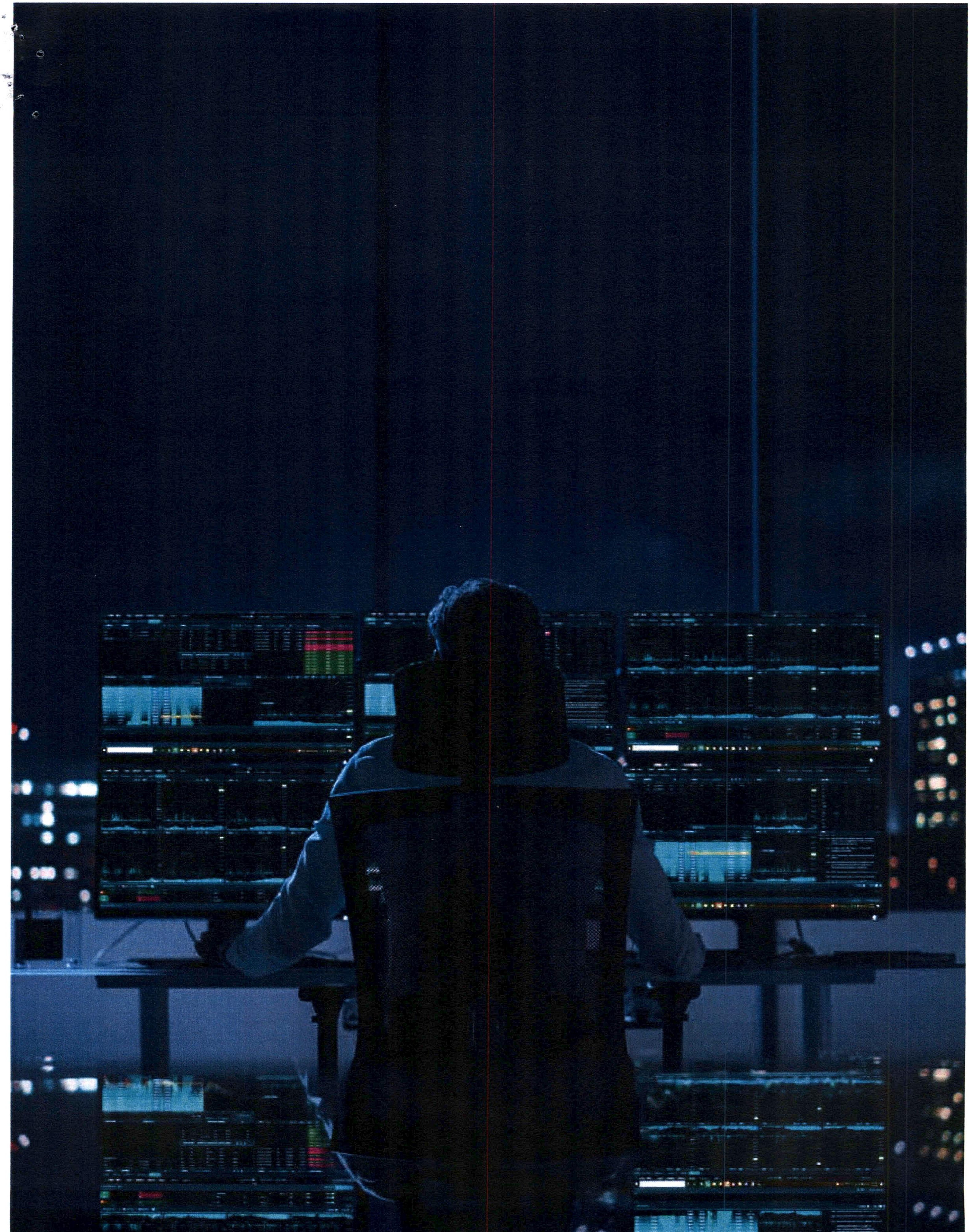
