

# 2019 ANNUAL REPORT

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The Voice of the Employer



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**The Recognised Voice  
of Employers  
in Trinidad and Tobago**

**Our International Partners**



## **TABLE OF CONTENTS**

|    |  |
|----|--|
| 1  | Notice of 60th Annual General Meeting          |
| 2  | Fundamental Pillars                            |
| 3  | Company Profile                                |
| 4  | Chairman's Message                             |
| 6  | Board of Directors - ECA                       |
| 8  | CEO's Report                                   |
| 14 | Board of Directors - ESC                       |
| 16 | Remembering a Stalwart - Gabriel L. Yeates     |
| 18 | Consolidated Financial Statements - 2019       |
| 27 | Notes to the Consolidated Financial Statements |



# 60<sup>th</sup> AGM

## NOTICE

Notice is hereby given that the 60th Annual General Meeting (AGM) of the Employers' Consultative Association of Trinidad and Tobago (ECA), will be held, as follows:

**Friday, 19th November 2021 | 9:00 a.m.**

**Location: Online**

(Further details to be posted on the ECA's website, [www.ecatt.org](http://www.ecatt.org))

### AGM AGENDA

Reading of the Notice Convening the 60th AGM

Chairman's Remarks

Chief Executive Officer's Report

Auditor's Report

Overview of Financial Statements

Appointment of Auditor for 2020

Election of Directors

Other Business

Vote of Thanks

**by Order of the Board of Directors, ECA**

Stephanie Fingal, CEO (Interim)/Secretary

**For Registration, please contact:**

Ms. Laura Rosales | 675-9388/5873 ext. 246

Email: [lrosales@ecatt.org](mailto:lrosales@ecatt.org) | [communications@ecatt.org](mailto:communications@ecatt.org)

or **Register Online:** [www.ecatt.org](http://www.ecatt.org)

# Fundamental Pillars

The ECA's inspiration and direction is guided by its Vision, Mission, Mandate and Values. These fundamental pillars inform the management and strategy of the Association.

## Vision

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To be the **premier Employer's Representative** for Human Resource, Industrial Relations and a **prominent Advocate** for best-practice in business in Trinidad and Tobago.

## Mission

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The ECA shall promote the employer's agenda for the creation of optimum sustainable value for **all stakeholders** through effective business leadership, advocacy, lobbying and the provision of **quality Industrial Relations and Training services**.

## Values

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Integrity, Respect, Open-Mindedness, Member-Focused, Trustworthy, Collaboration and Teamwork, Equality and Equity, Innovation

## Our Mandate

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To provide employers with **informed innovative and transformational representation** at the organisational, national, and international levels in order to ensure the **strength and success** of the employer community for the socio-economic well-being of the nation.



**The Employers' Consultative Association of Trinidad and Tobago (ECA) was formed with 21 firms in 1960, primarily to assist and support Employers in industrial relations matters and to establish an Association that would speak on their behalf on matters of similar interest. Since then, the ECA has built a strong reputation for its ability to handle all issues concerning Employers in T&T. Today, the ECA is still a not-for-profit enterprise, whose membership grows annually and includes companies of all sizes from all sectors .**

The ECA is a representative body whose Board comprises professionals from its member organisations. However, representation is not confined to a voice on the Board of Directors. As an advisor and consultant to members, the ECA's focus is on collaboration with companies through the process of partnering with interest relevant groups - internally facilitating the cooperation of employers and employees, and externally through tripartism (employers, labour, and government).

As an umbrella organisation and social partner, representing employees in T&T, the ECA has forged a prominent place for itself and is actively involved in developing and strengthening relationships at both the macro and micro levels.

Our intention is to serve the Employer in two (2) major ways:

- To add value to our membership
- To provide quality representation as the leading

national voice in public and legislative debates on issues affecting the world of work.

As the Voice of the Employer, the ECA also represents its members on a number of State Boards and key labour institutions at the national level.

At the regional and international levels, the Association is also represented at:







## Chairman's Message

Looking back at 2019, I can only describe it as a year of transition, opportunity, and accomplishment for the ECA. In my 2018 address, I outlined the slowdown that was taking place in the global economy and its unavoidable impact on our local economy and labour market. The global economy recorded its lowest growth of the decade in 2019, falling from just over 3.5 percent in 2018 to 2.3 percent due to several factors, including trade tensions between China and the United States, erosion of business confidence globally, a tightening of financial conditions, and heightened policy uncertainty across numerous economies.

Nevertheless, economic prospects for the Caribbean region generally improved in 2019 owing to greater tourism demand, rising commodity prices and some reconstruction activity. Despite some uptick in energy prices, Trinidad and Tobago's economy continued to struggle with oil prices still close to 50 percent of levels realised just a few short years prior, and a

series of austerity measures implemented in successive national budgets by the Government in an attempt manage significantly reduced revenue from the Energy Sector.

This slowdown in economic activity reverberated across our membership base in multiple sectors, and its impacts were certainly felt by the Association, especially in the areas of new member subscriptions, and the demand for industrial relations and training services. Overall, revenue declined by eleven (11) percent between 2018 and 2019, but interestingly, other service areas seemed to perform reasonably well, with revenue from outsourced activities alone increasing by thirty-three (33) percent over 2018 performance.

Staying true to our mandate, and despite the decline in revenue, the ECA consistent with its mandate, continued to provide sound and well-reasoned free advices to its members, and through its subsidiary – the Employers Solution Centre, delivered industrial relations services to numerous clients - members and non-members alike.

Much of this demand revolved around the necessity facing many employers to rationalise their organisational structures and HR policies, and to re-evaluate their human capital needs.

There was, however, some industrial relations fallout occasioned by the closure of Petrotrin in late 2018,

especially within the south and central regions.

Throughout the year, significant effort was exerted in ensuring that the voice of employers, through the ECA, continued to be present at several national forums relating to our industrial relations institutions and system, labour and migration policies, crime, the future of jobs and work, unemployment and retrenchment, and various legislative issues that came to the fore in 2019.

Migration, in particular, emerged as an urgent national issue, for which the ECA made both public and private appeals for the need to address two (2) very important issues, namely, policy definition and design on labour migration, and forced labour. We believe these are integral pieces of the legal and regulatory framework necessary to support not just business and social needs, but more specifically to facilitate the safe and orderly movement of labour across the entire skills spectrum and stimulate economic growth and development.

To this end, we were pleased to participate in an initial round of consultations, via small focus group sessions, hosted by the Ministry of Labour in late 2019 geared towards the development of a draft labour migration policy. In this regard, it is our sincere hope that this process moves forward with expediency given the ongoing issues that businesses and society continue to grapple with in this area.



The ECA also maintained a consistent presence at important conversations, both at the national and international levels – this being one of my personal commitments since taking office as Chairman in 2017. I personally had the privilege of representing our members at the 108th Session of the International Labour Conference in Geneva, Switzerland, and along with other social partners from 187 ILO member states, contributed perspectives from our members towards the development and eventual adoption of the most recent ILO Convention and Recommendation, Convention 190, on Violence and Harassment in the workplace.

The ability of the ECA to maintain its presence at so many national conversations, and to continue to remain relevant to the needs of employers despite our limited resources, is really testament to the commitment and fortitude of its people. In this regard, I must first thank the dedicated staff members of the ECA and its small management team for holding the Association steady despite the rough waters faced. Your efforts and your sacrifices, together with those that have come before has kept the ECA going for the past sixty (60) years and ensured that above all, the needs of our members continue to drive us forward. I must also thank my fellow Directors, for accepting the call to serve, for the support you have provided, not just to me, but also to the organisation.

Looking ahead, I believe that there are many positives from which we can draw lessons. We must also capitalise on opportunities to take us into the future with renewed hope and momentum. We have already started the conduct of an assessment of our information and communication technology

infrastructure to identify areas for improvement, and new channels for enhancing the efficiency and effectiveness of our service delivery.

At the international level, we intend to leverage some of the beneficial partnerships we have developed with organisations like the International Labour Organization (ILO) and the International Organisation of Employers (IOE), and to explore opportunities for building the capacity of the ECA in meeting the needs of our members, and the national community. Some of this have already borne fruit. In 2019, following the ECA's partnership with the ILO's Caribbean Office we hosted a series of breakfast meetings centred around topics like Decent Work, the Future of Work in Trinidad and Tobago, and the role of each social partner in securing a sustainable future for all. The first of these sessions was held in May 2019 and we thank the ILO for their continued support of the ECA and its initiatives.

In closing, I wish to thank each of you, our members, for your continued confidence in me as Chairman, and in the Board of Directors. Together, we represent the interests of our membership through the strategic management of the Association and represent you on several State Boards and national committees. I extend my very best wishes to each of you for the continued success of your respective organisations and encourage your commitment to the objectives of the ECA through your continued membership as we advocate for the survival and sustainability of your businesses and a productive labour environment.

