



Chartered Accountants
& Business Advisors

**TRINIDAD AND TOBAGO TOURISM BUSINESS
DEVELOPMENT LIMITED**

FINANCIAL STATEMENTS

31 DECEMBER 2014



Chartered Accountants
& Business Advisors

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

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Trinidad and Tobago Tourism Business Development Limited


Statement of Management Responsibilities

It is the responsibility of management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the operating results of the Company for the year. It is also management's responsibility to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

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. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

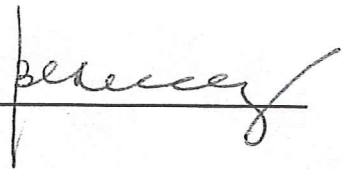
Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards for Small and Medium-sized Entities. Management is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its operating results. Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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



Jerry Hospedales
Director

Date: September 15, 2015



Brian Awang
Director

Date September 15, 2015



Chartered Accountants
& Business Advisors

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 2014 and the statements of comprehensive income, changes in equity and cash flows for the year 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 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities.

PKF

Port-of-Spain

15 September 2015

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TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

STATEMENT OF FINANCIAL POSITION


ASSETS

		31 December	
	<u>Notes</u>	<u>2014</u>	<u>2013</u>
Current Assets:			
Cash and cash equivalents	4	\$ 60,097,333	\$ 60,071,942
Trade and other receivables and prepayments	5	<u>2,080,760</u>	<u>1,090,065</u>
Total Current Assets		<u>62,178,093</u>	<u>61,162,007</u>
Non-Current Assets:			
Intangible asset	6	8,226	10,786
Property, plant and equipment	7	<u>9,999</u>	<u>13,716</u>
Total Non-Current Assets		<u>18,225</u>	<u>24,502</u>
Total Assets		<u>\$ 62,196,318</u>	<u>\$ 61,186,509</u>

LIABILITIES AND SHAREHOLDER'S EQUITY

Current Liabilities:			
Trade and other payables and accruals	8	\$ <u>1,196,318</u>	\$ <u>186,509</u>
Total Current Liabilities		1,196,318	186,509
Non-Current Liabilities:			
Government guarantee	9	<u>60,000,000</u>	<u>60,000,000</u>
Total Liabilities		<u>61,196,318</u>	<u>60,186,509</u>
Shareholder's Equity:			
Stated capital	10	<u>1,000,000</u>	<u>1,000,000</u>
Total Shareholder's Equity		<u>1,000,000</u>	<u>1,000,000</u>
Total Liabilities and Shareholder's Equity		<u>\$ 62,196,318</u>	<u>\$ 61,186,509</u>

These financial statements were approved by the Board of Directors and authorised for issue on 15 September 2015 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 year ended 31 December	
	<u>Notes</u>	<u>2014</u>	<u>2013</u>
Income:			
Guarantee fees		\$ 30,612	\$ -
Government subvention - recurrent		<u>990,694</u>	<u>1,011,649</u>
Total income		<u>1,021,306</u>	<u>1,011,649</u>
Expenditure:			
Administrative expenses	11	<u>1,021,306</u>	<u>1,011,649</u>
Total expenditure		<u>1,021,306</u>	<u>1,011,649</u>
Net surplus for the year		<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 YEAR ENDED 31 DECEMBER 2014

	<u>Stated Capital</u>
Balance as at 1 January 2013	\$ -
Equity Injection	1,000,000
Net surplus/(deficit) for the year	_____ -
Balance as at 31 December 2013	<u>\$ 1,000,000</u>
Balance as at 1 January 2014	\$ 1,000,000
Net surplus/(deficit) for the year	_____ -
Balance as at 31 December 2014	<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 year ended 31 December	
	<u>2014</u>	<u>2013</u>
Operating Activities:		
Net surplus for the year	\$ -	\$ -
Adjustments for:		
Amortisation of intangible asset	2,560	2,011
Depreciation	<u>3,717</u>	<u>2,895</u>
Operating surplus before working capital changes	6,277	4,906
Net change in trade and other receivables and prepayments	(990,695)	(1,011,786)
Net change in trade and other payables and accruals	<u>1,009,809</u>	<u>107,790</u>
Cash provided by/(used in) operating activities	<u>25,391</u>	<u>(899,090)</u>
Investing Activities:		
Purchase of intangible asset	-	(12,797)
Purchase of fixed assets	<u>-</u>	<u>(16,611)</u>
Cash used in investing activities	<u>-</u>	<u>(29,408)</u>
Financing Activities:		
Government guarantee	<u>-</u>	<u>60,000,000</u>
Cash provided by financing activities	<u>-</u>	<u>60,000,000</u>
Net change in cash resources	25,391	59,071,502
Cash resources, beginning of year	<u>60,071,942</u>	<u>1,000,440</u>
Cash resources, end of year	<u>\$ 60,097,333</u>	<u>\$ 60,071,942</u>
Represented by:		
Cash and cash equivalents	<u>\$ 60,097,333</u>	<u>\$ 60,071,942</u>

(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 2014****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 financial statements in conformity with IFRSs for SMEs requires the use of certain critical accounting estimates and requires management to exercise its judgment 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 2014

2. Summary of the Significant Accounting Policies (Cont'd):

(e) Fixed assets -

Fixed assets 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:

Office furniture	-	20%
Office equipment	-	20%
Computer hardware	-	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 fixed assets are determined by reference to their carrying amounts and are taken into account 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.

