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NATIONAL ENTREPRENEURSHIP DEVELOPMENT COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

SEPTEMBER 30, 2018

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NATIONAL ENTREPRENEURSHIP DEVELOPMENT COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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National Entrepreneurship Development Company Limited

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STATEMENT OF MANAGEMENT RESPONSIBILITIES

National Entrepreneurship Development Company Limited

Management is responsible for the following:

- Preparing and fairly presenting the financial statements of National Entrepreneurship Development Company Limited ("the Entity"), which comprise the statement of financial position as at September 30, 2018, the statements of comprehensive income, changes in equity, cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information;
- Ensuring that the Entity 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 Entity's assets, detection/prevention of fraud, and achievement of operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that complies with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the financial reporting provisions of the Income Tax Act of Trinidad and Tobago and 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 Entity will not remain a going concern for the next twelve months from the reporting date, or from the date the financial statements have been authorised for issue, if later. Management affirms that it has carried out its responsibilities as outlined above.

Calvin Maurice	Delisa Emmanuel
Chief Executive Officer	Chief Financial Officer
January 25, 2023	January 25, 2023

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Independent Auditors' Report

The Shareholder of National Entrepreneurship Development Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of National Entrepreneurship Development Company Limited ("the Entity"), which comprise the statement of financial position as at September 30, 2018, and the statement of comprehensive income, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at September 30, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards("IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Separate financial statements* section of our report. We are independent of the Entity in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants* ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Trinidad and Tobago, and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. 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 27 in the financial statements which indicates that the Entity incurred a total comprehensive loss for the year of $726,974 during the year ended September 30, 2018 and, as of that date, the Entity's current liabilities exceeded its current assets by $726,971. As stated in Note 27, these conditions, indicate that a material uncertainty exists that may cast doubt on the Entity's ability to continue as a going concern. Our opinion was not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. Key audit matters are selected from matters communicated with those charged with governance. These matters were addressed in the context of the audit of the financial statements, and in forming our opinion thereon, and the auditor does not provide a separate opinion on these matters.

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Independent Auditors' Report (continued)

Key Audit Matters (continued)

Key Audit Matters	How our Audit Addressed the Key Audit Matter
Implementation of IFRS 9 *'Financial Instruments'*	
The Entity adopted the accounting standard IFRS 9 *'Financial Instruments'* during the financial year. The standard replaces IAS 39 *'Financial Instruments: Recognition and Measurement'* and makes major changes to the previous guidance on the classification and measurement of financial assets and also introduces an expected credit loss (ECL) model for the impairment of financial assets. Refer to notes 2 (c) and (e)	Our audit procedures included among others: We reviewed and assessed the Entity's IFRS 9's Implementation Policy Document and compared it to the requirements of the standard. We reviewed the Entity's methodology for calculating the ECL. In assessing the reasonableness of the probability of default, we performed testing on the underlying data provided for current and prior periods. For a sample of debt instruments, we tested the data fields by tracing back to the source documents and determined the risk rating. We tested the loss given default and exposure at default in the ECL calculation.
Government grants During the audit, Management identified that Government grants received were not being accounting for in accordance with IAS 20 *Accounting for Government Grants and Disclosures* and corrected the error, resulting in restatements to the prior periods. Refer to notes 5 and 6	Our audit procedures included among others: Inspecting documentation relating to the grants received and released to the statement of comprehensive income. Reviewed the restatements and current period adjustments related to grants to ensure accuracy and completeness. Assessed the sufficiency and appropriateness of the disclosures given in respect of government grants and the related restatements.

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Independent Auditors' Report (continued)

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 separate 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 Entity'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 Entity'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 separate 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 Entity to cease to continue as a going concern.

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Independent Auditors' Report (continued)

Auditor's Responsibilities for the Audit of the financial statements (continued)

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the Entity or business activities within the Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Entity's audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical matters regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Giles Leung.

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ORBIT Solutions
Port of Spain
Trinidad and Tobago
January 25, 2023

NATIONAL ENTREPRENEURSHIP DEVELOPMENT COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2018

	Notes	2018 $	Restated 2017 $	Restated 2016 $
ASSETS				
Non-current asset				
Loans	7	27,550,279	32,414,610	30,831,101
Property, plant and equipment	8	815,417	503,113	2,053,090
Total non-current assets		28,365,696	32,917,723	32,884,191
Current assets				
Cash and cash equivalents	9	6,569,932	8,497,631	7,947,144
Accounts receivable and prepayments	10	1,249,383	1,769,666	7,790,507
Total current assets		7,819,315	10,267,297	15,737,651
TOTAL ASSETS		**36,185,011**	**43,185,020**	**48,621,841**
EQUITY AND LIABILITIES				
Equity				
Stated capital	11	3	3	3
Accumulated deficit	12	(726,974)	-	-
Total Equity		(726,971)	3	3
Non- current liabilities				
Deferred grants	6	28,365,696	33,166,158	33,727,348
Total non-current liabilities		28,365,696	33,166,158	33,727,348
Current liabilities				
Accounts payable and accruals	13	8,546,286	10,018,859	14,894,491
Total current liabilities		8,546,286	10,018,859	14,894,491
TOTAL EQUITY AND LIABILITIES		**36,185,011**	**43,185,020**	**48,621,842**

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

On January 25, 2023, the Board of Directors of National Entrepreneurship Development Company Limited authorised these financial statements for issue.

