



# ExporTT Limited

Audited Consolidated Financial Statements

September 30, 2020

**exporTT Limited**

**Consolidated financial statements  
September 30, 2020**

*(In thousands of Trinidad and Tobago dollars)*

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## exporTT Limited

### Statement of management's responsibilities

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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, 2020, 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 Company 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.



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Manager, Finance and Investments

January 22, 2024



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General Manager, Operations

January 22, 2024

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

## INDEPENDENT AUDITORS' REPORT

### 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, 2020, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Group as at September 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### 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 *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.

### 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.

A handwritten signature in blue ink that reads "Baker Tilly".

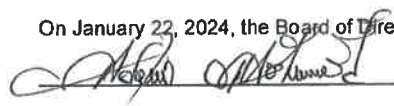

January 22, 2024  
PORT-OF-SPAIN

**exporTT Limited**  
**Consolidated statement of financial position**  
(In thousands of Trinidad and Tobago dollars)

	Notes	As at September 30,	
		2020	2019
		\$	\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	4,345	4,296
Investments held at fair value through profit or loss	6	23,169	22,252
Retirement benefit asset	7	4,396	4,641
Right-of-use asset	25	449	-
<b>Total non-current assets</b>		<b>32,359</b>	<b>31,189</b>
<b>Current assets</b>			
Cash and cash equivalents	9	11,542	14,324
Trade receivable and other assets	10	560	1,350
Investments held at fair value through profit or loss	6	59,415	57,308
<b>Total current assets</b>		<b>71,517</b>	<b>72,982</b>
<b>Total assets</b>		<b>103,876</b>	<b>104,171</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	8,000	8,000
Government contributions	12	27,319	27,319
Retained earnings		36,305	33,479
<b>Total equity</b>		<b>71,624</b>	<b>68,798</b>
<b>Non-current liabilities</b>			
Grant fund facility	13	20,500	23,485
Finance lease obligation	20	-	28
Right-of-use lease liability	26	154	-
		<b>20,654</b>	<b>23,513</b>
<b>Current liabilities</b>			
Trade and other payables	14	3,873	3,705
Grant fund facility- current	13	2,506	691
Finance lease obligation- current	20	20	35
Depositor's account	15	1,915	1,891
Deferred income	16	2,035	2,024
Public sector investment program	17	701	2,982
Exporters' development fund	18	-	289
Provision for loan guarantee	19	256	243
Right-of-use lease liability	26	292	-
<b>Total current liabilities</b>		<b>11,598</b>	<b>11,860</b>
<b>Total equity and liabilities</b>		<b>103,876</b>	<b>104,171</b>

The notes on pages 9 to 35 form an integral part of these consolidated financial statements.

On January 22, 2024, 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,	
		2020	2019
		\$	\$
<b>Income</b>			
Income from government grants		10,207	9,675
Trade certification		2,525	2,687
Investment income, net		2,081	2,288
Finance lease adjustment		136	-
Training		261	511
Other income		7	8
CLCL lease related fees and other income		228	-
Unrealized gain on investments at fair value through profit or loss		2,202	2,058
		<u>17,647</u>	<u>17,227</u>
<b>Expenditure</b>			
Salaries and benefits		(9,899)	(8,935)
General and administrative expenses	23	(3,821)	(3,987)
Unrecoverable PSIP expenses	26	(275)	(1,348)
Depreciation	5	(491)	(488)
Depreciation right-of-use asset	25	(116)	-
		<u>(14,602)</u>	<u>(14,758)</u>
Profit for the year before taxation		3,045	2,469
Taxation	24	(56)	(51)
Profit for the year after taxation		<b>2,989</b>	<b>2,418</b>
<b>Other comprehensive income/ (expense) items that will not be reclassified subsequently to profit or loss</b>			
Re-measurement of employment benefit asset gain/(losses)	7	(163)	(850)
<b>Total Comprehensive Income</b>		<b><u>2,826</u></b>	<b><u>1,568</u></b>

The notes on pages 9 to 35 form an integral part of these consolidated financial statements.