*ECA Chairman, Keston Nancoo (Back Row - Second from Left), and other newly installed members of the Industrial Relations Advisory Committee (IRAC), September 2019*



# Board of Directors

## Employers' Consultative Association



**Keston Nancoo**  
**Chairman**

Senior Advisor  
Office of the Group CEO  
Guardian Group



**Farzan Ali**  
**Vice Chairman**

Director, Talent & Government Affairs  
Grand Bay Paper Products Ltd/  
Trinidad Tissues Ltd



**Neil Derrick**  
**Director**

Managing Director,  
Replete Support Services Ltd



**Ruben Mc Sween**  
**Director**

Founder/President,  
Eve Financial Services Ltd



**Dexter Charles**  
**Director**

Manager, Group Corporate  
Communications, First Citizens

[Resigned]



**Giselle Estrada**  
**Director**

Industrial Relations Manager,  
Republic Bank Ltd



**Lennon Ballah-Lashley**  
**Director**



**Gwendoline Mc Laren**  
**Director**

Director, Human Resources  
Massy Stores



**Narendra Kirpalani**  
**Director**  
Director,  
Interior/Exterior Decorators Ltd



**Umesh Rampersad**  
**Director**  
Chief Executive Officer,  
West Shore Medical Private Hospital



**Hayden Newton**  
**Director**  
General Manager,  
Airports Authority of T&T



**Carmela Sarjeant**  
**Director**  
Group HR Director,  
Associated Brands  
Industries Ltd  
**[Resigned]**



**Denelle Smith**  
Lead - Investor Sourcing  
Eco-Industrial Development  
Company of Tobago (EIDECOT)  
**[Resigned]**



**Earl Wilson**  
**Director**  
Managing Director,  
Business Equipment and Interiors



**Jacqueline Allamani**  
**Director**  
Senior Manager – Leadership  
Human Resources Department  
Managing Director's Office  
Scotiabank T&T Ltd



**Stephanie Fingal**  
**CEO (Interim)/**  
**Secretary**





## CEO's Report

**O**n behalf of the Employers' Consultative Association of Trinidad and Tobago (ECA), I am pleased to present a summary report on the organisation's activities and performance for 2019.

As you are aware, economic difficulties at a national level continued in 2019 as energy prices recovered slightly, but still fluctuated at an average price that was 50% lower than a few years prior. This development resulted in a contraction in Gross Domestic Product (GDP) of approximately 1.2%, reversing the marginal recovery recorded in 2018 of approximately 0.1%, and warranting continued austerity measures at the macro and micro levels of the local economy.

This development negatively impacted the ECA in several ways, including

new membership subscriptions, membership renewals and requests for various services. However, the ECA continued to represent its membership and by extension, the T&T employer community, at several forums and stakeholder engagement meetings in various sectors. Our advocacy efforts included discussions surrounding the minimum wage in T&T, which saw an increase from \$15.00 to \$17.50 in 2019, as well as a draft national policy on labour migration and employment.

At the international level, we continued to leverage our strategic association with the International Labour Organisation (ILO), as well as our membership in the International Organisation of Employers (IOE), by participating in discussions on trade relations, regional integration, and national development. Much of this information was funnelled to our membership through training and sensitisation sessions, consultancy and telephone advisories, workplace guidelines, media dialogue, and policy statements.

### PERFORMANCE OF THE COMPANY

The national economic situation also negatively affected the ability of the organisation to generate revenue as most profit centres experienced a reduction in revenue when compared to the 2018 period. Research & Publications was most affected while Outsourced Services remained relatively unchanged

over the period. Overall, despite reduced annual revenue, the ECA was able to meet all its financial commitments and maintain its presence as the Voice of the employer in Trinidad and Tobago.

We also continued to motivate our highly dedicated members of staff who stuck to the plough and demonstrated their commitment and resilience, as we collectively contribute to the positive turnaround in the operations of the ECA, and its subsidiary, the ESC, in the years ahead.



## ADVOCACY AND REPRESENTATION

The following is a list of some key consultations and workshops at which members of the Board, management, or staff of the ECA represented our membership in 2019:

- Stakeholder Consultation on NIBTT's Strategic Plan 2020-2024 | National Insurance Board of Trinidad and Tobago
- Caribbean Administrative Professionals Conference 2019 | Global Conference Management
- Inquiry into Sexual Harassment in the Workplace | Joint Select Committee
- Sensitization seminar on the Implementation of the Gender-Sensitive Caribbean Community (CARICOM) Results-Based Management (RBM) System | Ministry of Planning and Development
- Establishment of Gender Focal Points | Office of the Prime Minister
- National Stakeholder Consultation on the Foreign Labour Contracts | Ministry of Labour and Small Enterprise Development
- Stakeholder Consultation and Working Group to amend the Trade Unions Act Chap. 88:02 | Ministry of Labour and Small Enterprise Development
- Stakeholder Consultation on Amendments to the Motor Vehicle and Road Traffic Act | Ministry of Works and Transport
- Labour Migration Opportunities and Challenges in Trinidad and Tobago | Trinidad and Tobago Manufacturer's Association
- Stakeholder Consultation and Focus Groups on Draft Labour Migration Policy | Ministry of Labour and Small Enterprise Development
- National Conversations on the Organisation of Work and Productivity | Cipriani College of Labour and Cooperative Studies
- Review of UNHCR's Regional Migration and Response Plan 2020 | United Nations High Commissioner for Refugees
- Panel Discussion: Work for Brighter Future - Workers' Perspective from the Caribbean | ILO Decent Work Team and Office for the Caribbean

- Stakeholder Contribution Session to revise the National Tourism Policy | Ministry of Tourism
- National Quality Forum | Trinidad and Tobago Bureau of Standards
- Annual International Finance and Accounting Conference | Institute of Chartered Accountants of Trinidad and Tobago
- Stakeholder Engagement on Sustainable Development Goals | Ministry of Planning and Development

In addition to participation in the afore-mentioned national consultations and conferences, the ECA represented its members at several forums at the international level. These included:

- Reasonable Accommodation for Persons with Disabilities in Employment | International Labour Organisation & National Centre for Persons with Disabilities
- Work for a Brighter Future: Workers' Perspective from the Caribbean | International Organisation of Employers
- Assessment of Employers' Organisations Capacity to Deliver Services to Members | International Labour Organisation
- Measuring Productivity in the Workplace | International Trade Commission and International Labour Organisation

These international discussions culminated in our 2019 participation at the 108th Session of the International Labour Conference, in Geneva, Switzerland, where the ECA, via its Chairman and Vice Chairman represented its members during a week of high-level discussions pertinent to the global world of work. Much of these discussions centred around previous work started in respect of a new ILO Convention on Violence and Harassment in the World of Work, and issues emanating from COVID-19 pandemic. This ILC concluded with the official declaration of a new standard and recommendation – C190 and R206.

ECA members also continue to enjoy representation on several key state Boards and Committees, where the interests of Employers are capably promoted. These Boards include:

- Accreditation Council of Trinidad and Tobago

(ACTT)

- ILO 144 Tripartite Consultative Committee
- Industrial Relations Advisory Committee (IRAC)
- Minimum Wages Board
- National AIDS Coordinating Council (NACC)
- National Insurance Appeals Tribunal
- National Insurance Board of Trinidad and Tobago (NIBTT)
- National HIV/AIDS Advocacy and Sustainability Centre (HASC) Advisory Board
- National Productivity Council (NPC)
- National Training Agency (NTA)
- National Tripartite Advisory Council (NTAC)
- Occupational Safety and Health Authority (OSHA)
- PAN Caribbean Partnership Against HIV and AIDS (PANCAP)
- Pesticides and Toxic Chemical Control Board
- Registration, Recognition and Certification Board (RRCB)
- Standing National Labour Market Council (SNLMC)

## MEMBERSHIP

Following a challenging 2018, the Membership Department sought to rebound in 2019. At full staff capacity, the Department sought to stabilize

membership growth by placing extra focus on retention and recruitment. These efforts saw fifty-six (56) new members being enrolled, 16 less than 2018. Thirty-two (32) members formally chose to discontinue their memberships due to financial constraints or limited use of services/ membership benefits, while others simply lapsed.

Retention efforts in the main included timely notification of renewal notices and continuous follow up calls and e-mails. Nonetheless, we were able to recognise our valued membership with our *Week of Members* event. This was an Open House-style event, with three (3) cost free presentations by external consultants. This event also allowed members to showcase their products, along with sponsorship, to provide further opportunities for members to benefit from increased exposure. The event ended with a Q&A IR session and was well received by all attendees.

We thank all our members who availed of this opportunity and especially those that provided sponsorship.

## EXTERNAL TRAINING

The organisation was able to benefit from continuous training of some key staff members in 2018, due in large part to the generous support of the International Organisation of Employers and the ILO's Decent Work Team and Office for the Caribbean. Some of the key areas in which training was provided included:



| Programme   | Participants  |
|---|---|
| Focus Group Discussion on the OJT Programme         | Shelly Mc Clean - Robinson ECA HR Administrator   |
| Youth Employability and Skills Development Workshop | Ruben Mc Sween Director – ECA<br><br>Ronald Ramlogan Team Leader – PR & Research  |
| Macroeconomics for Social Negotiators Workshop      | Bryan Rooplal IR Committee Member<br><br>Ronald Ramlogan Team Leader – PR & Research<br><br>Keston Blake ESC IR Assistant |





CNC3 Interview, June 2019  
Employers and Migrant Labour

## PR DEPARTMENT

Press releases issued in 2019: 16

These releases focused on various labour market issues such as, the Role and Importance of the Industrial Court; Crime and its impact on businesses; The Future of Work and Jobs; as well as legislation amendments, industrial action, and the national budget statement.

The organisation's weekly five (5) minute radio series, The Voice of the Employer, enjoyed a shortened season in 2019 due to limited sponsorship, running for a total of sixteen (16) programmes over two (2) months.

The International Labour Organisation (ILO) celebrated its 100th anniversary in 2019. As part of the ILO's Centenary activities, the ECA partnered with the ILO's Decent Work Team and Office for the Caribbean to host a breakfast meeting entitled ***"Decent Work in Trinidad and Tobago: Why Does It Matter?"***, held in May 2019 at the Hyatt Regency, Port of Spain.

