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EXPORT CENTRES COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
SEPTEMBER 30, 2016



**EXPORT CENTRES COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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EXPORT CENTRES COMPANY LIMITED

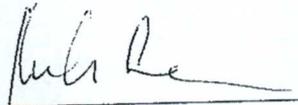
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Export Centres Company Limited

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, 2016, 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, 2016 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Financial Reporting Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified OpinionInventory

The Company's inventory balance is included in the statement of financial position at \$793,986. We were not appointed as auditors of the Company until after September 30, 2016 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, 2016, and the occurrence, completeness and accuracy of related expenditure for the year ended September 30, 2016. We were unable to confirm or verify by alternative means the existence, completeness, valuation and allocation and presentation as at September 30, 2016 and the occurrence, completeness and accuracy of related expenditure for the year ended September 30, 2016. Consequently, 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.

Independent Auditors' Report (continued)**Basis for Qualified Opinion (continued)**Deferred Government Grants

We draw attention to Note 12 of the financial statements; the Company was unable to provide the required supporting documentation to substantiate the allocation of government grants between deferred capital grants and deferred income grants. As a result, we were unable to confirm or verify by alternative means the accuracy of the presentation and disclosure of deferred capital grants brought forward of nil and carried forward of \$16,872,322 and deferred income grants brought forward and carried forward of nil for the year ended September 30, 2016.

We also draw attention to Note 22 of the financial statements which describes the basis for the prior year adjustment of \$19,056,577 which was corrected prospectively through the statement of changes in equity in the current year which is not in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report the financial statements present fairly, in all material respects, the financial position of Export Centres Company Limited as at September 30, 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



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

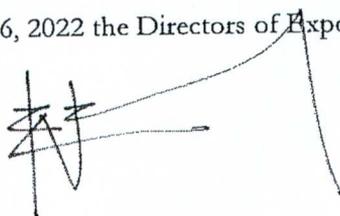
EXPORT CENTRES COMPANY LIMITED
 STATEMENT OF FINANCIAL POSITION
 AS AT SEPTEMBER 30, 2016
 (Expressed in Trinidad and Tobago Dollars)

	Notes	2016 \$	2015 \$
ASSETS			
Non-current assets			
Property, plant and equipment	7	<u>11,777,426</u>	<u>13,301,717</u>
Total non-current assets		<u>11,777,426</u>	<u>13,301,717</u>
Current assets			
Cash and cash equivalents	8	4,814,742	4,815,765
Trade and other receivables	9	150,225	690,686
Inventories	10	<u>793,986</u>	<u>793,871</u>
Total current assets		<u>5,758,953</u>	<u>6,300,322</u>
TOTAL ASSETS		<u>17,536,379</u>	<u>19,602,039</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	11	2	2
Retained earnings		-	<u>19,056,577</u>
Total equity		<u>2</u>	<u>19,056,579</u>
Non-current liabilities			
Deferred government grants	12	<u>16,872,322</u>	-
Total non-current liabilities		<u>16,872,322</u>	-
Current Liabilities			
Trade and other payables	13	664,021	545,165
Taxation payable	14	<u>34</u>	<u>295</u>
Total current liabilities		<u>664,055</u>	<u>545,460</u>
TOTAL EQUITY AND LIABILITIES		<u>17,536,379</u>	<u>19,602,039</u>

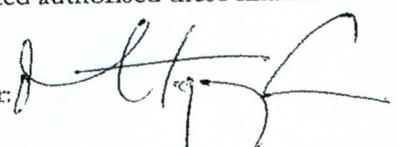
The accompanying notes form an integral part of these financial statements

On August 26, 2022 the 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, 2016
(Expressed in Trinidad and Tobago Dollars)

	Notes	2016 \$	2015 \$
INCOME			
Government grants - released		10,834,255	25,351,000
Other income		<u>27,460</u>	<u>102,552</u>
		<u>10,861,715</u>	<u>25,453,552</u>
EXPENDITURE			
Administrative and other expenses	15	789,157	5,071,912
Other expenses	16	10,064,846	16,974,842
Finance expense	17	<u>7,712</u>	<u>8,430</u>
		<u>10,861,715</u>	<u>22,055,184</u>
Profit before taxation		-	3,398,368
Taxation		<u>-</u>	<u>-</u>
Profit for the year		<u><u>-</u></u>	<u><u>3,398,368</u></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, 2016
(Expressed in Trinidad and Tobago Dollars)

