

InvesTT Limited

Financial statements

30 September 2020

(Expressed in Trinidad and Tobago dollars)

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InvesTT Limited

Statement of management's responsibilities¹


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 2020, 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. Sekou Alleyne
Title: President

28 September, 2021

¹ The above Statement of Management Responsibilities is not considered a part of the financial statements under IFRS. It is however recommended by the Institute of Chartered Accountants of Trinidad and Tobago for insertion into the financial statements immediately before the independent auditor's report and essentially represents Management's acknowledgement and acceptance of its duties, roles and responsibilities for the preparation and fair presentation of the financial statements it accompanies.

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 2020, 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 2020, 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.

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**

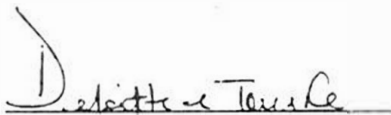
Auditor's responsibilities for the audit of the financial statements (continued)

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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

The engagement partner on the audit resulting in this independent auditor's report is Derek Mohammed (ICATT#864).



Deloitte & Touche
Port of Spain
Trinidad

28 September 2021

InvesTT Limited

Statement of financial position

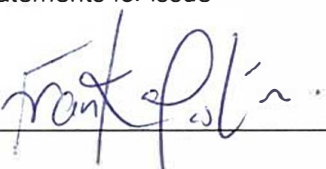
As at 30 September 2020

(Expressed in Trinidad and Tobago dollars)

	Notes	2020 \$	2019 \$
Assets			
Non-current assets			
Office furniture and equipment	5	207,248	88,838
Non-current assets		207,248	88,838
Current assets			
Government grants receivable	6,9	54,013	-
Due from related parties	6	36,813	37,033
Other receivables & prepayments		22,096	7,293
Cash and cash equivalents	7	1,108,835	1,356,745
Total current assets		1,221,757	1,401,071
Total assets		1,429,005	1,489,909
Equity and liabilities			
Capital and reserves:			
Share capital	8	10	10
Accumulated deficit		(5,373,365)	(10,989,496)
Total equity		(5,373,355)	(10,989,486)
Current liabilities			
Trade and other payables	10	763,059	358,451
Due to related party	6	-	5,389,331
Deferred Government grants	9	6,039,301	6,731,613
Total current liabilities		6,802,360	12,479,395
Total equity and liabilities		1,429,005	1,489,909

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

On 28 September 2021, 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 2020

(Expressed in Trinidad and Tobago dollars)

	Notes	2020 \$	2019 \$
Income			
Government subvention	9	8,044,527	9,344,480
Other income	6	5,616,131	-
		<u>13,660,658</u>	<u>9,344,480</u>
Expenses			
Operating	11	(1,297,822)	(1,547,800)
Administrative	11	<u>(6,741,211)</u>	<u>(7,363,857)</u>
Operating income		5,621,625	432,823
Finance costs		(5,500)	(7,799)
Interest income		<u>6</u>	<u>29</u>
Income before taxation		5,616,131	425,053
Taxation expense	12	<u>-</u>	<u>256,948</u>
Income after taxation expense		<u>5,616,131</u>	<u>682,001</u>
Total profit and comprehensive income for the year		<u>5,616,131</u>	<u>682,001</u>

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

InvesTT Limited

Statement of changes in equity For the year ended 30 September 2020 (Expressed in Trinidad and Tobago dollars)

	<u>Share capital</u> \$	<u>Accumulated deficit</u> \$	<u>Total</u> \$
Balance at 1 October 2019	10	(10,989,496)	(10,989,486)
Total comprehensive income for the year	-	5,616,131	5,616,131
Balance at 30 September 2020	10	(5,373,365)	(5,373,355)
Balance at 1 October 2018	10	(11,671,497)	(11,671,487)
Total comprehensive income for the year	-	682,001	682,001
Balance at 30 September 2019	10	(10,989,496)	(10,989,486)