In cognisance of the fact that important discussions are taking place daily at the global level, some of which have a direct impact on the future of work in Trinidad and Tobago (T&T), and recognising that the industrial relations system in T&T is faced with a number of challenges that must be addressed frontally by all social partners and stakeholders, the ECA and ILO thought it would be prudent to bring all social partners together - government, labour and business, to discuss some of

the key concepts of Decent Work relative to the Future of Work.

Both organisations agreed that the success of T&T's socio-economic future depends largely on the understanding of the different perspectives and goals of business and labour, supported by meaningful continuous dialogue.

The breakfast meeting was attended by representatives of large and small business associations and chambers, representatives of trade union umbrella organisations, representatives of government and other leaders of institutions and organisations with a direct or indirect relationship with the industrial relations system in T&T.

We sincerely thank all those who attended and especially thank the ILO for their continued support and collaboration.

By all accounts, 2020 will also be a very difficult year given the expected impact of the COVID-19 pandemic on ALL countries, including Trinidad and Tobago, and ongoing measures to reduce the spread of the virus. However, the Association has proven to be resilient in the past and continue to possess a distinctive capacity to persevere and overcome. The road ahead is indeed a challenging one, but there are certainly opportunities available within any crisis. The organisation will explore these opportunities and continue to innovate the delivery of products and services while increasing its engagement with its members, affiliates, and member organisations.



*ECA/ILO Breakfast Meeting  
"The Future of Work in Trinidad and  
Tobago: Why Does Decent Work Matter?"  
May 2019*



# 2019 Report

## Employers Solution Centre Limited

The Employers Solution Centre (ESC) was incorporated in January 2008 as the business arm of the ECA. The ESC's primary focus is the provision of professional consultancy and business development services in the following areas:

- Industrial Relations Services
- Human Resource Management Products and Services
- Training and Development

The ESC's revenue declined by 9% between 2018 and 2019, while expenses remained relatively unchanged. This resulted in a break-even position (before tax) and a small after-tax loss. Revenue for two (2) of the three (3) major business units declined over the period: industrial relations (25%) and training and development (18%), while HR and People Management Services increased by 33%. This increase was due mainly to the Department's ability to secure some one-off projects, as well as changes made to the scope of works of an existing payroll outsourcing contract.

The largest overall share of income, however, came from the Training Department, with a contribution of 46% of the ESC's revenue for 2019. The Department successfully hosted approximately 1,025 participants in seventy-eight (78) training programmes, an 11% decrease when compared to 2018. Programmes comprised forty-nine (49) at the national level, twenty (20) in-house programmes, and nine (9) Academy of Industrial Relations courses.

In addition to core HR and IR courses, the Department was also cognisant of various emerging national issues and responded with appropriately designed training interventions, such as, emotional intelligence; workplace harassment and violence; sexual harassment; social media; workmen's compensation; and mental health. The Department also continued to offer a few selected sessions as an online option, either in parallel with face-to-face training or as stand-alone sessions. This initiative was well received by programme

participants with the intention to further expand this virtual offering in 2020. As we are now aware, the COVID-19 pandemic would have rendered this decision mandatory for survival.

The Industrial Relations Solutions Centre (IRSC) contributed just over 23% of revenue earned by the ESC in 2019, just under 5% less than 2018, despite losing one (1) of its longstanding team members, Legal Officer, Mr Christopher Yaw, who opted to move on to other professional opportunities. Despite the reduced staff count, the IRSC continued to provide much needed support and IR services to employers. The Unit was able to service over seventy (70) consultancy meetings for the year - its most frequently delivered service, continuing to guide and assist employers in managing day-to-day people management issues, and other unique business situations.

The Unit also handled two (2) collective bargaining negotiations and provided representation for over forty (40) disputes at the level of the Ministry of Labour and the Industrial Court of Trinidad and Tobago. Commendably, the Unit's performance at the Industrial Court continues to be noteworthy having ended the year with a ninety-three percent (93%) "positive result rate" in matters for which representation was provided. This meant that 93% of matters were either dismissed in favour of the employer or settled out of court at amounts at significantly less than the initial ask. Other





frequently requested services included the preparation/review of employee-related letters and documents, HR policy manual reviews, and the conduct of bilateral meetings. There was a notable increase in requests from employers for the conduct of disciplinary hearings, either for the full management of the exercise,

or assistance with selected elements, such as attending as a company representative or chairing the session. Finally, and most commendably, the IRSC also serviced the ECA's free advisory call centre, where members are able to access, free of charge, timed advice on various workplace and industrial relations matters.

## Board of Directors

### Employers Solution Centre Limited



**Neil Derrick**  
**Director**

Managing Director,  
Replete Support Services Ltd



**Earl Wilson**  
**Director**

Managing Director,  
Business Equipment and Interiors



**Gwendoline Mc Laren**  
**Director**

Director, Human Resources  
Massy Stores



**Dexter Charles**  
**Director**

Manager, Group Corporate  
Communications, First Citizens  
[Resigned]



**Hayden Newton**  
**Director**

General Manager,  
Airports Authority of T&T



**Stephanie Fingal**  
**CEO (Interim)/**  
**Secretary**

## Training and Development



Landmark Court Judgments, March 2019



Opening of Academy of Industrial Relations, March 2019



ILO/ALJGSB Workshop: Macroeconomics for Social Negotiators, May 2019

## Events



ECA/TTMA Migration Seminar, August 2019



## Public Relations and Advocacy



ILO/ALJGSB Meeting: Promoting Youth Employability and Skills Development in the Caribbean, Aruba, Nov. 2019



Ministry of Labour Stakeholder Consultation



CNC3 Interview: Retrenchment



ECA Bids Farewell to ILO DWT Director, Ms Claudia Coenjaerts, November 2019

## Committee Meeting



IR Committee Meeting

# REMEMBERING A STALWART

## MR. GABRIEL L. YEATES

In 2019, the ECA mourned the loss of a special individual and a true industrial relations “legend”, Mr. Gabriel L. Yeates.

Throughout his illustrious career, Mr. Yeates made significant contributions to the development of the practice and body of knowledge surrounding human resource management and industrial relations in Trinidad and Tobago and across the Caribbean. With close to fifty (50) years' experience and expertise, Mr. Yeates has undoubtedly left an indelible mark in his field of expertise and bequeaths to posterity a legacy of excellence and distinguished service.

His legendary career began as a Shop Steward for the Union of Commercial and Industrial Workers (UCIW) in 1959 for workers in the Retail Industry. Three years later, he became the Union's Organiser for garment workers, shop assistants and factory workers and subsequently served as a Grievance Officer, Negotiator and Education Officer for UCIW.

He was granted a Commonwealth scholarship in 1964 to pursue a certificate course in Industrial Relations at the University of Montreal in Canada. Following his return from Canada, Mr. Yeates was awarded a three-year scholarship from UCIW to continue his studies at the University of the West Indies from where he graduated in 1968 with a Bachelor of Arts degree in Economics and History.

Mr. Yeates soon took up a lecturing post with the Cipriani Labour College in 1969 and thereafter became the College's Registrar, Secretary/Treasurer and Research Officer. In 1978, he joined the private sector as the Industrial Relations Officer for the Neal & Massy Group of Companies, with subsequent positions as Personnel Officer and Training Manager. With an obvious talent in Human Resource Management, Mr. Yeates became the Human Resource Manager of the



Port Authority of Trinidad and Tobago in 1994.

Mr. Yeates joined the ECA in 1999 where served as an Industrial Relations Advisor until his retirement from the field in 2014. His sterling contributions impacted hundreds of Employers through his advice, consultancy and representation at various institutional levels. He was a mentor to many current leaders in the field of industrial relations today and contributed to the fields of research and training in industrial relations in Trinidad and Tobago, the Caribbean and Latin America. Mr. Yeates was a feature of the ECA's weekly 5-minute radio programme, and was also instrumental in the conceptualisation and development of the Academy of Industrial Relations, which is still hosted each year by the Training Department of the ESC. Mr. Yeates authored or contributed to several books, booklets and employer guides in industrial relations, which are still used today by practitioners, training institutions and researchers.

Over the years, the Industrial Court of Trinidad and Tobago has also referenced Mr. Yeates' work in arbitrating trade disputes, some of which included Trade Dispute #46 of 1976 and ESD #1 of 1983.

The field of industrial relations has lost one of its great 'Generals' and the ECA has lost a longstanding member of its family. The name Gabriel Yeates has been synonymous with industrial relations for close to four decades and we know that his legacy will endure for many generations to come.

**“We salute you, Mr. Yeates!”**





# CONSOLIDATED FINANCIAL STATEMENTS OF THE EMPLOYERS CONSULTATIVE ASSOCIATION AND SUBSIDIARY **2019**

## INDEX

|  | <u>Page</u> |
|--|-------------|
| Statement of Management Responsibilities           | 19          |
| Independent Auditors' Report                       | 20          |
| Consolidated Statement of Financial Position       | 23          |
| Consolidated Statement of Comprehensive Income     | 24          |
| Consolidated Statement of Changes in Equity        | 25          |
| Consolidated Statement of Cash Flows               | 26          |
| Notes to the Consolidated Financial Statements     | 27 - 46     |
| Schedules to the Consolidated Financial Statements | 47 - 50     |



## EMPLOYERS CONSULTATIVE ASSOCIATION OF TRINIDAD AND TOBAGO

### Employers' Consultative Association of Trinidad and Tobago and its Subsidiary

#### Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Employers' Consultative Association of Trinidad and Tobago and its Subsidiary which comprise the statement of Consolidated financial position as at 31 December 2019, the Consolidated statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Group keep 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 Group's assets, detection/prevention of fraud, and the achievement of the Group's 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; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where IFRSs 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 Group will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

  
Signed  
Title: Interim Chief Executive Officer  
Date: 30 November 2020

  
Signed  
Title: Director  
Date: 30 November 2020

#17 Sarnaroo Road  
Aranguez Roundabout North  
Aranguez,  
P.O. Box 911, Port of Spain  
Trinidad, West Indies

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## Independent Auditors' Report

**To the Members,**

### **Report on the Audit of the Financial Statements of Employers' Consultative Association of Trinidad and Tobago and its Subsidiary**

#### **Opinion**

We have audited the financial statements of **Employers' Consultative Association of Trinidad and Tobago and its Subsidiary (the Group)**, which comprise the Consolidated statement of financial position as at 31 December 2019, the Consolidated statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and notes to the Consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying Consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2019 and financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs 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 Group'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 Group or to cease operations, or have no realistic alternative but to do so.





