



Grant Thornton

Financial Secretary General
Ministry of Spanish Economy
Bruxelles
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EXPORT CENTRES COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

SEPTEMBER 30, 2013



**EXPORT CENTRES COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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EXPORT CENTRES COMPANY LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Export Centres Company Limited ("the Company"), which comprise the statement of financial position as at September 30, 2013, the statement of comprehensive income, the statement of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Company 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 group 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, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these financial statements, management utilised the International Financial Reporting Standard as issued by the International Accounting Standards Board and adopted by the Institute of Chartered 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.

Kaisha Ince
Chief Executive Officer (Interim)
August 26, 2022



Independent Auditors' Report

To the Shareholders of Export Centres Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Export Centres Company Limited ("the Company"), which comprise the statement of financial position as at September 30, 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with International Standards on Auditing ("ISA"). Because of the matters described in the Basis of Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

Deferred Government Grants

The Company was unable to provide the required supporting documentation to substantiate the valuation and allocation, rights and obligation, completeness and accuracy of deferred government grants and accuracy of the retained earnings as at September 30, 2013 and completeness and accuracy of related income for the year ended September 30, 2013. We were unable to confirm or verify by alternative means, the valuation and allocation, rights and obligation, completeness and accuracy of deferred government grants and accuracy of the retained earnings as at September 30, 2013 and the completeness and accuracy of the related income for the year ended September 30, 2013.

Administrative and Other expenses

The Company was unable to provide the required supporting documentation to substantiate the occurrence, completeness and accuracy of administrative and other expenses for the year ended September 30, 2013. We were unable to confirm or verify by alternative means, the occurrence, completeness and accuracy of administrative and other expenses for the year ended September 30, 2013.

Inventory

The Company's inventory balance is included in the statement of financial position at \$791,336. We were not appointed as auditors of the Company until after September 30, 2013 and thus did not observe the counting of physical inventories at the end of the year. Additionally, the Company was unable to provide the inventory subledger to substantiate the existence, completeness, valuation and allocation and presentation as at September 30, 2013, and the occurrence, completeness and accuracy of related expenditure for the year ended September 30, 2013. We were unable to confirm or verify by alternative means the existence, completeness, valuation and allocation and presentation as at September 30, 2013 and the occurrence, completeness and accuracy of related expenditure for the year ended September 30, 2013.

Independent Auditors' Report (continued)**Basis for Disclaimer of Opinion (continued)**

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded balances and the elements making up the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.



Grant Thornton
ORBIT Solutions
Port of Spain,
Trinidad
August 26, 2022

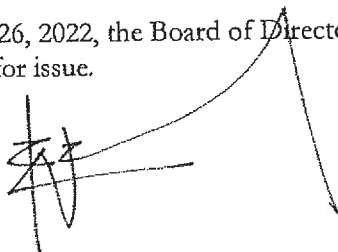
EXPORT CENTRES COMPANY LIMITED
 STATEMENT OF FINANCIAL POSITION
 AS AT SEPTEMBER 30, 2013
 (Expressed in Trinidad and Tobago Dollars)

	Notes	2013 \$	2012 \$
ASSETS			
Non-current assets			
Property, plant and equipment	6	<u>9,207,840</u>	<u>5,923,075</u>
Total non-current assets		<u>9,207,840</u>	<u>5,923,075</u>
Current assets			
Cash and cash equivalents	7	5,488,419	6,761,321
Trade and other receivables	8	147,213	130,122
Inventories	9	<u>791,336</u>	<u>790,787</u>
Total current assets		<u>6,426,968</u>	<u>7,682,230</u>
TOTAL ASSETS		<u>15,634,808</u>	<u>13,605,305</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	10	2	2
Retained earnings		<u>13,951,807</u>	<u>12,948,127</u>
Total equity		<u>13,951,809</u>	<u>12,948,129</u>
Non-current liabilities			
Borrowings - medium term portion	11	-	<u>54,724</u>
Total non-current liabilities		-	<u>54,724</u>
Current liabilities			
Trade and other payables	12	1,621,482	538,715
Borrowings - current portion	11	61,222	63,442
Taxation payable	13	<u>295</u>	<u>295</u>
Total current liabilities		<u>1,682,999</u>	<u>602,452</u>
TOTAL EQUITY AND LIABILITIES		<u>15,634,808</u>	<u>13,605,305</u>

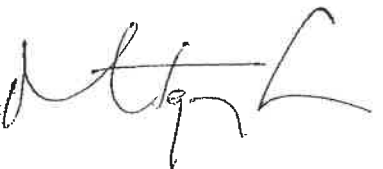
The accompanying notes form an integral part of these financial statements

On August 26, 2022, the Board of Directors of Export Centres Company Limited authorised these financial statements for issue.

