

ExporTT Limited

Consolidated financial statements
September 30, 2016

(In thousands of Trinidad and Tobago dollars)

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ExporTT Limited

Statement of management's responsibilities

It is the responsibility of management to prepare financial statements for each financial year which present fairly, in all material respects, the state of affairs of ExporTT Limited (the "Company") and its subsidiary (together the "Group") as at the end of the financial year and of the operating results of the Group for the year. It is also management's responsibility to ensure that the Group keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group. They are also responsible for safeguarding the assets of the Group.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

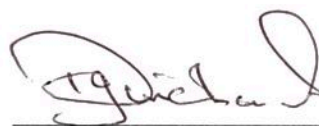
Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the International Financial Reporting Standards. Management is of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the Group and of its operating results. Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of Management to indicate that the Group will not remain a going concern for at least the next twelve months from the date of this statement.



Manager of Finance and Investments

April 20, 2017



Chief Executive Officer

April 20, 2017

**Independent Auditors' Report
To the Shareholders of
ExporTT Limited**

Report on the financial statements

We have audited the accompanying consolidated financial statements of ExporTT Limited (the "Company") and its subsidiary (together the "Group"), which comprise the consolidated statement of financial position as at September 30, 2016 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and perform the audit to obtain reasonable assurance 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 misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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 of 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 audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at September 30, 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte & Touche
Port of Spain
Trinidad
April 20, 2017

Deloitte + Touche

ExporTT Limited

Consolidated statement of financial position

(In thousands of Trinidad and Tobago dollars)

	Notes	As at		
		Sept 30, 2016	Sept 30, 2015	Oct 1, 2014
		\$	\$	\$
ASSETS				
Non-current assets				
Property and equipment	5	5,282	5,758	5,377
Investments held at at fair value through profit or loss	6	24,184	26,367	27,160
Retirement benefit asset	7	2,042	2,244	2,247
Finance lease receivable	8	-	103	2,250
Total non-current assets		31,508	34,472	37,034
Current assets				
Cash and cash equivalents	9	15,389	14,052	13,709
Accounts receivable and other assets	10	755	849	1,736
Finance lease receivable	8	1,248	2,686	2,915
Investments held at at fair value through profit or loss	6	56,054	52,464	54,224
Total current assets		73,446	70,051	72,584
Total assets		104,954	104,523	109,618
EQUITY AND LIABILITIES				
Equity				
Share capital	11	8,000	8,000	8,000
Government contributions	12	30,045	30,045	30,045
Retained earnings		29,275	27,995	30,605
Total equity		67,320	66,040	68,650
Non-current liabilities				
Borrowings	13	22,274	22,274	22,274
Current liabilities				
Trade and other payables	14	4,862	4,336	3,842
Depositor's account	15	1,860	1,853	1,927
Deferred income	16	2,500	2,647	2,641
Public sector investment program	17	5,551	5,932	6,961
Exporters' development fund	18	304	759	1,269
Provision for loan guarantee	19	281	682	2,054
Total current liabilities		15,358	16,209	18,694
Total equity and liabilities		104,954	104,523	109,618

The notes on pages 7 to 37 form an integral part of these consolidated financial statements.

On April 20, 2017, the Board of Directors of ExporTT Limited authorized these consolidated financial statements for issue.

 Director

 Director

ExporTT Limited

Consolidated statement of profit or loss and other comprehensive income

(In thousands of Trinidad and Tobago dollars)

	Notes	Year ended September 30,	
		2016	2015
		\$	\$
Income			
Income from government grants		11,256	13,589
Trade certification		2,726	2,598
Investment income		2,163	2,065
Training		295	440
Finance lease income		123	329
Other income		372	218
Unrealised gain on investments at fair value through profit or loss		521	-
Lease adjustments	22	-	102
		<u>17,456</u>	<u>19,341</u>
Expenditure			
Salaries and benefits		10,269	12,466
General and administrative expenses	23	5,064	4,469
Depreciation	5	769	909
Unrealised loss on investments at fair value through profit or loss		-	4,089
		<u>16,102</u>	<u>21,933</u>
Profit/(loss) for the year before taxation		1,354	(2,592)
Taxation	24	(74)	(18)
Profit/(loss) for the year after taxation		1,280	(2,610)
Other comprehensive income		<u>-</u>	<u>-</u>
Net profit/(loss) for the year		<u>1,280</u>	<u>(2,610)</u>

The notes on pages 7 to 37 form an integral part of these financial statements.

