

InvesTT Limited

Financial statements

30 September 2018

(Expressed in Trinidad and Tobago dollars)

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InvesTT Limited

Statement of management's responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of InvesTT Limited, ('the Company') which comprise the statement of financial position as at 30 September 2018, the statements of profit or loss and other comprehensive income, 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 Company's assets, detection/prevention of fraud, and the achievement of the Company's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, 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.



Signed: Mr. Christopher Lewis
Title: President

14 March 2019

Independent auditor's report to the members of InvesTT Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of InvesTT Limited (the 'Company'), which comprise the statement of financial position as at 30 September 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 30 September 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISA's). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 4 in the financial statements, which indicates that the Company's current liabilities exceeded its current assets by \$11,692,287 (2017: \$11,368,368). As stated in Note 4, the Company is dependent upon Government subvention without which a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Continued...

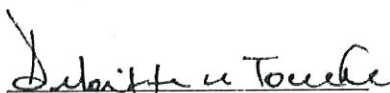
**Independent auditor's report (continued)
to the members of InvestTT Limited**

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Deloitte & Touche
Derek Mohammed (ICATT #864)
Port of Spain
Trinidad

3 April 2019

InvesTT Limited

Statement of financial position

As at 30 September 2018

(Expressed in Trinidad and Tobago dollars)

	Notes	2018 \$	2017 \$
Assets			
Non-current assets			
Office furniture and equipment	5	20,800	9,980
Non-current assets		<u>20,800</u>	<u>9,980</u>
Current assets			
Government Grants receivable	6,9	296,812	344,100
Due from related parties	6	37,515	37,752
Cash and cash equivalents	7	1,898,922	3,391,522
Total current assets		<u>2,233,249</u>	<u>3,773,374</u>
Total assets		<u>2,254,049</u>	<u>3,783,354</u>
Equity and liabilities			
Capital and reserves:			
Share capital	8	10	10
Accumulated deficit		<u>(11,671,497)</u>	<u>(11,358,398)</u>
Total equity		<u>(11,671,487)</u>	<u>(11,358,388)</u>
Current liabilities			
Trade and other payables	10	1,058,106	1,732,976
Due to related party	6	5,389,331	5,928,652
Deferred Government grants	9	7,221,151	7,304,473
Taxation payable	12	256,948	175,641
Total current liabilities		<u>13,925,536</u>	<u>15,141,742</u>
Total equity and liabilities		<u>2,254,049</u>	<u>3,783,354</u>

The notes on pages 8 to 26 are an integral part of these financial statements.

On 14 March 2019, the Board of Directors of InvesTT Limited authorised these financial statements for issue



Director



Director

InvesTT Limited

Statement of profit or loss and other comprehensive income

Year ended 30 September 2018

(Expressed in Trinidad and Tobago dollars)

	Notes	<u>2018</u>	<u>2017</u>
		\$	\$
Government subvention	9	<u>9,070,036</u>	<u>8,404,936</u>
Expenses			
Operating	11	(1,061,456)	(1,734,836)
Administrative	11	<u>(8,231,961)</u>	<u>(7,839,386)</u>
Operating deficit		(223,381)	(1,169,285)
Finance costs		(8,426)	(12,518)
Interest income		<u>14</u>	<u>16</u>
Deficit before taxation		(231,793)	(1,181,788)
Taxation expense	12	<u>(81,306)</u>	<u>(175,641)</u>
Deficit after taxation expense		<u>(313,099)</u>	<u>(1,357,429)</u>
Total comprehensive deficit of the year		<u>(313,099)</u>	<u>(1,357,429)</u>

The notes on pages 8 to 26 form an integral part of these financial statements.

InvestTT Limited

Statement of changes in equity For the year ended 30 September 2018 (Expressed in Trinidad and Tobago dollars)

	<u>Share capital</u> \$	<u>Accumulated deficit</u> \$	<u>Total</u> \$
Balance at 1 October 2017	10	(11,358,398)	(11,358,388)
Total comprehensive deficit for the year	-	(313,099)	(313,099)
Balance at 30 September 2018	<u>10</u>	<u>(11,671,497)</u>	<u>(11,671,487)</u>
Balance at 1 October 2016	10	(10,000,969)	(10,000,959)
Total comprehensive deficit for the year	-	(1,357,429)	(1,357,429)
Balance at 30 September 2017	<u>10</u>	<u>(11,358,398)</u>	<u>(11,358,388)</u>

The notes on pages 8 to 26 form an integral part of these financial statements.