## **Independent Auditors' Report (Continued)**

### **Auditors Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

Those Charged with governance are responsible for overseeing the Group's financial reporting process.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group'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 Group to cease to continue as a going concern.
- 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.



### **Independent Auditors' Report (Continued)**

#### **Auditors Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

We are responsible for the direction, supervision and performance of the 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.

**San Juan  
30 November 2020**

  
**Chartered Accountants**



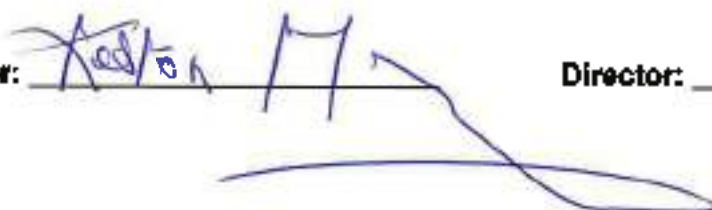
**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Consolidated Statement of Financial Position  
As at 31 December 2019**

|                                     | <u>Notes</u> | <u>2019</u><br><u>TT\$</u> | <u>2018</u><br><u>TT\$</u> |
|-------------------------------------|--------------|----------------------------|----------------------------|
| <b>ASSETS</b>                       |              |                            |                            |
| <b>Non-Current Assets</b>           |              |                            |                            |
| Fixed Assets                        | 5            | 46,732                     | 102,316                    |
| Long-Term Investment                | 6            | 224,427                    | 251,630                    |
| Deferred Taxation                   | 7            | 782,959                    | 787,614                    |
| <b>Total</b>                        |              | <b>1,054,118</b>           | <b>1,141,560</b>           |
| <b>Current Assets</b>               |              |                            |                            |
| Cash and Cash Equivalents           | 8            | 666,798                    | 986,321                    |
| Short-Term Investment               | 9            | 142,632                    | 140,680                    |
| Accounts Receivable and Prepayments | 10           | 628,569                    | 425,013                    |
| Inventory                           |              | 44,328                     | 39,267                     |
| Corporation Tax Recoverable         |              | 180,875                    | 197,229                    |
| <b>Total</b>                        |              | <b>1,663,200</b>           | <b>1,788,511</b>           |
| <b>Total Assets</b>                 |              | <b>2,717,318</b>           | <b>2,930,071</b>           |
| <b>Funds and Liabilities</b>        |              |                            |                            |
| <b>Funds</b>                        |              |                            |                            |
| Building Fund                       | 11           | 1,429,574                  | 1,429,574                  |
| Development Fund                    | 12           | 56,224                     | 56,224                     |
| Accumulated Deficit                 |              | (638,975)                  | (577,466)                  |
| <b>Total Funds</b>                  |              | <b>846,823</b>             | <b>908,332</b>             |
| <b>Current Liabilities</b>          |              |                            |                            |
| Accounts Payable and Accruals       | 13           | 1,376,268                  | 1,362,920                  |
| Corporation Tax Payable             |              | 29                         | 83,116                     |
| Deferred Income                     |              | 494,198                    | 575,703                    |
| <b>Total</b>                        |              | <b>1,870,495</b>           | <b>2,021,739</b>           |
| <b>Total Funds and Liabilities</b>  |              | <b>2,717,318</b>           | <b>2,930,071</b>           |

The notes on pages 11 to 30 and the schedules on pages 31 to 34 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 30 November 2020 and signed on their behalf by:

Director:



Director:



**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Consolidated Statement of Comprehensive Income  
For the Year Ended 31 December 2019**

|  | <b>Sch.</b> | <b>2019<br/>TTS</b>     | <b>2018<br/>TTS</b>     |
|--|-------------|-------------------------|-------------------------|
| <b>Income</b>  |             |                         |                         |
| Industrial Relations and Consulting Services   |             | 756,473                 | 1,009,675               |
| Investment Interest Income   |             | 6,629                   | 5,581                   |
| Miscellaneous  |             | 86,245                  | 33,892                  |
| People Management Services   |             | 1,013,620               | 763,255                 |
| Rental and Services  |             | 129,398                 | 188,825                 |
| Research Projects and Publications   |             | 163,611                 | 169,281                 |
| Subscriptions  |             | 1,523,794               | 1,828,736               |
| Training/Seminars  |             | 1,503,368               | 1,842,976               |
| <b>Total</b>   |             | <b><u>5,183,138</u></b> | <b><u>5,842,221</u></b> |
| <b>Expenditure</b>   |             |                         |                         |
| Administration   | <b>1</b>    | 4,150,765               | 4,322,467               |
| Establishment  | <b>2</b>    | 952,967                 | 1,107,096               |
| Travel and Entertainment   | <b>3</b>    | 31,469                  | 30,264                  |
| Affiliation Fees   | <b>4</b>    | 87,340                  | 66,408                  |
| Net Fair Value Profit/(Loss) on Financial Assets<br>Classified at Fair Value through Profit and Loss |             | <u>(18,275)</u>         | <u>3,941</u>            |
|  |             | <b><u>5,184,266</u></b> | <b><u>5,530,176</u></b> |
| <b>(Deficit)/Surplus before Taxation</b>   |             | <b>(1,128)</b>          | <b>312,045</b>          |
| <b>Taxation/Business Levy</b>  | <b>5</b>    | <u>(42,158)</u>         | <u>211,270</u>          |
| <b>Net (Deficit)/Surplus after Taxation</b>  |             | <b>(43,286)</b>         | <b>523,315</b>          |
| <b>Other Comprehensive Income</b>  |             |                         |                         |
| Investment Re-measurement Reserve  |             | -                       | 39,845                  |
| <b>Total Comprehensive (Loss)/Profit</b>   |             | <b>(43,286)</b>         | <b>563,160</b>          |
| Adjustment   | <b>6</b>    | <u>(18,223)</u>         | -                       |
| <b>Adjusted Comprehensive (Loss)/Profit for the Year</b>   |             | <b><u>(61,509)</u></b>  | <b><u>563,160</u></b>   |

The notes on pages 11 to 30 and the schedules on pages 31 to 34 form an integral part of these financial statements.

**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Consolidated Statement of Changes in Equity  
For the Year Ended 31 December 2019**

|                                     | Stated<br>Capital<br>TT\$ | Development Fund |               | Re-measurement<br>Reserve | Retained<br>Earnings | Total          |
|-------------------------------------|---------------------------|------------------|---------------|---------------------------|----------------------|----------------|
|                                     |                           | Internal         | External      |                           |                      |                |
|                                     | TT\$                      | TT\$             | TT\$          | TT\$                      | TT\$                 | TT\$           |
| Balance at 1 January 2019           | 1,429,574                 | 34,607           | 21,617        | -                         | (577,466)            | 908,332        |
| IFRS 9 Adjustment                   | -                         | -                | -             | -                         | -                    | -              |
| Total Comprehensive Income for Year | -                         | -                | -             | -                         | (43,286)             | (43,286)       |
| Adjustment                          | -                         | -                | -             | -                         | (18,223)             | (18,223)       |
| <b>Balance at 31 December 2019</b>  | <b>1,429,574</b>          | <b>34,607</b>    | <b>21,617</b> | <b>-</b>                  | <b>(638,975)</b>     | <b>846,823</b> |
| Balance at 1 January 2018           | 1,429,574                 | 34,607           | 21,617        | 39,845                    | (1,140,626)          | 385,017        |
| IFRS 9 Adjustment                   | -                         | -                | -             | (39,845)                  | 39,845               | -              |
| Total Comprehensive Income for Year | -                         | -                | -             | -                         | 523,315              | 523,315        |
| <b>Balance at 31 December 2018</b>  | <b>1,429,574</b>          | <b>34,607</b>    | <b>21,617</b> | <b>-</b>                  | <b>(677,466)</b>     | <b>908,332</b> |

The notes on pages 11 to 30 and the schedules on pages 31 to 34 form an integral part of these financial statements.