## exporTT Limited

### Consolidated statement of changes in equity

(In thousands of Trinidad and Tobago dollars)

<b>Year ended September 30, 2020</b>	<b>Share capital</b>	<b>Government contributions</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at October 1, 2019	8,000	27,319	33,479	68,798
Profit for the year	-	-	2,989	2,989
Other comprehensive expense for the year	-	-	(163)	(163)
Total comprehensive income for the year	-	-	2,826	2,826
Balance as at September 30, 2020	<b>8,000</b>	<b>27,319</b>	<b>36,305</b>	<b>71,624</b>
<b>Year ended September 30, 2019</b>				
Balance at October 1, 2018	8,000	27,319	31,911	67,230
Profit for the year	-	-	2,418	2,418
Other comprehensive expense for the year	-	-	(850)	(850)
Total comprehensive income for the year	-	-	1,568	1,568
Balance as at September 30, 2019	<b>8,000</b>	<b>27,319</b>	<b>33,479</b>	<b>68,798</b>

The notes on pages 9 to 35 form an integral part of these consolidated financial statements.

**exporTT Limited****Consolidated statement of cash flows**  
*(In thousands of Trinidad and Tobago dollars)*

	<b>Year ended September 30,</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Net profit for the year	2,989	1,568
Depreciation	491	488
Depreciation right-of-use asset	116	-
Interest on finance lease	15	8
Release of deferred income	11	(121)
Pension asset movement	82	845
Unrealized gain on investments at fair value through profit or loss	(2,202)	(2,058)
<b>Operating gain/(loss) before working capital changes</b>	<b>1,502</b>	<b>730</b>
<b>Changes in working capital</b>		
Decrease in trade receivables and other assets	790	99
(Decrease)/ increase in trade and other payables	166	(16)
Increase/(decrease) in public sector investment program	(2,281)	(1,106)
Decrease in exporters' development fund	(289)	(103)
Increase in Loan Guarantee Fund	13	39
Decrease in Grant Fund Facility	(1,170)	(822)
<b>Net cash flows used in operating activities</b>	<b>(2,771)</b>	<b>(1,909)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(539)	(172)
Net proceeds from the sale of investments	(2,214)	8,970
Redemption/Withdrawal of investments	1,885	1,767
Sale of investments	4,716	-
Purchase of investments	(5,209)	(9,597)
Increase in depositor's account	24	16
<b>Net cash flow generated from investing activities</b>	<b>(1,337)</b>	<b>984</b>
<b>Cash flows from financing activities</b>		
Finance lease repayments	(47)	(43)
Principal elements of lease payments	(129)	-
<b>Net cash flow (used in)/generated from financing activities</b>	<b>(176)</b>	<b>(43)</b>
<b>Net decrease in cash and cash equivalents for the year</b>	<b>(2,782)</b>	<b>(238)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>14,324</b>	<b>14,562</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>11,542</b>	<b>14,324</b>

The notes on pages 9 to 35 form an integral part of these consolidated financial statements.

## ExporTT Limited

### Notes to consolidated financial statements.

For the year ended September 30, 2020

(In thousands of Trinidad and Tobago dollars)

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#### 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. (i) Standards, Interpretations and Amendments to published standards effective in current year:

**In the current year, new standards and amendments issued by the International Accounting Standards Board ('IASB') that are mandatorily effective for accounting period commencing 1 January 2019.**

- IFRS 16 Leases
- Prepayment Features with Negative Compensation – Amendments to IFRS 9
- Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28
- Plan Amendment, Curtailment or Settlement – Amendments to IAS 19

The standards and amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods with exception to IFRS 16 which was adopted.

#### (ii) Standards and amendments in issue but Not Yet Effective

- Amendments to References in the Conceptual Framework in IFRS Standards - Effective 1 January 2020
- Amendments to IAS 1 and IAS 8: Definition of Material - Effective 1 January 2020
- Amendments to IFRS 3: Definition of a Business - Effective 1 January 2020

## ExporTT Limited

### Notes to consolidated financial statements.

For the year ended September 30, 2020

(In thousands of Trinidad and Tobago dollars)

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#### (ii) Standards and amendments in issue but Not Yet Effective (Continued)

- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform – Effective 1 January 2020
- Amendments to IFRS 16: Covid-19 Related Rent Concessions – Effective 1 June 2020
- Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform Phase 2 – Effective 1 January 2021
- Amendments to IFRS 16: Covid-19 Related Rent Concessions – Effective 1 April 2021
- Amendments to IAS 16: Proceeds before Intended Use - Effective 1 January 2022
- Amendments to IAS 37: Onerous Contracts - Costs of Fulfilling a Contract - Effective 1 January 2022
- Amendments to IFRS 3: Reference to the Conceptual Framework - Effective 1 January 2022
- Annual improvements to IFRS standards 2018–2020 cycle, resulting in amendments to IFRS 1, IFRS 9, and IAS 41 - Effective 1 January 2022
- IFRS 17: Insurance Contracts - Effective 1 January 2023
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current - Effective 1 January 2023
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies - Effective 1 January 2023
- Amendments to IAS 8: Definition of Accounting Estimates - Effective 1 January 2023
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Effective 1 January 2023
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - The effective date has been postponed by the IASB.