Director:



Director:



EXPORT CENTRES COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(Expressed in Trinidad and Tobago Dollars)

	Notes	2013	2012
		\$	\$
INCOME			
Government grants - released		14,320,533	13,250,000
Other income		<u>84,793</u>	<u>24,254</u>
		<u>14,405,326</u>	<u>13,274,254</u>
EXPENDITURE			
Administrative and other expenses	14	3,432,734	2,338,063
Other expenses	15	9,958,894	9,101,680
Finance expense	16	<u>10,018</u>	<u>14,415</u>
		<u>13,401,646</u>	<u>11,454,158</u>
Profit before taxation		1,003,680	1,820,096
Taxation		<u>-</u>	<u>-</u>
Profit for the year		<u>1,003,680</u>	<u>1,820,096</u>

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

EXPORT CENTRES COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(Expressed in Trinidad and Tobago Dollars)

	Stated capital \$	Retained earnings \$	Total \$
Balance at October 1, 2011	2	11,128,031	11,128,033
Net profit for the year	-	<u>1,820,096</u>	<u>1,820,096</u>
Balance at September 30, 2012	<u>2</u>	<u>12,948,127</u>	<u>12,948,129</u>
Balance at October 1, 2012	2	12,948,127	12,948,129
Net profit for the year	-	<u>1,003,680</u>	<u>1,003,680</u>
Balance at September 30, 2013	<u>2</u>	<u>13,951,807</u>	<u>13,951,809</u>

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

EXPORT CENTRES COMPANY LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(Expressed in Trinidad and Tobago Dollars)

	2013	2012
	\$	\$
Cash flows from operating activities		
Profit before taxation	1,003,680	1,820,096
Adjustment for non-cash items:		
Depreciation	1,020,773	809,692
(Gain)/loss on disposal of asset	<u>(46,541)</u>	<u>484</u>
	1,977,912	2,630,272
Movements in working capital:		
(Increase)/decrease in inventories	(549)	15,238
Increase in trade and other receivables	(17,091)	(90,331)
(Decrease) in trade and other payables	<u>1,082,767</u>	<u>(12,013)</u>
Net cash generated from operating activities	<u>3,043,039</u>	<u>2,543,166</u>
Cash flows from investing activities		
Purchase of fixed assets	(4,325,619)	(1,246,680)
Disposal of fixed assets	<u>66,622</u>	<u>5,604</u>
Net cash used in investing activities	<u>(4,258,997)</u>	<u>(1,241,076)</u>
Cash flows from financing activities		
Net decrease in borrowings	<u>(56,944)</u>	<u>(62,234)</u>
Net cash used in financing activities	<u>(56,944)</u>	<u>(62,234)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(1,272,902)</u>	<u>1,239,856</u>
Cash and cash equivalents at the beginning of the year	<u>6,761,321</u>	<u>5,521,465</u>
Cash and cash equivalents at the end of the year	<u>5,488,419</u>	<u>6,761,321</u>
Represented by:		
Cash at bank and cash on hand	<u>5,488,419</u>	<u>6,761,321</u>
	<u>5,488,419</u>	<u>6,761,321</u>

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

EXPORT CENTRES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(Expressed in Trinidad and Tobago Dollars)

1. Incorporation and principal activity

The Export Centres Company Limited ("the Company") was incorporated in 1996 in the Republic of Trinidad & Tobago. The principal activity of the Company is the overall development of the Craft Industry and the resulting maximisation of the industry's contribution to the economic diversification of Trinidad & Tobago.

The Company shall develop the craft industry by:

- (i) Training citizens to become certified craft entrepreneurs, thus creating sustainable employment in the craft industry and,
- (ii) The facilitation of all activities, including strategic alliances/partnerships, which will enable the craft industry practitioners to identify products, access the appropriate international markets and sell its products in the global market space.

2. Basis of preparation

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board.

b) Basis of measurement

These financial statements have been prepared on the historical cost basis, except for the revaluation of investment properties equity investments at fair value.

c) Foreign currency translation

• **Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The Trinidad and Tobago Dollar (TT\$) is the Company's functional currency and its presentation currency. These financial statements are presented in Trinidad and Tobago Dollars. This is because the main stakeholders are the Government of the Republic of Trinidad and Tobago ("GORTT"), the Ministry of Finance and its employees.