	Stated capital \$	Retained earnings \$	Total \$
Balance at October 1, 2015	2	19,056,577	19,056,579
Net loss for the year	-	-	-
Prior year adjustment (Note 22)	-	<u>(19,056,577)</u>	<u>(19,056,577)</u>
Balance at September 30, 2016	<u>2</u>	<u>-</u>	<u>2</u>
Balance at October 1, 2014	2	15,658,209	15,658,211
Net profit for the year	-	<u>3,398,368</u>	<u>3,398,368</u>
Balance at September 30, 2015	<u>2</u>	<u>19,056,577</u>	<u>19,056,579</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, 2016
(Expressed in Trinidad and Tobago Dollars)

	2016	2015
	\$	\$
Cash flows from operating activities		
Profit before taxation	-	3,398,368
Adjustment for non-cash items:		
Depreciation	1,565,484	1,615,013
Deferred government grants	(2,184,255)	-
Loss on disposal of asset	<u>33,765</u>	<u>-</u>
	585,006	5,013,381
Movements in working capital:		
Increase in inventories	(115)	(1,573)
Increase in trade and other receivables	540,461	(501,755)
Increase/(decrease) in trade and other payables	118,856	(973,123)
Decrease in taxation payable	<u>(261)</u>	<u>-</u>
Net cash generated from operating activities	73,935	3,536,929
Cash flows from investing activities		
Purchase of fixed assets	(83,521)	(2,336,220)
Disposal of fixed assets	<u>8,563</u>	<u>-</u>
Net cash used in investing activities	<u>(74,958)</u>	<u>(2,336,220)</u>
Net change in cash and cash equivalents	<u>(1,023)</u>	<u>1,200,709</u>
Cash and cash equivalents at the beginning of the year	<u>4,815,765</u>	<u>3,615,056</u>
Cash and cash equivalents at the end of the year	<u>4,814,742</u>	<u>4,815,765</u>
Represented by:		
Cash at bank and cash on hand	<u>4,814,742</u>	<u>4,815,765</u>

The accompanying notes form an integral part of these financial statements

EXPORT CENTRES COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(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 6.

EXPORT CENTRES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(Expressed in Trinidad and Tobago Dollars)
(Continued)

3. Changes in accounting policy

a) New standards, amendments and interpretations adopted

There were no new standards, adoptions and amendments and interpretations effective for the Company's period beginning October 01, 2016 which were adopted in the current year.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

The following standards, amendments and interpretations to existing standards are not yet effective for the Company's accounting period beginning October 01 2016.

- (i) IFRS 9, Financial Instruments, which is effective for annual reporting periods beginning on or after January 01, 2018, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognised.

The Company is assessing the impact that this amendment will have on its 2018 financial statements.

- (ii) IFRS 15, Revenue from Contracts with Customers, effective for accounting periods beginning on or after January 01, 2018, replaces IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programmes, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfer of Assets from Customers and SIC-31 Revenue – Barter Transactions Involving Advertising Services. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two entities in the same line of business exchange nonmonetary assets to facilitate sales to other parties.

The Company will apply a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised at a point in time, when control of goods or services is transferred to the customer; or over time, in a manner that best reflects the entity's performance. There will be new qualitative and quantitative disclosure requirements to describe the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Company is assessing the impact that this amendment will have on its 2018 financial statements.

EXPORT CENTRES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(Expressed in Trinidad and Tobago Dollars)
(Continued)

3. Changes in accounting policy

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company (continued)

- (iii) IFRS 16, Leases, which is effective for annual reporting periods beginning on or after January 01, 2019, eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Entities will be required to bring all major leases on-balance sheet, recognizing new assets and liabilities. The on-balance sheet liability will attract interest; the total lease expense will be higher in the early years of a lease even if a lease has fixed regular cash rentals. Optional lessee exemption will apply to short term leases and for low-value items with value of US\$5,000 or less. Lessor accounting remains similar to current practice as the lessor will continue to classify leases as finance and operating leases. Early adoption is permitted if IFRS 15, Revenue from Contracts with Customers is also adopted. The

The Company is assessing the impact that this amendment will have on its 2019 financial statements.

