CariCRIS

CELEBRATING 15 YEARS OF
SERVING THE REGION

2020 ANNUAL REPORT

REGIONAL RATINGS | GLOBAL STANDARDS

15 Years of
Caribbean Development

Caribbean Information and Credit Rating Services Limited (CariCRIS) celebrates 15 years

15 Th Anniversary

Gregory Thomson
Chairman

Wayne Dass, CFA
Chief Executive Officer

As a truly indigenous and regional capital market development institution, we are proud of the progress made over the years and remain committed to continuing to play our role in the development and integration of the regional bond market and overall capital market and financial system.

15 Years of Achievements:

- Formally approved as a recognised rating agency and External Credit Assessment Institution (ECAI) in the Caribbean
- Wide regional footprint with ratings completed in 18 countries
- Close to 1,000 ratings of SME, Corporate and Sovereign entities inclusive of annual reviews
- Ratings utilised in large Corporate and Sovereign capital raise with rated debt to date of USD 3.3 Billion
- Rating operations conducted in accordance with global best practices as prescribed by the International Organization of Securities Commissions (IOSCO)
- Over 1,000 credit and risk professionals across the region benefitted from our credit risk training programmes to date
- Trend of increasing revenue and profitability over the years with ROE of 11.9% and ROA of 10.9% for the year ended 31 March 2020.

The Board of Directors, Rating Committee, Management and Staff of CariCRIS extend a heartfelt thanks to our founding members, and to all our clients and other stakeholders for your support over the past 15 years, and we look forward to continuing to serve you in the years ahead.

Regional Ratings. Global Standards.

CariCRIS

Contact: Tel: (868) 627-8879 | Website: www.caricris.com | E-mail: info@caricris.com

Looking back over the years.

Launch of CariCRIS in T&T - 2004

CariCRIS
Office Blessings - 2004

Founding Directors
Ronald Harford and Terrence
Martins at T&T Launch - 2004

Launch in
Barbados - 2005

Launch in
Jamaica - 2005

Grace Before Meal-
Christmas Luncheon - 2017

Crisil Consultant
Ramesh's B'day - 2005

Crisil Consultant
Muthuraman's Farewell - 2007

Christmas
Gift Exchange - 2008

Launch of Bond
Valuation Service - 2009

Rating Committee
Chairman Marius St. Rose - 2017

Marius St. Rose
exchanging greetings with
CEO Wayne Dass - 2017

Christmas Gift
for former Chairman
Ronald F. DeC. Harford - 2017

Long Service Award Presentation – 2014

SME Ratings
Training in Jamaica – 2015

Family Day – 2007

Family Day – 2014

Family Day – 2018

Family Day – 2015

Family Day – 2017

About CariCRIS

Caribbean Information and Credit Rating Services Limited (CariCRIS) is the Caribbean's leading credit rating agency, with shareholding by regional Central Banks, several major regional commercial and development banks, and CRISIL, an associate company of the globally-recognised rating agency Standard & Poor's.

Our credit ratings represent an objective assessment of the rated entity's creditworthiness relative to other rated entities in the region and reflect our intimate understanding of the risks that are unique to the Caribbean. Our Board, Rating Committee and Management teams consist of highly respected professionals from across the Caribbean and underpin our regional way of thinking. A CariCRIS regional scale rating compares an entity's creditworthiness to all debt-issuers in a defined Caribbean region. We also offer a national scale credit rating where the comparison set is all debt-issuing entities in a single nation.

Our ratings aim to provide a regionally relevant risk assessment of entities and the debt that they issue within a wider context of an analysis of economic trends and financial developments. This will significantly improve investors' access to information and their ability to compare sovereign and corporate credits across the Caribbean. For borrowers, our ratings will enhance credibility and expand access to funding sources.

Our Mission

To contribute to the development of a vibrant, integrated Caribbean capital market by setting the highest standards of credible independent analysis and opinion to enable informed financial decisions.

Our Core Values

- **Integrity**
- **Independence**
- **Analytical Rigour**
- **Teamwork**

Contents

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Gregory Thomson
Chairman

Chairman's Statement

Dear Shareholders,

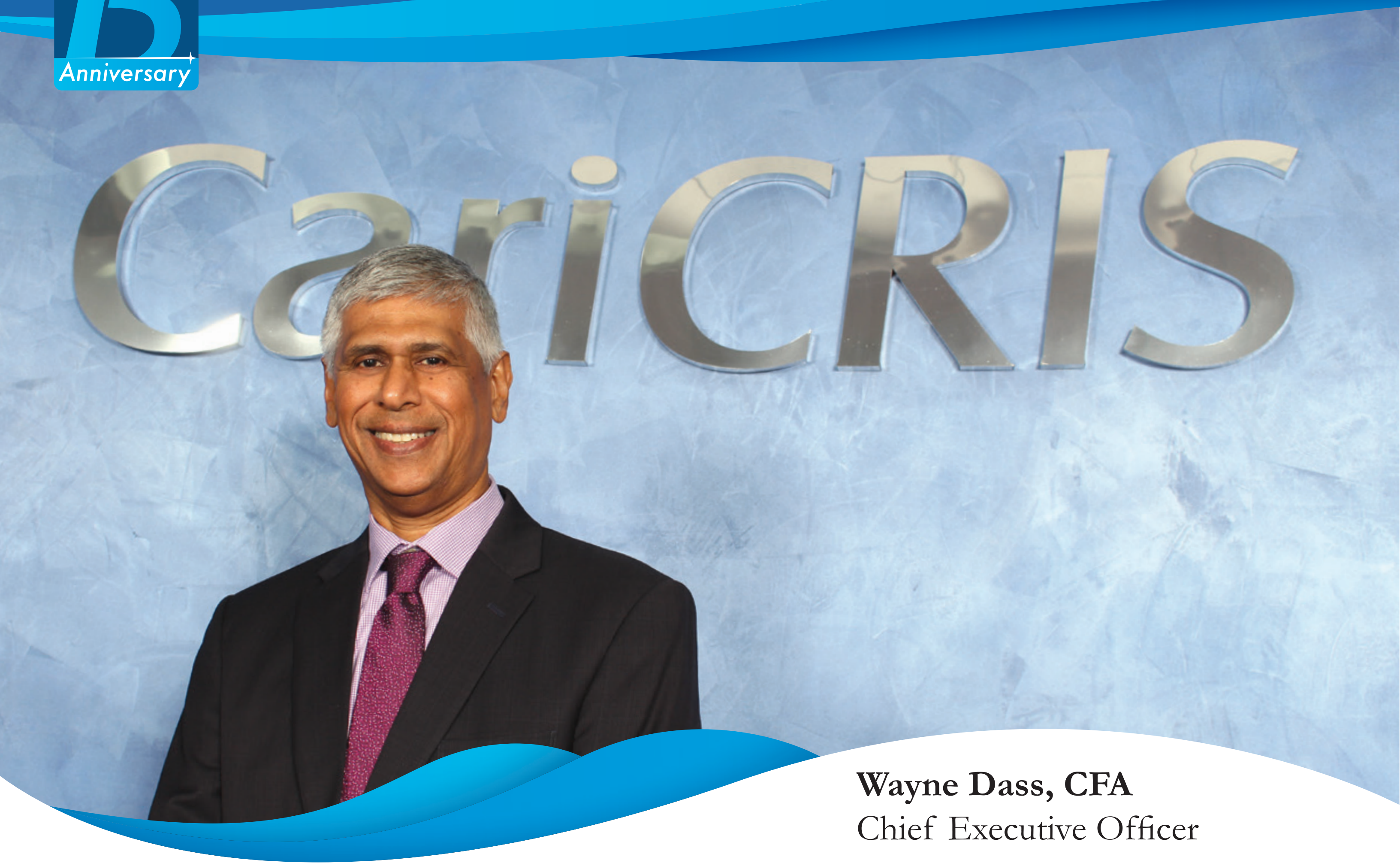
I am pleased to report that Caribbean Information and Credit Rating Services Limited (CariCRIS) had a successful year, continuing its trend of growth in revenue and profitability. For the year ended 31 March 2020, total revenue grew by 8% to USD1,480,104 and profit after tax increased by 23% to USD210,546.

During the year, the Company completed several new sovereign and corporate ratings and continued its important capital market development work of increasing the level of information available to bond investors in the Caribbean. CariCRIS also successfully executed several new risk management training programmes across the region and continued its role as an independent provider of fair value prices for regional fixed income securities.

