2022 ($)	2021 ($)
Professional fees payable	84,726	75,393
Amounts due to Export Import Bank of T&T Limited	318,442	1,203,226
Other payable	(3,375)	(3,375)
Interest subsidy payable	I,148,403	1,293,902
	1.548.196	2.569.146

12. Government Guarantee:

This balance represents funds forwarded to the company from GORTT to execute the loan guarantee programme .

	31December 2022 ($)	2021 ($)
Balance, beginning of year	38,092,393	38,641,057
Subsidy on interest	(2,992,873)	(558,169)
Guarantee liability	207,579	9 505
Balance, end of year	35.307.099	38.092.393

13. Deferred Income:

This balance represents funds from GORTT for the purpose of covering the recurrent expenditure of the company.

	31December 2022 ($)	2021 ($)
Balance, beginning of year	6,394,946	7,148,950
Program expenses	(I,309.401)	(754,004)
Balance, end of year	5.085.545	6.394.946

14. Guarantee Liability:

This balance represents the present value of future defaults on loans guaranteed by the company and has been measured at fair value through profit and loss in accordance with IFRS 9. Fair value was determined by discounting future expected defaults using a rate equivalents to the difference between the current loan rate and the unguaranteed loan rate.

	31December 2022 ($)	2021 ($)
Balance, beginning of year	219,780	229,285
Transfer to Statement of Comprehensive Income	(59,021)	(9,505)
Balance, end of year	160.759	219.780

15. Stated Capital:

	31December 2022 ($)	2021 ($)
Authorised:		
An unlimited number of ordinary shares of no par value		
Issued and fully paid:		
l,000,000 ordinary shares of no par value	1.000.000	1.000.000

16. Administrative Expenses:

	31December 2022 ($)	2021 ($)
Agency fees	600,000	600,000
Bad debts written off	155,029	
Expected credit loss	20,857	15,697
Directors' fees	154,938	8,308
Guarantee reversal	(59,021)	(9,505)
Guarantee interest	(145,498)	558,169
Guarantee loan write off	2,989,813	
Legal and professional fees	431 ,247	319,125
General expenses	126,960	69 147
	4.274.325	1560.941

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17. Contingent Liabilities:

As at 31 December 2022, TITBDL gave bank guarantees of **$12,865,224.** It is considered unlikely that the company will be held liable as a result of this commitment. At the reporting date the fair value of these is **$160,759** and the liability was recognised in the Statement of Financial Position. The Board of Directors is not aware of any other commitment with any material effect on the financial position and performance of the company.

18. Taxation:

	31 December 2022 ($)	31 December 2021 ($)
Corporation tax	(1,983)	
Business levy	(1,259)	(770)
Deferred taxation	(109)	(160)
	(3.351)	**(930)**

The tax on the company's net income before taxation differs from the theoretical amount that would arise using the basic rate of tax as follows:

	2022	2021
Net profit before taxation	3.351	930
Tax calculation	(1,005)	(279)
Expenses not deductible for tax purposes	(1,087)	(115)
Business levy adjustment	(1,259)	(770)
Corporation tax adjustment		234
	(3.351)	**(930)**

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19. Related Party Transactions:

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

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the company.

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

Balances and transaction with related parties and key management personnel during the year were as follows:

	31December 2022 ($)	2021 ($)
Expenses		
Directors' fees	154.938	8.308
Agency fees	600.000	600.000

20. Change in Government Loan Guarantee Programme:

Interest Rate Subsidy:

GORTT agreed that effective 1 December 2018, a subsidy of 5% would be provided on the interest charged by financial institutions for new and restructured loans.

Maturity Period for Loans:

Under the programme, GORTT, in conjunction with the commercial banks, extended the maturity periods for new loans and re-financing within the tourism sector from seven (7) years to fifteen (15) years.