Director   Director

NATIONAL ENTREPRENEURSHIP DEVELOPMENT COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Notes	2018 $	2017 $
Income			
Grant revenue	6	27,336,576	24,561,191
Loan interest		3,875,723	4,142,326
Investment income		32,472	85,996
Other income	14	656,690	663,403
		31,901,461	29,452,916
Expenditure			
Operating expenses	15	29,444,151	27,860,957
Development support services	16	221,599	1,567,152
Interest expense	17	9,493	20,628
Loan loss	18	2,953,192	4,179
Total expenditure		32,628,435	29,452,916
Deficit for the year		**(726,974)**	-

The accompanying notes form part of these financial statements

NATIONAL ENTREPRENEURSHIP DEVELOPMENT COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Stated capital $	Retained earnings $	Total $
Balance as at October 1, 2017	3	-	3
Deficit for the year	-	(726,974)	(726,974)
Balance as at September 30, 2018	**3**	**(726,974)**	**(726,971)**
Balance as at October 1, 2016	3	28,036,084	28,036,087
Effects of Restatements	-	(28,036,084)	(28,036,084)
Balance as at October 1, 2016 (Restated)	3	-	3
Profit for the year	-	-	-
Balance as at September 30, 2017	**3**	**-**	**3**
Balance as at October 1, 2015	3	28,036,083	28,036,086
Effects of Restatements	-	(28,036,083)	(28,036,083)
Balance as at October 1,2015 (Restated)	3	-	3
Profit for the year	-	-	-
Balance as at September 30, 2016 (Restated)	**3**	**-**	**3**

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

NATIONAL ENTREPRENEURSHIP DEVELOPMENT COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	2018 $	Restated 2017 $
Net deficit for the year	(726,974)	-
Adjustments for:		
Loan loss expense	3,664,622	4,179
(Gain)/Loss on disposal of property, plant and equipment	(253,305)	2,225
Net Change in Software costs	-	1,308,875
Depreciation	380,721	379,128
Changes in operating assets and liabilities	3,065,064	1,694,407
Net change in accounts receivable and prepayments	520,283	(334,158)
Net change in accounts payable and accruals	(1,472,573)	(4,875,632)
Net change in loans receivable	1,199,708	(1,587,688)
Funds provided/ (used in) by operating activities	3,312,482	(5,103,071)
Investing activities:		
Purchase of property, plant and equipment	(719,931)	(142,536)
Proceeds from disposal of property, plant and equipment	280,212	2,285
Funds used in investing activities	(439,719)	(140,251)
Financing activities:		
Net change in subventions receivable	-	6,355,000
Net change in deferred income grants	(248,435)	(594,723)
Net change in deferred capital grants	312,304	(1,549,977)
Net change in deferred lending grants	(4,864,331)	1,583,509
Funds (used in)/ provided financing activities	(4,800,462)	5,793,809
Net change in cash and cash equivalents	(1,927,699)	550,487
Cash resources – at beginning of year	8,497,631	7,947,144
Cash resources – at end of year	**6,569,932**	**8,497,631**
Represented by:		
Cash and cash equivalents	**6,569,932**	**8,497,631**

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

1. Incorporation and principal business activity

National Entrepreneurship Development Company Limited ("the Entity") was incorporated on July 17, 2002 in the Republic of Trinidad and Tobago. Its principal activity is to provide finance and support services to assist small and micro businesses in Trinidad and Tobago. The sole shareholder is the Government of the Republic of Trinidad and Tobago.

2. Summary of significant accounting policies

(a) Basis of financial statement preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) and are stated in Trinidad and Tobago dollars. These financial statements have been prepared on the historical cost basis, except for the measurement at fair value of available-for-sale investments.

(b) Use of estimates

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Entity's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

(c) New accounting standards and interpretations

(i) Standards not yet implemented

The Entity has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective as they either do not apply to the activities of the Entity or have no material impact on its financial statements, except for IFRS 9 Financial Instruments:

IFRS 9 — Financial Instruments – Amendments regarding prepayment features with negative compensation (effective for accounting periods beginning on or after January 1, 2019).

IFRS 16 — Leases (effective for accounting periods beginning on or after January 1, 2019).

IFRS 17 — Insurance Contracts (effective for accounting periods beginning on or after January 1, 2021).

IFRIC 23 — Uncertainty over Income Tax Treatments (effective for accounting periods beginning on or after January 1, 2019).

2. Summary of the significant accounting policies (continued)

(c) New accounting standards and interpretations (continued)

(ii) New, revised and amended standards effective January 1, 2018

(a) IFRS 9 Financial Instruments

The Entity has early adopted IFRS 9 Financial Instruments issued in July 2014 with a date of initial application of January 1, 2018. The requirements of IFRS 9 represent a significant change from IAS 39 Financial Instruments: Recognition and Measurement. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

The key changes to the Entity's accounting policies resulting from its adoption of IFRS 9 are summarised below.

Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets:
- Measured at amortized cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVTPL").

The classification is based on the Entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset. The standard eliminates the existing IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

IFRS 9 retains most of the existing requirements of IAS 39 for the classification of financial liabilities. However, although under IAS 39 all fair value changes of liabilities designated under the fair value option were recognised in profit or loss, under IFRS 9 fair value changes are generally presented as follows:
- The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in Other Comprehensive Income ("OCI"); and
- The remaining amount of change in the fair value is presented in profit or loss.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The new impairment model also applies to certain loan commitments and financial guarantee contracts but not to equity investments. IFRS 9 requires that credit losses are recognised earlier than under IAS 39. The Entity's application of the impairment requirements of IFRS 9 can be seen in note 2. e (iv).

2. Summary of the significant accounting policies (continued)

(c) New accounting standards and interpretations (continued)

***(ii) New, revised and amended standards effective January 1, 2018* (continued)**

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

Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below.

- Comparative periods have not been restated. Differences arising from the adoption of IFRS 9 in relation to classification, measurement, and impairment are recognised in retained earnings and reserves as at January 1, 2018. Accordingly, the information presented for the 2017 financial year does not reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for the 2018 financial year under IFRS 9.

- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

  - The determination of the business model within which a financial asset is held.
  - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.

- If a debt security had low credit risk at the date of initial application of IFRS 9, the Entity has assumed that credit risk on the asset had not increased significantly since its initial recognition to the date of initial application.

The adoption of IFRS 9 has not had a significant effect on the Entity's accounting policies related to financial liabilities.

The following table below explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Entity's financial assets and liabilities as at January 1, 2018.

	Measurement category			Carrying amount	
	Original IAS 39 category	New IFRS 9 Category	Closing balance September 30, 2018	Adoption of IFRS 9	Opening balance October 1, 2018
Non-current financial assets					
Loans	Amortized cost	Amortized cost	30,069,221	(2,518,942)	27,550,279
Current financial assets					
Cash and cash equivalents	Amortized cost	Amortized cost	6,569,932	-	6,569,932

2. Summary of the significant accounting policies (continued)

(c) New accounting standards and interpretations (continued)

***(iii) New, revised and amended standards effective January 1, 2018* (continued)**

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

There have been no changes to the classification or measurement of financial liabilities as a result of the application of IFRS 9.

For more information and details on the changes and implications resulting from the adoption of IFRS 9, see note 2. (e).

(b) IFRS 15 Revenue from Contracts with Customers

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue'. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2018.

The National Entrepreneurship Development Company Limited's assessed that there is no significant impact of this standard on any of its revenue sources.

(d) Property, plant and equipment

Property, plant and equipment are stated at historical cost or valuation less accumulated depreciation and impairment in value. Depreciation is provided for on a straight-line basis.

The following rates considered appropriate to write-off the assets over their estimated useful lives are applied:

Leasehold improvements	-	15%
Furniture and fixtures	-	15%
Office equipment	-	20%
Computer software and equipment	-	33%
Motor vehicles	-	25%

Depreciation is charged on a pro rata basis in the year of acquisition as well as in the year of disposal.

The assets' residual values and useful lives are reviewed at each reporting date and adjusted as appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are considered in determining the net (deficit)/surplus for the year.

Repairs and maintenance costs are charged to the Statement of Comprehensive Income when expenditure is incurred.

2. Summary of the significant accounting policies (continued)

(e) Financial instruments

(i) Recognition and derecognition

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(ii) Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

• amortized cost
• fair value through profit or loss (FVTPL)
• fair value through other comprehensive income (FVOCI).

In the periods presented the Entity does not have any financial assets categorized as FVOCI or FVTPL.

The classification is determined by both:
• the Entity's business model for managing the financial asset
• the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of loan receivables which is presented within other expenses.

(iii) Subsequent measurement of financial assets

(a) Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

• they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortized cost using the effective interest method.

2. Summary of the significant accounting policies (continued)

(e) Financial instruments

(iv) Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortized cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Entity first identifying a credit loss event. Instead, the Entity considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:
• financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
• financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.
'12-month expected credit losses' are recognised for Stage 1 while 'lifetime expected credit losses' are recognised for the Stage 2.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

(f) Cash and cash equivalents

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

(g) Loans receivable

Loans receivable are stated at principal amounts outstanding net of allowances for loan losses and valued consistent with IFRS 9. Periodic portfolio reviews are conducted during the course of each year to determine the adequacy of provisions.

Loans are secured by various forms of collateral, including charges over tangible assets, certificates of deposit, and assignment of funds held with other financial institutions.

(h) Accounts payable and accruals

Accounts payable are initially measured at fair value.

2. Summary of the significant accounting policies (continued)

(i) Leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

(j) Revenue recognition

Loan Interest

Interest on loans is not accrued or taken into income on an ongoing basis because there is doubt as to the recoverability of the loans. Income from loans is taken into income on a cash basis.

Investment Income

Income from investments is accounted for on the accruals basis, consistent with IFRS 15.

(k) Government grants

Grants from the Government of the Republic of Trinidad and Tobago are recognised at their fair values, where there is a reasonable assurance that the grant will be received, and the Entity will comply with all conditions attached.

