



Trinidad and Tobago

Tourism Business Development Limited

**TRINIDAD AND TOBAGO TOURISM
BUSINESS DEVELOPMENT LIMITED
(TTBDL)**

ADMINISTRATIVE REPORT 2014

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TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED (TTTBDL)

OVERVIEW

Establishment of Government Loan Guarantee Programme for Tobago: under 50 rooms

On July 5 2012, Cabinet by Minute No. 1848 established the Trinidad and Tobago Tourism Business Development Limited (TTTBDL) with a mandate to administer the Trinidad and Tobago Tourism Development Fund which would provide guarantees to financial institutions in Tobago as they seek to restructure debt relating to tourism and tourism-related businesses, as well as to upgrade and maintain hotels and ancillary businesses with a cap valued at the equivalent cost of 50 rooms.

The implementation of a policy for restructuring debt or for advancing new credit took place in an environment which needed to strike a balance between the liquidation of non-viable businesses and the reorganization of viable ones with consideration for the protection of rights of creditors and other stakeholders.

- Company was incorporated on August 3rd 2012, under the Companies Act, Chap 81:01; and
- Guarantees are being provided by the TTTBDL on the basis of an agreed capital contribution over a three year (3) period amounting to \$250.0 million.

The Export-Import Bank of Trinidad and Tobago Limited (EXIMBANK) was assigned the responsibility for administering the Trinidad and Tobago Tourism Development Fund under an Agency Agreement with the Trinidad and Tobago Tourism Business Development Limited.

The four (4) financial institutions which executed the Agreement are:

- Republic Bank Limited
- RBC Royal Bank (Trinidad and Tobago) Limited
- Scotia Bank Trinidad and Tobago Limited
- First Citizens Bank Limited

The four (4) banks executed the Guarantee Agreement with the TTTBDL with the aim to revitalize the tourism sector in Tobago and by extension the Tobago economy.

Benefits to Trinidad and Tobago

- Improvement in Guest/Hotel Room Stock
- Creation of Employment
- Foreign Exchange Earnings

Organizational Structure

Mr. Jerry Hospedales	Chairman (Technical Advisor, Strategic Management and Execution Office (SMEO) Ministry of Finance)
Ms. Edwina Leacock	Director (Chief Technical and Operations Advisor Ministry of Trade and Industry)
Mr. Brian Awang	Director – (CEO Eximbank of Trinidad and Tobago Limited)
Agency	The Export-Import Bank of Trinidad & Tobago (EXIMBANK) Limited (Agency) Administers the Fund

Administration of the Fund

The Export-Import Bank of Trinidad and Tobago Limited (EXIMBANK) Limited was assigned the responsibility for administering the Trinidad and Tobago Development Fund under an Agency Agreement with the Trinidad and Tobago Tourism Business Development Limited. The Agency is paid a management fee per month for services provided. In addition, an Account Executive was hired in January 2013, to provide technical and administrative support with respect to the operations of Facility 1, inclusive of liaising with Banks and clients, analyzing and recommending facilities for approval, processing and following up as required.

Performance of the Fund

The Government Loan Guarantee program which started in December 2012 and was formally launched in July 2013, continues to attract businesses in the tourism and tourism-related sector despite the challenges being experienced for approval by the Commercial Banks. To date, this program continues to perform well, with businesses accessing the facility to acquire information and financial assistance.

Under Facility 1, the capital contribution from Government is placed in a separate account and forms the Guarantee Fund. On the basis of cash availability and for the benefit of the borrowers, the Fund issues Letters of Undertaking to those four (4) financial institutions.

Letters of Undertaking which represent security to the lender are provided up to a maximum of \$10.0 million for each borrower, with up to 50.0 percent of the outstanding principal and interest balance on existing loan facilities and 100.0 percent of new loan facilities.

On June 10 2013, the TTTBDL began operations with guarantee fees being 1.5 percent in year one and 1.0 percent on the declining balance up to a period of five (5) years. In order to provide an incentive to borrowers for revitalizing the tourism industry in Tobago, the Government agreed that the guarantee fee should be waived if any borrower accessed the Fund during a period of one (1) year up to June 9 2014. This facility applied only to values equivalent to hotels and hotel-related services with values under 50 rooms.

Operational Constraints

There have been some operational issues due to the delays experienced with regard to receiving approvals from the Commercial Banks. This problem still persists to some extent, even though a number of meetings have been held with the Banks and various teams.

Access to Funds

This program has been accessed by various types of businesses including: Bed & Breakfast/Guest Houses; Restaurants; Dive Shops; Car Rentals; Taxi Drivers; & Tour Guides.