4. 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.

EXPORT CENTRES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(Expressed in Trinidad and Tobago Dollars)
(Continued)

4. Summary of significant accounting policies (continued)

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.

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) 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.

g) 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.

EXPORT CENTRES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(Expressed in Trinidad and Tobago Dollars)
(Continued)

4. Summary of significant accounting policies (continued)

g) Provisions (continued)

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 grants 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 grants) and released to income when all attached conditions have been complied with.

h) 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.

i) 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.

j) 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.

Deferred capital grants

Grants related to capital expenditure are recorded and credited to the statement of comprehensive income on a reducing-balance basis over the expected lives of the respective capital assets.

EXPORT CENTRES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(Expressed in Trinidad and Tobago Dollars)
(Continued)

4. Summary of significant accounting policies (continued)

j) Government grants (continued)

Deferred income grants

Grants related to operating expenditure are recorded and recognised in the statement of comprehensive income over the period necessary to match them with costs they are qualified to compensate.

k) 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.

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.

EXPORT CENTRES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(Expressed in Trinidad and Tobago Dollars)
(Continued)

4. Summary of significant accounting policies (continued)

1) 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 of the asset within the timeframe established generally by regulation or convention in the marketplace concerned.

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.

EXPORT CENTRES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(Expressed in Trinidad and Tobago Dollars)
(Continued)

4. Summary of significant accounting policies (continued)

l) Financial instruments (continued)

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.

m) 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.

n) Comparatives

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

5. 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, 2016
 (Expressed in Trinidad and Tobago Dollars)
 (Continued)

5. Financial risk management (continued)

Financial risk factors (continued)

	2016	
	Carrying value	Fair value
	\$	\$
Financial assets		
Cash and cash equivalents	4,814,742	4,814,742
Trade and other receivables	<u>150,225</u>	<u>150,225</u>
	<u>4,964,967</u>	<u>4,964,967</u>
Financial liabilities		
Deferred government grants	16,872,322	16,872,322
Trade and other payables	664,021	664,021
Tax payable	<u>34</u>	<u>34</u>
	<u>17,536,377</u>	<u>17,536,377</u>
	2015	
	Carrying value	Fair value
	\$	\$
Financial assets		
Cash and cash equivalents	4,815,765	4,815,765
Trade and other receivables	<u>690,686</u>	<u>690,686</u>
	<u>5,506,451</u>	<u>5,506,451</u>
Financial liabilities		
Trade and other payables	545,165	545,165
Tax payable	<u>295</u>	<u>295</u>
	<u>545,460</u>	<u>545,460</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.

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 FOR THE YEAR ENDED SEPTEMBER 30, 2016
 (Expressed in Trinidad and Tobago Dollars)
 (Continued)

5. Financial risk management (continued)

a) Interest rate risk (continued)