Management is currently assessing the impact of these new and revised standards on the financial statements.

### 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.

# ExporTT Limited

## Notes to consolidated financial statements.

For the year ended September 30, 2020

(In thousands of Trinidad and Tobago dollars)

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### 3. Summary of significant accounting policies (continued)

#### (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.

#### (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.

## ExporTT Limited

### Notes to consolidated financial statements.

For the year ended September 30, 2020

(In thousands of Trinidad and Tobago dollars)

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### 3. Summary of significant accounting policies (continued)

#### (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.

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.

## ExporTT Limited

### Notes to consolidated financial statements.

For the year ended September 30, 2020

(In thousands of Trinidad and Tobago dollars)

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### 3. Summary of significant accounting policies (continued)

#### (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.

#### (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.



## ExporTT Limited

### Notes to consolidated financial statements.

For the year ended September 30, 2020

(In thousands of Trinidad and Tobago dollars)

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#### 3. Summary of significant accounting policies (continued)

##### (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.

##### (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.

## ExporTT Limited

### Notes to consolidated financial statements.

For the year ended September 30, 2020

(In thousands of Trinidad and Tobago dollars)

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#### 3. Summary of significant accounting policies (continued)

##### (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.

##### (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.

## **ExporTT Limited**

### **Notes to consolidated financial statements.**

**For the year ended September 30, 2020**

*(In thousands of Trinidad and Tobago dollars)*

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### **3. Summary of significant accounting policies (continued)**

#### **(s) Impairment of financial and non-financial assets (continued)**

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.

#### **(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 judgment 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.

## ExporTT Limited

### Notes to consolidated financial statements.

For the year ended September 30, 2020

(In thousands of Trinidad and Tobago dollars)

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#### 4. Critical judgment and the use of estimates (continued)

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.

##### Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

##### *As a Lessee*

At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the Company accounts for each lease component separately from the non-lease components.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at before or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Institute's incremental borrowing rate.

## ExporTT Limited

### Notes to consolidated financial statements.

For the year ended September 30, 2020

(In thousands of Trinidad and Tobago dollars)

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#### 4. Critical judgment and the use of estimates (continued)

##### Leases (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments, and
- lease payments in an optional renewal period if the Institute is reasonably certain to exercise an extension option.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, there is a change in the Institute's estimate of the amount expected to be payable under a residual value guarantee, if the Institute changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When a lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

##### Right of Use Assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and except, where included in the cost inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or estimated useful life of the asset, whichever is the shorter.

## ExporTT Limited

Notes to consolidated financial statements.  
For the year ended September 30, 2020  
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### 5. Property and equipment

	Land & building	Motor vehicles	Furniture fixtures & equipment	Computer equipment & Software	Leasehold improvements	Total
	\$	\$	\$	\$	\$	\$
<b>Cost</b>						
Balance as at September 30, 2018	5,597	574	3,383	7,559	38	17,151
Additions	-	-	18	154	-	172
Disposals						
Balance as at September 30, 2019	5,597	574	3,401	7,713	38	17,323
Additions		394	17	129	-	540
Balance as at September 30, 2020	5,597	968	3,418	7,842	38	17,863
<b>Accumulated depreciation</b>						
Balance as at September 30, 2018	1,887	353	2,874	7,387	38	12,539
Charge for the year	113	116	129	130	-	488
Disposals						
Balance as at September 30, 2019	2,000	469	3,003	7,517	38	13,027
Charge for the year	113	133	116	130	-	491
Balance as at September 30, 2020	2,113	602	3,119	7,647	38	13,518
<b>Net book value</b>						
Balance as at September 30, 2020	3,484	366	299	195	-	4,345
Balance as at September 30, 2019	3,597	105	398	196	-	4,296
Balance as at September 30, 2018	3,710	221	509	172	-	4,612