As at December 11 2014, forty-six (46) businesses showed an initial interest in the program by submitting completed/partial Business Plans to be analyzed. Of this total, seventeen (17) plans were completed and submitted to the Banks for approval of which twelve (12) have been approved and disbursed in the amount of \$19,505 million. The remaining five (5) with a total of \$17,363 million are still at the Banks to be finalized.

Additionally, six (6) applicants are accumulating documents to complete their submissions for an initial analysis, with an amount of \$17,080 million. However, twelve (12) applicants have indicated that they are no longer interested for varying reasons and eleven (11) applications which carry a total of \$21,796 million have been declined by the Commercial Banks, most of which were businesses with existing debts and in some cases those debts were delinquent in nature.

The Banks through their monthly report show that 11 of the 12 loans disbursed are being serviced as arranged. However, there have been some challenges with one (1) account, where a company (tourism-related tours) had not made payments on this loan since July 2014. Numerous contacts with the client have been made by both the Bank and the Administrative Executive but the customer continues to not service the loan as arranged. Both parties have made several visits to the business, but the business appears to be closed. The Administrative Executive continued the search at his home address and this has also proven to be unsuccessful. As a result, the Bank and the Administrative Executive continues to work together to have the Bank's loan repaid to avoid the Bank having to call on the Guarantee. This debt has a balance in the vicinity of \$1.3 million.

Recommendations

The TTTBDL indicated that following various discussions with the Bankers Association of T&T (BATT), a Lending Criteria Document was to be prepared specifically for this program given the risks which had been mitigated and the Guarantees being provided. These guidelines were expected to be used by all the Commercial Banks in making their respective decisions. To date, this document which would assist with the completion of the approval process by the Banks had not been presented.

Fund Operations

The Trinidad and Tobago Tourism Business Development Limited (TTTBDL) continued its role as economic change agent in the administration and execution of resources associated with the Tourism Development Fund to the various stakeholders within the Tourism Industry.

Extensive discussions were held with representatives from several financial and non-financial entities which included; the Bankers Association of Trinidad and Tobago, the Chamber of Industry and Commerce, the Ministry of Tourism and the Central Bank of Trinidad and Tobago, with the view to alleviating the concerns emanating from the sector regarding the non-approval of capital expenditure projects under the program. The views of the businesses involved in the tourism sector were articulated and an agreement was reached, enabling a consensus-driven approach to the fundamental agreement to be executed in the first quarter of 2015.

The development fund had another successful year of operation recording 9 new Applications. The successful companies and the amounts Guaranteed under the program represent \$16,399,058.34 in new business activity. This facility remains the market driver for the fund and it is expected to continue to attract new levels of activity resulting in an increased client portfolio.

The TTTBDL continued to negotiate with the relevant stakeholders regarding our second facility given the inundated request form large hotels on the Island, for which negotiations are expected to be completed in the fourth quarter of 2015.

Business Activity Highlights 2014

TTTBDL	Applications	Hoteliers	Tourism Related Business
Debt Restructuring	2	0	2
New Funds	10	4	6
Total	12	4	8

New Business Activity 2014

Company	Category	Guarantee Amount (\$)
Company 1	Hotel	2,593,750.00
Company 2	Hotel	8,364,000.00
Company 3	Tourism Related Ice Dispenser	19,005.68
Company 4	Tourism Related Ice Dispenser	823,876.50
Company 5	Tourism Related Car Rental	737,062.00
Company 6	Tourism Related Car Rental	15,864.16
Company 7	Tourism Related Printing and Advertising	3,100,000.00
Company 8	Tourism Related Dive Shop	278,000.00
Company 9	Tourism Related Dive Shop	467,500.00
	Total	16,399,058.34

Reporting Functions

1. Departmental Reports

The following reports are prepared for use by Management and the Board of Directors:-

REPORT NAME	PREPARED BY:	FREQUENCY	USED BY:
Performance of Facility 1	Account Executive	Monthly	Board of Directors
Status of Proposals <ul style="list-style-type: none">• Disbursed Facilities• Recommended Facilities• Facilities Awaiting Documents• Facilities Lacking Customers Interest• Declined Applications	Account Executive	Monthly	Board of Directors
Visitations Weekly Report	Account Executive	Weekly	Management
Weekly Deliverables Report	Account Executive	Weekly	Management
Monthly Activity Report	Account Executive	Monthly	Management
Proposed Work Schedule	Account Executive	Weekly	Board of Directors
Internal Auditors Report	Account Executive	Once Per Year	Board of Directors
Financial Statements	Finance	Monthly	Management/Board of Directors