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 2020

(Expressed in Trinidad and Tobago dollars)

	Notes	2020 \$	2019 \$
Cash flows from operating activities			
Income before taxation expense		5,616,131	425,053
Adjustments for:			
Depreciation	5	52,582	15,681
Government subvention released to the statement of profit or loss	9	(8,044,527)	(9,344,480)
Government grant received	9	7,298,202	9,151,754
Other income		(5,616,131)	-
Operating cash flows before working capital changes		(693,743)	248,008
Changes in operating assets and liabilities:			
Decrease in amounts due from related party		220	482
Increase/(decrease) in trade and other payables		404,608	(699,655)
Increase in trade, other receivables and prepayments		(14,803)	(7,293)
Decrease in amount due to related party		226,800	-
Cash generated from/(used in) operations		616,825	(706,466)
Net cash used in operating activities		(76,918)	(458,458)
Cash flows from investing activities			
Purchase of office furniture and equipment	5	(170,992)	(83,719)
Net cash used in investing activities		(170,992)	(83,719)
Net decrease in cash and cash equivalents		(247,910)	(542,177)
Cash and cash equivalents at beginning of period		1,356,745	1,898,922
Cash and cash equivalents at end of period	7	1,108,835	1,356,745

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 2020

(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. The Ultimate parent company of this Company is the Government of the Republic of Trinidad & Tobago.

InvesTT Limited is an Investment Promotion 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 ('GORTT'). 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 Level 18 Tower D Waterfront Complex.

2. Summary of significant accounting policies

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

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.

InvesTT Limited

Notes to the financial statements For the year ended 30 September 2020 (Expressed in Trinidad and Tobago dollars)

2. Summary of significant accounting policies (continued)

2.2 Basis of preparation (continued)

a) 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.

b) 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.

Management has adopted IFRS 15 from October 1, 2018. However, given that InvesTT's funding is entirely comprised of GORTT grants, the question of revenue recognition does not arise at this time; accordingly, Management is of the view that this change has had no impact on the Company's accounting records and has not restated comparative figures as a result of the adoption of IFRS 15.

InvesTT Limited

Notes to the financial statements For the year ended 30 September 2020 (Expressed in Trinidad and Tobago dollars)

2. Summary of significant accounting policies (continued)

2.2 Basis of preparation (continued)

c) 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.

d) Financial assets & liabilities

IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets:

- amortized cost,
- fair value through other comprehensive income and
- fair value through profit or loss.

The basis of classification depends on InvesTT's business model and the contractual cash flow characteristics of the financial asset being considered.

For financial assets, IFRS 9 requires the implementation of a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39.

For financial liabilities, IFRS 9 requires no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income.

For both assets and liabilities designated at fair value through profit or loss, Management has assessed the effect of IFRS 9 and determined that current recognition policies meet the guidance provided in the standard. Therefore, IFRS 9 does not have a material impact on the Company's financial statements.

InvesTT Limited

Notes to the financial statements For the year ended 30 September 2020 (Expressed in Trinidad and Tobago dollars)

2. Summary of significant accounting policies (continued)

2.2 Basis of preparation (continued)

d) Financial assets & liabilities (continued)

The following table indicates the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and liabilities as at 1 October 2019

	Original Classification – IAS 39	New Classification – IFRS 9	Carrying Amount – IAS 39	Carrying Amount – IFRS 9
Financial assets				
Government grants receivable	Loans and receivables	Amortised cost	54,013	54,013
Due from related parties	Loans and receivables	Amortised cost	36,813	36,813
Cash and cash equivalents	Loans and receivables	Amortised cost	1,108,835	1,108,835
Financial liabilities				
Trade and other payables	Other financial liabilities	Amortised cost	763,059	763,059

Business model assessment

IFRS 9 also requires the application of a business model test, to facilitate the classification of InvesTT's business model. This classification is based on the actual applicable facts.