## ExporTT Limited

Notes to consolidated financial statements.  
For the year ended September 30, 2020  
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### 6. Investments

	2020	2019
	\$	\$
<b>a) Non-current assets held at fair value through profit or loss</b>		
TT\$ government bonds	14,176	10,003
US\$ government bonds	6,622	7,785
Corporate bonds	2,371	4,464
	<u>23,169</u>	<u>22,252</u>
<b>b) Current assets held at fair value through profit or loss</b>		
Money market instruments	18,175	17,047
Certificate of deposits	-	439
Certificate of deposits – Third parties	2,434	1,891
Treasury bills and short-term deposits	128	1,078
Equities	38,678	36,853
	<u>59,415</u>	<u>57,308</u>
	<u><b>82,584</b></u>	<u><b>79,560</b></u>

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.

## ExporTT Limited

### Notes to consolidated financial statements.

For the year ended September 30, 2020

(In thousands of Trinidad and Tobago dollars)

#### 7. Retirement benefit asset (continued)

	2020	2019
	\$	\$
a) The amounts recognized in the consolidated statement of financial position are as follows:		
Present value of the defined benefit obligation	(12,829)	(11,596)
Fair value of plan assets	17,225	16,237
<b>Asset recognized in the consolidated statement of financial position</b>	<b>4,396</b>	<b>4,641</b>
b) Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	16,237	15,054
Expected returns on plan assets	902	842
Actuarial loss on plan assets	(251)	(165)
Employer contributions	448	446
Member contributions	196	188
Benefits paid	(247)	(69)
Expense allowance	(60)	(59)
<b>Closing fair value of plan assets</b>	<b>17,225</b>	<b>16,237</b>
c) Change in the present value of defined benefit obligation:		
Opening present value of defined benefit obligations	11,596	9,568
Current service cost	741	700
Plan participant contributions	196	188
Interest cost	631	524
Experience adjustments	(88)	685
Benefits paid	(247)	(69)
<b>Closing present value of defined benefit obligations</b>	<b>12,829</b>	<b>11,596</b>
d) The amounts recognized in the consolidated statement of profit or loss are as follows:		
Current service cost	741	700
Interest cost	(271)	524
Expected return on plan assets	-	(842)
Administration expenses	60	59
<b>Expense recognized in the consolidated statement of profit or loss</b>	<b>530</b>	<b>441</b>



## ExporTT Limited

Notes to consolidated financial statements.  
For the year ended September 30, 2020  
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### 7. Retirement benefit asset (continued)

	<u>2020</u>	<u>2019</u>
	\$	\$
e) Actual return on plan assets:		
Expected return on plan assets	902	842
Actuarial loss on plan assets	<u>(251)</u>	<u>(165)</u>
<b>Actual return on plan assets</b>	<b><u>651</u></b>	<b><u>677</u></b>
f) Asset allocation:		
Deposit administration contract	100%	100%
<p>The Plan is fully invested in a Deposit Administration Account with Pan American Life Insurance of Trinidad and Tobago.</p>		
g) The principal actuarial assumptions at the reporting date (expressed as weighted averages)		
Discount rate at September 30, 2019	5.50%	5.50%
Expected returns on plan assets	4.00%	4.00%
Average individual salary increases	3.00%	3.00%
Future pension increases	0.00%	0.00%
NIS ceiling increases	0.00%	0.00%

#### 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 2021.

## ExporTT Limited

### Notes to consolidated financial statements.

For the year ended September 30, 2020

(In thousands of Trinidad and Tobago dollars)

#### 8. Finance leases receivable

	<u>2020</u>	<u>2019</u>
	\$	\$
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	-	-
	-	-
<b>Provision for doubtful leases</b>		
Balance at beginning of year	1,855	1,855
Balance at end of year	<b>1,855</b>	<b>1,855</b>

Number of finance leases existing at the year's end 2020: nil (0) (2019: 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

	<u>2020</u>	<u>2019</u>
	\$	\$
Cash and bank	10,766	12,612
Short-term deposits	776	1,712
	<b>11,542</b>	<b>14,324</b>

## ExporTT Limited

### Notes to consolidated financial statements.

For the year ended September 30, 2020

(In thousands of Trinidad and Tobago dollars)