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic. The measures taken to contain the virus have triggered a global economic downturn, with the world economy projected to contract by at least 3% in 2020, and with material contractions also expected for several Caribbean countries. Whilst any forecast at this time comes with extreme uncertainty, the Company expects the impact on its financial performance over the next year to be moderate.

In January 2020, Mr. Ronald F. deC. Harford resigned as a Director and as Chairman of the Board, after having served the organisation since its inception in 2004. On behalf of all the Directors, both past and present, I thank Mr. Harford for his invaluable service to CariCRIS and for his instrumental role in guiding the Company to a path of profitability and sustainability. In April 2020, Mr. Maurice L. Roemer, Governor of the Central Bank of Suriname, joined the Board, replacing Mr. Robert van Trikt. I welcome Mr. Roemer to the Board and extend thanks to Mr. van Trikt for his service. Further, I thank the members of the Board and the rating committee of CariCRIS for their significant contribution to this important capital market organisation. I also thank our shareholders for their continued support, our valuable clients and institutional investors for the confidence placed in our organisation, and our management and staff for their continued hard work and dedication.

Gregory Thomson
Chairman
22 June 2020



Wayne Dass, CFA
Chief Executive Officer

Chief Executive Officer's Report

Caribbean Information and Credit Rating Services Limited (CariCRIS) performed well over the past year, continuing its trend of profitability and fulfilling its important role of regional capital market integration and development. We completed 10 new ratings in the year, with 4 of these originating in Jamaica, 3 in Trinidad and Tobago, and 1 each in Barbados, Saint Lucia and Belize.

As at 31 March 2020, the total number of entities rated since inception increased by 6% year-on-year to 196, and ratings subject to annual reviews grew by 14% to 49. Our ratings span diverse sectors including banking, insurance, mutual funds and other financial services, oil and gas, manufacturing, retail and distribution, tourism, port operations and property development.

The rated entities are in 19 countries across the Caribbean, reflective of our wide regional presence. Last year we completed our first corporate rating in Belize.

Financial Performance

For the year ended 31 March 2020, total revenue increased by 8% to USD1,480,104, driven by a 33% increase in annual surveillance income based on our expanding portfolio of public ratings. Also contributing to the increase in total revenue was an 83% increase in income from technical services due to a growing clientele subscribing to our independent bond valuation services. Total expenses increased by 5% to USD1,264,772, led mainly by a 7% increase in indirect operating and administrative expenses. Net finance income for the year decreased by 61% to USD6,494, due primarily to a lease interest charge of USD12,088 resulting from our initial adoption of IFRS 16 *Leases*. As a result, the Company recorded a profit before tax of USD221,826, up 25% from the prior year. Profit after tax was USD210,546, an increase of 23% from that achieved in FY 2018/19. The Company's Net Shareholders' Equity consequently grew by 13% to USD1,773,639 as at 31 March 2020 (Charts 1 to 3).

Market Development

During the year we continued our training partnership with FitchLearning, the training arm of the globally recognised Fitch Ratings Group, and co-hosted with Fitch four public workshops in the region: 'Credit Report Writing Skills' and 'IFRS 17 *Insurance Contracts*' in Trinidad & Tobago, 'Corporate Valuation Bootcamp' in Jamaica and 'Cashflow-based Lending for Banks and Financial Institutions' in Guyana. We also designed and delivered in-house credit risk training to analysts in the loans department of a commercial bank in Dominica. Our training line of business continues to be an important contributor to our total revenue and, more importantly, facilitates our risk and investment professionals in the Caribbean with high-level, cutting-edge training from regional and global experts. We also expanded our clientele accessing our bond valuation service during the year, as we continue to be the leading expert source of independent fair value prices for illiquid fixed-income securities issued in the Caribbean.

Chart 1: Total Revenue in USD

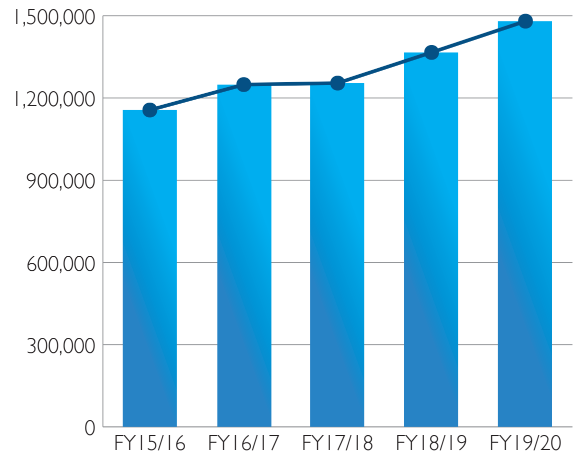


Chart 2: Profit after Tax in USD

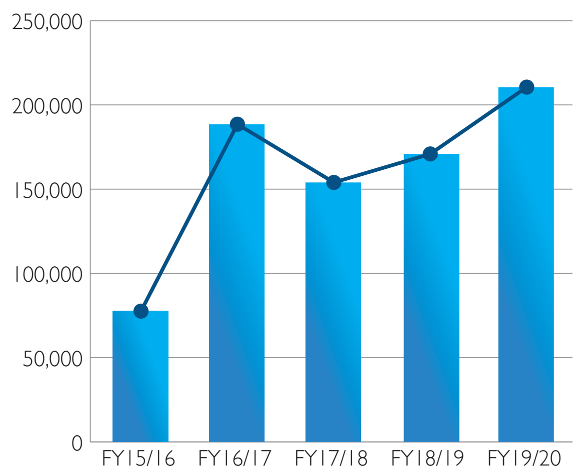
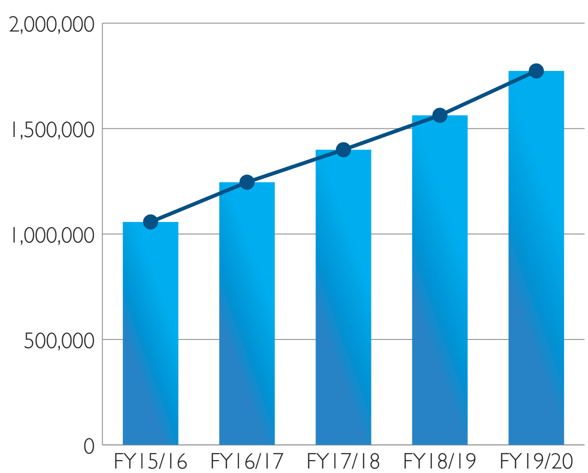


Chart 3: Net Shareholders' Equity in USD



Operations

The International Organisation of Securities Commissions (IOSCO) issued a new *Code of Conduct Fundamentals for Credit Rating Agencies* in 2015, intended to provide a framework for rating agencies with respect to protecting the integrity of the rating process. During the year we completed a gap analysis to identify the additional policies and procedures required by the new IOSCO Code and embarked on a structured programme of implementation of the new measures.

After a comprehensive review by The Central Bank of The Bahamas over a 12-month period, CariCRIS was granted approval in December 2019 as an eligible External Credit Assessment Institution (ECAI) in The Bahamas. Under the 'Standardised Approach' of determining capital required for credit risk as per Basel II/III guidelines, banks in The Bahamas can rely on the credit assessments prepared by eligible ECAIs. Hence CariCRIS' approval as an eligible ECAI clears the way for its ratings to be utilised by the banks in The Bahamas for capital adequacy purposes. We see this as an important catalyst for new business in The Bahamas and in other countries.

The eligibility criteria utilised by the Central Bank in granting CariCRIS its recognition status included, *inter alia*:

1. **Objectivity** – The methodology for assigning credit assessments must be rigorous, systematic, and subject to some form of validation based on historical experience. Assessments must also be subject to ongoing review and responsive to changes in financial condition.
2. **Independence** – An ECAI must be independent and should not be subject to political or economic pressures that may influence the rating. The assessment process should be as free as possible from conflict of interest situations on the part of the board of directors and/or the shareholders.
3. **International Access/Transparency** – Individual assessments must be available to both domestic and foreign institutions with legitimate interests and on equivalent terms. The general procedures, methodologies, and assumptions for arriving at assessments should be publicly available.
4. **Disclosure** – An ECAI should disclose its code of conduct, the general nature of its compensation arrangements with assessed entities, its assessment methodologies including the definition of default, the time horizon and the meaning of each rating, the actual default rates and the transitions of the assessments.
5. **Resources** – An ECAI should have sufficient resources to carry out high quality credit assessments. These resources should allow for substantial ongoing contact with senior and operational levels within the entities assessed in order to add value to the credit assessments.
6. **Credibility** – The extent to which an ECAI's credit assessments are relied upon by independent third parties (investors, insurers, trading partners) is reviewed in judging credibility. Additionally, credibility is underpinned by the effectiveness of internal procedures aimed at preventing the misuse of confidential information.