Notably InvesTT's business model does not depend on Management's intentions, but on its actual practice as evidenced by its actions, undertaken to achieve its business objective.

The business model assessment determines whether financial assets are held to collect, for sale, or for trading.

InvesTT's business model has been assessed to be held to collect and hence the financial assets included within this category are initially recognized at fair value and subsequently measured at amortized cost.

e) Derecognition of financial assets and liabilities

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 2020 (Expressed in Trinidad and Tobago dollars)

2. Summary of significant accounting policies (continued)

2.2 Basis of preparation (continued)

f) 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.

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

In the current year, the Company has applied a number of amendments to IFRS and new Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatorily effective for the Company for the year commencing 1 October 2019.

- **IFRS 16 Leases**

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize 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 Company has issued no new leases and is party to one lease which has been assessed to be of low value, hence no asset or liability has been recorded relative to the lease.

- **Annual Improvements to IFRS Standards 2015–2017 Cycle**

IFRS 3 and IFRS 11 - 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 - 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 - 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 capitalization rate on general borrowings.

The Company has never experienced any of the events contemplated by these annual improvements. In Management's assessment these changes to the IFRS 23 are not expected to have any impact on the Company's Financial Statement.

2. Summary of significant accounting policies (continued)

2.3 New IFRS and amendments to IFRS that are mandatorily effective for the current year (continued)

- **Amendments to IAS 19, Plan Amendment, Curtailment or Settlement**

The amendments in *Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)* are:

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement.
- In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

This standard relates to the operation of a defined benefit Pension Plan. The Company operates a defined contribution pension plan. The IFRS amendments are therefore assessed by Management to have no 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; and
- The effect of changes in facts and circumstance

In Management's view the Company currently has no contentious Tax treatment issues and has therefore assessed that these updated interpretation of IAS12 is not likely to have any impact on the Company's Financial Statements

- **Prepayment Features with Negative Compensation (Amendments to IFRS 9)**

Amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

The Company has assessed the amendments to the existing requirements of IFRS 9 regarding the termination rights to allow measurements of amortized cost and as such deem that these amendments have no impact on the Company's financial statements

- **Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)**

Clarifies that an entity applies IFRS 9 Financial Instruments to long term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The Company has never had any interest in Associates or Joint Ventures, Management has therefore assessed that the changes will have no impact on the Company's financial statements.

InvesTT Limited

Notes to the financial statements For the year ended 30 September 2020 (Expressed in Trinidad and Tobago dollars)

2. Summary of significant accounting policies (continued)

2.4 New and revised IFRS in issue but not yet effective

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

Amendments to References to the Conceptual Framework in IFRS Standards¹

Amendments to IFRS 3 Definition of a Business¹

Amendments to IAS 1 and IAS 8 Definition of Material¹

Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform¹

Amendments to IFRS 16 Covid-19-Related Rent Concessions¹

Amendments to IFRS 3 Reference to the Conceptual Framework³

Amendments to IAS 16 Property, Plant and Equipment-Proceeds before Intended use³

Amendments to IAS 37 Onerous Contracts-Cost of fulfilling a Contract³

Amendments to IFRS Annual Improvements to IFRS 2018-2020³

(Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) Interest Rate Benchmark Reform — Phase 2²

¹ Effective for annual periods beginning on or after 1 January 2020, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.

- **Amendments to References to the Conceptual Framework in IFRS Standards**

Together with the revised Conceptual Framework published in March 2018, the IASB also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the framework they are referencing to (the IASC framework adopted by the IASB in 2001, the IASB framework of 2010, or the new revised framework of 2018) or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework.

InvesTT Limited

Notes to the financial statements For the year ended 30 September 2020 (Expressed in Trinidad and Tobago dollars)

2. Summary of significant accounting policies (continued)

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

- **Amendments to IFRS 3, Definition of a Business**

The amendments in *Definition of a Business (Amendments to IFRS 3)* are changes to Appendix A *Defined terms*, the application guidance, and the illustrative examples of IFRS 3 only. They:

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

- **Amendments to IAS 1 and IAS 8, Definition of Material**

The amendments in *Definition of Material (Amendments to IAS 1 and IAS 8)* clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.