#### 10. Trade receivable and other assets

	<u>2020</u>	<u>2019</u>
	\$	\$
Trade receivable	132	111
Prepayments	126	107
Sundry receivables	143	958
Interest receivable	270	285
	<u>671</u>	<u>1,461</u>
Provision of Doubtful Debts	<u>(111)</u>	<u>(111)</u>
	<u>560</u>	<u>1,350</u>
	<u>2020</u>	<u>2019</u>
	\$	\$
<b><u>Age of receivables that are past due but not impaired</u></b>		
1 – 30 Days	-	-
31 – 60 Days	-	-
61 – 90 Days	-	-
Over 90 Days	132	111
Total trade receivables	<u>132</u>	<u>111</u>

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:

8,000,002 ordinary shares of no-par value

	<u>2020</u>	<u>2019</u>
	\$	\$
	<u>8,000</u>	<u>8,000</u>

## ExporTT Limited

### Notes to consolidated financial statements.

For the year ended September 30, 2020

(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.

	<u>2020</u>	<u>2019</u>
	\$	\$
Loan guarantee contribution	<u>27,319</u>	<u>27,319</u>
	<u><b>27,319</b></u>	<u><b>27,319</b></u>

#### 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.

## ExporTT Limited

### Notes to consolidated financial statements.

For the year ended September 30, 2020

(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.

	<u>2020</u>	<u>2019</u>
	\$	\$
Grant Fund Facility (formerly Borrowings) – non-current	20,500	23,485
Grant Fund Facility (formerly Borrowings) – current	2,506	691
	<u>23,005</u>	<u>24,176</u>

#### 14. Trade and other payables

	<u>2020</u>	<u>2019</u>
	\$	\$
Trade payables	201	20
Payroll related liabilities	1,028	2,730
Accrued expenses	2,058	407
Other payables	586	548
	<u>3,873</u>	<u>3,705</u>

The ageing analysis of trade payables is as follows:

#### Ageing

1 – 30 Days	162	-
31 – 60 Days	39	-
61 – 90 Days	-	-
Over 90 Days	-	20
Total trade payables	<u>201</u>	<u>20</u>

## ExporTT Limited

### Notes to consolidated financial statements.

For the year ended September 30, 2020

(In thousands of Trinidad and Tobago dollars)

#### 15. Depositor's account

	<u>2020</u>	<u>2019</u>
	\$	\$
Balance as at October 1	1,891	1,875
Interest earned	24	16
Balance as at September 30	<u>1,915</u>	<u>1,891</u>

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

	<u>2020</u>	<u>2018</u>
	\$	\$
Government advances – property and equipment	1,552	1,656
Advance payments – certificates of origin (see note 3(o))	483	368
	<u>2,035</u>	<u>2,024</u>

##### Government advances – property and equipment

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

	<u>2020</u>	<u>2019</u>
	\$	\$
Balance as at October 1	2,982	4,088
Funding received	41	1,409
Expenditure	<u>(2,657)</u>	<u>(3,863)</u>
	366	1,634
Unrecoverable expenses	<u>335</u>	<u>1,348</u>
Balance as at September 30	<u>701</u>	<u>2,982</u>

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. Unrecoverable expenses refer to expenditures debited to the PSIP account, but which have not been reimbursed to exporTT (please also see note 26).

## ExporTT Limited

### Notes to consolidated financial statements.

For the year ended September 30, 2020

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#### 18. Exporters' Development Fund

	<u>2020</u>	<u>2019</u>
	\$	\$
Centre Pour Development De Enterprise (CDE Fund)	-	184
EPA Standby Facility	-	32
United States FDA Food & Safety Modernization Act	-	73
	<u>-</u>	<u>289</u>

##### 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

	<u>2020</u>	<u>2019</u>
	\$	\$
Balance at beginning of year	243	204
Recovery of amounts previously paid	13	39
Balance at end of year	<u>256</u>	<u>243</u>

The Group's loan guarantee portfolio supported three (3) (2018: three (3)) operating loans.

#### 20. Finance Lease Obligation

	<u>2020</u>	<u>2019</u>
	\$	\$
Motor vehicle PDS – 9759		
a) Current portion	20	35
b) Non-current portion	-	28
Total Finance Lease Obligation	<u>20</u>	<u>63</u>

## ExporTT Limited

### Notes to consolidated financial statements.

For the year ended September 30, 2020

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#### 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.