• **Transactions and balances**

Transactions in currencies other than TT\$ are recorded at rates prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The areas involving a higher degree of judgement of complexity or areas where assumptions and judgements are significant to the financial statements are disclosed in Note 5.

EXPORT CENTRES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(Expressed in Trinidad and Tobago Dollars)
(Continued)

3. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the financial statements have been applied consistently to all periods in the financial statements set out below.

a) Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation at rates which are expected to apportion the cost of the assets on a systematic basis over their estimated useful lives.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the diminishing balance method. The following annual rates are used for the depreciation of property, plant and equipment:

Buildings and improvements	- 10%
Machinery and equipment	- 25%
Furniture and office equipment	- 25%
Motor vehicles	- 25%
Computers	- 33%

Property, plant and equipment under construction are recorded as construction in progress until ready for their intended use; thereafter they are transferred to the related category of property, plant and equipment and depreciated over their estimated useful lives.

Repairs and renovations are normally expensed as they are incurred. Expenses are reported as assets only if the amounts involved are substantial and one or more of the following conditions is satisfied: the original useful life is prolonged, the production capacity is increased, the quality of the products is enhanced materially, or production costs are reduced considerably.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of income and retained earnings.

The carrying amount of property, plant and equipment is reviewed whenever events or changes in circumstances indicate that impairment may have occurred.

b) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less at the time of purchase, which are subject to an insignificant risk of changes in value.

c) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the statement of comprehensive income. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

EXPORT CENTRES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(Expressed in Trinidad and Tobago Dollars)
(Continued)

3. Summary of significant accounting policies (continued)

d) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling, marketing and distribution expenses.

e) Stated capital

Stated capital represents the nominal value of shares that have been issued.

f) Borrowings

Borrowings are initially measured at transaction price (that is the present value of cash payable to the lender, including transactions costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognized on the basis of the effective interest rate method and is included in finance costs.

g) Trade and other payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into the functional currency using the exchange rate at the reporting date. Foreign exchange gains or losses are included in the statement of comprehensive income.

h) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Grants from the government are recognised at their fair value in the statement of income and retained earnings where there is reasonable assurance that the grant will be received, and the Company has complied with all attached conditions. Grants received where the Company has yet to comply with all attached conditions are recognised as a liability (within deferred grant) and released to income when all attached conditions have been complied with.

EXPORT CENTRES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(Expressed in Trinidad and Tobago Dollars)
(Continued)

3. Summary of significant accounting policies (continued)

i) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the Company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to the statement of income and retained earnings on a straight-line basis over the term of the relevant lease.

j) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of products in the ordinary course of the Company's activities. Revenue is shown net of rebates and discounts and after eliminating any sales within the company.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, the transfer of ownership, which generally coincides with the time of shipment to the customer and any other specific criteria have been met for each of the company's activities.

k) Government grants

Grants from the government are recognised at their fair value in the statement of income and retained earnings where there is reasonable assurance that the grant will be received and the Company has complied with all attached conditions. Grants received where the Company has yet to comply with all attached conditions are recognised as a liability (within deferred grant) and released to income when all attached conditions have been complied with.

l) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profits as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have enacted or substantively enacted by the end of the reporting year.

EXPORT CENTRES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(Expressed in Trinidad and Tobago Dollars)
(Continued)

3. Summary of significant accounting policies (continued)

l) Taxation (continued)

Deferred tax

Deferred tax is recognised in full, using the liability method on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

m) Financial instruments

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, that is the date on which the Company commits itself to purchase or sell an asset. A regular way purchase and sale of financial assets is a purchase or sale of asset under a contract whose terms require delivery if the asset within the timeframe established generally by regulation or convention in the marketplace concerned.

EXPORT CENTRES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(Expressed in Trinidad and Tobago Dollars)
(Continued)

3. Summary of significant accounting policies (continued)

m) Financial instruments (continued)

Financial assets (continued)

When financial assets are recognised initially, they are measured at fair value, or the consideration given plus transaction costs directly attributable to the acquisition of the asset. Financial assets are derecognised when the contractual rights to receive the cash flows expire or where the risks and rewards of ownership of the assets have been transferred.

The Company classifies its financial assets in the following categories:

Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less and are carried at cost, which approximates market value.

Trade and other receivables

Trade and other receivables are measured at cost. Appropriate allowances for estimated irrecoverable amounts are recognised in Statement of Comprehensive Income when there is objective evidence that the asset is impaired.