InvesTT Limited

Statement of cash flows

Year ended 30 September 2018

(Expressed in Trinidad and Tobago dollars)

	Notes	2018 \$	2017 \$
Cash flows from operating activities			
Deficit before taxation expense		(231,793)	(1,181,788)
Adjustments for:			
Depreciation	5	12,579	19,918
Loss on disposal of asset		-	1,419
Government subvention - received	9	(9,070,036)	(8,404,936)
Government grant received	9	9,034,001	11,326,000
Operating deficit before working capital changes		<u>(255,249)</u>	<u>1,760,613</u>
Changes in operating assets and liabilities:			
Decrease in amounts due from related party		237	421
Decrease in trade and other payables		(674,869)	(1,982,568)
Decrease in trade, other receivables and prepayments		-	49,255
Increase in amounts due to related party		(539,320)	1,377,401
Cash used in operations		<u>(1,213,952)</u>	<u>(555,491)</u>
Net cash used in operating activities		<u>(1,469,201)</u>	<u>(1,205,122)</u>
Cash flows from investing activities			
Proceeds from sale of fixed assets		-	2,827
Purchase of fixed assets		(23,399)	-
Net cash (used in) / generated from investing activities		<u>(23,399)</u>	<u>2,827</u>
Net increase in cash and cash equivalents		(1,492,600)	1,207,951
Cash and cash equivalents at beginning of period		3,391,522	2,183,571
Cash and cash equivalents at end of period	7	<u>1,898,922</u>	<u>3,391,522</u>

The notes on pages 8 to 26 form an integral part of these financial statements.

InvesTT Limited

Notes to the financial statements For the year ended 30 September 2018 (Expressed in Trinidad and Tobago dollars)

1. Incorporation and principal activity

InvesTT Limited ('the Company') was incorporated in the Republic of Trinidad and Tobago on 11 November 2011 as a wholly owned subsidiary of Evolving TecKnologies and Enterprise Development Company Limited (e Teck). The Company was a wholly owned subsidiary of e Teck until 1 October 2013 when its issued shares were transferred to the Corporation Sole pursuant to a decision by Cabinet on 28 February, 2013. Prior to the transfer of shares the Company did not operate independently of e Teck.

InvesTT Ltd. is an Investmetromotion Agency under the Ministry of Trade and Industry whose entire operations are funded by grants from the Government of the Republic of Trinidad and Tobago. The Company has no independent source of revenue.

As a special purpose state enterprise under the Ministry of Trade and Industry the principal activities of the Company include:

- Implementing the Investment Policy and Investment Promotion Strategy of the Government
- Acting as the National 'One Stop Shop' and point of access for potential (international) investors in all sectors of the economy' facilitating all the relevant requirements and regulatory approvals required by investors.
- Investor sourcing
- Investor facilitation
- Investor aftercare
- Investment policy advocacy
- Country branding
- Country marketing

InvesTT Limited's registered address is the Atrium, Don Miguel Road Extension, El Socorro San Juan, this was subsequently changed by notice dated 17 February 2016 to Level 19 Nicholas Towers, 63-65 Independence Square Port of Spain. In Fiscal 2018 InvesTT's Limited registered address was further amended by notice dated 6th June 2018 to Level 18 Tower D Waterfront Complex.

2. Summary of significant accounting policies

2.1 Statement of compliance

From the first year of operations InvesTT Limited, the Company has adopted International Financial Reporting Standards ('IFRS').

2.2 Basis of preparation

These financial statements have been prepared under the historical cost convention.

The principal accounting policies adopted in the preparation of these financial statements are set out below.

The preparation of financial statements in conformity with the IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company'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 3.

a) Cash and cash equivalents

Cash and cash equivalents include 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.

InvesTT Limited

Notes to the financial statements For the year ended 30 September 2018 (Expressed in Trinidad and Tobago dollars)

2. Summary of significant accounting policies (continued)

2.2 Basis of preparation (continued)

b) Office furniture and equipment

Office furniture 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.

Office furniture and equipment are depreciated on the straight line method of depreciation over the estimated useful lives of the assets as follows:

Building Improvements	20% per annum
Furniture & Fixtures	10% per annum
Office Equipment	10% per annum
Computers	33.33% per annum

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 office furniture and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income.