	<u>2020</u>	<u>2019</u>
	\$	\$
a) Director's fees	<u>367</u>	<u>378</u>
b) Key management compensation:		
Salaries and other short-term employee benefits	<u>2,050</u>	<u>2,594</u>

#### 22. Lease adjustments

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

#### 23. General and administrative expenses

	<u>2020</u>	<u>2019</u>
	\$	\$
Utilities	453	437
Insurance	153	143
Repairs and maintenance	109	197
IT and connectivity expenses	192	236
Research and database subscriptions	367	340
Professional fees and subscriptions	423	545
Legal fees	196	45
Director's fees and expenses	376	409
Provision for bad debts	-	76
Other expenses	<u>1,552</u>	<u>1,559</u>
	<u>3,821</u>	<u>3,987</u>

#### 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 2019.



## ExporTT Limited

### Notes to consolidated financial statements.

For the year ended September 30, 2020

(In thousands of Trinidad and Tobago dollars)

#### 25. Right-of-use asset

	<u>2020</u>	<u>2019</u>
	\$	\$
Opening book value	565	-
Amortization charge	(116)	-
Changing net book value	449	-
Right-of-use asset	565	-
Costs	(116)	-
	<u>449</u>	<u>-</u>

#### 26. Right-of-use lease liability

	<u>2020</u>	<u>2019</u>
	\$	\$
Balance at the beginning of year	565	-
Payment of lease liability	(119)	-
Balance at the end of the year	446	-
Current	292	-
Non-current	154	-
	<u>446</u>	<u>-</u>

#### 27. 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.

## ExporTT Limited

### Notes to consolidated financial statements.

For the year ended September 30, 2020

(In thousands of Trinidad and Tobago dollars)

#### 26. Financial risk management (continued)

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.

#### 26. 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.

	< 1 year	> 1year	Contractual cash flows	Carrying amount
	\$	\$	\$	\$
<b>As at September 30, 2020</b>				
Grant fund facility	2,506	20,500	23,005	23,005
Finance lease obligation	20	-	20	20
Trade and other payables	3,871	-	3,871	3,871
Depositors account	1,915	-	1,915	1,915
Public sector investment program	701	-	701	701
<b>Total</b>	<b>9,013</b>	<b>20,500</b>	<b>29,513</b>	<b>29,513</b>
<b>As at September 30, 2019</b>				
Grant fund facility	691	23,485	24,176	24,176
Finance lease obligation	35	28	63	63
Trade and other payables	3,705	-	3,705	3,705
Depositors account	1,891	-	1,891	1,891
Public sector investment program	2,982	-	2,982	2,982
Exporters development fund	289	-	289	289
<b>Total</b>	<b>9,593</b>	<b>23,513</b>	<b>33,106</b>	<b>33,106</b>

## ExporTT Limited

### Notes to consolidated financial statements.

For the year ended September 30, 2020

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#### 26. Financial risk management (continued)

##### 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, 2020 if the US\$ strengthened/ weakened against the TT\$ by an average rate of 3% is a loss or gain of \$695,924 (2019: \$687,553) respectively.

Additionally, the impact on comprehensive income at September 30, 2020 if the CAD\$ strengthened/ weakened against the TT\$ by an average rate of 5% is a loss or gain of \$147,072 (2019: \$162,585) respectively.

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.

## ExporTT Limited

### Notes to consolidated financial statements.

For the year ended September 30, 2020

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#### 26. Financial risk management (continued)

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
	\$	\$	\$	\$	\$
<b>As at September 30, 2020</b>					
<b>Assets</b>					
Due from banks	11,542				11,542
Investments	1,463	21,774	16,274	43,848	83,359
<b>Total assets</b>	<b>13,005</b>	<b>21,774</b>	<b>16,274</b>	<b>43,848</b>	<b>94,901</b>
<b>Interest sensitivity gap</b>	<b>13,005</b>	<b>21,774</b>	<b>16,274</b>	<b>43,848</b>	<b>94,901</b>
<b>As at September 30, 2019</b>					
<b>Assets</b>					
Due from banks	14,324	-	-	-	14,324
Investments	5,534	7,075	11,112	54,923	78,644
<b>Total assets</b>	<b>20,096</b>	<b>7,075</b>	<b>11,112</b>	<b>54,923</b>	<b>92,968</b>
<b>Interest sensitivity gap</b>	<b>20,096</b>	<b>7,075</b>	<b>11,112</b>	<b>54,923</b>	<b>92,968</b>

#### 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%

#### 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, 2020.



#### 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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