Financial liabilities

When financial liabilities are recognised initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the liability. Financial liabilities are the-measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when they are extinguished that is when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognised in the Statement of Comprehensive Income.

The Company classifies its financial liabilities in the following categories:

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Borrowings

Bank loans are recognised initially at fair value, net of transaction costs incurred. Bank loans are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the loan using the effective interest method.

EXPORT CENTRES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(Expressed in Trinidad and Tobago Dollars)
(Continued)

3. Summary of significant accounting policies (continued)

n) Impairment

Non-financial assets

At each reporting date, non-financial assets are reviewed to determine whether there is any indication that these assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of these assets is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in the statement of comprehensive income.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income.

Financial assets

At the end of each reporting period, the carrying amounts of accounts receivable are reviewed to determine whether there is objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the statement of comprehensive income.

o) Comparatives

When necessary, comparative figures are adjusted to conform with changes in presentation in the current year.

4. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, 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:

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

EXPORT CENTRES COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013
 (Expressed in Trinidad and Tobago Dollars)
 (Continued)

4. Financial risk management (continued)

Financial risk factors (continued)

	2013	
	Carrying value	Fair value
	\$	\$
Financial assets		
Cash and cash equivalents	5,488,419	5,488,419
Trade and other receivables	<u>147,213</u>	<u>147,213</u>
	<u>5,635,632</u>	<u>5,635,632</u>
Financial liabilities		
Borrowings	61,222	61,222
Trade and other payables	1,621,482	1,621,482
Tax payable	<u>295</u>	<u>295</u>
	<u>1,682,999</u>	<u>1,682,999</u>

	2012	
	Carrying value	Fair value
	\$	\$
Financial assets		
Cash and cash equivalents	6,761,321	6,761,321
Trade and other receivables	<u>130,122</u>	<u>130,122</u>
	<u>6,891,443</u>	<u>6,891,443</u>
Financial liabilities		
Borrowings	118,166	118,166
Trade and other payables	538,715	538,715
Tax payable	<u>295</u>	<u>295</u>
	<u>657,176</u>	<u>657,176</u>

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including loans. The exposure is managed through the matching of funding products with financial services and monitoring market conditions and yields.

EXPORT CENTRES COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013
 (Expressed in Trinidad and Tobago Dollars)
 (Continued)

4. Financial risk management (continued)

	2013					Total \$
	Effective rate	Up to 1 year \$	1 to 5 years \$	Over 5 years \$	Non- interest bearing \$	
Financial assets						
Cash and cash equivalents		5,488,419	-	-	-	5,488,419
Trade and other receivables		<u>147,213</u>	<u>-</u>	<u>-</u>	<u>147,213</u>	<u>147,213</u>
		<u>5,635,632</u>	<u>-</u>	<u>-</u>	<u>147,213</u>	<u>5,635,632</u>
Financial liabilities						
Borrowings		61,222	-	-	-	61,222
Trade and other payables		1,621,482	-	-	1,621,482	1,621,482
Tax payable		<u>295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>295</u>
		<u>1,682,999</u>	<u>-</u>	<u>-</u>	<u>1,621,482</u>	<u>1,682,999</u>

	2012					Total
	Effective rate	Up to 1 year	1 to 5 years	Over 5 years	Non- interest bearing	
Financial assets						
Cash and cash equivalents		6,761,321	-	-	-	6,761,321
Trade and other receivables		<u>130,122</u>	<u>-</u>	<u>-</u>	<u>130,122</u>	<u>130,122</u>
		<u>6,891,443</u>	<u>-</u>	<u>-</u>	<u>130,122</u>	<u>6,891,443</u>
Financial liabilities						
Borrowings		118,166	-	-	-	118,166
Trade and other payables		538,715	-	-	538,715	538,715
Tax payable		<u>295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>295</u>
		<u>657,176</u>	<u>-</u>	<u>-</u>	<u>538,715</u>	<u>657,176</u>

b) Credit risk

The Company's loan portfolio is managed and consistently monitored 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 single financial institution. The Company also actively monitors global economic developments and government policies that may affect the growth rate of local economy.

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4. Financial risk management (continued)

c) 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 and by having available an adequate amount of committed credit facilities. The Company is able to make daily calls on its available cash resources to settle financial and other liabilities.

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. To manage and reduce liquidity risk the Company's management actively seeks to match cash inflows with liability requirements.