ExporTT Limited

Consolidated statement of changes in equity

(In thousands of Trinidad and Tobago dollars)

Year ended September 30, 2016	Share capital	Government contributions	Retained earnings	Total
	\$	\$	\$	\$
Balance at October 1, 2015	8,000	30,045	27,995	66,040
Net profit for the year	-	-	1,280	1,280
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	1,280	1,280
Balance as at September 30, 2016	8,000	30,045	29,275	67,320
Year ended September 30, 2015				
Balance at October 1, 2015	8,000	30,045	30,605	68,650
Net loss for the year	-	-	(2,610)	(2,610)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(2,610)	(2,610)
Balance as at September 30, 2015	8,000	30,045	27,995	66,040

ExporTT Limited

Consolidated statement of cash flows

(In thousands of Trinidad and Tobago dollars)

	Year ended September 30,	
	2016	2015
	\$	\$
Cash flows from operating activities		
Net profit/(loss) for the year	1,280	(2,610)
Depreciation	769	909
Gain on lease adjustments	-	(102)
Provision for guarantee losses	(401)	(1,372)
Release of deferred income	(147)	6
Pension asset expense	202	3
Income capitalised on investments	(1,444)	(1,615)
Unrealised (gain)/loss on investments at fair value through profit or loss	(521)	4,089
Operating profit before working capital changes	(262)	(692)
Changes in working capital		
Decrease in finance lease receivables	1,541	2,477
Decrease in sundry debtors and prepayments	94	888
Increase in trade and other payables	526	494
Decrease in Public Sector Investment Program	(381)	(1,028)
Decrease in Exporters' Development Fund	(455)	(511)
Net cash flows generated from operating activities	1,063	1,628
Cash flows from investing activities		
Purchase of property and equipment	(292)	(1,412)
Proceeds from sale of equipment	1	121
Proceeds from sale of investments	14,372	11,322
Purchase of investments	(13,814)	(11,242)
Increase/(decrease) in depositors account	7	(74)
Net cash flow generated from/(used in) investing activities	274	(1,285)
Net increase in cash and cash equivalents for the year	1,337	343
Cash and cash equivalents at the beginning of the year	14,052	13,709
Cash and cash equivalents at the end of the year	15,389	14,052

The notes on pages 7 to 37 form an integral part of these financial statements.

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

(In thousands of Trinidad and Tobago dollars)

1. Incorporation and business activities

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

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

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

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

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

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

2.1 New IFRS and amendments to IFRS that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to IFRS and a new Interpretation issued by the International Accounting Standards Board ('IASB') that are mandatorily effective for an accounting period that begins on or after 1 October 2015.

There are none.

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

(In thousands of Trinidad and Tobago dollars)

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

2.2 New and revised IFRS in issue but not yet effective

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

- | | |
|---|---|
| • IFRS 9 | Financial instruments ³ |
| • IFRS 14 | Regulatory Deferral Accounts ¹ |
| • IFRS 15 | Revenue from Contracts with Customers ³ |
| • IFRS 16 | Leases ⁴ |
| • Amendments to IFRS 11 | Accounting for Acquisitions of Interest in Joint Operations ¹ |
| • Amendments to IAS 16 and IAS 38 | Clarification of Acceptable Methods of Depreciation and Amortization ¹ |
| • Amendments to IFRS | Annual Improvements to IFRS 2012-2014 ¹ |
| • Amendments to IAS 1 | Disclosure Initiative ¹ |
| • Amendments to IAS 27 | Equity Method in Separate Financial Statements ¹ |
| • Amendments to IFRS 10, IFRS 12 and IAS 28 | Investment Entities: Applying the Consolidation Exception ¹ |
| • Amendments to IAS 12 | Recognition of Deferred Tax Assets |
| • Amendments to IAS 7 | Unrealised Losses ² |
| • Amendments to IFRS 2 | Disclosure initiative ² |
| | Classification and Measurement of Share-based Payment Transactions ³ |

¹ Effective for annual periods beginning on or after 1 January, 2016, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January, 2017, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 January, 2018, with earlier application permitted.