The year ahead

As Caribbean countries gradually ease restrictions imposed in early 2020 as a result of the coronavirus (COVID-19) pandemic and re-open borders, considerable uncertainly prevails at this time as the possibility of a second wave of infections in the region is real. Economic decline is certain for most Caribbean countries, with the tourism sector possibly being the hardest hit and with strong contagion effects on the other sectors. Given the nature of our business, there may be new opportunities amidst the crisis and overall, we cautiously predict only a moderate impact on our financial performance over the next year. Implementation of Basel II & III capital standards by regional banks as well as the full implementation of the new Insurance Bill in Trinidad and Tobago with its risk-based capital requirements should provide an added boost to the demand for our ratings in the year ahead. Further, as the Government of Jamaica continues its drive for modernisation of financial sector regulation in the jurisdiction, we expect the demand for our ratings to continue to increase in Jamaica.

Acknowledgements

During the year, Mr. Ronald F. deC. Harford resigned as a Director and as Chairman of the Board, after having served on the board of CariCRIS since its inception in 2004. I thank Mr. Harford for his considerable contribution in successfully moulding the organisation over the years and for the opportunity to benefit from his wise counsel over the period. I warmly welcome our new Chairman, Mr. Gregory Thomson, and look forward to working with him over the coming years. I sincerely thank the other members of the Board and of the Rating Committee for their outstanding service to CariCRIS over the past year. I also thank our clients and the institutional investors for their ongoing support and, most importantly, I extend my sincere appreciation to our valuable team members for their continued commitment to excellence.

Wayne Dass, CFA

Chief Executive Officer
22 June 2020

Board of Directors

Mr. Gregory Thomson - Chairman

Mr. Gregory Thomson is a retired banker with over 40 years' experience in Banking, Investments and Finance. Mr. Thomson's considerable experience in regional financial and capital markets include stints as General Manager of Republic Bank Limited (1993–2002) and Executive Director (2002–2005). As General Manager, he reported to the Managing Director with responsibilities for the Trust and Asset Management, Financial Planning and Control, Treasury Management and implementation of the company's key strategic objectives. As Executive Director, his responsibilities incorporated vision setting and ensuring the effective operation of Financial Accounting and Reporting, Strategic Planning, Treasury Management and Credit Risk Management.

Mr. Thomson was the Deputy Managing Director of Republic Bank Limited prior to his retirement in 2012. Subsequent to his retirement he has served in a consulting role to the Central Bank of Trinidad and Tobago, providing Credit Risk Specialist support to the Financial Institutions Supervision Unit, and to the Trinidad and Tobago Unit Trust Corporation, where he was involved in the review, development and implementation of investment strategies.

Mr.Thomson holds a BSc in Mathematics and Physics from The University of the West Indies and an MBA from The University of Western Ontario, Canada. He is presently on the Boards of Republic Financial Holdings Limited, Republic Bank Limited and One Caribbean Media Limited.

Mr. Milverton Reynolds - Director

Mr. Milverton Reynolds' professional life spans the banking and insurance industries in both the private and public sectors where he has held senior management positions in both international and local organisations that include Peat Marwick & Partners, the Jamaica Citizens Bank, Workers Savings and Loan Bank, National Housing Trust, Life of Jamaica, and the Jamaica Mortgage Bank. Since 2007, he has been the Managing Director of the Development Bank of Jamaica which he has piloted into a vibrant entity that has evolved with the rapid growth and development of communication and technology, while honing his vision of how public-private partnerships can catapult Jamaica into financial prosperity. Mr. Reynolds holds positions on several boards in the private and public sectors including Allied Insurance Brokers, NCB Insurance Company, Harmonisation Limited, and Harmony Cove Limited and is involved in several charities, including the St. Andrew Care Centre that assists street boys to become productive members of society. In October 2015, he received a national award, the Order of Distinction (Commander Class) for outstanding leadership in housing development.

In August 2018, Mr. Reynolds was conferred an Honorary Doctorate by the Northern Caribbean University, Jamaica, for his contribution to nation-building in both the private and public sectors, and for his sterling work done in the field of public-private partnerships and privatisation. Mr. Reynolds holds a BSc Degree in Management Studies from the University of the West Indies (UWI) and an MBA from McGill University in Montreal, Canada, as well as additional post-graduate qualifications in housing development and finance from the University of London, England.

Ms. Julia A. Weekes - Director

Ms. Julia A. Weekes, CFA is Director of Banking, Currency and Investments at the Central Bank of Barbados, a position she has held since January 1, 2006. Ms. Weekes is Chairperson of the Central Bank's Investment Committee, a member of the Committee of Management, Central Bank of Barbados Staff Pension Scheme and sits on the Bank's Payments, Tenders and Budget Committees. In her current role, she manages the Bank's investment portfolios, holds responsibility for payments and banking operations and for the administration of the domestic debt of the Government of Barbados. She serves as a member of the Investment Committee of the Board of Directors of the National Insurance Scheme (NIS) of Barbados, and sits on the Investment/Pension Committees of several government agencies.

Ms. Weekes, a CFA charterholder, is a member of the CFA Institute and CFA Barbados where she served as president for a number of years. Ms. Weekes holds a BSc in Economics & Accounting (Honours) from the University of the West Indies.

Dr. Sandra Sookram - Director

Dr. Sandra Sookram is Deputy Governor (Monetary Operations and Policy) of Central Bank of Trinidad and Tobago. She is responsible for the Banking Operations, Reserves and Domestic Market Management, Research and Information Services Departments at the Central Bank.

Prior to joining the Central Bank, Dr. Sookram was a fellow at the Sir Arthur Lewis Institute of Social and Economic Studies (SALISES) at the University of the West Indies. Her scientific achievements lie in her research on various areas in economics and her work has been published in refereed journals and books. A key component of her work as a Fellow involved the supervision of students at the MSc, M.Phil. and Ph.D. levels. Dr. Sookram holds a PhD in Economics (2005) from the University of the West Indies.

Prof. (Dr.) Venkataraman Sankaranarayanan - Director

Prof. (Dr.) Venkataraman Sankaranarayanan is currently part of the faculty in the Strategic Management group of the Indian Institute of Management Kozhikode, one of the premier management schools in India. His specialisation includes Corporate Sustainability and International Business. An alumnus of the Indian Institute of Management Calcutta, Dr. Sankaranarayanan has also been a visiting scholar at Cornell University, USA. Dr. Sankaranarayanan was formerly a Senior Director at CRISIL Ltd, the largest rating agency in India and a subsidiary of the globally-recognised rating agency Standard & Poor's. He was part of the core management team which decides and oversees implementation of all group-wide strategies covering business and key stakeholder relations and a member of CRISIL's Rating/Grading Committee. Over a span of 20 years, Dr. Sankaranarayanan led various businesses within CRISIL and garnered extensive experience in credit ratings, advisory services, equity gradings, risk management, credit risk models, business restructuring, valuation, infrastructure privatisation, securitisation and corporate governance evaluation. He has been closely involved with CariCRIS, having served as its founding Chief Executive Officer and Chief Rating Officer of CariCRIS from 2004-2007.

Ms. Vashtie Dookiesingh - Director

Ms Vashtie Dookiesingh is the Senior Specialist at the Multilateral Investment Fund, a member of the Inter-American Development Bank Group. Ms Dookiesingh's career experience spans over 26 years in professional service delivery to a range of organisations in Trinidad and Tobago and the wider Caribbean, comprised of 13 years in the private sector and 13 with the Inter-American Development Bank. In her role at the IDB, she is responsible for the design and supervision/oversight of investments, loans and technical co-operation (grants) financed by the Multilateral Investment Fund to support private sector development in Trinidad and Tobago and Barbados, and she also supports identification and design of projects in Guyana and Suriname. Ms Dookiesingh has a BA in Economics (Distinction) from McGill University, Canada and an Executive Masters in Business Administration (Distinction) from UWI, IOB.