Grants relating to operating expenses are deferred and included in non-current liabilities. They are recognised in the Statement of Comprehensive Income over the period necessary to match them with net expenses they are intended to compensate.

Grants relating to the purchase of property and plant and equipment (PPE) are included in non-current liabilities. They are credited to the Statement of Comprehensive Income in an amount equal to the period's depreciation of acquired assets, over the expected useful lives of these assets.

Grants relating to the lending are included in non-current liabilities. They are credited to the Statement of Comprehensive Income in an amount equal to the period necessary to match them with net related costs they are intended to compensate.

2. Summary of the significant accounting policies (Continued)

(l) Foreign currency

Foreign currency transactions during the year are recorded in Trinidad and Tobago Dollars at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies at the reporting date are translated into Trinidad and Tobago dollars at the exchange rate ruling at that date. Gains or losses thus arising are dealt with in the current year's Statement of Comprehensive Income.

(m) Taxation

Taxation expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.

(n) Provisions

Provisions are recognised when the Entity has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, 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.

(o) Comparative information

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

3. Financial risk management

Financial risk factors

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

	30 September 2018	
	Carrying Value $	Fair Value $
Financial Assets		
Cash and cash equivalents	6,569,932	6,569,932
Accounts receivable and prepayments	1,249,383	1,249,383
Loans	27,550,279	27,550,279
Financial Liabilities		
Accounts payable and accruals	8,546,286	8,546,286
Deferred capital grants	815,417	815,417
Deferred lending grants	27,550,279	27,550,279

	30 September 2017	
	Carrying Value $	Fair Value $
Financial Assets		
Cash and cash equivalents	8,497,631	8,497,632
Accounts receivable and prepayments	1,769,666	1,769,666
Loans	32,414,610	32,414,610
Financial Liabilities		
Accounts payable and accruals	10,018,859	10,018,859
Deferred income grants	248,435	248,435
Deferred capital grants	503,113	503,113
Deferred lending grants	32,414,610	32,414,610

3. Financial risk management (continued)

The Entity is exposed to interest rate risk, credit risk, liquidity risk, currency risk, operational risk, compliance risk and reputation risk arising from the financial instruments that it holds. The risk management policies employed by the Entity to manage these risks are discussed below:

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Entity's exposure to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities is minimal and is monitored closely by management. Interest rate risk is not considered a material risk.

Interest rate sensitivity analysis

The Entity's exposure to interest rate risk is summarized in the table below, which analyses assets and liabilities at their carrying amounts categorized according to their maturity dates.

			2018		
	Effective Rate	Up to 5 years	Over 5 years	Non – Interest Bearing	Total
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	0.5%- 1.5%	6,563,432	-	6,500	6,569,932
Accounts receivable and prepayments	0%	-	-	1,249,383	1,249,383
Loans	14%-15%	27,550,279	-	-	27,550,279
		34,113,711	-	1,255,883	35,369,594
Financial liabilities					
Accounts payable and accruals	0%	-	-	8,546,286	8,546,286
Deferred income grants	0%	-	-	-	-
Deferred capital grants	0%	-	-	815,417	815,417
Deferred lending grants	0%	-	-	27,550,279	27,550,279
		-	-	36,911,982	36,911,982

3. Financial risk management (continued)

(a) Interest rate risk (continued)

			2017		
	Effective Rate	Up to 5 years	Over 5 years	Non - Interest Bearing	Total
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	0.5%–1.5%	8,487,832	-	9,800	8,497,632
Accounts receivable and prepayments	0%	-	-	1,769,666	1,769,666
Loans	14%-15%	32,414,610	-	-	32,414,610
		40,902,442	-	1,779,466	42,681,908
Financial Liabilities					
Accounts payable and accruals	0%	-	-	10,018,859	10,018,859
Deferred income grants	0%	-	-	248,435	248,435
Deferred capital grants	0%	-	-	503,113	503,113
Deferred lending grants	0%	-	-	32,414,610	32,414,610
		-	-	43,185,017	43,185,017

(b) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Entity relies heavily on written Financial Processes and Internal Controls.

The Entity's debtors' portfolio is managed and consistently monitored by the Entity's management and is adequately secured by collateral and where necessary, provisions have been established for potential credit losses on delinquent accounts.

Cash balances are held with First Citizens Bank.

The Entity also actively monitors global economic developments and government policies that may affect the growth rate of the local economy.

3. Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that arises when the maturity dates of assets and liabilities do not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Entity has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets. The Entity is able to make daily calls on its available cash resources to settle financial and other liabilities. Liquidity risk is not considered a material risk.

Liquidity gap

The Entity's exposure to liquidity risk is summarized in the table below which analyses assets and liabilities based on the remaining period from the reporting date to the contractual maturity date.