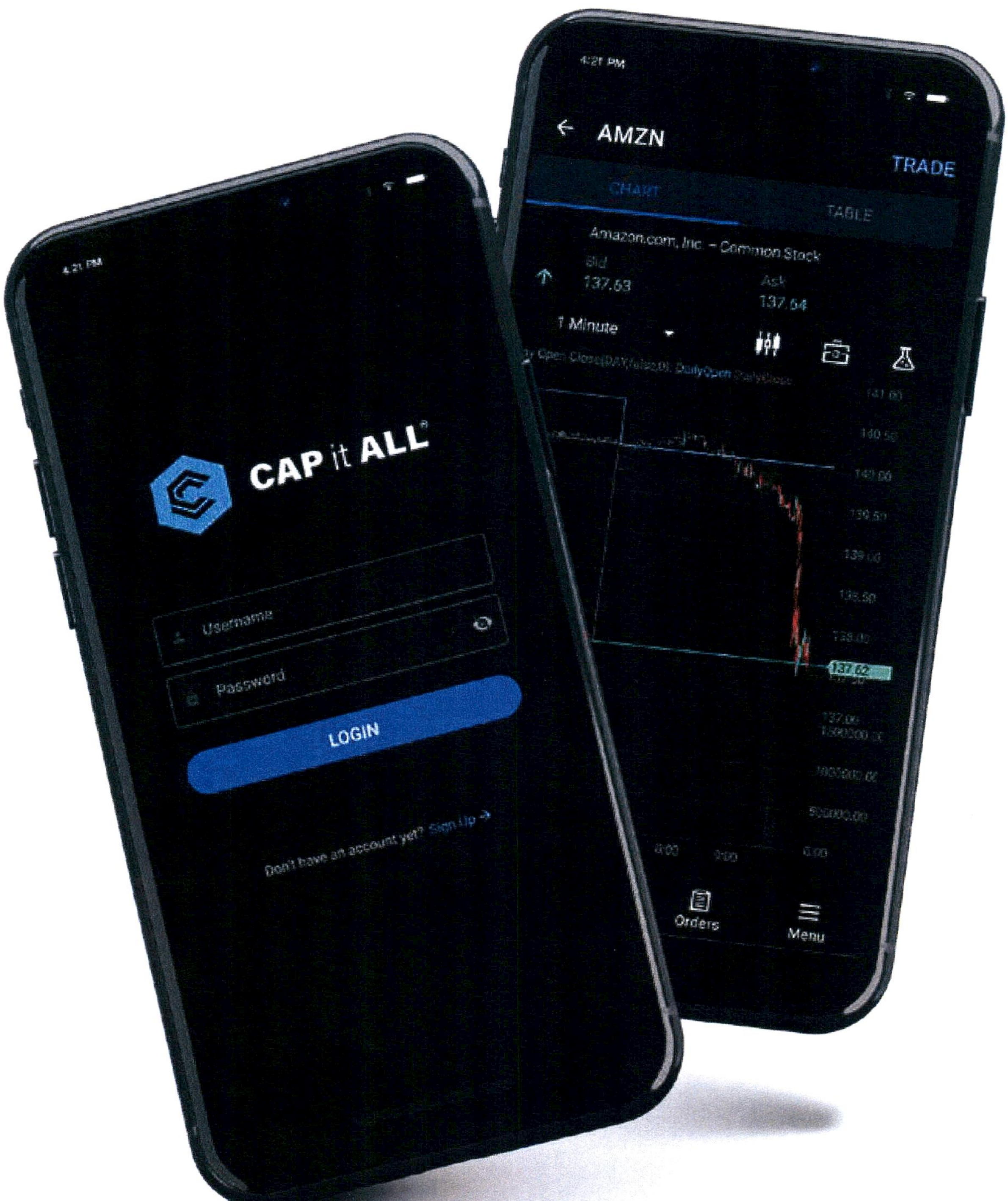
Capital Markets
ELITE GROUP™