⁴ Effective for annual periods beginning on or after 1 January, 2019, with earlier application permitted.

• **IFRS 9 *Financial Instruments***

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

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

(In thousands of Trinidad and Tobago dollars)

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

2.2 New and revised IFRS in issue but not yet effective (continued)

- **IFRS 9 *Financial Instruments***

Key requirements of IFRS 9:

- all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of the subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
- in relation to the impairment of financial assets, IFRS 9 requires an expected loss model, as opposed to an incurred loss model under IAS 39. The expected loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- the new general hedge accounting requirements retain three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

(In thousands of Trinidad and Tobago dollars)

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

2.2 New and revised IFRS in issue but not yet effective (continued)

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

Key requirements of IFRS 9 (continued):

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

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

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

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

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

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

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

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

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

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

2.2 New and revised IFRS in issue but not yet effective (continued)

• **IFRS 15 Revenue from Contracts with Customers (continued)**

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

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

• **IFRS 16 Leases**

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

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

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

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

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

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

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

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

(In thousands of Trinidad and Tobago dollars)

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

2.2 New and revised IFRS in issue but not yet effective (continued)

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

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

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

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

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

- a) when the intangible asset is expensed as a measure of revenue; or
- b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

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

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

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

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

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

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

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

(In thousands of Trinidad and Tobago dollars)

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

2.2 New and revised IFRS in issue but not yet effective (continued)

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

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

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

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

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

- a) clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;
- b) clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;
- c) additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

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

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

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

- (i) at cost; or
- (ii) in accordance with IFRS 9 (or IAS 39); or
- (iii) using the equity method.

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

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

(In thousands of Trinidad and Tobago dollars)

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

2.2 New and revised IFRS in issue but not yet effective (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

(In thousands of Trinidad and Tobago dollars)

3. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Basis of preparation

The financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards ("IFRS") under the historical cost convention as modified by the revaluation of the investments at fair value through profit or loss. For the periods up to and including the year ended September 30, 2015 the Group prepared its financial statements in accordance with the International Financial Reporting Standard for Small & Medium sized entities ("IFRS for SME's"). These financial statements for the year ended September 30, 2016 are the first set of financial statements the Group has prepared in accordance with IFRS. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Areas involving a higher degree of judgement of complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in note 4.

(b) Change in accounting policies

Except for the changes below, the Group has consistently applied the accounting policies to all periods presented in these financial statements.

(i) Presentation of financial statements

Mandated by the Government of Trinidad & Tobago, ExporTT Limited was required to transition from IFRS for SME's to full IFRS financial statements. As a result IAS 1 for financial statements requires change in the format and content of the financial statements. In addition, a statement of changes in equity now form part of the financial statements as required by IAS 1.

(c) Basis of consolidation

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

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

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

(d) Functional and reporting currency

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

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

(In thousands of Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

(e) Property and equipment

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

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

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

The depreciation rates used are as follows:

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

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

(f) Employee benefits

(i) Short-term

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

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

(ii) Post-employment

Independent qualified actuaries carried out a valuation of the Group's significant post-retirement benefits as at September 30, 2015 and have been fully reflected in these financial statements.

(iii) Pension obligations

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

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

(In thousands of Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

(f) Employee benefits (continued)

(iii) Pension obligations (continued)

The Group funds the balance of costs. At present, the Group contributes at a rate of 7.44% of pensionable earnings, taking account of the recommendation of independent qualified actuaries who carry out the full valuation of the plan every year, the last being as at September 30, 2015. The next actuarial valuation will be done as at September 30, 2017.