Mr. Pawan Agrawal - Director

Mr. Pawan Agrawal is the Chief Analytical Officer - Ratings, at CRISIL Limited, the largest rating agency in India. In his current role, Mr. Agrawal is responsible for maintaining analytical quality in the ratings business and for enhancing CRISIL's franchise through thought leadership and outreach. He also chairs CRISIL's rating committee. In his previous role, Mr. Agrawal led analytical teams assigning ratings to large Indian companies in the manufacturing, infrastructure, financial, and structured finance sectors. He also led the operations at CRISIL's Global Analytical Center (GAC), which provides support to Standard & Poor's global analytical and data teams in enhancing workflow efficiencies, undertaking high-end analytical research, and executing complex modelling assignments. Mr. Agrawal holds a post graduate diploma in management from the Xavier Institute of Management, Bhubaneshwar and an engineering degree from the Malaviya National Institute of Technology, Jaipur.

Mr. Peter Blackman - Director

Mr. Peter Blackman is currently the Manager of private sector operations at the Caribbean Development Bank. In this role he has direct responsibility for activities related to the provision of credit and technical assistance programmes aimed at facilitating the development of SMEs, as well as contributing to interventions such as low income housing finance and student loan programmes that contribute to social and economic development. Mr. Blackman's career experience includes commercial and development banking as well as investment promotion. Mr. Blackman is a graduate of the University of the West Indies in Management Studies (Honours) and Warwick Business School in the UK, where he attained a Masters in Business Administration. He also received post graduate training from John F. Kennedy's School of Management, Harvard Business School, in Managing Financial Institutions for Private Enterprise Development.

Mr. Maurice L. Roemer - Director

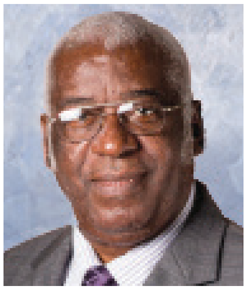
Maurice L. Roemer was appointed Governor of the Central Bank of Suriname by the Government of the Republic of Suriname in February 2020. Mr. Roemer had numerous years of managerial experience in the insurance industry. Prior to his appointment to the Central Bank, he held the position of CEO of one of the largest local insurance companies.

For many years, Mr. Roemer served on the Supervisory Board of the second largest commercial bank in Suriname, also serving as its Chair. Furthermore, he has extensive experience at the higher education level, in both management capacities as well as a lecturer.

In his early career as a consultant in the Netherlands, Mr. Roemer coached numerous starting entrepreneurs and developed training programs for this target group.

Mr. Roemer holds a master's degree in economics with specialisation in Business Economics from Tilburg University in the Netherlands.

Rating Committee

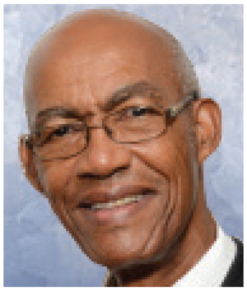


Mr. Marius St. Rose – Chairman

Mr. Marius St. Rose is a citizen of Saint Lucia and the current Chairman of CariCRIS' Credit Rating Committee. Mr St. Rose also chairs several other bodies including the Resolution Trust Corporation (ECCB), the OECS Pension Reform Commission (ECCB), the OECS Public Expenditure Review Commission, and the Saint Lucia Tribunal of Income Tax Appeal Commissioners. He is a director of Emera Barbados Holdings and a Member of the UWI Vice Chancellors Selection Committee for Distinguished Academics. Specialising in Economics and Management, Mr. St. Rose is a former Group Managing Director of Bank of Saint Lucia Limited and a former Senior Vice President (Operations) of the Caribbean Development Bank, with responsibility for the Departments of Economics and Programming, Projects, and Corporate Policy and Planning.

Mr. Ben Arrindell - Member

Mr. Ben Arrindell is a retired partner from Ernst & Young. From 1994 to 2009, he was the International Tax Partner and Country Leader for Barbados (2000 to 2009) as well as a member of the Board of Directors of the Ernst & Young integrated Caribbean firm encompassing Barbados, BVI, Jamaica, Trinidad & Tobago, the OECS and the Netherland Antilles. His experience includes development of the Ernst & Young tax practice in the Caribbean and management of the Ernst & Young operations in Barbados and the BVI. Mr. Arrindell attended the London Metropolitan University in London, England and holds a Diploma in English Law. He has been a consultant to the Government of Barbados for the past 17 years as technical advisor participating in tax treaty negotiations with several countries including Canada, Cuba, USA, Italy and Spain.



Mr. Dwight Richardson - Member

Mr. Dwight Richardson has extensive experience in banking, finance and management. He is a former Alternate Director, General Manager Finance and Member of the Executive Committee of The Bank of Nova Scotia Jamaica Limited. He was also a member of the Board of several banking and insurance subsidiaries of that bank as well as Chairman of the Jamaica Bankers Association Technical Committee. Mr Richardson is currently a member of the board of Signia Financial Group Inc., and Grace Kennedy General Insurance Company Limited.

Ms. Lorraine Kam - Member

Ms. Lorraine Kam is an independent Financial Services Professional with over 15 years of progressive experience within the Financial Services industry. Her experience incorporates a number of executive and management positions at Citibank Trinidad & Tobago and Citibank Barbados. At Citibank, she was the Corporate and Commercial Bank Head (2009-2011).

Ms. Kam currently serves as an independent non-executive director on the Board of the Trinidad and Tobago Unit Trust Corporation, and chairs the Board's Strategic Risk Management Committee. She is also a non-executive director on the board of JMMB Bank T&T Limited. Her other professional engagements include being a Member of the National Association of Corporate Directors (NACD).

Ms. Kam holds a Bachelor of Science degree in Accounting from the University of the West Indies (Trinidad) and a Master of Science degree in Finance from Cass Business School (London, UK). She is a Certified Management Accountant and a Member of the Society of Management Accountants of Ontario, as well as an affiliate of the Association of Chartered Certified Accountants, United Kingdom.

Dr. C. Justin Robinson - Member

Dr. C. Justin Robinson is a national of St. Vincent and the Grenadines and currently serves as Dean, Faculty of Social Sciences, University of the West Indies, Cave Hill Campus, Barbados. Dr. Robinson's research interests are Capital Markets in Developing Countries, Public Finance, Financial Risk Management and Corporate Finance. He has published extensively on these subjects in a number of regional and international journals. Dr. Robinson currently serves as Chairman of the National Insurance Scheme Barbados, Member of the Board of Directors of the Central Bank of Barbados, and Vice President of the Barbados Museum and Historical Society.

Dr. Robinson obtained his PhD in Finance from the University of Manchester, UK. He also holds an MSc in Finance and Econometrics from Florida International University and a BSc in Management Studies (First Class Honours) from the University of the West Indies, Cave Hill Campus, Barbados.

Mr. Wayne Dass - Member

Mr. Wayne Dass is the Chief Executive Officer of Caribbean Information and Credit Rating Services Limited (CariCRIS). Wayne has garnered over twenty-five years' combined experience in engineering and financial markets, and built specific expertise over the past 15 years in credit risk assessment, financial risk management and investment management. Prior to joining CariCRIS, Wayne held senior leadership positions in prominent regional financial institutions. Over the past 13 years, Wayne has successfully led the expansion and development of CariCRIS, and under his leadership, CariCRIS is now well established throughout the region with a solid track record for independence and integrity in its ratings. Wayne holds BSc and MSc Degrees in Engineering and is a Chartered Financial Analyst (CFA) charter-holder.

Management Team

Kathryn Budhooram
B.Sc, MBA, PMP
Manager, Ratings

Stefan Fortuné
B.Sc, M.Sc. Ph.D
Manager, Ratings
Research & Training

Wayne Dass
B.Sc, M.Sc, CFA
Chief Executive Officer

Andre Joseph
B.Sc, MBA
Senior Manager, Ratings

Nicole Budd
MBA, FCCA, CA
Senior Manager, Finance & Administration

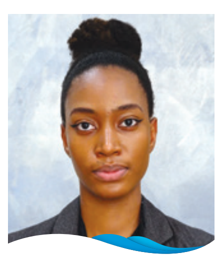
Finance & Administration Team

Keisha Antoine

Prudence Charles

Kerryn De Landro

Sita Sonnyram



Zilpha George

Nicole Budd

Ratings Team


Nadia Renee


Samuel Raphael


Jeffrey James


Keith Hamlet


Nikkel Collymore


Andre Joseph


Anelia Oudit


Kathryn Budhooram


Megan Dass


Laura Rajcoomar


Stefan Fortuné

Research Team


Garik Joseph


Candace Williams


Stefan Fortuné

2019/20 CariCRIS events










CariCRIS

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

March 31, 2020

2020 ANNUAL REPORT

REGIONAL RATINGS | GLOBAL STANDARDS

Statement of Management's Responsibilities

Caribbean Information and Credit Rating Services Limited

Management is responsible for the following:

- Preparing and fairly presenting the financial statements of Caribbean Information and Credit Rating Services Limited (the Company), which comprise the statement of financial position as at March 31, 2020, the statements of comprehensive income, changes in net assets attributable to members and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and 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 Company 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.