Capital Markets Elite Group
(Trinidad and Tobago) Limited

Annual Report 2024



Whats to come...



Report of the Managing Director

Dear Shareholders,

I am pleased to present the annual report for Capital Markets Elite Group (Trinidad & Tobago) Limited for the financial year 2023-24. This year has been marked by significant operational transformations, strategic investments, and a concerted effort to optimize our cost base amidst challenging market conditions. Despite the obstacles, our progress in key areas positions the company for a more robust future.

Financial Performance Overview

The financial performance for the year reflects both the challenges and the efforts made to streamline our operations. The company reported a **$14.0 million** improvement from the **$26.0 million** loss in the prior year. This narrowing of losses is a testament to our stringent cost-reduction measures and operational adjustments.

Key Highlights:

- **Revenue** for the year was **$25.4 million**, down by **$28 million** from last year. This decline is primarily attributed to sluggish market conditions and the continued runoff of clients as they transitioned to our associate company, **Capital Markets Elite Group Cayman.**

- **Operating expenses** were significantly reduced, decreasing by **52%**, from **$55.6 million** in 2023 to **$26.4 million** in 2024. This reflects our disciplined approach to cost control and operational efficiency.

- **Direct costs** also saw a reduction from **$33 million** in 2023 to **$14 million** in 2024, further underlining our success in streamlining operations.

While the financial challenges persist, these results underscore our resilience and our ability to adapt to evolving market dynamics. The overall reduction in operating expenses, is a key win for the company, reflecting a more sustainable operational framework moving forward.

Market Conditions

The global and local financial markets have faced substantial headwinds throughout the year, resulting in reduced investor confidence and lower trading volumes. This, coupled with the outflow of clients to our Cayman associate company, has directly impacted our revenue base. Nevertheless, we remain optimistic about the long-term potential of the markets, as we continue to position ourselves to take advantage of future opportunities when market conditions improve.

Investment in Technology and Infrastructure

To maintain our competitive edge and deliver enhanced services to our clients, we made considerable investments in our technology and infrastructure during the year. The integration of the **Linx system** with the **Sterling active trading platform** was a game changer for the Group, enabling proprietary trading on both **DAS** and **Sterling** platforms. This strategic move has not only enhanced our trading capabilities but also increased operational efficiency, helping us to meet the evolving needs of our clients.

As part of our operational streamlining, our company-owned platform, **Cap it All**, was transferred to affiliate company **Mondeum Technology Limited**, where it will now be managed alongside all Group software and technology. This decision significantly reduces amortization and maintenance costs for the Trinidad business, further improving our cost structure. The integration with Mondeum also positions the Group to benefit from technological advancements in the future, while continuing to deliver seamless services to our clients.

Regulatory Compliance and Risk Management

Operating in the online brokerage industry means adhering to stringent regulatory requirements. This year, we dedicated considerable resources to ensure compliance with the evolving regulatory landscape. Our efforts included enhancing monitoring and reporting systems to meet all regulatory standards set by the **Trinidad and Tobago Securities and Exchange Commission (TTSEC).**

While these compliance measures have added to our operational costs, they are a necessary investment to maintain the trust of our clients and uphold our reputation in the financial sector. Risk management remains a top priority, and we continue to refine our internal controls to ensure the long-term stability and integrity of the business.

Report of the Managing Director cont'd

Future Outlook and Strategic Initiatives

While the past year presented significant challenges, we remain committed to navigating these headwinds and transforming them into opportunities for growth. Our management team has devised a comprehensive strategy to position our firm for a successful future, anchored in resilience, innovation, and long-term value creation.

1. **Enhance our business functions.**

   One of our primary goals is to ensure full control and ownership of critical business functions. By minimizing reliance on third-party vendors in key areas, we aim to reduce operational risks, cut leasing costs, and eliminate dependency on external providers for mission-critical tasks. This vendor independence strategy will enable us to maintain greater flexibility, enhance security, and ensure operational continuity. Additionally, this approach reduces the likelihood of service disruptions, as we are able to manage and optimize all systems in-house. The emphasis on self-sufficiency will significantly strengthen our core operations while allowing us to be more responsive to industry changes.