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

c) Government grants

InvesTT Limited's operations are funded by grants provided by the Government of the Republic of Trinidad and Tobago ('GORTT'). Government subventions are recognised where there is reasonable assurance that the subvention will be received and all attached conditions will be complied with. When the subvention relates to an expense item, it is recognised as income over the period necessary to match the subvention on a systematic basis to the cost that it is intended to compensate. Where the subvention relates to an asset it is recognised as deferred income and released to income in equal amounts over the useful life of the related asset.

d) Foreign currency transactions

Items included in the financial statements of the Company are measured using the currency that best reflects the economic substance of the underlying events and the circumstances relevant to the Company ('the functional currency'). The functional and presentation currency of the Company is the Trinidad and Tobago dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

InvesTT Limited

Notes to the financial statements For the year ended 30 September 2018 (Expressed in Trinidad and Tobago dollars)

2. Summary of significant accounting policies (continued)

2.2 Basis of preparation (continued)

e) Financial assets

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through the profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, directly attributable transaction costs.

The Company determines the classification of its financial assets on initial recognition and where allowed and appropriate, re-evaluates this designation at each financial year end. Financial assets held by the Company includes cash and cash equivalents, amounts due from related parties and government grants receivable.

f) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables and other payables are recognised at fair value.

g) Derecognition of financial assets and liabilities

Financial Assets

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired;
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss and other comprehensive income.

InvesTT Limited

Notes to the financial statements For the year ended 30 September 2018 (Expressed in Trinidad and Tobago dollars)

2. Summary of significant accounting policies (continued)

2.2 Basis of preparation (continued)

h) Taxation

InvesTT Limited is an Investment Promotion Agency under the Ministry of Trade and Industry whose entire operations are funded by GORTT grants, consequently their operations do not involve the sale of commercial supplies, as a result no taxation in the form of Corporation Tax, Value Added Tax has been incurred.

The Company is however uncertain of its obligations with respect to Green Fund Levy from financial years 2013 to 2018 and Business Levy from financial years 2016 to 2018. In light of this uncertainty the Company has made enquiries of the Board of Inland Revenue so as to determine its obligation. This matter has not yet been resolved. In the interim the Company has included in its books of accounts the amounts which may be due in respect of Green Fund levy and Business levy, exclusive of any interest or penalty which may attach to these amounts if the Company is found to be liable for same.

i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, if 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 the reimbursement will be received and the amount of the receivable can be measured reliably.

j) Share capital

Ordinary shares are classified as equity.

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

2. **Summary of significant accounting policies (continued)**

2.3 **Adoption of new and revised International Financial Reporting Standards**

Standards and Interpretations adopted with no effect on financial statements

The Company has adopted the following new standards and interpretations which had little or no effect on the financial statements and which were effective for annual periods beginning on or after 1 October 2017.

- **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 application of these amendments did not have a significant impact on the Company'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 application of these amendments did not have a significant impact on the Company's financial statements.

- **Annual Improvements 2014-2016**

IFRS 12 - Clarifies the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations .

The application of these amendments did not have a significant impact on the Company's financial statements.

InvesTT Limited

Notes to the financial statements For the year ended 30 September 2018 (Expressed in Trinidad and Tobago dollars)

2. Summary of significant accounting policies (continued)

2.3 Adoption of new and revised International Financial Reporting Standards (continued)

New and revised IFRS in issue but not yet effective

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

- | | |
|------------------------|--|
| • IFRS 9 | Financial instruments ¹ |
| • IFRS 15 | Revenue from Contracts with Customers ¹ |
| • IFRS 16 | Leases ² |
| • Amendments to IAS 12 | Recognition of Deferred Tax Assets
Unrealised Losses ¹ |
| • Amendments to IFRS 2 | Classification and Measurement of Share-based ¹ |
| • Amendments to IFRS | Annual improvements to IFRS 2014-2016 ¹ |
| • IFRIC 22 | Foreign currency transactions and advance
Considerations ² |
| • IFRIC 23 | Uncertainty over income tax treatments ² |
| • Amendments to IAS 40 | Transfers of investment property ¹ |
| • IFRS 17 | Insurance Contracts ³ |
| • Amendments to IFRS | Annual improvements to IFRS 2015-2017 ² |

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

² Effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.

³ Effective for annual periods beginning on or after January 1, 2021, with earlier application permitted.

2. Summary of significant accounting policies (continued)

2.3 Adoption of new and revised International Financial Reporting Standards (continued)

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

• **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.

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.

2. Summary of significant accounting policies (continued)

2.3 Adoption of new and revised International Financial Reporting Standards (continued)

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

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

- 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.

