

**TRINIDAD AND TOBAGO TOURISM
BUSINESS DEVELOPMENT LIMITED**

FINANCIAL STATEMENTS

31 DECEMBER 2012

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

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STATEMENT OF MANAGEMENT RESPONSIBILITIES

INDEPENDENT AUDITORS' REPORT

The Shareholder Trinidad and Tobago Tourism Business Development Limited

We have audited the accompanying financial statements of Trinidad and Tobago Tourism Business Development Limited, which comprise the statement of financial position as at 31 December 2012 and the statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Trinidad and Tobago Tourism Business Development Limited as of 31 December 2012, and of its financial performance and its cash flows for the three-month period then ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities.

**Port-of -Spain
5 June 2014**

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2012

ASSETS

	<u>Notes</u>	<u>2012</u>
Current Assets:		
Cash and cash equivalents	4	\$ 1,000,440
Trade and other receivables and prepayments	5	<u>78,279</u>
Total Assets		<u>\$ 1,078,719</u>

LIABILITIES AND SHAREHOLDER'S EQUITY

Current Liabilities:		
Trade and other payables and accruals	6	\$ <u>78,719</u>
Total Liabilities		<u>78,719</u>
Shareholder's Equity:		
Stated Capital	7	<u>1,000,000</u>
Total Shareholder's Equity		<u>1,000,000</u>
Total Liabilities and Shareholder's Equity		<u>\$ 1,078,719</u>

These financial statements were approved by the Board of Directors and authorised for issue on 5 June 2014 and signed on their behalf by:

Director

Director

(The accompanying notes form an integral part of these financial statements)

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED 31 DECEMBER 2012

	<u>Notes</u>	
Income:		
Government subvention - recurrent		\$ <u>78,279</u>
Total income		<u>78,279</u>
Expenditure:		
Administrative expenses	8	<u>78,279</u>
Total expenditure		<u>(78,279)</u>
Net surplus/(deficit) for the period		<u><u>\$ -</u></u>

(The accompanying notes form an integral part of these financial statements)

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE THREE-MONTH PERIOD ENDED 31 DECEMEBR 2012**

	<u>Stated Capital</u>
Balance as at 1 October 2012	\$ -
Equity injection	1,000,000
Net surplus/(deficit) for the period	<u>-</u>
Balance as at 31 December 2012	<u>\$ 1,000,000</u>

(The accompanying notes form an integral part of these financial statements)

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

STATEMENT OF CASH FLOWS

FOR THE THREE-MONTH PERIOD ENDED 31 DECEMBER 2012

Operating Activities:

Net surplus/(deficit) for the period	\$ -
Operating profit before working capital changes	
Net change in trade and other receivables and prepayments	(78,279)
Net change in trade and other payables and accruals	<u>78,719</u>
Cash provided by operating activities	<u>440</u>

Financing Activities:

Equity injection	<u>1,000,000</u>
Cash provided by financing activities	<u>1,000,000</u>
Net change in cash resources	1,000,440
Cash resources, beginning of period	<u>-</u>
Cash resources, end of period	<u>\$ 1,000,440</u>

Represented by:

Cash and cash equivalents	<u>\$ 1,000,440</u>
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(The accompanying notes form an integral part of these financial statements)

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2012****1. Incorporation and Principal Business Activity:**

Trinidad and Tobago Tourism Business Development Limited (TTTBDL) was incorporated on 3 August 2012 in the Republic of Trinidad and Tobago and commenced operations in October 2012 as a special purpose company of the Government of Trinidad and Tobago. Its registered office is level 16, Ministry of Finance and the Economy, Eric Williams Financial Complex, Independence Square, Port of Spain. Its principal business activity is the provision of guarantees to tourism and tourism related businesses.

2. Summary of the Significant Accounting Policies:**(a) Basis of financial statements preparation -**

These financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs) as adopted by the Institute of Chartered Accountants of Trinidad and Tobago, and are stated in Trinidad and Tobago dollars rounded to the nearest whole dollar. These financial statements are stated on the historical cost basis, except for the measurement at fair value of certain financial instruments.