Liquidity gap	2013			Total
	Up to 1 year	1 to 5 years	Over 5 years	
	\$	\$	\$	\$
Financial assets				
Cash in hand and bank	5,488,419	-	-	5,488,419
Trade and other receivables	<u>147,213</u>	<u>-</u>	<u>-</u>	<u>147,213</u>
	<u>5,635,632</u>	<u>-</u>	<u>-</u>	<u>5,635,632</u>
Financial liabilities				
Borrowings	61,222	-	-	61,222
Trade and other payables	1,621,482	-	-	1,621,482
Tax payable	<u>295</u>	<u>-</u>	<u>-</u>	<u>295</u>
	<u>1,682,999</u>	<u>-</u>	<u>-</u>	<u>1,682,999</u>

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4. Financial risk management (continued)

c) Liquidity risk (continued)

Risk management (continued)

Liquidity gap	2012			Total
	Up to 1 year	1 to 5 years	Over 5 years	
	\$	\$	\$	\$
Financial assets				
Cash in hand and bank	6,761,321	-	-	6,761,321
Accounts receivable	<u>130,122</u>	<u>-</u>	<u>-</u>	<u>130,122</u>
	<u>6,891,443</u>	<u>-</u>	<u>-</u>	<u>6,891,443</u>
Financial liabilities				
Borrowings	118,166	-	-	118,166
Trade and other payables	538,715	-	-	538,715
Tax payable	<u>295</u>	<u>-</u>	<u>-</u>	<u>295</u>
	<u>657,176</u>	<u>-</u>	<u>-</u>	<u>657,176</u>

d) 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 commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollar. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

e) 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 Company's systems are evaluated, maintained and upgraded continuously. Supervisory controls are installed to minimise human error. Additionally, staff is often rotated and trained on an on-going basis.

f) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Securities and Exchange Commission of Trinidad and Tobago, as well as by the monitoring controls applied by the company. The company has an Internal Audit Department, which does routine reviews on compliance.

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4. Financial risk management (continued)

g) Reputation risk

The risk of loss of reputation arising from the negative publicity relating to the Company's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Company. The Company engages in public social endeavours to engender trust and minimize the risk.

5. Critical judgments and the use of estimates

The preparation of financial statements in conformity with IFRS requires management to make critical judgments and use estimates and assumptions that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results may differ from the estimates and assumptions used. Key sources of uncertainty, which requires the use of estimates, include:

Useful lives and residual values of property, plant and equipment

The estimates of useful lives as translated into depreciation rates are detailed in the property, plant and equipment policy above. These rates and the residual lives of the assets are reviewed annually.

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6. Property, plant & equipment

	Buildings & Improvements	Machinery & equipment	Furniture & office equipment	Motor vehicles	Computers	Total
	\$	\$	\$	\$	\$	\$
Cost						
At October 1, 2012	8,974,557	2,554,496	1,152,114	855,523	588,263	14,124,953
Additions	3,860,730	372,063	34,564	-	58,262	4,325,619
Disposals	-	-	-	(213,053)	(21,950)	(235,003)
At September 30, 2013	<u>12,835,287</u>	<u>2,926,559</u>	<u>1,186,678</u>	<u>642,470</u>	<u>624,575</u>	<u>18,215,569</u>
Accumulated depreciation						
At October 1, 2012	(4,205,834)	(2,105,707)	(916,719)	(567,553)	(406,065)	(8,201,878)
Depreciation charge	(637,380)	(179,925)	(63,367)	(71,055)	(69,046)	(1,020,773)
Disposal	-	-	-	206,491	8,431	214,922
At September 30, 2013	<u>(4,843,214)</u>	<u>(2,285,632)</u>	<u>(980,086)</u>	<u>(432,117)</u>	<u>(466,680)</u>	<u>(9,007,729)</u>
Net book value						
At October 1, 2012	<u>4,768,723</u>	<u>448,789</u>	<u>235,395</u>	<u>287,970</u>	<u>182,198</u>	<u>5,923,075</u>
At September 30, 2013	<u>7,992,073</u>	<u>640,927</u>	<u>206,592</u>	<u>210,353</u>	<u>157,895</u>	<u>9,207,840</u>

The Company entered into a finance lease agreement (see note 11) for the sum of three hundred and eighty-nine thousand, eight hundred and twenty dollars (\$389,820) with ANSA Merchant Bank effective July 31, 2009 for the lease of a vehicle for a period of sixty (60) months. The cost of this vehicle is included in the net book value \$210,354 as at September 30, 2013.