Wayne Dass, CFA	Nicole Budd, FCCA, MBA, CA
Chief Executive Officer	Senior Manager, Finance & Administration
June 15, 2020	June 15, 2020

Independent Auditors' Report
To the Shareholders of Caribbean Information and Credit Rating Services Limited

Opinion

We have audited the financial statements of Caribbean Information and Credit Rating Services Limited ("the Company"), which comprise the statement of financial position as at March 31, 2020, 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 Company as at March 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics of 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 these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The financial statements of Caribbean Information and Credit Rating Services Limited for the year ended March 31, 2019 were audited by another auditor who expressed an unmodified opinion on those statements on June 14, 2019.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Chairman's Statement, the Chief Executive Officer's Report and the Company's 2020 Annual Report but does not include the financial statements and our auditors' report thereof.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 the International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' 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 misstatements, whether due to fraud or error, and to issue the auditors' 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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ORBIT Solutions

Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

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

Grant Thornton

Grant Thornton
ORBIT Solutions
Port of Spain
Trinidad
June 15, 2020

Statement of Financial Position

As at March 31, 2020 (Expressed in United States Dollars)

	Notes	2020 $	2019 $
ASSETS			
Non-current assets			
Property and equipment	4	310,397	31,253
Deferred tax asset	6	4,440	6,703
Trade and other receivables	7	13,935	13,935
Investments	8	742,076	671,014
Tax recoverable		129	265
		1,070,977	723,170
Current assets			
Trade and other receivables	7	279,325	237,739
Cash and cash equivalents	9	810,732	743,630
		1,090,057	981,369
TOTAL ASSETS		**2,161,034**	**1,704,539**
EQUITY AND LIABILITIES			
Equity			
Stated capital	11	4,561,688	4,561,688
Accumulated losses		(2,788,049)	(2,998,595)
		1,773,639	1,563,093
Non-current liabilities			
Lease liability	5	169,381	-
Current liabilities			
Deferred revenue		22,487	20,000
Lease liability	5	91,719	-
Trade and other payables	10	103,808	121,446
		218,014	141,446
TOTAL LIABILITIES		387,395	141,446
TOTAL EQUITY AND LIABILITIES		**2,161,034**	**1,704,539**

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

On June 15, 2020 the Board of Caribbean Information and Credit Rating Services Limited authorised these financial statements for issue.

Director Sandra Goodman Director

Statement of Comprehensive Income

For the year ended March 31, 2020 (Expressed in United States Dollars)

	Notes	2020 $	2019 $
Revenue	12	1,480,104	1,366,063
Direct operating expenses	13 a.	(573,756)	(557,624)
Gross profit		906,348	808,439
Other operating and administrative expenses	13 b.	(691,016)	(647,013)
Profit from operations before net finance income		215,332	161,426
Finance income		22,744	19,826
Finance cost	13 c.	(16,250)	(3,385)
Net finance income		6,494	16,441
Profit before taxation		221,826	177,867
Taxation	14	(11,280)	(6,970)
Net profit being total comprehensive profit for the year		**210,546**	**170,897**

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

Statement of Changes in Equity

For the year ended March 31, 2020 (Expressed in United States Dollars)

	Stated capital $	Accumulated losses $	Total equity $
Balance at April 1, 2019	4,561,688	(2,998,595)	1,563,093
Total comprehensive profit for the year	-	210,546	210,546
Balance at March 31, 2020	**4,561,688**	**(2,788,049)**	**1,773,639**
Balance at April 1, 2018	4,561,688	(3,161,919)	1,399,769
Adjustment on initial application of IFRS 9	-	(7,573)	(7,573)
	4,561,688	(3,169,492)	1,392,196
Total comprehensive profit for the year	-	170,897	170,897
Balance at March 31, 2019	**4,561,688**	**(2,998,595)**	**1,563,093**

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

Statement of Cash Flows

For the year ended March 31, 2020 (Expressed in United States Dollars)

	Notes	2020 $	2019 $
Cash flow from operating activities			
Net profit before taxation		221,826	177,867
Adjustments to reconcile profit to net cash generated from operating activities:			
Depreciation	13 b.	18,923	13,712
Depreciation – right-of-use asset	13 b.	93,304	-
		334,053	191,579
Working capital changes in:			
Change in trade and other receivables		(41,586)	(25,409)
Change in trade and other payables		(17,638)	28,962
Change in deferred revenue		2,487	20,000
Cash generated from operations		277,316	215,132
Tax paid		(8,881)	(8,824)
Net cash generated from operating activities		268,435	206,308
Cash flow from investing activities			
Purchase of property and equipment	4	(33,705)	(17,232)
Change in investments		(71,062)	(62,478)
Net cash used in investing activities		(104,767)	(79,710)
Cash flow from financing activities			
Repayment of lease liability		(96,566)	-
Net cash used in financing activities		(96,566)	-
Increase in cash and cash equivalents		67,102	126,598
Cash and cash equivalents			
– at beginning of year		743,630	617,032
– at end of year	9	**810,732**	**743,630**

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

Notes to the Financial Statements

For the year ended March 31, 2020 (Expressed in United States Dollars)

1. Incorporation and principal activity

Caribbean Information and Credit Rating Services Limited ("the Company") was incorporated in the Republic of Trinidad and Tobago and its principal business includes performing the function of an independent credit rating agency for the region. The Company's registered office is 3rd Floor, Furness House, 90 Independence Square, Port of Spain, Trinidad and Tobago.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements are prepared under the historical cost convention except for certain financial instruments at fair value.

Management has considered the going concern assumption to be appropriate in light of the continued support of its shareholders, its mission, its adequate capitalisation level and the material improvement in the Company's business outlook, evidenced by the profits recorded by the Company in the past six years.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

For the financial year ended March 31, 2020, the Company has adopted new guidance for the recognition of leases (see Note 2 (b) below). The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adoption as at April 1, 2019.

(b) Changes in accounting policies

This is the first annual financial statements in which IFRS 16, *Leases* has been applied.

IFRS 16, *Leases*, which is effective for annual reporting periods beginning on or after January 1, 2019, eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Companies will be required to bring all major leases on-balance sheet, recognising right-of-use assets and lease liabilities. The on-balance sheet liability will attract interest; the total lease expense will be higher in the early years of a lease even if a lease has fixed regular cash rentals. Optional lessee exemption will apply to short- term leases and for low-value items with value of US$5,000 or less.

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

2. Summary of significant accounting policies (continued)

(b) Changes in accounting policies (continued)

Lessor accounting remains similar to current practice as the lessor will continue to classify leases as finance and operating leases.

IFRS *16 Leases replaces* IAS 17 *Leases* along with three Interpretations (IFRIC 4 *Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases-Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease).*

The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach. Prior periods have not been restated.

For contracts in place at the date of initial application, the Company has elected to apply the definition of a lease from IAS 17 and IFRIC 4. The Company has not applied IFRS 16 to arrangements that were previously not identified as a lease under IAS 17 and IFRIC 4.

The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16, being April 1, 2019. At this date, the Company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use asset at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16. The Company continues to occupy the identified leased asset and therefore the lease is not onerous.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight line basis over the remaining term.

The Company has never borrowed since inception. On transition to IFRS 16 the Company's incremental borrowing rate was derived by adding a corporate credit spread based on the Company's credit rating to the risk-free rate as at April 1, 2019. On transition to IFRS 16 the incremental borrowing rate applied to the lease liability recognised under IFRS 16 was 3.91% per annum.

The Company has benefitted from the use of hindsight for determining the lease term when considering options to extend the lease.