**Employers' Consultative Association of  
Trinidad and Tobago and Its Subsidiary  
Consolidated Statement of Cash Flows  
For the Year Ended 31 December 2019**

|   | <b>2019</b><br><b>TT\$</b> | <b>2018</b><br><b>TT\$</b> |
|---|----------------------------|----------------------------|
| <b>Cash Flow Used in Operating Activities</b>                                       |                            |                            |
| Net (Loss)/Profit for the year before Tax   | (1,128)                    | 312,045                    |
| Adjustment  | (18,223)                   | -                          |
| <b>Adjustment for Non-Cash Items:</b>   |                            |                            |
| Expected Credit Losses  | -                          | (58,320)                   |
| Bad Debts Written Off   | -                          | 138,822                    |
| Loss on Disposal  | 1,980                      | -                          |
| Depreciation  | 57,190                     | <u>96,425</u>              |
| <b>Operating Surplus before Working Capital Changes</b>                             | <u>39,819</u>              | <u>488,972</u>             |
| <b>Adjustments to Reconcile Operating Surplus to Net Cash Flows from Operations</b> |                            |                            |
| Movement in Deferred Tax  | 4,655                      | -                          |
| Movement in Accounts Receivable and Prepayments                                     | (203,553)                  | 280,753                    |
| Movement in Inventory   | (5,059)                    | 4,888                      |
| Movement in Accounts Payable and Accruals   | 13,348                     | (704,407)                  |
| Movement in Deferred Income   | (81,506)                   | (282,137)                  |
| Movement in Taxation  | (108,891)                  | <u>(25,744)</u>            |
| <b>Net Cash Flow Used in Operating Activities</b>                                   | <u>(341,187)</u>           | <u>(257,675)</u>           |
| <b>Investing Activities</b>   |                            |                            |
| Movement in Long-Term Investment  | 27,203                     | 349                        |
| Purchase of Fixed Assets  | <u>(3,587)</u>             | -                          |
| <b>Cash Generated by Investing Activities</b>                                       | <u>23,616</u>              | <u>349</u>                 |
| <b>Cash and Cash Equivalents, Beginning of the Year</b>                             | <u>1,127,001</u>           | <u>1,384,327</u>           |
| <b>Cash and Cash Equivalents, End of the Year</b>                                   | <u>809,430</u>             | <u>1,127,001</u>           |
| <b>Represented by:</b>  |                            |                            |
| Cash and Cash Equivalents   | 666,798                    | 986,321                    |
| Short-Term Investments  | <u>142,632</u>             | <u>140,680</u>             |
|   | <u>809,430</u>             | <u>1,127,001</u>           |

The notes on pages 11 to 30 and the schedules on pages 31 to 34 form an integral part of these financial statements.

**Employers' Consultative Association of  
Trinidad and Tobago and Its Subsidiary  
Notes to the Consolidated Financial Statements  
31 December 2019**

**1. Incorporation and Principal Business Activities**

The Employers Consultative Association of Trinidad and Tobago is incorporated under the Laws of the Republic of Trinidad and Tobago in 1960. The Association is a not-for profit body through which employers can foster the adoption and practice of the most effective policies and methods of managing human resources. On 20 August 1998, the Association was continued as a non-profit organisation under the provisions of the Companies Act 1995.

The Association has a wholly-owned subsidiary, Employers' Solution Centre Limited. The Employers Solution Centre Limited was incorporated in 2007 under the Laws of the Republic of Trinidad and Tobago. It became a wholly owned subsidiary and began its operations on 1 January 2008. Its principal activity is the provision of support to employers in the areas of training and development, industrial relations, and human resource management.

The operations of Employers Solution Centre Limited have been consolidated into these financial statements. The principal place of business of both the Employers Consultative Association of Trinidad and Tobago and Employers' Solution Centre Limited is at 17 Samaroo Road, Aranguez Roundabout North, Aranguez.

**2. Summary of Significant Accounting Policies**

**2.1 Basis of Preparation**

These financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements have been prepared on the historical cost convention, except for the measurement at fair value of certain investments.

**Statement of Compliance**

The preparation of financial statements in conformity with the IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Areas involving a higher degree of judgement of complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in Note 2.4

**2.2 Reporting Currency**

The financial statements are presented in Trinidad and Tobago Dollars (TT\$), which is the Group's functional and presentation currency. All amounts have been rounded to the nearest dollar, unless otherwise indicated.

**2.3 Comparatives**

When necessary, comparative figures are adjusted to conform to changes in presentation in the current year.

**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Notes to the Consolidated Financial Statements  
31 December 2019**

**2. Summary of Significant Accounting Policies (Continued)**

**2.4 Use of Estimates**

The preparation of financial statements in conformity with IFRSs requires management to make critical judgements and use estimates and assumptions that affect the amounts reported in the financial statements and related notes to the financial statements.

It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results may differ from these estimates and assumptions used. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

**2.5 New Accounting Standards and Interpretations**

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

- IFRS 2** Share-based Payment- Amendments regarding the classification and measurement of share-based payment transactions (effective for accounting periods beginning on or after 1 January 2018).
- IFRS 4** Insurance Contracts - Amendments regarding the application of IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (effective for accounting periods beginning on or after 1 January 2018).
- IFRS 9** Financial Instruments - Amendments regarding prepayment features with negative compensation (effective for accounting periods beginning on or after 1 January 2019).
- IFRS 15** Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2018).
- IFRS 16** Leases (effective for accounting periods beginning on or after 1 January 2019).



**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Notes to the Consolidated Financial Statements  
31 December 2019**

**2. Summary of Significant Accounting Policies (Continued)**

**2.5 New Accounting Standards and Interpretations (continued)**

- IFRS 17 Insurance Contracts (effective for accounting periods beginning on or after 1 January 2021).
- IFRS 28 Investment in Associates - Amendments regarding the long-term interests in associates and Joint Ventures (effective for accounting periods beginning on or after 1 January 2019).
- IAS 40 Investment Property - Amendments regarding the transfer of investment property (effective for accounting periods beginning on or after 1 July 2018).
- IFRIC 22 Foreign Currency Transactions and Advance Consideration (effective for accounting periods beginning on or after 1 January 2018).
- IFRIC 23 Uncertainty over Income Tax Treatments (effective for accounting periods beginning on or after 1 January 2019).

**2.6 Inventory**

Inventory are stated at the lower of cost and selling price less cost to complete and sell. Cost is determined on the average cost basis.

**2.7 Fixed Assets**

Fixed assets are stated at historical cost less accumulated depreciation. Historical Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is provided on a straight-line basis. The following rates considered appropriate to write-off the assets over their estimated useful lives are applied:

|                         |               |
|-------------------------|---------------|
| Furniture and Fixtures  | 5% -15%       |
| Machinery and Equipment | 10% - 33 1/3% |

**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Notes to the Consolidated Financial Statements  
31 December 2019**

**2. Summary of Significant Accounting Policies (Continued)**

**2.7 Fixed Assets (continued)**

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

Gains or losses arising on disposal of non-current assets are determined by comparing proceeds with the net book value and are recognised in the Consolidated Statement of Comprehensive Income.

**2.8 Investments**

The Group has classified all investments into the following category:

**Fair Value Through Profit and Loss (FVTPL)**

These securities are intended to be held for an indefinite period of time but may be sold in response to the needs for liquidity or changes in interest rates, exchange rates or equity prices.

On adoption of the IFRS 9, the Group has elected to carry its mutual fund investments at Fair Value through Profit and Loss Account, where unrealised gains or losses are recognised at 'Net fair value gain/loss on financial assets classified at FVTPL'.

**2.9 Taxation**

**Current Tax**

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

**Deferred Tax**

Deferred income tax is provided, using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Notes to the Consolidated Financial Statements  
31 December 2019**

**2. Summary of Significant Accounting Policies (Continued)**

**2.9 Taxation (continued)**

Deferred Tax (continued)

Deferred tax assets are recognised for all deductible temporary difference, carry forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

The Inland Revenue Division (IRD) of the Ministry of Finance wrote to the Association advising that it was required to file Corporation Tax Returns in accordance with the Income Tax Act Chapter 75:01.

Management initiated discussions with the IRD in an attempt to have the tax liability due waived on the basis that the Association of a non-profit organisation. However, the Association has since prepared and filed the Returns for the income years 2013 to 2018.

Following the announcement of a Tax Amnesty in June 2019, the Association made the necessary payments of outstanding taxes to ensure the waiver of all penalties and interest due. The amount is accrued in the financial statements.

**2.10 Financial Instruments**

All recognised financial assets that are within the scope of International Financial Reporting Standards (IFRS) 9 are required to be subsequently measured at amortised cost or fair value on the basis of:

- i. the entity's business model for managing the financial assets; and
- ii. the contractual cash flow characteristics of the financial assets.

The Group reassess its business models each reporting period to determine whether they have changed. No such changes have been identified for the current year

Principal is the fair value of the financial asset at initial recognition. Interest is consideration for the time value of money and for credit and other risks associated with the principal outstanding. Interest also has a profit margin element.

**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Notes to the Consolidated Financial Statements  
31 December 2019**

**2. Summary of Significant Accounting Policies (Continued)**

**2.10 Financial Instruments (continued)**

**Initial Measurement**

All financial instruments are initially measured at the fair value of consideration given or received.

The Group measures fair values in accordance with IFRS 13, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group uses a fair value hierarchy that categorises valuation techniques into three levels:

- i. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Assets and liabilities are classified as Level 1 if their value is observable in an active market. The use of observable market prices and model inputs, when available, reduces the need for management judgement and estimation, as well as the uncertainty related with the estimated fair value.
- ii. Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability.
- iii. Level 3 inputs are unobservable inputs. Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data.

**Subsequent Measurement**

Those financial assets which are held within a business model with the sole objective of collecting contractual cash flows which comprise principal and interest only, are subsequently measured at amortised cost. Gains/Losses arising on remeasurement of such financial assets are recognised in profit or loss as movements in Expected Credit Loss (ECL). When a financial asset measured at amortised cost is derecognised, the gain/loss is reflected in profit or loss.

Those financial assets which are held within a business model with the objectives of (i) collecting contractual cash flows which comprise principal and interest only, as well as (ii) selling the financial assets, are subsequently measured at Fair Value Through Profit and Loss (FVTPL). Gains/Losses arising on remeasurement of such financial assets are recognised in profit or loss as 'Net fair value gain/(loss) on financial assets classified at FVTPL'.