7. Cash and cash equivalents

	2013	2012
	\$	\$
Cash at bank	4,444,093	5,526,289
TT income fund	<u>1,044,326</u>	<u>1,235,032</u>
	<u>5,488,419</u>	<u>6,761,321</u>

8. Trade and other receivables

Accounts receivable	58,000	2,552
Employee advances and loans	19,400	2,500
Prepayment	69,813	120,094
Other current assets	-	<u>4,976</u>
	<u>147,213</u>	<u>130,122</u>

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9. Inventory	2013	2012
	\$	\$
Raw materials	<u>791,336</u>	<u>790,787</u>
	<u>791,336</u>	<u>790,787</u>
10. Stated capital		
Authorised:		
Unlimited number of ordinary shares of no par value		
Issued and fully paid:		
2 ordinary shares of no par value	<u>2</u>	<u>2</u>
11. Borrowings		
Current – due within one year		
Finance lease	64,970	77,966
Deferred interest	<u>(3,748)</u>	<u>(14,524)</u>
	<u>61,222</u>	<u>63,442</u>
Non-current – due after one year		
Finance lease	-	58,473
Deferred interest	<u>-</u>	<u>(3,749)</u>
	<u>-</u>	<u>54,724</u>
Total	<u>61,222</u>	<u>118,166</u>
12. Trade and other payables		
Trade payables	1,174,814	217,234
Accrued liabilities	346,502	239,781
Other taxes and social security costs	<u>100,166</u>	<u>81,700</u>
	<u>1,621,482</u>	<u>538,715</u>
13. Tax liability		
Balance as at October 1	295	498
Prior year difference	<u>-</u>	<u>(203)</u>
	<u>295</u>	<u>295</u>

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14. Administrative and other expenses

	2013	2012
	\$	\$
Advertising	263,250	112,510
Professional fees	395,119	311,370
Director fees	270,101	344,830
Travel expenses	284,602	5,910
Entertainment	173,106	247,402
Training expenses	909,658	541,086
Repairs and maintenance	99,239	101,159
Insurance	93,862	104,022
General and other	<u>943,797</u>	<u>569,774</u>
	<u>3,432,734</u>	<u>2,338,063</u>

15. Other expenses

Staff costs	7,259,323	6,595,369
Depreciation	1,020,773	852,785
Security	185,100	419,596
Repairs and maintenance	741,592	601,055
Telephone	488,659	383,663
Utilities	<u>263,447</u>	<u>249,212</u>
	<u>9,958,894</u>	<u>9,101,680</u>

16. Finance expense

Bank charges	8,854	8,447
Interest expense	14,523	23,926
Interest income	<u>(13,359)</u>	<u>(17,958)</u>
	<u>10,018</u>	<u>14,415</u>

17. 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 financial 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.

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17. Related party transactions (continued)

Balances and transactions with related parties and key management personnel during the year were as follows;

	2013	2012
	\$	\$
Expenses		
Director fees	270,101	344,830
Director expenses	<u>15,949</u>	<u>-</u>
	<u>286,050</u>	<u>344,830</u>
Key management compensation		
Short term benefits	<u>240,000</u>	<u>274,308</u>

18. Fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The existence of published price quotation in an active market is the best evidence of fair value. Where market prices are not available, fair values are estimated using various valuation techniques, including using recent arm's length market transactions between knowledgeable, willing parties, if available, current fair value of another financial instrument that is substantially the same and discounted cash flow analysis.

The following methods have been used to estimate the fair values of various classes of financial assets and liabilities:

Short term financial assets and liabilities

The carrying amount of short-term financial assets and liabilities comprising cash and cash equivalents, trade and other receivables, borrowings, trade and other payables and tax payable, are a reasonable estimate of their fair values because of the short maturity of these instruments.

Long term financial assets and liabilities

In the absence of an active market for the Company's long-term floating rate financial asset, it is not possible to determine the fair value of these financial instruments. The Company's long-term financial liability is assumed to equate with market as the interest rate is fixed.

19. Capital commitment

The Company has no capital commitment as at the reporting date.

20. Contingent liability

The Company has no contingent liability as at the reporting date.

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21. Impact of covid-19

Beginning in January 2020, global financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. There has also been a precipitous decline in the spot price of crude oil on global markets as a result of both market forces and COVID-19. The extent and duration of the impact of these events on global and local economies, financial markets, and sectors in which the Company operates is uncertain at this point.

22. Subsequent events

Management evaluated all the events that occurred from October 1, 2013 through August 26, 2022, the date the financial statements were available to be issued. During the period, the Company did not have any subsequent events requiring recognition or disclosure in the financial statements.