	30 September 2018		
	Up to 5 years	**Over 5 years**	**Total**
	$	**$**	**$**
Financial assets			
Cash and cash equivalents	6,569,932	-	6,569,932
Accounts receivable and prepayments	1,249,383	-	1,249,383
Loans	27,550,279	-	27,550,279
	35,369,594	-	35,369,594
Financial Liabilities			
Accounts payable and accruals	8,546,286	-	8,546,286
Deferred capital grants	815,417	-	815,417
Deferred lending grants	27,550,279	-	27,550,279
	36,911,982	-	36,911,982

3. Financial risk management (continued)

(c) Liquidity risk (continued)

	30 September 2017		
	Up to 5 years	Over 5 years	Total
	$	$	$
Financial Assets			
Cash and cash equivalents	8,497,631	-	8,497,631
Accounts receivable and prepayments	1,769,666	-	1,769,666
Loans	32,414,610	-	32,414,610
	42,681,907	-	42,681,907
Financial Liabilities			
Accounts payable and accruals	10,018,859	-	10,018,859
Deferred income grants	248,435	-	248,435
Deferred capital grants	503,113	-	503,113
Deferred lending grants	32,414,610	-	32,414,610
	43,185,017	-	43,185,017

(d) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Entity's exposure to foreign exchange risk is minimal and the Entity's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly. Currency risk is not considered a material risk.

(e) Operational risk

Operational risk is the risk derived from deficiencies relating to the Entity's information technology and control systems, as well as the risk of human error and natural disasters. The Entity's systems are evaluated, maintained and upgraded continuously. Supervisory controls are installed to minimise human error.

(f) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the strong monitoring controls applied by the Entity's management.

3. Financial risk management (continued)

(g) Reputation risk

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

4. Critical accounting estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions in the process of applying the Entity's accounting policies. See Note 2 (b).

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. The Entity makes estimates and assumptions concerning the future. However, actual results could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Changes in accounting estimates are recognised in the Statement of Comprehensive Income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

The critical judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements, are as follows:

i) Whether leases are classified as operating leases or finance leases.

ii) Which depreciation method for plant and equipment is used.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date (requiring management's most difficult, subjective or complex judgments) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

i) Impairment of assets

Management assesses at each reporting date whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

ii) Plant and equipment

Management exercises judgment in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of these assets.

5. Restatement

IAS 20 – *Accounting for Government Grants and Disclosures.* IAS 20 section 3 states *"Government Grants are assistance by the government in the form of transfers of resources to an entity in return for past and future compliance with certain conditions relating to the operating activities of the entity."* The standard also states under section 12 *"Government grants shall be recognised in the profit or loss on a systematic basis over the period in which the entity recognises as expenses the related costs for which the grants are intended to compensate."*

In the previous periods, the Entity did not appropriately recognise grants received related to capital, lending and income. The Entity incorrectly accounted for grants received from the Government as capital contributions and did not recognise the amounts on a systematic basis in the statement of comprehensive income over the period in which the related expenses were recognised, this resulted in an overstatement of accumulated deficit. Given that the grants were received for specific purposes as set out by the Government, these amounts were to be accounted for under IAS 20.

The Entity has adjusted for this error and applied this recognition retrospectively and reported this cumulative effect as at September 30, 2016 and 2017 as adjustments to decrease capital contributed and accumulated deficit and related increases/decreases in deferred grants.

	Deferred grants $	Capital contributions $	Accumulated deficit $
Balance as reported as at September 30, 2015	2,616,417	150,863,149	(122,827,064)
Effects of restatements	28,036,083	(150,863,149)	122,827,064
Balance at September 30, 2015 (Restated)	**30,652,500**	-	-
Balance as reported as at September 30, 2016	5,691,265	150,863,149	(122,827,064)
Effects of Restatements	28,036,083	(150,863,149)	122,827,064
Balance at September 30, 2016 (Restated)	**33,727,348**	-	-
Balance as reported as at September 30, 2017	5,130,074	150,863,149	(122,827,064)
Effects of Restatements	28,036,084	(150,863,149)	122,827,064
Balance at September 30, 2017 (Restated)	**33,166,158**	-	-

6. Deferred grants

	Deferred Income grants $	Capital grants $	Lending grants $	Total $
Balance as at October 1, 2015	2,616,417	-	-	2,616,417
Effects of Restatements	-	2,134,112	25,901,971	28,036,083
Balance as at October 1, 2015 (Restated)	2,616,417	2,134,112	25,901,971	30,652,500
Received during the year	20,000,308	499,692	9,855,000	30,355,000
Released during the year	(21,773,568)	(580,714)	(4,925,870)	(27,280,152)
Balance as at September 30, 2016 (Restated)	**843,157**	**2,053,090**	**30,831,101**	**33,727,348**
Balance as at October 1, 2016 (Restated)	843,157	2,053,090	30,831,101	33,727,348
Received during the year	8,665,081	48,140	15,286,780	24,000,001
Released during the year	(9,259,803)	(1,598,117)	(13,703,271)	(24,561,191)
Balance as at September 30, 2017	**248,435**	**503,113**	**32,414,610**	**33,166,158**
Balance as at October 1, 2017	248,435	503,113	32,414,610	33,166,158
Received during the year	16,820,490	705,623	5,010,000	22,536,113
Released during the year	(17,068,925)	(393,319)	(9,874,331)	(27,336,575)
Balance as at September 30, 2018	**-**	**815,417**	**27,550,279**	**28,365,696**

7. Loans

Loans are stated at principal outstanding net of a provision for loan losses. The provision for loan losses is based on management's evaluation of the performance of the loan portfolio under the current economic conditions.