2. Reports to External Parties:- Ministries

The following standard reports are prepared for submission to external parties: -

REPORT NAME	SUBMISSION DATE:	RECEIVING AGENCY
Strategic Plan	3 months prior to start of Financial Year	Investments Division
Annual Budget	2 months prior to commencement of Financial Year	Investments Division
Annual Financial Statements	3 months after end of Financial Year	Investments Division
Board Minutes	1 week following confirmation	Investments Division
Cash Statements of Operations	Within 3 weeks after month end	Investments Division
Administrative Report	3 months after the end of the Financial Year	Investments Division
Quarterly Return on Status of Litigation Proceedings against Company	Quarterly	Investments Division
Quarterly Reports	End of First month after Quarter	Investments Division

APPENDIX**TRINIDAD AND TOBAGO TOURISM BUSINESS DEVELOPMENT LIMITED FINANCIAL PERFORMANCE 2014****STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2014**

	<u>Notes</u>	<u>31 December</u>	
		<u>2014</u>	<u>2013</u>
ASSETS			
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>

Figure 1.0

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	<u>Notes</u>	For the year ended 31 December	
		<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>

Figure 1.1

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>

Figure 1.2

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	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>

Figure 1.3

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.

Figure 1.4

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.

Figure 1.4 Cont'd

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.

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.

Figure 1.4 Cont'd

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>

Figure 1.4 Cont'd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 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>

Figure 1.4 Cont'd

8. **Trade and Other Payables and Accruals:**

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

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	
	<u>2014</u>	<u>2013</u>
Authorised:		
An unlimited number of ordinary shares of no par value		
Issued and fully paid:		
1,000,000 ordinary shares of no par value	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

11. **Administrative Expenses:**

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

Figure 1.4 Cont'd

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>

Figure 1.4 Cont'd

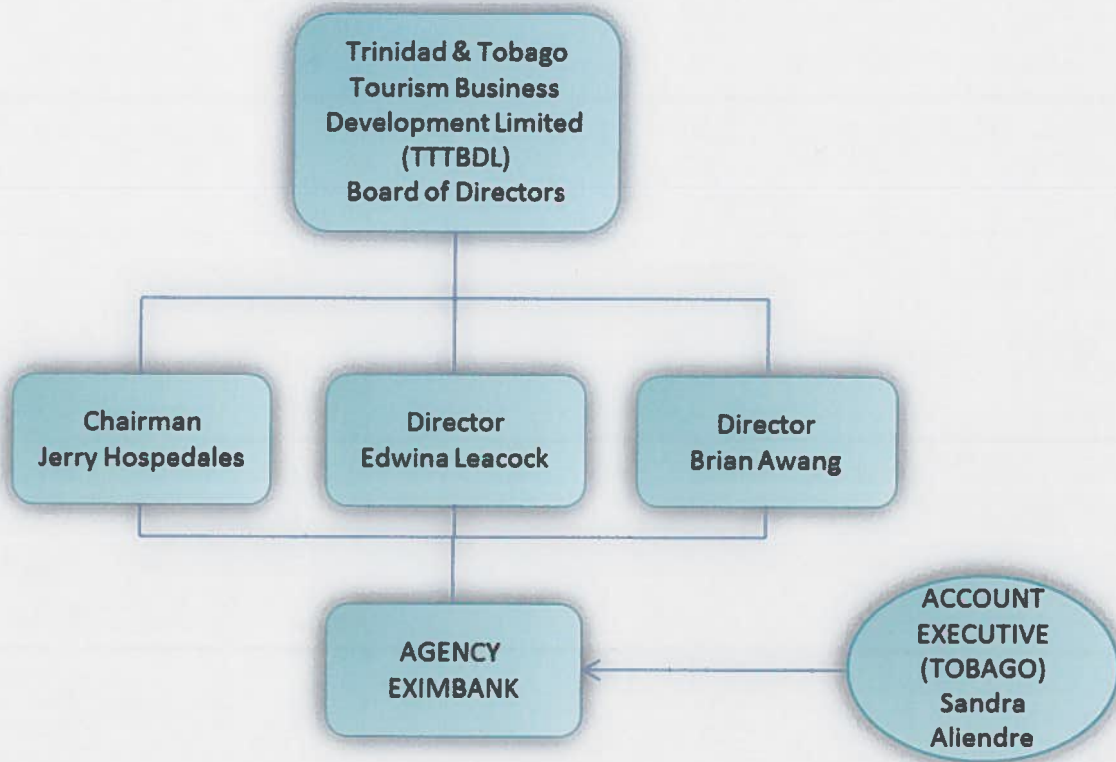


Figure 1.5