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

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

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

(g) Financial assets

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

Financial assets – at fair value through profit and loss

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

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

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

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

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

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

(In thousands of Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

(h) Finance leases

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

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

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

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

(i) Cash and cash equivalents

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

(j) Trade accounts receivable

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

(k) Government grants (subvention)

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

(l) Provision for guarantee losses

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

(m) Provisions

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

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

(In thousands of Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

(n) Research and development fund

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

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

(o) Deferred income

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

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

(p) Government advances

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

(q) Trade and other payables

Trade and other payables are stated at cost.

(r) Income and expenditure

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

(s) Taxation

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

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

(In thousands of Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

(t) Impairment of financial assets

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

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

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

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

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

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

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

(u) Foreign currency transactions

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

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

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

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

(In thousands of Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

(v) Comparative

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

(w) Offsetting financial assets and financial liabilities

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

(x) First-time adoption of IFRS

These financial statements for the year ended September 30, 2016, are the first set of financial statements the Group has prepared in accordance in IFRS. For the periods up to and including the year ended September 30, 2015, the Group prepared financial statements in accordance with IFRS for Small and Medium-sized Entities ("IFRS for SMEs").

Accordingly, the Group has prepared financial statements which comply with IFRS applicable for periods ending on or after September 30, 2016, together with the comparative period data as at and for the year ended September 30, 2015, as described in the accounting policies. In preparing these financial statements the Group's opening statement of financial position was prepared at October 1, 2014, the Group's date of transition to IFRS. The Group has retrospectively considered all accounting estimates and measurements during the transition to IFRS and no restatements were deemed necessary to the financial statements as at September 30, 2015.

Group reconciliation of equity as at October 1, 2014 (date of transition to IFRS)

	IFRS for SMEs	Remeasurements	IFRS as at Oct 1, 2014
	\$	\$	\$
ASSETS			
Non-current assets			
Property and equipment	5,377	-	5,377
Investments held at at fair value through profit or loss	27,160	-	27,160
Retirement benefit asset	2,247	-	2,247
Finance lease receivable	2,250	-	2,250
Total non-current assets	37,034	-	37,034
Current assets			
Cash and cash equivalents	13,709	-	13,709
Accounts receivable and other assets	1,736	-	1,736
Finance lease receivable	2,915	-	2,915
Investments held at at fair value through profit or loss	54,224	-	54,224
Total current assets	72,584	-	72,584
Total assets	109,618	-	109,618

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

(In thousands of Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

(x) First-time adoption of IFRS (continued)

Group reconciliation of equity as at October 1, 2014 (date of transition to IFRS)
(continued)

	IFRS for SMEs	Remeasurements	IFRS as at Oct 1, 2014
	\$	\$	\$
EQUITY AND LIABILITIES			
Equity			
Share capital	8,000	-	8,000
Government contributions	30,045	-	30,045
Retained earnings	30,605	-	30,605
Total equity	68,650	-	68,650
Non-current liabilities			
Borrowings	22,274	-	22,274
Current liabilities			
Trade and other payables	3,842	-	3,842
Depositor's account	1,927	-	1,927
Deferred income	2,641	-	2,641
Public sector investment program	6,961	-	6,961
Exporters' development fund	1,269	-	1,269
Provision for loan guarantee	2,054	-	2,054
Total current liabilities	18,694	-	18,694
Total equity and liabilities	109,618	-	109,618

ExporTT Limited

Notes to consolidated financial statements
For the year ended September 30, 2016
(In thousands of Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

(x) First-time adoption of IFRS (continued)