- **Amendments to IFRS 9, IAS 39 and IFRS 7, Interest Rate Benchmark Reform**

The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

- **Amendments to IFRS 16 – Covid-19-Related Rent Concessions**

The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

This amendment did not impact the Company's financial statements for 2020.

2. Summary of significant accounting policies (continued)

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

- **Amendments to IFRS 3, References to the Conceptual Framework**

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

- **Amendments to IAS 16, Property, Plant and Equipment – Proceeds before Intended Use**

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by Management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

- **Amendments to IAS 37, Onerous Contracts- Cost of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'cost that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

- **Annual Improvements to IFRS Standards 2018-2020**

IFRS 1 – The amendments permit a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

IFRS 9 – The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the Borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16 - The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a percent value technique.

- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) Interest Rate Benchmark Reform — Phase 2**

The amendments introduces a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

The Company has carefully considered the likely impact of the above-mentioned improvements and amendments and has concluded that there is no likely material impact of these changes on the financial statements of the Company.

InvesTT Limited

Notes to the financial statements For the year ended 30 September 2020 (Expressed in Trinidad and Tobago dollars)

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:

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. Financial performance and liquidity

At the 30 September 2020, the Company had \$5,373,355 (2019: \$10,989,486) in accumulated deficit. 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. The Government has allocated to the Company \$7.5 million for recurrent expenditure and \$2m for the Public Sector Investment Programme for fiscal 2021 to enable continued operations.

It is to be noted that included in the Company's current liabilities are amounts due to related party; Evolving Tecknologies and Enterprise Development Company Limited ('e Teck'); these amounts total \$0.00 (2019: \$5,389,331). The Directors have considered the implications of these amounts on the liquidity of the Company. The Directors of the Company were granted approval from Cabinet on 2 December 2019 for the amount due to e Teck of \$5,389,331 to be written off. Subsequent to the write off of this debt, the liquidity position of the Company is considered to be healthy.

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Notes to the financial statements
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5. Office furniture and equipment

	Computers	Building improvements	Total
	\$	\$	\$
At 1 October 2018	81,743	-	81,743
Additions	48,923	34,796	83,719
At 30 September 2019	130,666	34,796	165,462
Additions	170,992	-	170,992
At 30 September 2020	301,658	34,796	336,454
Depreciation			
At 1 October 2018	(60,943)	-	(60,943)
Depreciation expense for the year	(12,723)	(2,958)	(15,681)
At 30 September 2019	(73,666)	(2,958)	(76,624)
Depreciation expense for the year	(45,623)	(6,959)	(52,582)
At 30 September 2020	(119,283)	(9,917)	(129,206)
Carrying amount			
At 30 September 2019	57,000	31,838	88,838
At 30 September 2020	182,369	24,879	207,248

6. Related party transactions and balances

The following represents transactions with related parties.

	2020	2019
	\$	\$
Government subventions received during the year (Note 9)	7,298,202	9,151,754
Key management remuneration include salary to executives and the directors' fees	1,755,964	2,210,897

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Notes to the financial statements For the year ended 30 September 2020 (Expressed in Trinidad and Tobago dollars)

6. Related party transactions and balances (continued)

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 2020

	<u>Amount owed by related parties</u>	<u>Amount owed to related parties</u>
	\$	\$
Evolving TecKnologies & Enterprise Development Company Limited	<u>36,813</u>	<u>-</u>
Grants Receivable from Ministry of Trade & Industry	<u>54,013</u>	<u>-</u>

The Directors of the Company were granted approval from Cabinet on 2 December 2019 for Evolving TecKnologies & Enterprise Development Company (e Teck) to write off the sum of \$5,389,331 owed by InvesTT Limited.