(b) Use of estimates -

The preparation of the financial statements in conformity with IFRS for SMEs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company'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 income and expenditure 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) Foreign currency -

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling at the reporting date. All revenue and expenditure transactions denominated in foreign currencies are translated at the average rate and the resulting profits and losses on exchange from these trading activities are recorded in the Statement of Comprehensive Income.

(d) Cash and cash equivalents -

For the purposes of the cash flow statements, cash and cash equivalents comprise of cash in hand, deposits held at call with banks and investments in money market instruments, net of bank overdraft.

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2012****2. Summary of the Significant Accounting Policies (Cont'd):****(e) Adoption of IFRS for SMEs and Restatement -**

During the current year, the Company adopted the IFRS for SMEs which was issued by the International Accounting Standards Board in July 2009. These standards were adopted by the Institute of Chartered Accountants of Trinidad and Tobago effective 1 February 2010 for use in the presentation of financial statements for 2009 and prior periods.

In accordance with Section 35 of the IFRS for SMEs (Transition to IFRS for SME), the previous year's accounts have been restated.

(f) Taxation -Current Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax

Deferred income tax is provided in full, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the rate that is expected to apply to the period when the asset is realised or the liability is settled, based on the enacted tax rate at the statement of financial position date. Deferred tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. In the opinion of management, the effect of temporary differences at 30 September 2012 is not considered material.

(g) Financial instruments -

Financial assets and financial liabilities are recognised on the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

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

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2012****2. Summary of the Significant Accounting Policies (Cont'd):****(g) Financial instruments (cont'd) -**Trade and other receivables and prepayments

Trade and other receivables and prepayments are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other payables and accruals

Trade and other payables and accruals are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Bank loans

Bank loans are recognised initially at fair value, net of transaction costs incurred. Bank loans are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Comprehensive Income over the period of the loan using the effective interest method.

Stated Capital

The Company's shares are classified as equity and are recorded at fair value of consideration less direct costs associated with the share issue.

(h) Provisions -

Provisions are recognised when the Company 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.

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2012****2. Summary of the Significant Accounting Policies (Cont'd):****(i) Comparative figures -**

Certain changes in the presentation have been made during the year and comparative figures have been restated accordingly. These changes have no impact on the net profit reported for the previous year.

(j) Government grant -

Grants from the Government of the Republic of Trinidad and Tobago are recognised at fair values, where there is a reasonable assurance that the grant will be received, and the Company 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.

3. Critical Accounting Estimates and Judgments:

The preparation of financial statements in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities requires management to make judgements, estimates and assumptions in the process of applying the Company'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 Company 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.

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 key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date (requiring management's most difficult, subjective or complex judgements) 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) Whether leases are classified as operating leases or finance leases.

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

3. Critical Accounting Estimates and Judgments (cont.):

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 judgements) 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.

4. Cash and Cash Equivalents:

	31 December 2012
First Citizens Bank Limited – TT\$ Guarantee Account	\$ 999,970
First Citizens Bank Limited – Operational Account	<u>470</u>
	<u>\$ 1,000,440</u>

5. Trade and Other Receivables and Prepayments:

	31 December 2012
Subvention receivable - recurrent	<u>\$ 78,279</u>

6. Trade and Other Payable and Accruals:

	31 December 2012
Audit fees	\$ 2,300
Amount due to Eximbank	<u>76,419</u>
	<u>\$ 78,719</u>

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

7. Stated Capital:

**31 December
2012**

Authorised:

An unlimited number of ordinary shares of no par value

Issued and fully paid:

1,000,000 ordinary shares of no par value

\$ 1,000,000

8. Administrative Expenses:

**31 December
2012**

Audit fees

\$ 2,300

Bank charges

60

Professional fees

21,919

Directors' fees

54,000

\$ 78,279

9. 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 decisions.

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

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

Balances and transaction with related parties and key management personnel during the period were as follows:

**31 December
2012**

Expenses

Directors' fees

\$ 54,000

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2012****12. 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. Under IFRS for SME's, equity investment and complex financial instruments are measured at fair value with changes being recognised in the Statement of Comprehensive Income.

13. Capital Risk Management:

The Company manages its capital to ensure that it will be able to continue as a going concern. The capital structure of the Company consists of equity attributable to its shareholder, and comprises stated capital.