Group reconciliation of equity as at September 30, 2015

	IFRS for SMEs	Re-measurements	IFRS as at Sep 30, 2015
	\$	\$	\$
ASSETS			
Non-current assets			
Property and equipment	5,758	-	5,758
Investments held at at fair value through profit or loss	26,367	-	26,367
Retirement benefit asset	2,244	-	2,244
Finance lease receivable	103	-	103
Total non-current assets	34,472	-	34,472
Current assets			
Cash and cash equivalents	14,052	-	14,052
Accounts receivable and other assets	849	-	849
Finance lease receivable	2,686	-	2,686
Investments held at at fair value through profit or loss	52,464	-	52,464
Total current assets	70,051	-	70,051
Total assets	104,523	-	104,523
EQUITY AND LIABILITIES			
Equity			
Share capital	8,000	-	8,000
Government contributions	30,045	-	30,045
Retained earnings	27,995	-	27,995
Total equity	66,040	-	66,040
Non-current liabilities			
Borrowings	22,274	-	22,274
Current liabilities			
Trade and other payables	4,336	-	4,336
Depositor's account	1,853	-	1,853
Deferred income	2,647	-	2,647
Public sector investment program	5,932	-	5,932
Exporters' development fund	759	-	759
Provision for loan guarantee	682	-	682
Total current liabilities	16,209	-	16,209
Total equity and liabilities	104,523	-	104,523

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

(In thousands of Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

(x) First-time adoption of IFRS (continued)

Group reconciliation of total comprehensive income for the year ended September 30, 2015

	IFRS for SMEs \$	Re-measurements \$	IFRS for the year ended Sep 30, 2015 \$
Income			
Income from government grants	13,589	-	13,589
Trade certification	2,598	-	2,598
Investment Income	2,065	-	2,065
Training	440	-	440
Finance lease income	329	-	329
Other income	218	-	218
Lease adjustments	102	-	102
	<u>19,341</u>	<u>-</u>	<u>19,341</u>
Expenditure			
Salaries and benefits	12,466	-	12,466
General and administrative expenses	4,485	-	4,485
Depreciation	909	-	909
Unrealised loss on investments at fair value through profit or loss	4,089	-	4,089
	<u>21,949</u>	<u>-</u>	<u>21,949</u>
Loss for the year before taxation	(2,608)	-	(2,608)
Taxation	(2)	-	(2)
Loss for the year after taxation	<u>(2,610)</u>	<u>-</u>	<u>(2,610)</u>
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>
Net loss for the year	<u>(2,610)</u>	<u>-</u>	<u>(2,610)</u>

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

(In thousands of Trinidad and Tobago dollars)

4. Critical judgements and the use of estimates

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

Impairment of financial assets

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

Valuation of investments

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

Net pension asset

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

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

(In thousands of Trinidad and Tobago dollars)

5. Property and equipment

	Land & building	Motor vehicles	Furniture fixtures & equipment	Computer equipment & software	Leasehold improvements	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance as at October 1, 2014	5,058	474	2,891	6,960	38	15,421
Additions	390	340	447	235	-	1,412
Disposals	-	(391)	-	-	-	(391)
Balance as at September 30, 2015	5,448	423	3,338	7,195	38	16,442
Additions	131	-	7	155	-	292
Disposals	-	-	(1)	-	-	(1)
Balance as at September 30, 2016	5,579	423	3,344	7,350	38	16,733
Accumulated depreciation						
Balance as at October 1, 2014	1,445	244	2,227	6,090	38	10,044
Charge for the year	101	93	148	567	-	909
Disposals	-	(269)	-	-	-	(269)
Balance as at September 30, 2015	1,546	68	2,375	6,657	38	10,684
Charge for the year	117	106	169	377	-	769
Disposals	-	-	(1)	-	-	(1)
Balance as at September 30, 2016	1,662	174	2,543	7,034	38	11,451
Net book value						
Balance as at September 30, 2016	3,917	249	801	316	-	5,282
Balance as at September 30, 2015	3,902	355	963	538	-	5,758
Balance as at October 1, 2014	3,613	230	664	870	-	5,377

ExporTT Limited

Notes to consolidated financial statements
For the year ended September 30, 2016
(In thousands of Trinidad and Tobago dollars)

6. Investments

	<u>2016</u>	<u>2015</u>
	\$	\$
a) Non-current assets held at fair value through profit or loss		
TT\$ government bonds	16,220	18,483
US\$ government bonds	5,640	5,556
Corporate bonds	2,324	2,328
	<u>24,184</u>	<u>26,367</u>
b) Current assets held at fair value through profit or loss		
Money market instruments	19,381	18,007
Certificate of deposits	-	215
Treasury bills	1,462	-
Equities	35,211	34,242
	<u>56,054</u>	<u>52,464</u>
	<u>80,238</u>	<u>78,831</u>