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

2. Summary of significant accounting policies (continued)

(b) Changes in accounting policies (continued)

The following is a reconciliation of the financial statement line items from IAS 17 to IFRS 16 at April 1, 2019:

	Carrying amount at March 31, 2019	Reclassification	IFRS 16 carrying amount at April 1, 2019
Property and equipment	31,253	357,666	388,919
Prepayments	24,037	(8,358)	15,679
Lease liability	-	(349,308)	(349,308)
Total	55,290	-	55,290

The following is a reconciliation of total operating lease commitments as at March 31, 2019 (as disclosed in the financial statements as at March 31, 2019) to the lease liabilities recognised at April 1, 2019:

Total operating lease commitments disclosed at March 31, 2019	83,825
Operating lease liabilities before discounting	83,825
Discounted using incremental borrowing rate	(1,456)
Operating lease liabilities	82,369
Extension option exercised	266,939
Total lease liability recognised under IFRS 16 as at April 1, 2019	349,308

(c) Foreign currency

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in United States dollars, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in the foreign currency are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in the foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the statement of comprehensive income.

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

2. Summary of significant accounting policies (continued)

(d) Property and equipment

All property and equipment is stated at historical cost less accumulated depreciation.

Depreciation is calculated on the straight-line method at rates estimated to write down the cost of such assets, to their residual values over their useful lives as follows:

Improvements to leasehold property	-	4 years
Computer equipment	-	3 years
Office equipment	-	4 years
Furniture and fixture	-	4 years
Motor vehicles	-	4 years

The assets' residual value and useful lives are reviewed and adjusted if appropriate at each statement of financial position date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

Repairs and maintenance are charged to the statement of comprehensive income when the expenditure is incurred.

(e) Leased assets

As described in Note 2 (b) above the Company has applied IFRS 16 using the modified retrospective approach and therefore comparative information has not been restated. Comparative information is still reported under IAS 17 and IFRIC 4.

The Company assessed whether an existing tenancy contract meets three key evaluations. These are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- The Company has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Company has the right to direct the use of the identified asset throughout the period of use. The Company assessed whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

2. Summary of significant accounting policies (continued)

(e) Leased assets (continued)

At the initial date of application of the Standard, the Company recognised a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, and any lease payments made in advance of the application date.

The Company depreciates the right-of-use assets on a straight-line basis from the date of initial application to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assessed the right-of-use asset for impairment when such indicators exist.

At the date of initial application, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted at the Company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in Property and Equipment and lease liabilities included in current and non-current liabilities.

Prior to April 1, 2019 all leases are treated as operating leases. Payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(f) Investments

Investments are securities backed by debt instruments issued by a borrower such as a private Corporation or the Government. Interest is accrued at a fixed rate over the period the instrument is held. These are classified at amortised cost. The Company intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal outstanding.

(g) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. These are now classified at amortised cost.

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

2. Summary of significant accounting policies (continued)

(h) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and on hand, and investment in money market securities with original maturities of three months or less.

(i) Fair values of financial assets and liabilities

Financial assets and liabilities are presented on the statement of financial position at amortised cost with disclosures regarding their fair value.

(j) Financial instruments

Financial assets and financial liabilities are recognised when the Company 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.

Classification and measurement of financial assets and financial liabilities

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

Financial assets are classified into the following categories:

- Amortised cost
- Fair value through profit or loss (“FVTPL”)
- Fair value through other comprehensive income (“FVOCI”)

In the periods presented the Company does not have any financial assets categorised as FVOCI.

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

2. Summary of significant accounting policies (continued)

(j) Financial instruments (continued)

Classification and measurement of financial assets and financial liabilities (continued)

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 related 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 trade receivables. There was no impairment of trade receivables as of March 31, 2020.

Financial assets are measured at amortised 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 amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at fair value through profit or loss.

The Company's financial liabilities consist of trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

2. Summary of significant accounting policies (continued)

(j) Financial instruments (continued)

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expecte d credit loss ("ECL") model'. This replaced IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised 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 FVTPL.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company 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 now 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 the first category while 'lifetime expected credit losses' are recognised for the second category.

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

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Refer to Note 3 (b) for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

(k) Stated capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

2. Summary of significant accounting policies (continued)

(l) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently remeasured at amortised cost. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled.

(m) Current and deferred taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the year end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the year end and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

The temporary difference arises from the difference between the accounting and tax treatment of depreciation on equipment, deferred revenue and tax losses carried forward.

Deferred tax assets are recognised for carried forward tax losses where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(n) Employee benefits

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. However, there are no benefits falling due as at the year end.

Employee bonus

The Company recognises a liability and an expense for bonuses on the accruals basis.

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

2. Summary of significant accounting policies (continued)

(o) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(p) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, refunds and discounts.

The Company has adopted IFRS 15 *Revenue from Contracts with Customers* which replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts,* IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers* and SIC-31 *Revenue.*

Revenue is recognised when:

i. A customer obtains control of the goods or services.

ii. The amount of revenue can be reliably measured (the amount of revenue is not considered to be reliably measurable until all contingencies relating to the service have been resolved).

iii. It is probable that future economic benefits will flow to the entity, and,

iv. Specific criteria have been met for each of the Company's activities as described below.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised services to its clients.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

2. Summary of significant accounting policies (continued)

(p) Revenue recognition (continued)

Contract liabilities

A contract liability arises under IFRS 15 if a customer pays consideration, or if the entity has a right to consideration that is unconditional (i.e. a receivable), before the good or service is transferred to the customer. The liability should be recognised either when the payment is made or when the payment is due (whichever is earlier). The contract liability represents the obligation to transfer goods or services to a customer for which consideration has been received (or an amount of consideration is due) from the customer.

A contract liability is therefore recognised when a payment for a customer is due (or already received, whichever is earlier) before a related performance obligation is satisfied.

As of March 31, 2020, contract liabilities are presented in deferred revenue.

Contract asset

A contract asset arises under IFRS 15 if an entity performs by transferring goods or services to a customer before the consideration is paid or before payment is due. The balance excludes any amounts presented as a receivable. The contract asset represents the right to consideration in exchange for goods or services that have been transferred to a customer and should be assessed for impairment in accordance with IFRS 9 Financial Instruments.

A receivable is a right to consideration that is unconditional, i.e. only the passage of time is required before payment of that consideration is due.

A contract asset is therefore recognised when a performance obligation is satisfied (and revenue recognised), but the payment is conditional not only on the passage of time. Contract assets are different from receivables because trade receivables represent an unconditional right to receive payment. The significance of the distinction between contract asset and receivable is that the contract asset carries not only the credit risk, but other risks as well such as performance risk.

There are no contract assets as of March 31, 2020 as all rights to payments are unconditional and presented in trade receivables.

Initial rating income

Initial rating income is recognised when the performance obligation is satisfied: the initial rating is completed, duly approved by the rating committee, and communicated to the client. Thus, revenue recognition occurs at a point in time, i.e. upon communication of the approved rating to the client. Thereafter the client obtains control of the rating which can be used as desired in accordance with the terms of the rating agreement (the contract).

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

2. Summary of significant accounting policies (continued)

(p) Revenue recognition (continued)

Surveillance income

Surveillance income is prudently recognised in arrears one year following acceptance of the initial rating and annually thereafter whether or not there is a change to the rating during each surveillance period. The performance obligation is that of keeping the rating current at all times and is therefore satisfied over time.

Training income

Training income is recognised at a point in time when the performance obligation of hosting the training program is satisfied.

Bond valuation and other technical services

Income from bond valuation service and other technical services is recognised at a point in time when the performance obligation of delivering the service is satisfied.

Finance income

Finance income is recognised on a time-proportion basis using the effective interest method.

(q) Deferred revenue

Deferred revenue relates to amounts paid in advance by customers for work to be performed by the Company. These amounts are recognised in income when the relevant service is provided to the customer.

(r) Related parties

A party is related to the Company, if:

(i) Directly, or indirectly through one or more intermediaries, the party:

  a) is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);
  b) has a direct or indirect interest in the Company that gives it significant influence; or
  c) has joint control over the Company;

(ii) the party is an associate of the Company;

(iii) the party is a joint venture in which the Company is a venturer;

(iv) the party is a member of the key management personnel of the Company or its parent;

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

2. Summary of significant accounting policies (continued)

(r) Related parties (continued)

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

The Company has a related party relationship with its Directors and key Management personnel, representing certain senior officers of the Company.

(s) New standards, interpretations and amendments not yet adopted

Certain new, revised and amended standards and interpretations have been issued which are not yet effective for the current year and which the Company has not early-adopted. The Company has assessed the relevance of all such new standards, amendments and interpretations with respect to the Company's operations and has determined that the following are likely to have an effect on the financial statements.