The following table provides the total amount of material transactions, which have been entered into with related parties as at 30 September 2019.

	<u>Amount owed by related parties</u>	<u>Amount owed to related parties</u>
	\$	\$
Evolving TecKnologies & Enterprise Development Company Limited	<u>37,033</u>	<u>5,389,331</u>

7. Cash and cash equivalents

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

	<u>2020</u>	<u>2019</u>
	\$	\$
Cash at bank	<u>1,108,835</u>	<u>1,356,745</u>

8. Share capital

The Company is authorised to issue an unlimited amount of ordinary shares.

	<u>2020</u>	<u>2019</u>
	\$	\$
Issued share capital – 10 ordinary shares of no-par value	<u>10</u>	<u>10</u>

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9. **Deferred Government grant**

	<u>2020</u>	<u>2019</u>
	\$	\$
Balance at 1 October	6,731,613	7221,151
Grants received relating to the current period (Note 6)	7,298,202	9,151,754
Grants received relating to the prior period	-	(296,812)
Amounts released to statement of profit or loss	(8,044,527)	(9,344,480)
Government Grant receivable	54,013	-
Balance as at 30 September	<u>6,039,301</u>	<u>6,731,613</u>

10. **Trade and other payables**

	<u>2020</u>	<u>2019</u>
	\$	\$
Trade payables	677,733	42,507
Accrued expenses	85,326	315,944
	<u>763,059</u>	<u>358,451</u>

InvesTT Limited

Notes to the financial statements For the year ended 30 September 2020 (Expressed in Trinidad and Tobago dollars)

11. Administrative, operating and general expenses

	<u>2020</u>	<u>2019</u>
	\$	\$
Operating expenses		
PSIP expense -001	<u>1,297,822</u>	<u>1,547,800</u>
Administrative expenses		
Staff cost and related expenses	5,475,451	6,049,437
Directors fees and allowances	356,400	317,169
Janitorial services	133,135	135,356
Telephone	121,827	88,598
Motor vehicle oil & gas	94,778	130,399
Training- Local	63,799	-
Audit fees	56,891	57,600
Insurance	55,620	50,197
Professional consultancy	54,847	63,974
Corporate expenses	53,880	36,108
Depreciation	52,582	15,681
Motor vehicle maintenance	48,946	56,530
Office equipment rental	44,786	53,864
Training - Overseas	20,250	-
Cell phones and private lines	17,628	25,209
Office stationery and printing	17,393	20,487
Office supplies	16,134	5,057
Pantry items	10,288	12,792
Subscriptions	9,099	7,859
Internet	8,130	8,194
Directors – board meeting expenses	7,919	17,809
Meetings and functions	7,044	8,406
Office ICT services	4,901	3,011
Office maintenance	4,669	3,600
Foreign exchange loss	3,138	19,663
Legal fees	1,510	3,466
Settlement / claim fees	166	-
Motor vehicle rental	-	165,938
Overseas Travel	-	7,603
Security services	-	(150)
	<u>6,741,211</u>	<u>7,363,857</u>

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Notes to the financial statements For the year ended 30 September 2020 (Expressed in Trinidad and Tobago dollars)

12. Taxation

	<u>2020</u>	<u>2019</u>
	\$	\$
a) Taxation expense		
Current tax (reversals)/expense in respect of the current year:		
Business levy	-	(122,177)
Green fund levy	-	(134,771)
	<u>-</u>	<u>(256,948)</u>

The Company 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 and Value Added Tax has been incurred.

The Company was initially uncertain of its obligation 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 enquires to the Board of Inland Revenue so as to determine its obligation and in the interim resolved to accrue in its books of accounts the amounts which may be due in respect of Green Fund Levy and Business Levy.