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

7. Retirement benefit asset

	<u>2016</u>	<u>2015</u>
	\$	\$
a) The amounts recognised in the consolidated statement of financial position are as follows:		
Present value of the defined benefit obligation	(9,587)	(7,631)
Fair value of plan assets	13,026	12,078
	<u>3,439</u>	<u>4,447</u>
Unrecognised actuarial gains	(1,397)	(2,203)
Asset recognised in the consolidated statement of financial position	<u>2,042</u>	<u>2,244</u>
b) Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	12,078	11,266
Expected returns on plan assets	611	571
Actuarial loss on plan assets	(121)	(50)
Adjustment	(171)	-
Employer contributions	470	422
Plan participant contributions	202	181
Benefits paid	(44)	(312)
Closing fair value of plan assets	<u>13,026</u>	<u>12,078</u>

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

(In thousands of Trinidad and Tobago dollars)

7. Retirement benefit asset (continued)

	2016	2015
	\$	\$
c) Change in the present value of defined benefit obligation:		
Opening present value of defined benefit obligations	7,631	7,113
Current service cost	883	664
Adjustment	66	-
Plan participant contributions	202	182
Interest cost	438	369
Actuarial gains on obligations	411	(385)
Benefits paid	(44)	(312)
Closing present value of defined benefit obligations	9,587	7,631
d) The amounts recognised in the consolidated statement of income are as follows:		
Current service cost	883	664
Interest cost	438	369
Expected return on plan assets	(611)	(570)
Net actuarial gain recognised for the year	(38)	(38)
Expense recognised in the consolidated statement of profit or loss	672	425
e) Actual return on plan assets:		
Expected return on plan assets	611	570
Actuarial (loss) on plan assets	(121)	(50)
Actual return on plan assets	490	520
f) Asset allocation:		
Deposit administration contract	100%	100%
The Plan is fully invested in a Deposit Administration Account with Pan American Life Insurance of Trinidad and Tobago.		
g) The principal actuarial assumptions at the reporting date (expressed as weighted averages)		
Discount rate at September 30,	5.00%	5.00%
Expected returns on plan assets	5.00%	5.00%
Future salary increases	3.00%	3.00%
Future NIS Increases	3.00%	3.00%

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

(In thousands of Trinidad and Tobago dollars)

7. Retirement benefit asset (continued)

h) Funding:

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

The Group is expected to contribute \$459,200 to its defined benefit plan in 2017 if the 2013 – 2015 Salary Agreement is not settled; otherwise arrears of contributions may also be included.

8. Finance leases receivable

	2016	2015
	\$	\$
Gross lease receivable in 1 year	105	2,270
Gross lease receivable within 1 to 5 years	-	105
Gross finance leases receivable	105	2,375
Less: unearned interest income	(2)	(125)
Net investment in finance leases	103	2,250
Other lease receivables	2,188	972
Finance leases receivable	2,291	3,222
Provision for doubtful leases	(1,043)	(433)
	1,248	2,789
Current portion of finance lease receivable	(1,248)	(2,686)
Finance leases receivable within 1 to 5 years	-	103
Provision for doubtful leases		
Balance at beginning of year	433	197
Provision for the year	610	236
Balance at end of year	1,043	433

Number of finance leases existing at the year's end 2016: five (5) (2015: seven (7)).

The final lease is expected to mature in February 2017, thereby ending the finance lease programme. The finance leases receivable at the end of the reporting period are neither past due nor impaired.