- Definition of a Business (Amendments to IFRS 3)

  The IASB issued a narrow-scope amendments to IFRS 3 to help entities determine whether an acquired set of activities and assets is a business or not. The amendments clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and apply prospectively. Earlier application is permitted.

  The Company is assessing the impact that this amendment will have on its 2021 financial statements.

- Definition of Material (Amendments to IAS 1 and IAS 8)

  The amendment relates to a revised definition of 'material' and stated as follows:

  Information is material if omitting, misstating or obscuring it would reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted.

  The Company is assessing the impact that this amendment will have on its 2021 financial statements.

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

2. Summary of significant accounting policies (continued)

(s) New standards, interpretations and amendments not yet adopted (continued)

- Conceptual Framework for Financial Reporting

  The International Accounting Standards Board issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), a comprehensive set of concepts for financial reporting in March 2018. It sets out:

  - The objective of financial reporting
  - The qualitative characteristics of useful financial information
  - A description of the reporting entity and its boundary
  - Definitions of an asset, a liability, equity, income and expenses
  - Criteria for including assets and liabilities in financial statements (recognition) and guidance on when to remove them (derecognition)
  - Measurement bases and guidance on when to use them
  - Concepts and guidance on presentation and disclosure

  The amendment is effective for annual periods beginning on or after January 1, 2020 for preparers who develop an accounting policy based on the Conceptual Framework.

  The Company is assessing the impact that this standard will have on its 2021 financial statements.

(t) Comparative figures

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

3. Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: foreign exchange risk, cash flow interest rate risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. There were no changes to the Company's risk management policies.

(a) Market risk

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the TT dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

3. Financial risk management (continued)

Financial risk factors (continued)

(a) Market risk (continued)

Foreign exchange risk (continued)

The Company has set up a policy to manage its foreign exchange risk against its functional currency. To manage its foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Company monitors the foreign exchange rates daily effecting transfers from functional currency bank accounts to foreign currency denominated bank accounts at a negotiated exchange rate so as to match assets with commitments and liabilities as they fall due. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency.

Concentrations of assets and liabilities

	TT $	US $	Total $
As at March 31, 2020			
Financial assets			
Trade and other receivables	40,203	232,037	272,240
Investments	186,016	556,060	742,076
Cash and cash equivalents	331,189	479,892	811,081
Total financial assets	557,408	1,267,989	1,825,397
Financial liabilities			
Trade and other payables	167,169	28,358	195,527
Total financial liabilities	167,169	28,358	195,527
Net foreign exchange risk position	390,239	1,239,631	1,626,870
As at March 31, 2019			
Financial assets			
Trade and other receivables	39,967	193,787	233,754
Investments	183,747	487,267	671,014
Cash and cash equivalents	197,711	546,266	743,977
Total financial assets	421,425	1,227,320	1,648,745
Financial liabilities			
Trade and other payables	87,773	33,673	121,446
Total financial liabilities	87,773	33,673	121,446
Net foreign exchange risk position	333,652	1,193,647	1,527,299

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

3. Financial risk management (continued)

Financial risk factors (continued)

(a) Market risk (continued)

Foreign exchange risk (continued)

At March 31, 2020 if the functional currency had strengthened by 1% against the TT dollar with all other variables held constant, post-tax profit for the year would have been US$3,902 lower (post-tax profit 2019: US$3,337 lower), mainly as a result of foreign exchange losses on translation of TT dollar-denominated trade payables, trade receivables and cash and cash equivalents.

Cash flow interest rate risk and fair value interest rate risk

The Company has significant interest-bearing assets carrying rates that are subject to changes in market interest rates. The Company's investment in repurchase agreements for defined periods mitigates this risk somewhat as rates are fixed for the tenor of the agreements. Other operating cash flows are independent of changes in market interest rates.

The table below summarises the Company's exposure to interest rate risk. The financial assets and liabilities are categorised by the contractual date.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company carries all of its financial assets and liabilities at amortised cost and as such is not exposed to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of an instrument will fluctuate because of changes in the market interest rates. The Company's financial assets have fixed interest rates and as such are not exposed to cash flow interest rate risk.

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

3. Financial risk management (continued)

Financial risk factors (continued)

(a) Market risk (continued)

Cash flow interest rate risk and fair value interest rate risk (continued)

	1 to 3 months $	3 to 12 months $	Non-interest bearing $	Total $
As at March 31, 2020				
Financial assets				
Trade and other receivables	-	-	272,240	272,240
Investments	-	742,076	-	742,076
Cash and cash equivalents	598,115	59,232	153,734	811,081
Total financial assets	598,115	801,308	425,974	1,825,397
Financial liabilities				
Trade and other payables	-	-	195,527	195,527
Total financial liabilities	-	-	195,527	195,527
Interest sensitivity gap	598,115	801,308	230,447	1,629,870
As at March 31, 2019				
Financial assets				
Trade and other receivables	-	-	233,754	233,754
Investments	-	671,014	-	671,014
Cash and cash equivalents	661,526	-	82,451	743,977
Total financial assets	661,526	671,014	316,205	1,648,745
Financial liabilities				
Trade and other payables	-	-	121,446	121,446
Total financial liabilities	-	-	121,446	121,446
Interest sensitivity gap	661,526	671,014	194,759	1,527,299

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

3. Financial risk management (continued)

Financial risk factors (continued)

(a) Market risk (continued)

Other price risk

Other price risk arises due to the possibility that the fair value of future cash flows of a financial asset or liability will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not affected by changing prices of equity instruments as there were no investments in equity instruments as at March 31, 2020 nor as at March 31, 2019.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument or financial arrangement will fail to discharge an obligation and cause the other party to incur a financial loss. The Company manages its credit risk by ensuring initial rating fees from first-time rated clients are paid in full up-front, ahead of the rating exercise. The Company also invests its surplus funds in independently rated banks and financial institutions with an investment grade rating.

Below is an analysis of assets bearing credit risk:

	2020 $	2019 $
Trade and other receivables (Note 7)	272,240	233,754
Investments	742,076	671,014
Cash and cash equivalents	811,081	743,977
	1,825,397	1,648,745

The Company's receivables consist of contractual obligations from sovereigns and established corporate entities. None of the above financial assets are impaired. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Details of the geographical spread of revenue are included in Note 12.

The aging of trade receivables is as follows:

	2020 $	2019 $
1 - 30 days	205,712	197,451
31- 90 days	54,034	17,140
	259,746	214,591

These financial assets are not rated.

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

3. Financial risk management (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

The carrying amounts of financial assets and contract assets represent the maximum credit exposure. Impairment losses on financial assets and contract assets including cash equivalents recognised in profit or loss were as follows.

	2020 $	2019 $
Reversal on receivables arising from contracts with customers	(1,604)	(1,112)
Impairment loss on cash equivalents	2	3
Impairment of financial assets	(1,602)	(1,109)

The Company uses a provision matrix to measure the ECLs of trade receivables from individual customers. Loss rates are calculated using default rates based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at March 31, 2020.

	Default Rate	Gross carrying amount	Loss allowance	Credit impaired
1 - 30 days	1.2%	205,712	2,365	N/A
31-60 days	2.7%	42,111	1,150	N/A
61 - 90 days	8.4%	11,923	998	N/A
90 - 270 days	11.2%	-	-	N/A
> 270 days	100%	-	-	N/A
		259,746	4,513	

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

3. Financial risk management (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

The movement in the allowance in respect of trade receivables and contract assets during the year is presented below.

	2020 $	2019 $
Balance at April 1 under IAS 39	-	-
Adjustment on initial application of IFRS 9	6,117	7,229
Balance at April 1 under IFRS 9	6,117	7,229
Net re-measurement of loss allowance	(1,604)	(1,112)
Balance at March 31	4,513	6,117

(c) Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due. Prudent liquidity risk management implies maintaining an adequate amount of cash and cash equivalents. The Company manages its liquidity risk by way of rolling forecasts of its contracted cash inflows and outflows, and ensuring the availability of adequate cash to meet upcoming commitments.