**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Notes to the Consolidated Financial Statements  
31 December 2019**

**2. Summary of Significant Accounting Policies (Continued)**

**2.10 Financial Instruments (continued)**

**Reclassification**

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified accordingly from the first day of the first reporting period following the change in business model.

**Write-off**

Financial assets are written off when the Group has no reasonable expectations of recovery, for example, when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay. A write-off constitutes a derecognition event. Subsequent recoveries resulting from the Group's enforcement activities will result in gains.

**Financial Liabilities**

Since the Group does not trade in financial liabilities, and since there are no measurement or recognition inconsistencies, all financial liabilities are initially measured at fair value, net of transaction costs and subsequently, at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount on initial recognition. Financial liabilities recognised at amortised cost are not reclassified.

**Cash and Cash Equivalents**

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

**Trade Receivables**

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for expected credit losses are recognised in Consolidated Statement of Comprehensive Income when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Notes to the Consolidated Financial Statements  
31 December 2019**

**2. Summary of Significant Accounting Policies (Continued)**

**2.10 Financial Instruments (continued)**

Trade Payables

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

**2.11 Income and Expenditure**

Income and expenditure, including subscriptions are recognised on the accrual's basis.

**2.12 Foreign Currency Transactions**

These Consolidated financial statements are expressed in Trinidad and Tobago currency. Foreign currency transactions during the year are translated at the exchange rates ruling at the date of the transactions and any gains or losses arising are taken into the Consolidated Statement of Comprehensive Income. Assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago currency at rates of exchange ruling at the reporting date.

**2.13 Going Concern**

These financial statements have been prepared on the going concern basis. There is an excess of current liabilities over current assets, caused by the deferred income which has been treated as a current liability in accordance with the accrual's principle.

**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Notes to the Consolidated Financial Statements  
31 December 2019**

**3. Financial Risk Management**

**Financial Risk Factors**

The Group's activities are primarily related to the use of financial instruments.

**Financial Instruments**

The following table summarizes the carrying amounts and fair values of the Groups financial assets and liabilities:

|                                       | <b>Carrying<br/>Value<br/>TT\$</b> | <b>Fair Value<br/>TT\$</b> |
|---------------------------------------|------------------------------------|----------------------------|
| <b>Balance as at 31 December 2019</b> |                                    |                            |
| <b>Financial Assets</b>               |                                    |                            |
| Cash and Cash Equivalents             | 666,798                            | 666,798                    |
| Short-Term Investments                | 142,632                            | 142,632                    |
| Accounts Receivable and Prepayments   | 628,569                            | 628,569                    |
| Long-Term Investments                 | 224,427                            | 224,427                    |
| <b>Financial Liabilities</b>          |                                    |                            |
| Accounts Payable and Accruals         | 1,376,268                          | 1,376,268                  |
| <b>Balance as at 31 December 2018</b> |                                    |                            |
| <b>Financial Assets</b>               |                                    |                            |
| Cash and Cash Equivalents             | 986,321                            | 986,321                    |
| Short-Term Investments                | 140,680                            | 140,680                    |
| Accounts Receivable and Prepayments   | 425,013                            | 425,013                    |
| Long-Term Investments                 | 251,630                            | 251,630                    |
| <b>Financial Liabilities</b>          |                                    |                            |
| Accounts Payable and Accruals         | 1,362,920                          | 1,362,920                  |

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

**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Notes to the Consolidated Financial Statements  
31 December 2019**

**3. Financial Risk Management (Continued)**

**3.1 Interest Rate Risk**

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

The Group is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including investments in money market deposits and other funding instruments.

Interest Rate Sensitivity Analysis

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

|  | Interest<br>Rate<br>% | Up to 1<br>Year<br>TT\$ | 1 - 5<br>Years<br>TT\$ | Over 5<br>Years<br>TT\$ | Non-<br>Interest<br>Bearing<br>TT\$ | Total<br>TT\$    |
|--|-----------------------|-------------------------|------------------------|-------------------------|-------------------------------------|------------------|
| <b>Balance as at 31 Dec 2019</b>       |                       |                         |                        |                         |                                     |                  |
| <b>Financial Assets</b>                |                       |                         |                        |                         |                                     |                  |
| Cash and Cash Equivalents              | 0.005                 | 666,798                 | -                      | -                       | -                                   | 666,798          |
| Short-term Investments                 | 1.23                  | 142,632                 | -                      | -                       | -                                   | 142,632          |
| Accounts Receivable and<br>Prepayments | -                     | -                       | -                      | -                       | 628,569                             | 628,569          |
| Long-term Investment                   | Variable              | -                       | <u>224,427</u>         | -                       | -                                   | <u>224,427</u>   |
|  |                       | <u>809,430</u>          | <u>224,427</u>         | -                       | <u>628,569</u>                      | <u>1,662,426</u> |
| <b>Financial Liabilities</b>           |                       |                         |                        |                         |                                     |                  |
| Accounts Payable and<br>Accruals       |                       | -                       | -                      | -                       | 1,376,268                           | <u>1,376,268</u> |



**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Notes to the Consolidated Financial Statements  
31 December 2019**

**3. Financial Risk Management (Continued)**

**3.1 Interest Rate Risk (continued)**

|  | Interest<br>Rate<br>% | Up to 1<br>Year<br>TT\$ | 1 - 5<br>Years<br>TT\$ | Over 5<br>Years<br>TT\$ | Non-<br>Interest<br>Bearing<br>TT\$ | Total<br>TT\$    |
|--|-----------------------|-------------------------|------------------------|-------------------------|-------------------------------------|------------------|
| <b>Balance as at 31 Dec 2018</b>       |                       |                         |                        |                         |                                     |                  |
| <b>Financial Assets</b>                |                       |                         |                        |                         |                                     |                  |
| Cash and Cash Equivalents              | 0.005                 | 986,321                 |                        |                         |                                     | 986,321          |
| Short-Term Investments                 | 1.23                  | 140,680                 | -                      | -                       | -                                   | 140,680          |
| Accounts Receivable and<br>Prepayments | -                     | -                       | -                      | -                       | 425,013                             | 425,013          |
| Long-Term Investment                   | Variable              | <u>-</u>                | <u>251,630</u>         | <u>-</u>                | <u>-</u>                            | <u>251,630</u>   |
|  |                       | <u>1,127,002</u>        | <u>251,630</u>         | <u>-</u>                | <u>425,013</u>                      | <u>1,803,644</u> |
| <b>Financial Liabilities</b>           |                       |                         |                        |                         |                                     |                  |
| Accounts Payable and<br>Accruals       |                       | <u>-</u>                | <u>-</u>               | <u>-</u>                | <u>1,362,920</u>                    | <u>1,362,920</u> |

**3.2 Credit Risk**

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group relies heavily on its policies and guidelines on trade debtor management, which sets out the current policies governing the granting of credit to customers function and provides a comprehensive framework for prudent risk management of the credit function. Adherence to these guidelines is expected to communicate the Group's credit philosophy; provide policy guidelines to team members involved in granting credit, establish minimum standards for credit analysis, documentation, decision making and post-disbursement administration; as well as create the foundation for a sound credit portfolio.

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

Cash balances are held with high credit quality financial institutions and the Group has policies to limit the amount of exposure to any single financial institution.

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

**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Notes to the Consolidated Financial Statements  
31 December 2019**

**3. Financial Risk Management (Continued)**

**3.3 Liquidity Risk**

Liquidity risk is the risk that arises when the maturity of assets and liabilities do not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

**Liquidity Gap**

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

|  | Up to 1<br>Year  | 1 - 5<br>Years | Over 5<br>Years | Non-<br>Interest<br>Bearing | Total            |
|--|------------------|----------------|-----------------|-----------------------------|------------------|
|  | <u>TT\$</u>      | <u>TT\$</u>    | <u>TT\$</u>     | <u>TT\$</u>                 | <u>TT\$</u>      |
| <b>Balance as at 31 Dec 2019</b>       |                  |                |                 |                             |                  |
| <b>Financial Assets</b>                |                  |                |                 |                             |                  |
| Cash and Cash Equivalents              | 666,798          | -              | -               | -                           | 666,798          |
| Short-term Investments                 | 142,632          | -              | -               | -                           | 142,632          |
| Accounts Receivable and<br>Prepayments | 628,569          | -              | -               | -                           | 628,569          |
| Long-term Investment                   | -                | <u>224,427</u> | -               | -                           | <u>224,427</u>   |
|  | <u>1,437,999</u> | <u>224,427</u> | -               | -                           | <u>1,662,426</u> |
| <b>Financial Liabilities</b>           |                  |                |                 |                             |                  |
| Accounts Payable and<br>Accruals       | <u>1,376,268</u> | -              | -               | -                           | <u>1,376,268</u> |

**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Notes to the Consolidated Financial Statements  
31 December 2019**

**3. Financial Risk Management (Continued)**

**3.3 Liquidity Risk (Continued)**

|  | Up to 1<br>Year  | 1 - 5<br>Years | Over 5<br>Years | Non-<br>Interest<br>Bearing | Total            |
|--|------------------|----------------|-----------------|-----------------------------|------------------|
|  | <u>TT\$</u>      | <u>TT\$</u>    | <u>TT\$</u>     | <u>TT\$</u>                 | <u>TT\$</u>      |
| <b>Balance as at 31 Dec 2018</b>       |                  |                |                 |                             |                  |
| <b>Financial Assets</b>                |                  |                |                 |                             |                  |
| Cash and Cash Equivalents              | 986,321          | -              | -               | -                           | 986,321          |
| Short-term Investments                 | 140,680          | -              | -               | -                           | 140,680          |
| Accounts Receivable and<br>Prepayments | 425,013          | -              | -               | -                           | 425,013          |
| Long-term Investment                   | -                | 251,630        | -               | -                           | 251,630          |
|  | <u>1,552,014</u> | <u>251,630</u> | -               | -                           | <u>1,803,644</u> |
| <b>Financial Liabilities</b>           |                  |                |                 |                             |                  |
| Accounts Payable and Accruals          | <u>1,632,919</u> | -              | -               | -                           | <u>1,632,919</u> |

**3.4 Currency Risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollar. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

**3.5 Operational risk**

Operational risk is the risk that deprives from the deficiencies relating to the Group's information technology and control systems as well as the risk of human error and natural disasters. The Group's systems are evaluated, maintained and upgraded continuously.