9. Cash and cash equivalents

	2016	2015
	\$	\$
Cash and bank	13,988	13,210
Short term deposits	1,401	842
	15,389	14,052

ExporTT Limited

Notes to consolidated financial statements
For the year ended September 30, 2016
(In thousands of Trinidad and Tobago dollars)

10. Accounts receivable and other assets

	<u>2016</u>	<u>2015</u>
	\$	\$
Accounts receivable	240	281
Prepayments	72	70
Sundry receivables	155	192
Interest receivable	288	306
	<u>755</u>	<u>849</u>
	<u>2016</u>	<u>2015</u>
	\$	\$
<u>Age of receivables that are past due but not impaired</u>		
1 – 30 Days	53	20
31 – 60 Days	2	82
61 – 90 Days	-	8
Over 90 Days	185	171
Total trade receivables	<u>240</u>	<u>281</u>

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

11. Share capital

Authorised:

Unlimited number of shares of no par value

	<u>2016</u>	<u>2015</u>
	\$	\$
Issued and fully paid:		
3,000,000 shares of no par value	<u>8,000</u>	<u>8,000</u>

12. Government contributions

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

	<u>2016</u>	<u>2015</u>
	\$	\$
Loan guarantee contribution	28,850	28,850
Other government contributions	1,195	1,195
	<u>30,045</u>	<u>30,045</u>

Loan guarantee programme

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

ExporTT Limited

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(In thousands of Trinidad and Tobago dollars)

12. Government contributions (continued)

Loan guarantee programme (continued)

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

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

13. Borrowings

This long-term borrowing is payable to the Government of the Republic of Trinidad and Tobago (GOTT). It was initially loaned from the Government of the Republic of China to the GOTT and is interest-free with a ten (10) year moratorium, which commenced on January 1, 1998. The loan is to be repaid during the ten (10) year period from January 1, 2008 to December 31, 2017. Each instalment is to be one tenth (1/10) of the total amount of the loan.

The GOTT then lent the money to the Group. The Group is currently in discussions with the Ministry of Finance to convert the loan to equity in the form of additional government contributions.

	<u>2016</u>	<u>2015</u>
	\$	\$
Borrowings	<u>22,274</u>	<u>22,274</u>

14. Trade and other payables

	<u>2016</u>	<u>2015</u>
	\$	\$
Trade payables	524	258
Payroll related liabilities	2,973	2,841
Accrued expenses	641	683
Other payables	722	551
Taxation payable	2	3
	<u>4,862</u>	<u>4,336</u>

The ageing analysis of trade payables is as follows:

Ageing

1 – 30 Days	222	205
31 – 60 Days	236	19
61 – 90 Days	22	1
Over 90 Days	44	33
Total trade receivables	<u>524</u>	<u>258</u>

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15. Depositor's account

	<u>2016</u>	<u>2015</u>
	\$	\$
Balance as at October 1	1,853	1,927
Interest earned	7	8
Revaluation adjustment	-	(82)
Balance as at September 30	<u>1,860</u>	<u>1,853</u>

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

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

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

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

16. Deferred income

	<u>2016</u>	<u>2015</u>
	\$	\$
Government advances— property and equipment	2,065	2,310
Unearned initial direct fees (see note 3(h))	1	20
Advance payments - certificates of origin (see note 3(o))	434	317
	<u>2,500</u>	<u>2,647</u>

Government advances— property and equipment

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

17. Public sector investment program

	<u>2016</u>	<u>2015</u>
	\$	\$
Balance as at October 1	5,932	6,961
Funding received	2,089	2,500
Expenditure	(2,470)	(3,529)
Balance as at September 30	<u>5,551</u>	<u>5,932</u>

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

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18. Exporters' Development Fund

	2016	2015
	\$	\$
Centre Pour Development De Enterprise (CDE Fund)	184	184
EPA Standby Facility	(320)	-
United States FDA Food & Safety Modernization Act	440	575
	<u>304</u>	<u>759</u>

Centre Pour Development De Enterprise (CDE Fund)

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

United States FDA Food & Safety Modernization Act

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

19. Provision for guarantee losses

	2016	2015
	\$	\$
Balance at beginning of year	682	2,054
Less amounts paid to lenders for the year	-	(63)
Recovery of amounts previously paid	121	159
Less adjustment to provision	(522)	(1,468)
Balance at end of year	<u>281</u>	<u>682</u>

The Group's loan guarantee portfolio supported four (4) (2015: ten (10)) operating loans.