2. **Enhanced Client Experience.**

   Delivering an exceptional client experience remains at the heart of our growth strategy. We are actively investing in technology and customer support infrastructure to improve service delivery. By enhancing platform functionality, speeding up response times, and providing more personalized services, we aim to foster deeper relationships with our clients. Our goal is to not only meet but exceed client expectations, creating an environment where trust and satisfaction are central to their engagement with us. Continuous upgrades to the user interface, as well as proactive customer support, will ensure that our clients enjoy a seamless, intuitive experience that caters to their evolving needs.

3. **Expansion of Offerings.**

   We are exploring new opportunities to diversify our product and service offerings. This includes introducing innovative investment products that align with market demands and expanding our research capabilities to provide clients with deeper insights into their portfolios. Additionally, we are focusing on targeting new customer segments, including institutional clients, retail investors, and emerging markets. By broadening our offerings, we aim to create additional revenue streams while providing our clients with a wider range of investment opportunities that cater to their financial goals.

4. **Strengthening Risk Management.**

   In an ever-evolving financial landscape, risk management remains a cornerstone of our operational strategy. We are intensifying our focus on rigorous monitoring, stress testing, and proactive risk mitigation to ensure we are well-prepared for potential market disruptions. By enhancing our risk management practices, we aim to safeguard the long-term stability of the company while continuing to protect the interests of our clients. Our approach is rooted in continuous evaluation and adjustment, ensuring we can navigate volatility and uncertainty with confidence.

Conclusion

In conclusion, despite the challenges faced over the past year, we have made significant progress in laying the foundation for a brighter future. Our commitment to operational efficiency, technological advancement, client satisfaction, and sound risk management positions us well to capitalize on future opportunities. With a clear strategic direction and the resilience of our team, we are confident that Capital Markets Elite Group (Trinidad & Tobago) Limited will continue to thrive in an increasingly competitive marketplace.

We look forward to delivering enhanced value to our shareholders and clients in the years ahead, while continuing to build on the strong foundations we have established.

Sincerely,
Managing Director
Capital Markets Elite Group
(Trinidad & Tobago) Limited

Macroeconomic Environment Highlights

In 2023 Trinidad and Tobago economy continued to recover driven by the strong performance of the non-energy sector according to Annual Economic Survey 2023 published by The Central Bank of Trinidad & Tobago. In the third quarter of 2023, the nation's Gross Domestic Product (real GDP) contracted by 2.3% year-on-year, following a period of positive growth in the first half of the year. This decline was largely driven by a downturn in the energy sector, which experienced a significant reduction in the production of crude oil (13.0%) and natural gas (1.7%). Despite this, the non-energy sector remained resilient, providing crucial support to overall economic activity.

As we moved into the fourth quarter of 2023 and the first quarter of 2024, there were signs of economic recovery, as evidenced by the Central Bank's Quarterly Index of Real Economic Activity (QIEA). Although the energy sector continued its downward trajectory—crude oil production declined by 10.4% and natural gas by 1.4%—the non-energy sector performed strongly, helping to stabilize the broader economy.

Several areas within the non-energy sector exhibited growth. The Wholesale and Retail Trade sector, excluding energy, expanded due to increased activity in Supermarkets and Groceries, Textiles and Wearing Apparel, as well as Household Appliances, Furniture, and other Furnishings. The Transportation and Storage sector also saw robust growth, supported by a resurgence in air travel. Additionally, the Electricity and Water sector (excluding energy) experienced a boost, driven by improvements in power generation, while the Agriculture sector also reported increased activity.

However, not all non-energy sectors fared well. The Finance and Insurance Activities sector saw a reduction in activity, stemming from a decline in gross insurance premiums and lower volumes of stock trading. Similarly, while capacity utilization in the Manufacturing sector (excluding energy) improved, overall economic activity in the sector decreased.

The labour market showed signs of slackening during the third and fourth quarters of 2023. The unemployment rate rose from 4.9% in late 2023 to 5.4% in the first quarter of 2024, and the labour force contracted by 2.9 thousand persons year-on-year.