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

• **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.

InvesTT Limited

Notes to the financial statements For the year ended 30 September 2018 (Expressed in Trinidad and Tobago dollars)

2. Summary of significant accounting policies (continued)

2.3 Adoption of new and revised International Financial Reporting Standards (continued)

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

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

On 20 June, 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 Company anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Company's financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Company 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 Company anticipate that the application of IFRS 16 in the future may have a material impact on the amounts reported and disclosures made in the Company's financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 16 until the Company 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 Company do not anticipate that the application of these amendments will have a significant impact on the Company's financial statements.

2. Summary of significant accounting policies (continued)

2.3 Adoption of new and revised International Financial Reporting Standards (continued)

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

• ***Annual Improvements 2014-2016***

IFRS 1 - Deletes the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose.

IAS 28 - Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

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

• ***IFRIC 22 Foreign Currency Transactions and Advance Consideration***

The interpretation addresses foreign currency transactions or parts of transactions where:

- there is consideration that is denominated or priced in a foreign currency;
- the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- the prepayment asset or deferred income liability is non-monetary.

The Interpretations Committee came to the following conclusion:

- The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability.
- If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

The directors of the Company do not anticipate that the application of this interpretation will have a significant impact on the Company's financial statements.

• ***IFRIC 23 Uncertainty over Income Tax Treatments***

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

- Whether tax treatments should be considered collectively
- Assumptions for taxation authorities' examinations
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- The effect of changes in facts and circumstances

The directors of the Company do not anticipate that the application of this interpretation will have a significant impact on the Company's financial statements.

2. Summary of significant accounting policies (continued)

2.3 Adoption of new and revised International Financial Reporting Standards (continued)

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

• **Amendments to IAS 40, *Transfer of investment property***

The amendments to IAS 40 *Investment Property*:

- Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.
- The list of examples of evidence in paragraph 57(a) – (d) is now presented as a non-exhaustive list of examples instead of the previous exhaustive list.

These amendments to the standard will not have an impact of the Company's financial statements.

• **IFRS 17, *Insurance Contracts***

IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 *Insurance Contracts* as of 1 January, 2021. This standard will not have an impact of the Company's financial statements.

• **Annual Improvements 2015-2017**

IFRS 3 Business Combinations and **IFRS 11 Joint Arrangements** — The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

IAS 12 Income Taxes — The amendments clarify that the requirements in the former paragraph 52B (to recognise the income tax consequences of dividends where the transactions or events that generated distributable profits are recognised) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.

IAS 23 Borrowing Costs — The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

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

3. **Critical judgements and use of estimates**

The preparation of financial statements in conformity with IFRS requires management to make critical judgements 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 taking cognizance of the forecasted commercial and economic realities.

Contingent liabilities

Management applies its judgement to the facts and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, more likely than not or remote. Such judgement is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

4. **Going concern**

At the 30 September 2018, the Company has an excess of current liabilities over current assets of \$11,692,287 (2017: \$11,368,368). The continued existence of the Company as a going concern is dependent upon the continued support from the Government of the Republic of Trinidad and Tobago through the Company's line ministry, the Ministry of Trade and Industry through Government subvention. It is to be noted that included in the Company's current liabilities are amounts due to related parties; GORTT and eTeck; these amounts total \$12,610,482 (2017: \$13,233,125).

The Government has allocated to the Company \$8 million for recurrent expenditure and \$3 million for the Public Sector Investment Programme for fiscal 2018. The Directors of the Company will be seeking clarification about whether additional funds will be made available to extinguish existing debts to related party, Evolving TecKnologies & Enterprise Development Company Limited, (eTeck), of \$5,389,331 (2017: \$5,928,652) during the course of the ensuing year.

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Notes to the financial statements For the year ended 30 September 2018 (Expressed in Trinidad and Tobago dollars)

5. Office furniture and equipment

	<u>2018</u>	<u>2017</u>
	\$	\$
Cost		
At 1 October	58,344	66,839
Additions	23,399	-
Disposals	-	(8,495)
At 30 September	<u>81,743</u>	<u>58,344</u>
Depreciation		
At 1 October	(48,364)	(32,963)
Depreciation expense for the year	(12,579)	(19,918)
Disposals	-	4,247
At 30 September	<u>(60,943)</u>	<u>(48,364)</u>
Carrying amount		
At 30 September	<u>20,800</u>	<u>9,980</u>

6. Related party transactions and balances

The following represents transactions with related parties.