	2018 $	2017 $
Loans	42,210,695	44,556,084
Less: Allowance for impairment	(14,660,416)	(12,141,474)
	27,550,279	32,414,610
Provisions for loan losses:		
Balance at beginning of year	12,141,474	78,324,757
Loans written off from allowance for impairment	-	(66,183,283)
Increase in allowance for impairment	2,518,942	-
Balance at end of year	14,660,416	12,141,474

8. Property, plant and equipment

	Leasehold improvements $	Furniture & fixtures $	Office equipment $	Computer equipment $	Motor vehicles $	Total $
Cost						
Balance as at October 1, 2017	6,370,667	5,145,632	2,670,570	4,755,262	813,598	19,755,729
Prior year Adjustment	-	-	-	12,541	-	12,541
Additions	174,630	7,178	11,013	122,200	404,912	719,933
Disposals	(3,117,866)	(1,367,937)	(1,187,533)	(2,371,803)	(559,905)	(8,605,044)
Balance as at September 30, 2018	3,427,431	3,784,873	1,494,050	2,518,200	658,605	11,883,159
Accumulated Depreciation						
Balance as at October 1, 2017	6,263,020	5,051,785	2,482,608	4,641,605	813,598	19,252,616
Prior year Adjustment	690	-	(6,715)	(21,557)	-	(27,582)
Depreciation charge	70,759	35,082	115,030	83,929	75,921	380,721
Disposals	(3,082,370)	(1,361,959)	(1,176,285)	(2,357,494)	(559,905)	(8,538,013)
Balance as at September 30, 2018	3,252,099	3,724,908	1,414,638	2,346,483	329,614	11,067,742
Net book value						
Balance as at September 30, 2018	**175,332**	**59,965**	**79,412**	**171,717**	**328,991**	**815,417**
Balance as at September 30, 2017	**107,647**	**93,847**	**187,962**	**113,657**	**-**	**503,113**

9. Cash and cash equivalents

	2018 $	2017 $
Cash		
Cash in hand	6,500	9,800
Amounts held in bank current accounts	2,755,285	1,740,738
	2,761,785	1,750,538
Cash equivalents:		
Amounts held in mutual fund accounts	3,808,147	6,747,093
	6,569,932	**8,497,631**

Other than the stated cash in hand, the vast majority of the Entity's cash and cash equivalents are held in current accounts maintained at the First Citizens Bank Limited and in mutual fund accounts managed by the said bank, as well as at the Trinidad & Tobago Unit Trust Corporation.

10. Accounts receivables and prepayments

	2018 $	2017 $
Interest receivable	3	-
Other receivables	1,203,924	1,522,792
Prepayments	45,456	246,874
	1,249,383	**1,769,666**

11. Stated capital

Authorised:		
An unlimited number of ordinary shares of no par value		
Issued and fully paid:		
3 shares of no par value	**3**	**3**

12. Accumulated deficit

This balance represents an excess of the Entity's expenditure over revenue grants received from the Government of the Republic of Trinidad and Tobago and other income. Movement on this account is shown in the Statement of Comprehensive Income.

13. Accounts payable and accruals

	2018 $	2017 $
Accounts payable:		
Trade creditors	249,690	740,321
Employee related obligations	2,622,650	3,827,527
Client related obligations- lending business	2,129,424	1,716,019
Non- trade payables	255,200	67,458
Accruals:		
Audit fees	157,500	120,000
Other accruals	2,809,517	3,043,786
Retirement benefit payable	322,305	503,748
	8,546,286	**10,018,859**

14. Other income

Training fees	127,580	274,091
Loans processing fees	89150	132,800
Other	439,960	256,512
	656,690	**663,403**

15. Operating expenses

Director's (Note 19)	616,154	661,932
Staff costs (Note 20)	20,148,149	17,237,254
Loan portfolio management	819,175	995,079
Property-related costs (Note 21)	4,516,398	5,693,199
Depreciation and amortisation	380,720	379,128
Other operating costs	2,963,555	2,894,365
	29,444,151	**27,860,957**

16. Development support services

	2018	2017
	$	$
Marketing and distribution initiative	149,998	273,497
Networking in communities	1,993	24,406
Special projects	21,826	1,037,554
Training initiative	47,782	231,695
	221,599	**1,567,152**

17. Interest expense

Interest costs	-	9,004
Bank interest and charges	9,493	11,624
	9,493	**20,628**

18. Loan loss

Loans written off	**2,953,192**	**4,179**

19. Directors' costs

Directors' fees	513,000	513,614
Directors' miscellaneous	103,154	148,318
	616,154	**661,932**

20. Staff costs

	2018	2017
	$	$
Current period costs:		
Salaries	9,792,438	12,828,798
Benefits	1,670,929	2,230,947
Training and welfare	173,555	167,598
Other staff costs	875,738	1,188,243
	12,512,660	**16,415,586**
Post- employment benefits:		
Gratuities	173,524	267,916
Defined contribution arrangements	397,943	509,213
Defined benefit arrangements	-	44,539
Voluntary Separation Plans	7,064,022	-
	7,635,489	**821,668**
	20,148,149	**17,237,254**

The costs of providing post-employment benefits that have been charged in the current period are shown above, and have been included within staff costs.