	Effective rate	2016			Non-interest bearing	Total
		Up to 1 year	1 to 5 years	Over 5 years		
		\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents		4,814,742	-	-	-	4,814,742
Trade and other receivables		<u>150,225</u>	-	-	<u>150,225</u>	<u>150,225</u>
		<u>4,964,967</u>	<u>-</u>	<u>-</u>	<u>150,225</u>	<u>4,964,967</u>
Financial liabilities						
Deferred government grant		16,872,322	-	-	-	16,872,322
Trade and other payables		664,021	-	-	664,021	664,021
Tax payable		<u>34</u>	-	-	-	<u>34</u>
		<u>17,536,377</u>	<u>-</u>	<u>-</u>	<u>664,021</u>	<u>17,536,377</u>
	Effective rate	2015			Non-interest bearing	Total
		Up to 1 year	1 to 5 years	Over 5 years		
Financial assets						
Cash and cash equivalents		4,815,765	-	-	-	4,815,765
Trade and other receivables		<u>690,686</u>	-	-	<u>690,686</u>	<u>690,686</u>
		<u>5,506,451</u>	<u>-</u>	<u>-</u>	<u>690,686</u>	<u>5,506,451</u>
Financial liabilities						
Trade and other payables		545,165	-	-	545,165	545,165
Tax payable		<u>295</u>	-	-	-	<u>295</u>
		<u>545,460</u>	<u>-</u>	<u>-</u>	<u>545,165</u>	<u>545,460</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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5. 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	Up to 1 year \$	2016		Total \$
		1 to 5 years \$	Over 5 years \$	
Financial assets				
Cash in hand and bank	4,814,742	-	-	4,814,742
Trade and other receivables	<u>150,225</u>	<u>-</u>	<u>-</u>	<u>150,225</u>
	<u>4,964,967</u>	<u>-</u>	<u>-</u>	<u>4,964,967</u>
Financial liabilities				
Deferred government grants	16,872,322	-	-	16,872,322
Trade and other payables	664,021	-	-	664,021
Tax payable	<u>34</u>	<u>-</u>	<u>-</u>	<u>34</u>
	<u>17,536,377</u>	<u>-</u>	<u>-</u>	<u>17,536,377</u>

EXPORT CENTRES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Trinidad and Tobago Dollars)
(Continued)

5. Financial risk management (continued)

c) Liquidity risk (continued)

Risk management (continued)

Liquidity gap	Up to 1 year \$	2015		Total \$
		1 to 5 years \$	Over 5 years \$	
Financial assets				
Cash in hand and bank	4,815,765	-	-	4,815,765
Trade and other receivables	<u>690,686</u>	<u>-</u>	<u>-</u>	<u>690,686</u>
	<u>5,506,451</u>	<u>-</u>	<u>-</u>	<u>5,506,451</u>
Financial liabilities				
Trade and other payables	545,165	-	-	545,165
Tax payable	<u>295</u>	<u>-</u>	<u>-</u>	<u>295</u>
	<u>545,460</u>	<u>-</u>	<u>-</u>	<u>545,460</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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NOTES TO THE FINANCIAL STATEMENTS
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(Continued)

5. 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.

6. 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.

EXPORT CENTRES COMPANY LIMITED
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7. Property, plant and equipment

	Buildings & improvements	Machinery & equipment	Furniture & office equipment	Motor vehicles	Computers	Total
	\$	\$	\$	\$	\$	\$
Cost						
At October 1, 2015	19,037,136	3,214,179	1,465,365	642,470	923,541	25,282,691
Additions	57,527	20,115	2,935	-	2,944	83,521
Disposals	<u>(12,938)</u>	<u>(14,796)</u>	<u>(14,722)</u>	<u>-</u>	<u>(15,993)</u>	<u>(58,449)</u>
At September 30, 2016	<u>19,081,725</u>	<u>3,219,498</u>	<u>1,453,578</u>	<u>642,470</u>	<u>910,492</u>	<u>25,307,763</u>
Accumulated depreciation						
At October 1, 2015	(7,112,623)	(2,618,129)	(1,117,250)	(524,146)	(608,826)	(11,980,974)
Depreciation charge	(1,195,560)	(150,592)	(86,764)	(29,581)	(102,987)	(1,565,484)
Disposal	<u>1,323</u>	<u>3,395</u>	<u>3,931</u>	<u>-</u>	<u>7,472</u>	<u>16,121</u>
At September 30, 2016	<u>(8,306,860)</u>	<u>(2,765,326)</u>	<u>(1,200,083)</u>	<u>(553,727)</u>	<u>(704,341)</u>	<u>(13,530,337)</u>
Net book value						
At October 1, 2015	<u>11,924,513</u>	<u>596,050</u>	<u>348,115</u>	<u>118,324</u>	<u>314,715</u>	<u>13,301,717</u>
At September 30, 2016	<u>10,774,865</u>	<u>454,172</u>	<u>253,495</u>	<u>88,743</u>	<u>206,151</u>	<u>11,777,426</u>