	<u>2018</u>	<u>2017</u>
	\$	\$
Government subventions received during the year (Note 9)	<u>9,034,001</u>	<u>11,326,000</u>
Key management remuneration include salary to executives and the directors fees	<u>2,458,982</u>	<u>2,091,601</u>

Related party balances

The following table provides the total amount of material transactions, which have been entered into with related parties as at 30 September 2018.

	<u>Amount owed by related parties</u>	<u>Amount owed to related parties</u>
	\$	\$
Evolving TecKnologies & Enterprise Development Company Limited	<u>37,515</u>	<u>5,389,331</u>
Grants Receivable from Ministry of Trade and Industry	<u>296,812</u>	<u>-</u>

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Notes to the financial statements For the year ended 30 September 2018 (Expressed in Trinidad and Tobago dollars)

6. Related party transactions and balances (continued)

The following table provides the total amount of material transactions, which have been entered into with related parties as at 30 September 2017.

	Amount owed by related parties	Amount owed to related parties
	\$	\$
Evolving TecKnologies & Enterprise Development Company Limited	<u>37,752</u>	<u>5,928,652</u>

7. Cash and cash equivalents

For the purposes of the statement of cash flows, the cash and cash equivalents comprise of the following:

	2018	2017
	\$	\$
Cash at bank	<u>1,898,922</u>	<u>3,391,522</u>

8. Share capital

The Company is authorised to issue an unlimited amount of ordinary shares. During the year 2015, the Company issued 9 ordinary shares of no par value for \$1 each to the Ministry of Finance and the Economy (2014: \$1 ordinary share of no par value). The consideration for the shares issued in 2015 comprises a receivable from the now Ministry of Finance in the amount of \$9.

In fiscal 2018 the directors of the Company have considered the event and remedied the situation to ensure that InvesTT Limited is now in compliance of section 34 of the Companies Act. As such these shares have been fully paid for effective March 2018 by the now Ministry of Finance in the amount of \$9.

	2018	2017
	\$	\$
Issued share capital – 10 ordinary shares of no par value	<u>10</u>	<u>10</u>

9. Deferred Government grant

	2018	2017
	\$	\$
Balance at 1 October	7,304,473	4,039,309
Grants received relating to the current period (Note 6)	9,034,002	11,326,000
Grants received relating to the prior period	(344,100)	-
Amounts released to statement of profit or loss	(9,070,036)	(8,404,936)
Government Grant receivable	<u>296,812</u>	<u>344,100</u>
Balance as at 30 September	<u>7,221,151</u>	<u>7,304,473</u>

InvesTT Limited

Notes to the financial statements For the year ended 30 September 2018 (Expressed in Trinidad and Tobago dollars)

10.	Trade and other payables		
		2018	2017
		\$	\$
	Trade payables	857,554	1,557,335
	Accrued expenses	200,552	175,641
		1,058,106	1,732,976
11.	Administrative, operating and general expenses		
		2018	2017
		\$	\$
	Operating expenses		
	PSIP expense -001	1,061,456	1,425,006
	PSIP expense -297	-	309,830
		1,061,456	1,734,836
	Administrative expenses		
	Staff cost and related expenses	6,263,920	6,696,721
	Motor vehicle rental	159,300	85,763
	Motor vehicle oil & gas	130,112	128,939
	Motor vehicle maintenance	18,300	4,500
	Cell phones and private lines	29,340	23,970
	Professional consultancy	41,485	42,906
	Legal fees	34,061	64,617
	Audit fees	63,057	56,250
	Subscriptions	8,565	8,114
	Telephone	103,916	99,384
	Meetings and functions	3,969	125
	Office equipment rental	53,871	53,933
	Office ICT services	12,222	5,519
	Office maintenance	47,852	900
	Office stationery and printing	14,966	9,488
	Office supplies	3,324	-
	Courier services	-	70
	Internet	15,805	49,281
	Janitorial services	102,728	55,926
	Pantry items	5,617	2,785
	Settlement / claim fees	701,190	35,070
	Depreciation	12,579	19,918
	Directors fees and allowances	265,180	293,500
	Directors – board meeting expenses	17,007	10,406
	Insurance	50,208	50,461
	Foreign exchange loss	7,476	39,421
	Loss on disposal of assets	-	1,419
	Corporate expenses	65,913	-
		8,231,961	7,839,385

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Notes to the financial statements For the year ended 30 September 2018 (Expressed in Trinidad and Tobago dollars)

12. Taxation

	<u>2018</u>	<u>2017</u>
	\$	\$
a) Current tax liabilities		
Business levy	122,177	107,668
Green fund levy	134,771	67,973
	<u>256,948</u>	<u>175,641</u>
b) Taxation expense		
Current tax expense in respect of the current year:		
Business levy	54,204	107,668
Green fund levy	27,102	67,973
	<u>81,306</u>	<u>175,641</u>

Refer to note 2.2 (h) for details.