(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 reporting 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 year when the asset is realised or the liability is settled, based on the enacted tax rate at the reporting 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 31 December 2014 is not considered material.

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2014****2. Summary of the Significant Accounting Policies (Cont'd):****(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.

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.

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2014****2. Summary of the Significant Accounting Policies (Cont'd):****(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.

(i) 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 IFRS for SMEs requires management to make judgments, 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. 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.

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

3. Critical Accounting Estimates and Judgments (Cont'd):

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.
- ii) Which depreciation method for property, 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 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.

ii) Property, plant and equipment

Management exercises judgement 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.

4. Cash and Cash Equivalents:

	31 December	
	<u>2014</u>	<u>2013</u>
First Citizens Bank Limited – TT\$ Guarantee Account	\$ 59,999,750	\$ 60,000,110
First Citizens Bank Limited – Operational Account	<u>97,583</u>	<u>71,832</u>
	<u>\$ 60,097,333</u>	<u>\$ 60,071,942</u>

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

5. Trade and Other Receivables and Prepayments:

	31 December	
	<u>2014</u>	<u>2013</u>
Prepayments	\$ 138	\$ 137
Subvention receivables	<u>2,080,622</u>	<u>1,089,928</u>
	<u>\$ 2,080,760</u>	<u>\$ 1,090,065</u>

6. Intangible Assets:

	31 December	
	<u>2014</u>	<u>2013</u>
Computer software, brought forward	\$ 10,786	\$ -
Additions	-	12,797
Amortisation	<u>(2,560)</u>	<u>(2,011)</u>
Computer software, carried forward	<u>\$ 8,226</u>	<u>\$ 10,786</u>

7. Property, Plant and Equipment:

	<u>Office Furniture</u>	<u>Office Equipment</u>	<u>Computer Hardware</u>	<u>Total</u>
Cost				
Balance as at 1 January 2014	\$ 6,440	\$ 2,271	\$ 7,900	\$ 16,611
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at 31 December 2014	<u>6,440</u>	<u>2,271</u>	<u>7,900</u>	<u>16,611</u>
Accumulated Depreciation				
Balance as at 1 January 2014	1,073	341	1,481	2,895
Charge for the year	<u>1,288</u>	<u>454</u>	<u>1,975</u>	<u>3,717</u>
Balance as at 31 December 2014	<u>2,361</u>	<u>795</u>	<u>3,456</u>	<u>6,612</u>
Net Book Value				
Balance as at 31 December 2014	<u>\$ 4,079</u>	<u>\$ 1,476</u>	<u>\$ 4,444</u>	<u>\$ 9,999</u>
Balance as at 31 December 2013	<u>\$ 5,367</u>	<u>\$ 1,930</u>	<u>\$ 6,419</u>	<u>\$ 13,716</u>

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

8. Trade and Other Payables and Accruals:

	31 December	
	2014	2013
Audit fees payable	\$ 55,200	\$ 23,000
Amounts due to Export Import Bank of T&T Limited	1,128,729	163,509
Other payable	12,389	-
	\$ 1,196,318	\$ 186,509

9. Government Guarantee:

This balance represents funds forwarded to the company from the Government of Trinidad and Tobago in order to facilitate the payment of Guarantees.

10. Stated Capital:

	31 December	
	2014	2013
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	\$ 1,000,000

11. Administrative Expenses:

	31 December	
	2014	2013
Advertising Expense	\$ 40,572	\$ 19,210
Agency fees	420,000	406,875
General Expenses	560,734	585,564
	\$ 1,021,306	\$ 1,011,649

TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

12. Contingent Liabilities:

As at 31 December 2014, Trinidad and Tobago Tourism Business Development Limited (TTTBDL) gave bank guarantees of **\$19,540,019**. It is considered unlikely that the Company will be held liable as a result of their commitment. At the reporting date the fair value of these is nil, thus no liability was recognised in the Statement of Financial Position. The Board of Directors is not aware of any other commitment with any material effect on the financial position and performance of the Company.

13. 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 year were as follows:

	31 December	
	<u>2014</u>	<u>2013</u>
Expenses		
Directors' fees	<u>\$ 216,000</u>	<u>\$ 216,000</u>