In Fiscal 2019, the Company received formal correspondence from the Board of Inland Revenue noting the stance that Green Fund Levy cannot be charged if there are no gross receipts/income. In May 2019, the Company would have also contracted professional Tax consultants for the preparation of its Corporation Tax returns for the period 2014 - 2018 which was completed and filed in June 2019 with the Board of Inland Revenue.

In filing of its corporation tax returns the Company requested further clarification from Tax consultants on its obligation with respect to the payment of Green Fund and Business Levy. The consultants undertook additional research and corroborated the stance taken by the Board of Inland Revenue and later advised that given the nature of the activities conducted by the Company, as "an Investment Promotion Agency" under the Ministry of Trade and Industry whose entire operations are funded by grants from GORTT via government subventions, could not be considered gross receipts or funds generated in the operation of its business activities. Thus, the Company is not liable for Business Levy or Green Fund Levy. All accruals were reversed in the Fiscal year 2019.

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Notes to the financial statements For the year ended 30 September 2020 (Expressed in Trinidad and Tobago dollars)

13. Financial risk management

13.1 Categorization

	<u>2020</u>	<u>2019</u>
	\$	\$
Financial assets		
Amortised cost		
Government Grant Receivables	54,013	-
Due from related parties	36,813	37,033
Cash and cash equivalents	<u>1,108,835</u>	<u>1,356,745</u>
Total assets	<u>1,199,661</u>	<u>1,393,778</u>
Other financial liabilities		
Amortised cost		
Trade and other payables	763,059	358,451
Due to related party	<u>-</u>	<u>5,389,331</u>
Total liabilities	<u>763,059</u>	<u>5,747,782</u>

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.

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Notes to the financial statements For the year ended 30 September 2020 (Expressed in Trinidad and Tobago dollars)

13. Financial risk management (continued)

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 2020					
Assets					
Government Grants					
Receivables	54,013	-	-	-	54,013
Due from related parties	36,813	-	-	-	36,813
Cash and cash equivalents	1,108,835	-	-	-	1,108,835
Total assets	1,199,661	-	-	-	1,199,661
Liabilities					
Trade payables	677,733	-	-	-	677,733
Accrued expenses	-	85,326	-	-	85,326
Total liabilities	677,733	85,326	-	-	763,059
Net liquidity gap	521,928	(85,326)	-	-	436,602
As at 30 September 2019					
Assets					
Due from related parties	37,033	-	-	-	37,033
Cash and cash equivalents	1,356,745	-	-	-	1,356,745
Total assets	1,393,778	-	-	-	1,393,778
Liabilities					
Trade payables	42,507	-	-	-	42,507
Due to related party	5,389,331	-	-	-	5,389,331
Accrued expenses	-	315,943	-	-	315,944
Total liabilities	5,431,838	315,943	-	-	5,747,782
Net liquidity gap	(4,038,060)	(315,943)	-	-	(4,354,004)

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Notes to the financial statements For the year ended 30 September 2020 (Expressed in Trinidad and Tobago dollars)

13. Financial risk management (continued)

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.

14. Commitments

Leasing arrangements

Operating leases relate to leases of office equipment with lease terms of between 6 months and 5 years.

	<u>2020</u>	<u>2019</u>
	\$	\$
No later than 1 year	-	159,300
Later than 1 year and no later than 5 years	<u>19,913</u>	<u>19,913</u>
	<u>19,913</u>	<u>179,213</u>

The Company has decided not to apply the new guidance to leases whose term will end within twelve (12) Months or less or where the underlying asset has a low value. In such cases the leases are accounted for as short- term leases and the lease payments associated with them are recognized as an expense from short term leases.

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.

17. Impact of COVID-19 on operations

In March 2020, the World Health Organisation declared a global pandemic because of the worldwide spread of the novel coronavirus disease, Covid-19. To prevent a national crisis, the government of Trinidad and Tobago mandated a country-wide shut down. However, at present, the Company does not have an estimate of the potential impact and as such no provision has been made in the 2020 financial statements.