20. Related party transactions

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

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

	2016	2015
	\$	\$
a) Director's fees	<u>801</u>	<u>810</u>
b) Key management compensation: Salaries and other short-term employee benefits	<u>2,453</u>	<u>2,702</u>
c) Sale of motor vehicle to Executive Management	<u>-</u>	<u>122</u>

ExporTT Limited

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21. Contingent liabilities

As at September 30, 2016 there were certain legal proceedings outstanding against the Group. No provision has been made as professional advice indicates that it is unlikely that any significant loss will arise.

22. Lease adjustments

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

23. General and administrative expenses

	2016	2015
	\$	\$
Utilities	512	566
Insurance	128	130
Repairs and maintenance	255	593
IT and connectivity expenses	469	348
Research and database subscriptions	321	338
Professional fees & subscriptions	555	428
Legal fees	90	536
Director's fees and expenses	835	867
Other expenses	1,899	663
	<u>5,064</u>	<u>4,469</u>

24. Taxation

ExporTT Limited has a tax exemption to October 2019. The taxation expense relates to green fund levy calculated and business levy payments. Green fund levy is computed at a rate of 0.10% of net sales till January 31, 2016 and 0.30% for the remainder of the year (2015: 0.10%). Business levy is computed at a rate of 0.20% of net sales till January 31, 2016 and 0.60% for the remainder of the year (2015: 0.20%).

25. Financial risk management

Risk management

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

Risk management structure

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

Risk measurement and reporting systems

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

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

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

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

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25. Financial risk management (continued)

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

Credit risk

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

Liquidity risk

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

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

	< 1 year	> 1year	Contractual cash flows	Carrying amount
	\$	\$	\$	\$
As at September 30, 2016				
Borrowings	-	22,274	22,274	22,274
Trade and other payables	4,862	-	4,862	4,862
Depositors account	1,860	-	1,860	1,860
Public Sector Investment Program	5,551	-	5,551	5,551
Exporters Development Fund	304	-	304	304
Total	12,577	22,274	34,851	34,851
As at September 30, 2015				
Borrowings	-	22,274	22,274	22,274
Trade and other payables	4,336	-	4,336	4,336
Depositors account	1,853	-	1,853	1,853
Public Sector Investment Program	5,932	-	5,932	5,932
Exporters Development Fund	759	-	759	759
Total	12,880	22,274	35,154	35,154

ExporTT Limited

Notes to consolidated financial statements

For the year ended September 30, 2016

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25. Financial risk management (continued)

Market Risk

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

(i) Currency risk

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

The Group manages its foreign exchange risk by the following:

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

The impact on the consolidated statement of profit or loss at September 30, 2016 if the US\$ strengthened/ weakened against the TT\$ by an average rate of 3% is a loss or gain of \$635,997 (2015: \$504,688) respectively.

Additionally, the impact on comprehensive income at September 30, 2016 if the CAD\$ strengthened/ weakened against the TT\$ by an average rate of 5% is a loss or gain of \$140,560 (2015: \$117,235) respectively.

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

(ii) Interest rate risk

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

Market risk

Interest sensitivity of assets and liabilities

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

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25. Financial risk management (continued)

Market risk (continued)

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

	Up to one year	One to five years	Over five years	Non- interest bearing	Total
	\$	\$	\$	\$	\$
As at September 30, 2016					
Assets					
Due from banks	15,389	-	-	-	15,389
Investments	80,238	-	-	-	80,238
Total assets	95,627	-	-	-	95,627
Interest sensitivity gap	95,627	-	-	-	95,627
As at September 30, 2015					
Assets					
Due from banks	14,052	-	-	-	14,052
Investments	78,831	-	-	-	78,831
Total assets	92,883	-	-	-	92,883
Interest sensitivity gap	92,883	-	-	-	92,883

Capital Management

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

26. Events after the reporting date

No significant events occurred after the reporting date affecting the financial performance, position or changes therein for the reporting period presented in these financial statements.