Gratuities

Certain members of staff of the Entity have been employed on fixed term arrangements ranging in periods from one to three years. As part of the contractual obligation to these employees, a deferred benefit of approximately twenty per centum of basic contract earnings is payable on completion of the contract.

Defined contribution arrangements

Post-employment benefits are provided to the majority of the Entity's permanently-employed staff through a hybrid arrangement of individual deferred annuity policies. In respect of each of the employees covered by this arrangement, at least two separate individual deferred annuity policies have been arranged. Into one policy is deposited what effectively is the employer's contribution to the arrangement and into the other is deposited what is effectively the employees' contribution to the arrangement. The employee contributes 5% of basic salary, which is matched by the Entity. The employer's contributions are deposited into a policy owned by the Entity but arranged for the benefit of the employee, whereas the employees' contributions are deposited into a policy owned by and for the benefit of the employee.

Employer-owned policies are currently arranged through Sagicor Life Incorporated but previously this group of policies were arranged through Colonial Life Insurance Company (Trinidad) Limited. Employees cannot contribute directly to these policies. Employee-owned policies are arranged through Guardian Life of the Caribbean Limited.

20. Staff Costs (continued)

Defined benefit arrangements

For a small group of employees not covered by the foregoing arrangements a promise by the Entity of a lump sum payment on retirement was made based on one month's final salary for each year of service. This entire obligation was settled in the previous accounting period.

Voluntary Separation Plans

The Entity was restructured during the current financial year. Approved Voluntary Separation of Employment Plans (VSEP) and Voluntary Enhanced Early Retirement Plans (VEERP) were paid to employees who accepted the respective offers.

21. Property-related costs

	2018 $	2017 $
Operating lease rentals	3,502,094	4,135,083
Security costs	708,277	952,963
Other property related costs	306,027	605,153
	4,516,398	**5,693,199**

The Entity's branch network was reduced as a consequence of the restructuring exercise undertaken. This resulted in a reduction in property-related costs.

22. Related party transactions

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

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Entity.

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

	2018 $	2017 $
Assets		
Outstanding balances on loans to key management personnel	**3,333**	-
Expenses		
Directors' fees	**513,000**	**513,614**
Key management compensation		
Short-term benefits	**3,993,701**	**5,246,992**

23. Fair values

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

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

(a) Current assets and liabilities

The carrying amounts of current assets and liabilities are a reasonable approximation of the fair values because of their short-term nature.

(b) Loans

Loans are net of expected credit losses.

(c) Investments

The fair values of investments are determined on the basis of market prices available at 30 September 2018.

24. Capital risk management

The Entity manages its capital to ensure that it will be able to continue as a going concern.

The capital structure of the Entity consists of equity attributable to the Government of Trinidad and Tobago for lending purposes.

25. Funds held for various Government-sponsored entrepreneurial and innovation programs

	2018 $	2017 $
Enabling Competitive Business Programme	581,322	716,778
National Integrated Business Incubator System	271,632	107,638
Innovation Financing Facility	2,545,281	2,545,641
Enterprise Investment Fund	199,640	-
	3,597,875	**3,370,057**

25. Funds held for various Government-sponsored entrepreneurial and innovation programs (continued)

Enabling Competitive Business Programme

Pursuant to a financing agreement between the Government of the Republic of Trinidad and Tobago and the European Union, under the "Support to enabling Competitive Business" initiative, certain funding was provided to the Government of the Republic of Trinidad and Tobago through the European Commission. In concordance with the said financing agreement, the Ministry of Trade, Industry, Investment and Communications then invited project proposals by stakeholders in keeping with the theme of creating an enabling competitive business environment through its Enabling Competitive Business Programme.

In response to the said invitation and for the purpose of accessing this funding, the Entity, in collaboration with the Central Statistical Office (a department which falls under the purview of the Ministry of Planning and Sustainable Development) submitted a proposal through the Ministry of Labour and Small and Micro Enterprise Development, for the establishment of a technology-based business survey system (the Proposal). The Proposal was aimed at deepening the understanding of the micro and small enterprise sector by improving statistical data-capture systems via survey methods to broaden the scope of data related to micro and smaller enterprises (the Project).

Following acceptance of the Proposal, a memorandum of agreement was executed on March 16, 2015, initially for a period of one year but subsequently extended for a period of two and a half years, under which a grant of $1,956,000 was provided to the Entity (the Agreement). Pursuant to the Agreement, legal title to all software, hardware and equipment so acquired passes to the Central Statistical Office.

It is a condition of the Agreement that all Project-related funds be held in a separate bank account and that any unused portion of the funds be repaid to the Ministry of Trade, Industry, Investment and Communications (the provider of the funding). Accordingly, the aforementioned funds are not available to the Entity for its own use and so does not comprise part of NEDCO's own financial resources. The funds are held in a current account maintained at the First Citizens Bank Limited for the purpose and are not comingled with other funds.