In the first seven months of 2024, the foreign exchange market experienced tight conditions, with a 3.8% year-on-year decline in purchases by authorized dealers, totaling US$2.65 billion. Conversions by energy companies also dropped by 7.9%. The

Macroeconomic Environment Highlights cont'd

energy sector accounted for 71.9% of foreign currency purchases exceeding US$20,000 during this period.

These declines reflect challenging market conditions and changes in the dynamics of foreign currency transactions, particularly within the energy sector. The data highlights the importance of monitoring these trends, as they have significant implications for the energy industry, policymakers, and the broader financial market.

From January to June 2024, primary debt market activity was robust, with 13 issues raising $7.48 billion. The Government was the largest borrower, issuing 10 privately placed bonds worth $5.58 billion, primarily for budget support. Three state enterprises raised $1.9 billion through bond issues, while the oversubscribed NIF2 bond, issued by the National Investment Fund Holding Company Limited, raised $400 million.

In 2023, Trinidad and Tobago's economy demonstrated resilience, with recovery driven by strong non-energy sector performance, despite challenges in the energy sector. The contraction in real GDP in the third quarter was largely due to declines in crude oil and natural gas production, but the non-energy sector provided crucial support, particularly in areas like retail trade, transportation, and agriculture. While some sectors, such as finance and insurance, faced setbacks, overall economic activity stabilized by early 2024.

Tight conditions in the foreign exchange market, driven by a drop in energy sector conversions, underscored the need for careful monitoring of foreign currency transactions. Meanwhile, the primary debt market showed robust activity, with significant borrowing by the government and strong investor confidence reflected in the oversubscription of the NIF2 bond.

As the economy moves forward, the data emphasizes the importance of sustained growth in the non-energy sector and vigilant oversight of both foreign exchange and debt market conditions to ensure continued stability and recovery.

Financial Market Review

The economic landscape of Advanced Economies (AEs) during the second and third quarters of 2024 has been characterized by varied growth trajectories and divergent monetary policy responses. As these economies navigate post-pandemic recovery and ongoing inflationary pressures, their performance and policy adjustments offer valuable insights into the broader economic environment. This review provides an overview of the economic growth, inflation trends, and monetary policy actions in key AEs, including the United States, the United Kingdom, and the Euro area, highlighting their unique challenges and strategic responses.

United States

In the second quarter of 2024, the United States achieved a 3.1% year-on-year GDP growth, reflecting a modest acceleration from the previous quarter. This growth was primarily driven by robust consumer spending and a strong performance in the services sector, including finance, healthcare, and technology. Despite this positive economic trajectory, inflation remained a concern. Although there was a slight decline in inflation rates, the costs associated with housing, healthcare, and transportation continued to exert upward pressure on prices. In response to these persistent inflationary pressures, the Federal Reserve kept its federal funds rate within the target range of 5.25% to 5.50%. Additionally, while the Fed maintained its strategy of reducing its holdings of US Treasury securities and agency mortgage-backed securities, it did so at a slower pace to balance economic growth with inflation control.

Europe

The United Kingdom demonstrated a marked improvement in economic performance during the second quarter of 2024, with significant contributions from the services sector, including finance, tourism, and professional services. This recovery was particularly notable following previous economic uncertainties. Inflation rates in the UK saw a slight uptick, influenced by rising energy costs and ongoing supply chain disruptions that affected consumer goods. To address these inflationary pressures while supporting continued economic growth, the Bank of England (BoE) reduced its bank rate to 5.0% in August 2024. This policy adjustment aimed to provide economic stimulus amidst a backdrop of moderating inflation and to sustain consumer confidence and spending.