EXPORT CENTRES COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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(Continued)

8. Cash and cash equivalents

	2016	2015
	\$	\$
Cash at bank	3,740,325	3,752,170
TT income fund	<u>1,074,417</u>	<u>1,063,595</u>
	<u>4,814,742</u>	<u>4,815,765</u>

9. Trade and other receivables

Accounts receivable	61,429	602,868
Employee advances and loans	2,048	2,018
Prepayment	<u>86,748</u>	<u>85,800</u>
	<u>150,225</u>	<u>690,686</u>

10. Inventory

Raw materials	<u>793,986</u>	<u>793,871</u>
	<u>793,986</u>	<u>793,871</u>

11. 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>
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NOTES TO THE FINANCIAL STATEMENTS
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12. Deferred government grants

	Deferred capital grants \$	Deferred income grants \$	Total \$
Balance as at October 1, 2015	-	-	-
Prior year adjustment (Note 22)	19,056,577	-	19,056,577
Received for the year	-	8,650,000	8,650,000
Released to statement of comprehensive income	(4,368,510)	(6,465,745)	(10,834,255)
Capital allocation	<u>2,184,255</u>	<u>(2,184,255)</u>	-
Balance as at September 30, 2016	<u>16,872,322</u>	<u>-</u>	<u>16,872,322</u>
Balance as at October 1, 2014	-	-	-
Received for the year	-	-	-
Released to statement of comprehensive income	-	-	-
Capital allocation	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at September 30, 2015	<u>-</u>	<u>-</u>	<u>-</u>

13. Trade and other payables

	2016 \$	2015 \$
Trade payables	68,771	38,543
Accrued liabilities	594,389	478,548
Other taxes and social security costs	<u>861</u>	<u>28,074</u>
	<u>664,021</u>	<u>545,165</u>

14. Tax liability

Balance as at September 30	<u>34</u>	<u>295</u>
	<u>34</u>	<u>295</u>

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15. Administrative and other expenses

	2016	2015
	\$	\$
Advertising	8,841	404,287
Professional fees	148,031	221,802
Director fees	100,800	227,022
Travel expenses	20	2,530
Foreign travel	-	1,104,772
Entertainment	15,425	121,372
Training expenses	1,724	1,558,326
Repairs and maintenance	7,943	58,299
Insurance	84,981	85,593
Rental	51,503	146,553
General and other	<u>369,889</u>	<u>1,141,357</u>
	<u>789,157</u>	<u>5,071,913</u>

16. Other expenses

Staff costs	7,199,549	13,808,778
Depreciation	1,565,484	1,615,014
Loss on disposal of assets	33,765	-
Security	229,431	231,702
Repairs and maintenance	451,495	633,784
Telephone	326,071	434,836
Utilities	<u>259,050</u>	<u>250,728</u>
	<u>10,064,846</u>	<u>16,974,842</u>

17. Finance expense

Bank charges	<u>7,712</u>	<u>8,430</u>
	<u>7,712</u>	<u>8,430</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. Capital commitment

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

21. Contingent liability

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

22. Prior period adjustment

In previous periods the Company did not appropriately recognize the grants relating to depreciable assets in the statement of comprehensive income in the proportions in which the depreciation expense was recognised. This is not in accordance with IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance, which states “Grants in recognition of specific expenses are recognised in profit and loss in the same period as the relevant expenses. Similarly, grants related to depreciable assets are usually recognised in profit and loss over the periods and in the proportions in which depreciation expense on those assets are recognised”.

The Company’s incorrect accounting treatment to record government grants as revenue in the period it is received or a receivable resulted in the understatement of deferred government grants and the overstatement of retained earnings in prior years.

The Company has adjusted this error and applied this recognition prospectively and reported the cumulative effect as at September 30, 2016 as a prior year adjustment to increase the deferred capital grants (see Note 12) and decrease retained earnings. The recognition of this adjustment prospectively is not in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors which states “an entity shall correct material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery by:

- (a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- (b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.”.

23. 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.

24. Subsequent events

Management evaluated all the events that occurred from October 1, 2016 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.