The financial liabilities of the Company of $195,527 (2019: $121,446) are short-term in nature and due within 12 months.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders (in the long-term) and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

4. Property and equipment

	Leasehold improvements $	Computer equipment $	Office equipment $	Motor vehicles $	Total $
Cost					
As at April 1, 2019	109,500	95,157	44,712	24,590	273,959
Adjustment on transition to IFRS 16	357,666	-	-	-	357,666
Additions	12,523	15,377	5,805	-	33,705
Disposal	-	-	-	-	-
As at March 31, 2020	479,689	110,534	50,517	24,590	665,330
Accumulated depreciation					
As at April 1, 2019	104,448	83,212	42,761	12,285	242,706
Charge for the year	95,956	8,353	1,776	6,142	112,227
As at March 31, 2020	200,404	91,565	44,537	18,427	354,933
Net book value					
As at March 31, 2020	279,285	18,969	5,980	6,163	310,397
As at March 31, 2019	5,052	11,945	1,951	12,305	31,253

Included in the net carrying amount of property and equipment are right-of-use assets as follows:

	2020 $	2019 $
Leasehold improvements	264,362	-
Total right-of-use assets	264,362	-

5. Leases

Lease liabilities are presented in the statement of financial position as follows:

	2020 $	2019 $
Current	91,719	-
Non-current	169,381	-
Total lease liability	261,100	-

The Company has one tenancy arrangement for the rental of office space that is determined to contain a lease. The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

5. Leases (continued)

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on the statement of financial position:

Right-of-use asset	No of right-of-use assets leased $	Range of remaining term $	No of leases with extension options $
Leasehold improvements	1	2 - 3 years	1

Future minimum lease payments as at December 31, 2019 were as follows:

	Minimum lease payments due			
	Within 1 year $	Within 1-2 years $	Within 2-3 years $	Total $
March 31, 2020				
Lease payments	100,296	100,296	75,222	275,814
Finance charges	(8,577)	(4,926)	(1,211)	(14,714)
Net present values	91,719	95,370	74,011	261,100

The expense relating to payments not included in the measurement of the lease liability is as follows:

	2020 $	2019 $
Short-term leases	6,004	-
Leases of low value assets	2,006	-
	8,070	-

Additional information on the right-of-use assets by class of assets is as follows:

	Carrying amount $	Depreciation expense $	Impairment $
Leasehold improvements	264,362	93,304	-

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

6. Deferred tax asset

Deferred tax is calculated on all temporary differences under the liability method using a principal tax rate of 30%.

	2020 $	2019 $
Balance at beginning of year	6,703	5,358
(Charge)/credit to statement of comprehensive income	(2,263)	1,345
Balance at end of year	4,440	6,703

Deferred tax assets and liabilities and the deferred tax charge in the statement of comprehensive income are attributable to the following items:

	Balance at April 1, 2019 $	Charge to statement of comprehensive income $	Balance at March 31, 2020 $
As at March 31, 2020			
Property and equipment	6,703	(2,263)	4,440

	Balance at April 1, 2018 $	Charge to statement of comprehensive income $	Balance at March 31, 2019 $
As at March 31, 2019			
Property and equipment	5,358	1,345	6,703

Deferred tax assets arising from unused tax losses are recognised net of valuation allowances as follows:

	2020 $	2019 $
Unused tax losses	724,327	787,491
Valuation allowance	(724,327)	(787,491)
Net deferred tax asset recognised	-	-

A deferred tax asset is recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Company has tax losses of approximately $2,414,423 (2019: $2,624,969), the tax effect of which have not been recognised due to the uncertain timing of their recovery.

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

7. Trade and other receivables

	2020 $	2019 $
Trade receivables	259,746	214,591
Other receivables	13,034	19,163
Prepayments	24,993	24,037
	297,773	257,791
Provision for expected credit loss	(4,513)	(6,117)
	293,260	251,674
Current	279,325	237,739
Non-current	13,935	13,935
	293,260	251,674

8. Investments

	2020 $	2019 $
Fixed income paper	742,076	671,014

The balance comprises of two repurchase agreements:
US$186,016 (TT$1,209,601.50) maturing June 12, 2020 for 1 year at 1.75% per annum and US$556,060 maturing January 26, 2023 at 2.25% per annum.

9. Cash and cash equivalents

	2020 $	2019 $
Cash at bank and on hand	310,806	308,899
Treasury bills	59,232	-
Money market securities	441,043	435,078
	811,081	743,977
Expected credit loss (IFRS 9)	(349)	(347)
	810,732	743,630

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

10. Trade and other payables

	2020 $	2019 $
Trade payables	15,081	23,776
Statutory payables	31,479	39,397
Credit card accounts	2,360	7,155
Accrued expenses	54,888	51,118
	103,808	121,446

11. Stated capital

	2020 $	2019 $
Authorised		
Unlimited number of ordinary shares of no par value		
Issued and fully paid		
4,561,688 ordinary shares at US$1.00	4,561,688	4,561,688

12. Revenue from contracts with customers

	2020 $	2019 $
Rating income	444,670	497,468
Surveillance income	850,335	641,265
Training income	114,550	188,800
Technical services	70,549	38,530
	1,480,104	1,366,063

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

12. Revenue from contracts with customers (continued)

Disaggregation of revenue from contracts with customers

In the tables below, revenue from contracts with customers is disaggregated by primary geographical market and by timing of revenue recognition.

	2020 $	2019 $
Primary geographical markets		
Trinidad and Tobago	613,332	822,013
Jamaica	347,450	236,975
St. Lucia	169,722	37,500
Barbados	157,700	111,075
Cayman Islands	15,000	15,000
Dominica	66,000	40,000
Anguilla	25,000	25,000
Guyana	25,900	38,500
St. Kitts	15,000	15,000
British Virgin Islands	25,000	25,000
Belize	20,000	-
	1,480,104	1,366,063
Timing of revenue recognition		
Products and services transferred at a point in time	629,769	724,798
Products and services transferred over time	850,335	641,265
	1,480,104	1,366,063

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

13. Expenses analysis by nature

	2020 $	2019 $
a. Direct operating expenses		
Staff cost - ratings (Note 15)	435,689	375,352
Rating committee fees (retainer and sitting)	63,000	68,000
Professional fees	5,250	7,200
External training to clients	69,817	107,072
	573,756	557,624
b. Other operating and administrative expenses		
Staff cost - other (Note 15)	461,202	430,268
Directors' expenses (travelling) and fees	13,289	115
Lease rentals	2,066	102,272
Rating committee expenses	8,304	8,224
Depreciation	18,923	13,712
Depreciation – right-of-use asset	93,304	-
Impairment of financial assets (Note 3 (b))	(1,602)	(1,109)
Communication	12,358	11,973
Foreign travel	4,365	7,367
Business promotion	3,273	2,769
Legal and professional fees	9,644	12,672
Transport	10,295	8,966
Green fund levy	4,568	4,226
Miscellaneous	67,855	51,331
Net foreign exchange gains	(18,392)	(7,714)
Repairs and maintenance	1,564	1,941
	691,016	647,013
c. Finance cost		
Lease interest – right-of-use asset	12,088	-
Bank charges	4,162	3,385
	16,250	3,385

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

14. Taxation

	2020 $	2019 $
Business levy	9,017	8,315
Deferred tax (Note 6)	2,263	(1,345)
	11,280	6,970
Reconciliation of applicable tax charge to effective tax charge:		
Profit before taxation	221,826	177,867
Tax calculated at a rate of 30%	66,548	44,467
Expenses not allowable	34,079	2,055
Allowable expenses and exempt income	(32,183)	-
Business levy	9,017	8,315
Tax loss utilised for the year	(66,181)	(47,867)
	11,280	6,970

15. Staff costs

	2020 $	2019 $
Wages and salaries	827,771	745,185
National insurance	38,328	32,779
Meal allowance	30,792	27,656
	896,891	805,620
Staff cost - ratings and training commission (Note 13 (a))	435,689	375,352
Staff cost - other (Note 13 (b))	461,202	430,268
	896,891	805,620

Notes to the Financial Statements (continued)

For the year ended March 31, 2020 (Expressed in United States Dollars)

16. Related party transactions

	2020 $	2019 $
Key management compensation:		
Salaries and other short-term benefits	216,774	210,511
Remuneration to Directors	9,250	-

17. Contingent liabilities and commitments

There are no contingent liabilities or capital commitments as at the year end.

18. Subsequent events

In March 2020, the World Health Organisation 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.

At this time, aided by several cost-saving measures implemented, management expects the impact on its financial performance from the pandemic to be moderate over the next year. However, this projection comes with a high level of uncertainty, given the risk of a prolonged crisis.

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