National Integrated Business Incubator System

On September 27, 2011, the Entity signed a memorandum of understanding with the Ministry of Labour and Small and Micro Enterprise Development which was intended to implement the National Business Incubation Policy through the mechanism of the National Integrated Business Incubator System (IBIS). IBIS was designed to enhance economic development and to encourage the establishment of business incubators and consequently, drive innovation and develop the micro and small enterprises sector.

25. Funds held for Various Government-sponsored entrepreneurial and innovation programs (continued)

The system involved the creation of a network of community based and commercial incubator units which provided entrepreneurial and business skills development services, facilities and seed capital funding to entrepreneurs so as to encourage employment and wealth creation in a socially and environmentally responsible manner.

The Entity acts as fund manager to the IBIS programme and is responsible for its financial management. To this end the funds described above are being held and managed on behalf of the IBIS programme and are not available to the Entity for its own use and so does not comprise part of the Entity's own financial resources. The funds are held in a current account maintained at the First Citizens Bank Limited for the purpose and are not comingled with other funds.

Innovation Financing Facility

The Government through its Council for Competitiveness and Innovation established its Idea 2 Innovation programme, branded as i2i, as a programme of the Ministry of Planning and Sustainable Development in July 2013. The programme, which took the form of a competition, gave an opportunity to innovators and inventors to submit proposals for innovative projects and creative initiatives. Those projects that met stated criteria were eligible for the award of a grant.

The Entity acted as fund manager of the Innovation Financing Facility and was responsible for its financial management. To this end the funds described above are being held and managed on behalf of the i2i programme and are not available to the Entity for its own use and so does not comprise part of the Entity's own financial resources. The funds are held in a current account maintained at the First Citizens Bank Limited for the purpose and are not comingled with other funds.

Enterprise Investment Fund

On July 16, 2017, the Entity signed a memorandum of understanding with the Ministry of Labour and Small Enterprise Development and Launch Rockit, a non-profit organisation. The Ministry adopted a mandate to support the development of local small and micro enterprises and establish partnerships with the private sector, academia and the cooperative sector aimed at supporting the operation of commercial business incubators. The Enterprise Investment Fund is a programme developed by the Ministry to provide funding to well-structured, innovative business support programmes targeting the Micro and Small Enterprise and Cooperatives sectors.

The Entity is the agency responsible for the implementation and operation of the Enterprise Investment Fund referred to as "EIF". To this end the funds described above are being held and managed on behalf of the initiative and are not available to the Entity for its own use and so does not comprise part of the Entity's own financial resources. The funds are held in a current account maintained at the First Citizens Bank Limited for the purpose and are not comingled with other funds.

26. Other amounts held on trust

	2018 $	2017 $
Employee death benefits held on trust	366,535	362,017

Qualifying employees of the Entity are eligible to join the Entity's group life plan which is a non-contributory plan. The amounts shown above represent the aggregate death benefit due to the various beneficiaries or estates of deceased employees that have not yet been remitted to them. These funds are currently held in an interest bearing money market account maintained at Trinidad and Tobago Unit Trust Corporation. These monies are not available to the Entity for its own use and so does not comprise part of the Entity's own financial resources.

27. Going concern

These financial statements have been prepared on the going concern basis despite the total comprehensive loss for the year of $726,974, incurred during the year ended September 30, 2018, and as of that date the Entity's current liabilities exceeded its current assets by $726,971.

The Entity has been dependent on the Government of the Republic of Trinidad and Tobago ("GORTT") to fund its operating and capital expenditures since inadequate resources are generated from its operating activities at this time. In the absence of continued support from the Government of the Republic of Trinidad and Tobago, the conditions cited above indicate the existence of a material uncertainty that may cast significant doubt about the Entity's ability to continue as a going concern.

The Entity is of the viewpoint that the government is expected to continue to provide continued grant funding due to the importance of the Entity based on it relevancy as entrepreneurial lending is underserved by the traditional banking and credit union sector and therefore any efficient financial institution will maintain its relevancy.

Additionally, the Entity's role is to help stimulate the MSE sector in T&T, especially at a time when oil prices are falling around the world. The Entity's role includes assisting the government in achieving one of its missions – to diversify the economy by transitioning away from reliance on the oil and gas sector and toward a service and export-oriented economy. As such there is a significant reliance for the Company to provide this social support in areas where there is weak entrepreneurial infrastructure.

The Entity is on a multi-year journey to create an organization that can serve the nation in the medium term with less reliance on the nation's Treasury and become self-sustaining in the long term. This would require a strategy that takes into consideration business growth models together with social intervention to treat with the unbankables and special groups unable to access entrepreneurial activities. The foundations being laid now must be strong enough to support good engagement while also providing a cohesive approach to digital transformation, more efficient use of technology, a sophisticated understanding of data, and a realistic appreciation of the capabilities required to develop, maintain, and deliver appropriate financing, advisory, training, business accelerator, and industry coordination.

28. Events after the reporting date

Covid-19 impact

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to affect Trinidad and Tobago, the region and the world.

Management is uncertain of the effects of the global pandemic on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, the Entity is unable to estimate the potential impact on the Company's operations as at the date of these financial statements.

There has been no occurrence of any adjusting or significant non-adjusting events between the September 30, 2018, reporting date and the date of authorization of these financial statements.