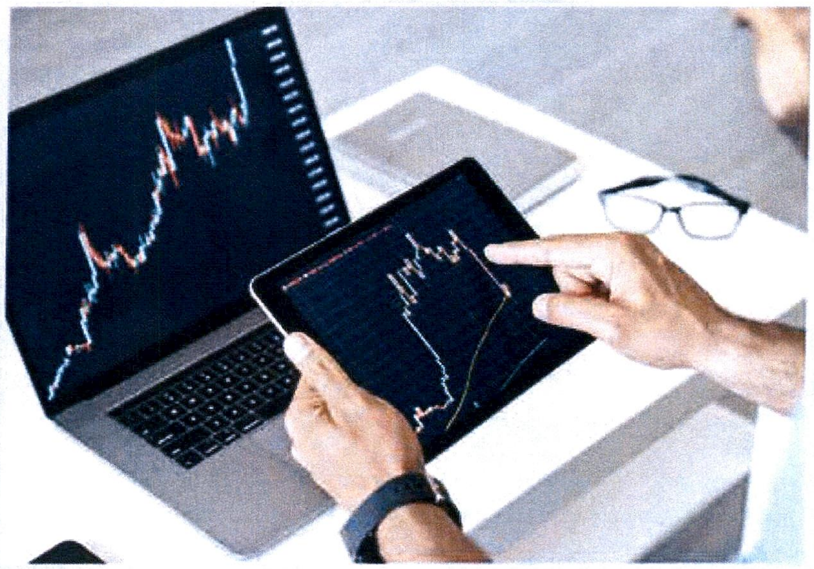
Euro Area

The Euro area experienced a notable rebound in economic activity in the second quarter of 2024, driven by a recovery in tourism and a resurgence in industrial production. The region's economic improvement was supported by strong performance in key member countries such as Germany and France. However, inflationary pressures persisted, with a slight increase attributed to rising energy prices and supply chain bottlenecks. In response, the European Central Bank (ECB) lowered its interest rate on refinancing operations in June 2024. This move was part of the ECB's strategy to support the economic recovery and manage inflationary pressures, ensuring that borrowing costs remain conducive to growth while addressing the ongoing inflation challenges.

The economic performance and monetary policy responses of Advanced Economies (AEs) during the second and third quarters of 2024 reflect a complex interplay of growth dynamics and inflationary pressures. The

Financial Market Review cont'd

United States, United Kingdom, and Euro area each faced unique challenges but demonstrated resilience in their economic recovery. The US continued to balance growth with inflation control through its monetary policy, while the UK and Euro area adjusted their rates to support ongoing recovery and manage inflation. These developments underscore the importance of adaptive economic strategies in navigating a rapidly evolving global economic environment and highlight the diverse approaches taken by AEs to sustain growth and stability



Emerging Markets and Developing Economies (EMDEs)

In the first quarter of 2024, Emerging Market and Developing Economies (EMDEs) displayed mixed economic performance. China's GDP growth slowed to 4.7% year-on-year due to a property market slump, weaker domestic demand, and trade tensions. In contrast, India recorded strong growth of 7.8%, driven by the manufacturing and construction sectors, while Russia's GDP grew by 5.4% supported by robust domestic consumption. Brazil also posted moderate growth of 3.1%, fueled by agricultural exports, whereas South Africa struggled with energy supply issues, seeing its GDP growth slow to 0.9%.

Inflation trends were equally diverse. China's inflation was minimal at 0.2%, prompting monetary easing by the People's Bank of China. In contrast, Russia and Brazil faced elevated inflation rates, leading to tighter monetary policies to stabilize prices. India maintained steady inflation, allowing its central bank to keep interest rates unchanged. Despite varied economic challenges and responses, China, India, and Russia continued to drive growth within the EMDEs, underscoring their significant role in the global economic landscape. The outlook for EMDEs remains dependent on sectoral resilience and effective policy responses to inflationary pressures and external shocks.

Managing Director
Duke Pollard

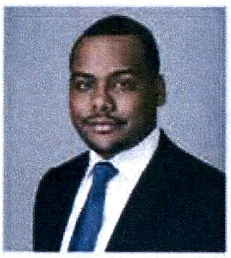
Who are we?

Our Mission

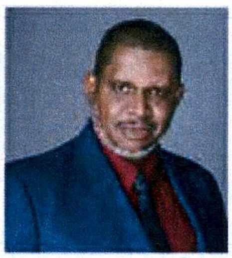
Provide access to unlimited global financial opportunities.