**3.6 Compliance Risk**

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to the extent of monitoring controls applied by the Group.

**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Notes to the Consolidated Financial Statements  
31 December 2019**

**3. Financial Risk Management (Continued)**

**3.7 Reputation Risk**

The risk of loss of reputation arising from the negative publicity relating to the Group's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Group. The Group applies procedures to minimize this risk.

**4. Summary of Critical Accounting Estimates and Judgments**

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make judgements, estimates and assumptions in the process of applying the Group's accounting policies.

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

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

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

**i. Significant increase of credit risk**

The Group computes twelve-month ECL for Stage 1 assets and lifetime ECL for Stage 2 or Stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Assessing whether there has been a significant increase in credit risk required judgement takes into account reasonable and supportable forward-looking information.



**Employers' Consultative Association of  
Trinidad and Tobago and Its Subsidiary  
Notes to the Consolidated Financial Statements  
31 December 2019**

**4. Summary of Critical Accounting Estimates and Judgments (Continued)**

**ii. Fair value measurement and valuation process**

In estimating fair value of a financial asset or a liability, the Group uses market observable data to the extent it is available. Where such Level 1 inputs are not available, the Group uses valuation models to determine the fair value of its financial instruments.

**iii. Fixed Assets**

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of these assets. Judgement is also used in determining which depreciation method for fixed assets is used.

**5. Fixed Assets**

| Cost/valuation                 | Furniture<br>and Fittings | Office<br>Machinery<br>and<br>Equipment | Computer<br>Equipment | Total                   |
|--------------------------------|---------------------------|---|-----------------------|-------------------------|
|                                | <u>TT\$</u>               | <u>TT\$</u>                             | <u>TT\$</u>           | <u>TT\$</u>             |
| At 1 January 2019              | 429,043                   | 596,511                                 | 404,709               | 1,430,263               |
| Additions                      | 3,587                     | -                                       | -                     | 3,587                   |
| Disposals                      | -                         | (2,833)                                 | (5,400)               | (8,033)                 |
| <b>At 31 December 2019</b>     | <b><u>432,630</u></b>     | <b><u>593,678</u></b>                   | <b><u>399,309</u></b> | <b><u>1,425,617</u></b> |
| <b>Depreciation</b>            |                           |   |                       |                         |
| At 1 January 2019              | 378,169                   | 583,207                                 | 366,572               | 1,327,949               |
| Charge for the Year            | 24,012                    | 7,903                                   | 26,354                | 58,269                  |
| Disposals                      | -                         | (2,633)                                 | (4,500)               | (7,133)                 |
| <b>At 31 December 2019</b>     | <b><u>402,181</u></b>     | <b><u>588,477</u></b>                   | <b><u>388,426</u></b> | <b><u>1,379,085</u></b> |
| <b>NEV at 31 December 2019</b> | <b><u>30,449</u></b>      | <b><u>5,400</u></b>                     | <b><u>10,884</u></b>  | <b><u>46,732</u></b>    |
| <b>NEV at 31 December 2018</b> | <b><u>50,874</u></b>      | <b><u>13,304</u></b>                    | <b><u>38,137</u></b>  | <b><u>102,316</u></b>   |

**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Notes to the Consolidated Financial Statements  
31 December 2019**

**6. Long-Term Investment**

In accordance with the Retrenchment and Severance Benefit Act, 1985, the Group is contingently liable for benefits amounting to approximately \$144,005. No provision for this contingency has been made in these financial statements.

To mitigate this contingent liability the Group has made an investment in the Trinidad and Tobago Unit Trust Corporation-First Unit Scheme, to fund possible severance benefit liabilities. The current value of this fund is \$224,427.

Severance benefits will only arise if management determines it is necessary to reduce the current staff complement. This is not currently contemplated and is not expected to occur within the foreseeable future. If this should occur no re-impursements are anticipated.

This investment is considered a financial asset at fair value through profit and loss.

**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Notes to the Consolidated Financial Statements  
31 December 2019**

|                                 | <b>2019</b><br><b>TT\$</b> | <b>2018</b><br><b>TT\$</b> |
|---------------------------------|----------------------------|----------------------------|
| <b>7. Deferred Taxation</b>     |                            |                            |
| Tax Written Down Value          | 136,069                    | 186,492                    |
| Less: Accounting Net Book Value | <u>46,732</u>              | <u>102,317</u>             |
|                                 | <u>89,337</u>              | <u>84,175</u>              |
| Corporation Tax 30%             | 26,801                     | 25,253                     |
| <b>Loss Relief</b>              |                            |                            |
| Loss Relief at Start of Year    | 2,535,988                  | 2,890,918                  |
| Loss Relief Adjustment          | <u>(15,462)</u>            | <u>(354,930)</u>           |
|                                 | 2,520,526                  | 2,535,988                  |
| <b>Deferred Tax Asset</b>       | <b>756,158</b>             | <b>760,796</b>             |
| <b>Adjustment</b>               | <u>-</u>                   | <u>1,565</u>               |
|                                 | <b>756,158</b>             | <b>762,361</b>             |
| <b>Deferred Tax at Year End</b> | <b><u>782,959</u></b>      | <b><u>787,614</u></b>      |

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. Deferred taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 30%.

|  |                       |                       |
|--|-----------------------|-----------------------|
| <b>8. Cash and Cash Equivalents</b>          |                       |                       |
| Petty Cash                                   | 2,300                 | 2,300                 |
| Republic Bank Limited - TT\$ Savings Account | 505,951               | 584,027               |
| Republic Bank Limited - US\$ Savings Account | 158,547               | 393,773               |
| Scotia Bank Trinidad and Tobago              | <u>-</u>              | <u>6,221</u>          |
| <b>Total</b>                                 | <b><u>666,798</u></b> | <b><u>986,321</u></b> |

**9. Short-Term Investments**

|  |                       |                       |
|--|-----------------------|-----------------------|
| Trinidad and Tobago Unit Trust Corporation | <b><u>142,632</u></b> | <b><u>140,680</u></b> |
|--|-----------------------|-----------------------|

These investments are held at Trinidad and Tobago Unit Trust Corporation – Second Unit Scheme. These investments are considered financial assets at fair value through other profit and loss.

**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Notes to the Consolidated Financial Statements  
31 December 2019**

|   | <b>2019</b><br><b><u>TT\$</u></b> | <b>2018</b><br><b><u>TT\$</u></b> |
|---|-----------------------------------|-----------------------------------|
| <b>10. Accounts Receivable and Prepayment</b>   |                                   |                                   |
| Subscriptions and Fees Receivable   | 124,798                           | 65,656                            |
| Allowance Receivable  | 644,508                           | 490,445                           |
| Less Allowance for Expected Credit Losses   | <u>(305,227)</u>                  | <u>(233,171)</u>                  |
| <b>Adjusted Accounts Receivable</b>   | <b>464,079</b>                    | <b>322,930</b>                    |
| Other Receivables   | <u>164,490</u>                    | <u>102,083</u>                    |
| <b>Total</b>  | <b><u>628,569</u></b>             | <b><u>425,013</u></b>             |
| <br><b>Allowance for Expected Credit Loss</b>   |                                   |                                   |
| Balance, Beginning of Year  | 233,171                           | 291,491                           |
| Expected Credit Loss for the Year   | 72,056                            | 93,433                            |
| Reversal of Expected Credit Loss  | <u>-</u>                          | <u>(151,753)</u>                  |
|   | <b><u>305,227</u></b>             | <b><u>233,171</u></b>             |
| <br><b>11. Building Fund</b>  |                                   |                                   |
| This fund was established in 2003 to assist with the financing of new premises for the Association. Future funds can be utilised for maintenance and future purchases. The initial balance of \$921,727 was an allocation of 80% of the Accumulated Fund at 31 December 2002. |                                   |                                   |
| <br><b>12. Development Funds</b>  |                                   |                                   |
| This fund was established to assist equally with internal and external development projects. The initial sum of \$230,432 was an allocation of 20% of the Accumulated Fund balance at 31 December 2002.   |                                   |                                   |
| <br><b>13. Accounts Payable and Accruals</b>  |                                   |                                   |
| Trade Payables  | 220,882                           | 331,956                           |
| Green Fund Levy   | (242)                             | 30,170                            |
| VAT Payable   | 142,860                           | 108,575                           |
| Outsourced Services   | 468,142                           | 728,875                           |
| Other Accruals  | 128,960                           | 158,545                           |
| Other Payables  | 24,936                            | 4,799                             |
| Members' Deposit  | <u>390,730</u>                    | <u>-</u>                          |
|   | <b><u>1,376,268</u></b>           | <b><u>1,362,920</u></b>           |



**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Notes to the Consolidated Financial Statements  
31 December 2019**

**14. Investment Re-Measurement Reserve**

In accordance with IAS 39 an investment re-measurement reserve has been created to capture unrealized gains/losses on certain investments.