13. Financial risk management

13.1 Categorization

	<u>2018</u>	<u>2017</u>
	\$	\$
Financial assets		
Loans and receivables		
Government Grant Receivables	296,812	344,100
Due from related parties	37,515	37,752
Cash and cash equivalents	1,898,922	3,391,522
Total assets	<u>2,233,249</u>	<u>3,773,374</u>
Other financial liabilities		
Amortised cost		
Trade and other payables	1,058,106	1,732,975
Due to related party	5,389,331	5,928,652
Total liabilities	<u>6,447,437</u>	<u>7,661,627</u>

InvesTT Limited

Notes to the financial statements For the year ended 30 September 2018 (Expressed in Trinidad and Tobago dollars)

13. Financial risk management

13.2 Management of insurance and financial risks

Risk is inherent in the Company's activities but it is managed through a process of on-going identification, measurement and monitoring subject to risk limits and other controls. This process of risk management is critical to the Company's continuing as a going concern.

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.

The Company'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 Company as well as the level of risk that the Company is willing to accept.

13.3 Financial risks

The components of financial risk are liquidity risk and credit risk. All the Company's assets and liabilities are non-interest bearing, denominated in Trinidad and Tobago dollars and are due within one year and therefore the Company is not exposed to interest rate, currency risk or price risk.

13.4 Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost.

	On demand	Up to 1 year	1 – 5 years	Over 5 years	Total
	\$	\$	\$	\$	\$
As at 30 September 2018					
Assets					
Government Grants Receivable	-	296,812	-	-	296,812
Due from related parties	37,515	-	-	-	37,515
Cash and cash equivalents	1,898,922	-	-	-	1,898,922
Total assets	1,936,437	296,812	-	-	2,233,249
Liabilities					
Trade payables	857,554	-	-	-	857,554
Due to related party	5,389,331	-	-	-	5,389,331
Accrued expenses	-	57,752	142,000	-	200,552
Total liabilities	6,246,885	57,752	142,000	-	6,447,437
Net liquidity gap	(4,310,448)	239,060	(142,000)	-	(4,214,188)

InvesTT Limited

Notes to the financial statements
For the year ended 30 September 2018
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13. Financial risk management (continued)

13.4 Liquidity risk (continued)

	On demand	Up to 1 year	1 – 5 years	Over 5 years	Total
	\$	\$	\$	\$	\$
As at 30 September 2017					
Assets					
Government Grants receivable	-	344,100	-	-	344,100
Due from related parties	37,752	-	-	-	37,752
Cash and cash equivalents	3,391,522	-	-	-	3,391,522
Total assets	3,429,274	344,100	-	-	3,773,374
Liabilities					
Trade payables	1,105,243	452,092	-	-	1,557,335
Due to related party	5,928,652	-	-	-	5,928,652
Accrued expenses	-	133,641	42,000	-	175,641
Total liabilities	7,033,895	585,733	42,000	-	7,661,628
Net liquidity gap	(3,604,623)	(241,632)	(42,000)	-	(3,888,253)

13.5 Credit risk

The Company has exposure to credit risk which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Company is exposed to credit risk are:

- Cash at bank
- Receivables

The Company manages its credit risk by transacting with entities that are of investment grade credit quality. Credit ratings are supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Company categorises all cash on hand and at bank as high grade financial assets.

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14. **Commitments**

Leasing arrangements

Operating leases relate to leases of offices and other equipment with lease terms of between 6 months and 5 years. The Company does not have an option to purchase the leased offices at the expiry of the lease periods.

	<u>2018</u>	<u>2017</u>
	\$	\$
No later than 1 year	159,300	159,300
Later than 1 year and no later than 5 years	<u>159,300</u>	<u>318,600</u>
	<u>318,600</u>	<u>477,900</u>

15. **Contingent liabilities**

There are no contingent liabilities.

16. **Subsequent events**

The Company has determined at the time of issue of these financial statements, that there are no subsequent events, which require recognition or disclosure in these financial statements.