Investments which were previously consider available-for-sale, are now recognise at fair value through profit and loss in accordance with IFRS 9.

**15. Contingent Liabilities**

As at 31 December 2019, there were three (3) pending claims against the Group:

- i. Trade Dispute – the Association anticipates a successful outcome in favour of Employers' Consultative Association. The dispute commenced in 2017.
- ii. The Association has filed its defence with the Equal Opportunities Commission and is awaiting a response. This claim commenced in 2015 and may continue for a further twelve (12) months.
- iii. Another claim is at the preparatory stage and the Association is seeking a court settlement. This matter commenced in 2017.

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, no provision has been made in these financial statements.

**16. Related Party Transactions**

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

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

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

|                                    | 2019<br><u>TT\$</u> | 2018<br><u>TT\$</u> |
|------------------------------------|---------------------|---------------------|
| <b>Key Management Compensation</b> |                     |                     |
| Short-Term Benefits                | <u>669,155</u>      | <u>906,194</u>      |

**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Notes to the Consolidated Financial Statements  
31 December 2019**

**17. Capital Risk Management**

The Group manages its capital to ensure that it will be able to continue as a going concern, whilst providing value to its customers. The Group's overall strategy remains unchanged from previous years.

The capital structure of the Group consists of the Building fund, the Development Fund, the Investment Re-measurement Reserve and Retained Earnings.

**18. Fair Values**

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

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

**i. Current assets and liabilities**

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

**ii. Investments**

The fair values of investments are determined on the basis of market prices available at 31 December 2019.

**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Schedule to the Consolidated Financial Statements  
31 December 2019**

|  | <b>2019</b>           | <b>2018</b>             |
|--|-----------------------|-------------------------|
|  | <b><u>TT\$</u></b>    | <b><u>TT\$</u></b>      |
| <b>1. Administration</b>                       |                       |                         |
| Advertising and Promotion                      | 3,919                 | 3,740                   |
| Annual General Meetings and Other Meetings     | -                     | 100                     |
| Annual Luncheon and Anniversary Celebrations   | -                     | 3,377                   |
| Annuities and Health Scheme                    | 87,815                | 78,525                  |
| Bank Charges                                   | 15,862                | 22,071                  |
| Caribbean Employers Confederation              | 23,087                | 90,180                  |
| Consultancy Expense                            | 38,165                | 101,247                 |
| Expected Credit losses                         | 110,809               | 80,502                  |
| Foreign Exchange Loss                          | 4,152                 | 4,687                   |
| Fundraising Expense                            | 969                   | 4,851                   |
| Green Fund Levy                                | 18,589                | 22,041                  |
| Insurance                                      | 18,776                | 22,895                  |
| Legal and Professional Fees                    | 302,920               | 236,001                 |
| Medical Expenses                               | 635                   | 2,220                   |
| Motor Vehicle Expenses                         | 18,980                | 20,748                  |
| National Insurance                             | 163,430               | 187,207                 |
| Office Expenses                                | 59,197                | 74,081                  |
| Penalties and Interest                         | 27,970                | 2,161                   |
| Printing, Postage and Stationery               | 25,512                | 26,122                  |
| Publication - ECA Newsletter                   | -                     | 7,644                   |
| Reference Books - Publications and Periodicals | 7,735                 | 8,207                   |
| Rental of Equipment                            | 68,022                | 58,434                  |
| Salaries and Wages                             | 2,725,444             | 2,845,442               |
| Staff Training and Other Benefits              | 6,806                 | 13,193                  |
| Sundry Expenses                                | 17,589                | 19,526                  |
| Training and Programme Expenses                | 348,667               | 366,840                 |
| Website and Software Expenses                  | <u>35,715</u>         | <u>20,466</u>           |
| <b>Total</b>                                   | <b>4,150,765</b>      | <b>4,322,497</b>        |
| <b>2. Establishment</b>                        |                       |                         |
| Depreciation                                   | 57,190                | 96,426                  |
| Loss on Disposal of Fixed Asset                | 1,980                 | -                       |
| Maintenance                                    | 119,935               | 112,502                 |
| Rental of Office Premises                      | 561,812               | 667,735                 |
| Security Expenses                              | 11,708                | 9,664                   |
| Telephone, Internet and Cable                  | 106,456               | 115,553                 |
| Utilities                                      | <u>93,886</u>         | <u>105,217</u>          |
| <b>Total</b>                                   | <b><u>952,967</u></b> | <b><u>1,107,096</u></b> |

**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Schedule to the Consolidated Financial Statements  
31 December 2019**

|   | <b>2019</b>          | <b>2018</b>          |
|---|----------------------|----------------------|
|   | <b><u>TT\$</u></b>   | <b><u>TT\$</u></b>   |
| <b>3. Travel and Entertainment Expenses</b> |                      |                      |
| Travel and Entertainment                    | <b><u>31,489</u></b> | <b><u>30,264</u></b> |
| <b>4. Affiliation Fees</b>                  |                      |                      |
| Caribbean Employers' Confederation          | 13,599               | 13,599               |
| International Organisation of Employers     | <u>53,741</u>        | <u>52,810</u>        |
| <b>Total</b>                                | <b><u>67,340</u></b> | <b><u>66,408</u></b> |



**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Schedule to the Consolidated Financial Statements  
31 December 2019**

**5. Business Levy Payable/Taxation Expenses**

|  | <b>2019</b>             | <b>2018</b>             |
|--|-------------------------|-------------------------|
|  | <b><u>TT\$</u></b>      | <b><u>TT\$</u></b>      |
| <b>(Loss)/Profit Before Tax as per Statement of Comprehensive Income</b> | <b><u>(1,128)</u></b>   | <b><u>312,045</u></b>   |
| <b>Add:</b>  |                         |                         |
| Green Fund Levy  | 18,589                  | 22,041                  |
| 25% Entertainment  | 7,867                   | -                       |
| Net FV Loss on Financial Assets classified as FVTPL                      | -                       | 3,941                   |
| Training Expenses  | -                       | 13,193                  |
| Loss on Disposal   | 1,980                   | -                       |
| Penalties and Interest   | 27,970                  | 2,161                   |
| Depreciation   | <u>57,190</u>           | <u>96,426</u>           |
|  | <b><u>113,596</u></b>   | <b><u>137,762</u></b>   |
| <b>Less:</b>   |                         |                         |
| Wear and Tear Allowance  | (50,424)                | (69,761)                |
| Gain on Investment   | (18,385)                | (5,328)                 |
| Training Expense   | (3,403)                 | (19,789)                |
| Interest   | (24,794)                | -                       |
| Loss Relief  | <u>(15,462)</u>         | <u>(354,930)</u>        |
|  | <b><u>(112,468)</u></b> | <b><u>(449,806)</u></b> |
| <b>(a) Chargeable Income/(Allowable Loss)</b>                            | <b>-</b>                | <b>-</b>                |
| Provision for Tax Current Year   | 37,500                  | 44,324                  |
| Less: Quarterly Payments   | <u>(37,988)</u>         | <u>(40,423)</u>         |
| Current Year Tax Payable/(Refundable)                                    | <b>(488)</b>            | <b>3,901</b>            |
| Previous Year (Refundable)/Liability                                     | (3)                     | 52,881                  |
| Previous Year Liability Understated                                      | 3                       | -                       |
| Less: Payments Made  | <u>-</u>                | <u>(51,583)</u>         |
|  | <b>-</b>                | <b>1,298</b>            |
| <b>(b) Business Levy (Refundable)/ Payable</b>                           | <b><u>(488)</u></b>     | <b><u>5,199</u></b>     |
| <b>Tax Refundable</b>  |                         |                         |
| Corporation Tax Payable brought Forward                                  | 197,229                 | 202,431                 |
| Current Year amount Refundable/(Payable)                                 | 515                     | (5,202)                 |
| Refunds Applied  | <u>(16,869)</u>         | <u>-</u>                |
| <b>Tax Refundable</b>  | <b><u>180,875</u></b>   | <b><u>197,229</u></b>   |

**Employers' Consultative Association of  
Trinidad and Tobago and its Subsidiary  
Schedule to the Consolidated Financial Statements  
31 December 2019**

**6. Business Levy Payable/Taxation Expense (Continued)**

|                                  | <b>2019</b>          | <b>2018</b>           |
|----------------------------------|----------------------|-----------------------|
|                                  | <b><u>TTS</u></b>    | <b><u>TTS</u></b>     |
| <b>(c) Loss Relief</b>           |                      |                       |
| Loss Relief Brought Forward      | 2,535,988            | 2,890,918             |
| Current Year Losses              | <u>(15,462)</u>      | <u>(354,930)</u>      |
| Loss Relief Carried Forward      | <u>2,520,526</u>     | <u>2,535,988</u>      |
| <br>Current Year Adjustments     |                      |                       |
| Provision Current Year           | 37,500               | (7,160)               |
| Provision Previously Understated | 3                    | -                     |
| Deferred Tax Adjustment          | <u>4,655</u>         | <u>218,430</u>        |
| <b>Taxation</b>                  | <b><u>42,158</u></b> | <b><u>211,270</u></b> |

**6. Adjustment**

A net adjustment of \$18,223 was made to the financial statements which represented brought forward balances for Green Fund Levy of \$1,923 and Business Levy of \$16,300. This adjustment was done to bring the financial statements in line with the current tax position of the Company as at 31 December 2019.





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