Corporate Information

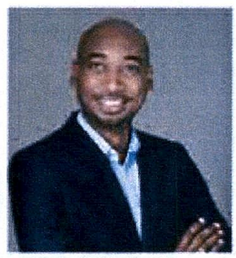
Board of Directors



Duke Pollard
Chairman/Managing Director



Rory Ellis
Executive Director



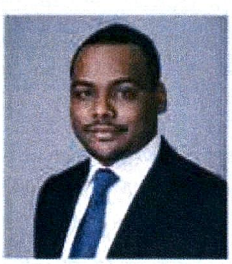
Tyrone Monsegue
Director

Rachel Noel
Executive Director

Lisa Pariagh
Director

Donna Glasgow
Corporate Secretary

Management Team



Duke Pollard
Managing Director

Rory Ellis
Executive Director

Ryan Coonai
Head of Brokerage

Company Auditors

PKF Limited

Company Lawyers

Tucker Ellis LLP – United States
Johnson, Camacho & Singh - Trinidad and Tobago

Financial Performance

Capital Markets Elite Group (Trinidad and Tobago) Limited recorded a net loss after tax of $12.0 million for the period ended 31 May 2024. This reflected an improvement in the company profitability in 2024 representing a significant increase compared to fiscal 2023. This was directly attributed to a decrease in operating expenses and direct expenses as the company embarked on several restructuring exercises. This decrease in costs was partially offset by lower revenue driven by lesser number of client accounts onboarded and lower volumes traded. The following provides a summary of the performance and their comparison to the comparative prior period.

Profit and Loss

Revenue

For the fiscal year ending on May 31, 2024, the company reported total revenue of $25.4 million, marking a notable decrease of $28.0 million when compared to the previous year. This decline in revenue can be attributed primarily to reduced trading and market activity as compared to fiscal 2023, resulting in a drop in brokerage income and decreased software charges. However, it's important to note that these declines were partially offset by a lower trading losses, mitigating the overall impact on the company's financial performance.

Operating expenses

Total operating expenses for the fiscal year ending on May 31, 2024, saw a significant reduction, amounting to $29.1 million or 52.3% decrease. This decrease was primarily attributed to several key factors, including an $8.3 million decline in IT expenses, $5.4 million decrease in management fees, a $3.9 million reduction in amortization of software, and a $3.4 million decrease in legal and professional fees.

Management charges

Management charges primarily encompass the reimbursement to the Group service company, Mondeum International Service Center (MISC) for finance, legal and human resource costs. Notably, these charges decreased by $8.3 million compared to $13.7 million in the previous year. This decline was primarily driven by a lower allocation driven by the decline in the company revenue a major component its calculation.

Information technology expenses

Information technology expenses encompass the expenditure associated with maintaining, utilizing, and subscribing to back-office systems, including AWS, Prop, and helpdesk services. For the current year, the total annual IT costs amounted to $1.7 million, reflecting a substantial decrease of $8.3 million compared to the previous year. This reduction was primarily attributed to the successful negotiation of better contract terms, and the offboarding of services no longer required.

Amortization of software

The amortization of software primarily reflects costs associated with the company's proprietary trading platform, Cap it All. During the year, this platform was transferred to affiliate company Mondeum Technologies Limited, the company's primary technology division. As a result, amortization expenses decreased from $10.5 million in 2023 to $6.6 million in 2024.

Financial Performance cont'd

Balance Sheet Discussion

Metric TT$ MM	2024	2023	2022
Total Assets	118.8	152.7	216.0
Client Funds	22.6	35.7	69.5
Equity	8.9	20.9	50.7

Total Assets

As of May 31, 2024, the Company's total assets amounted to $118.8 million, representing a decrease of $33.9 million, or 22.2%, from the prior year. This reduction was primarily attributable to a decline in cash and cash equivalents and a decrease in client deposits, partially mitigated by an increase in amounts receivable from related parties.

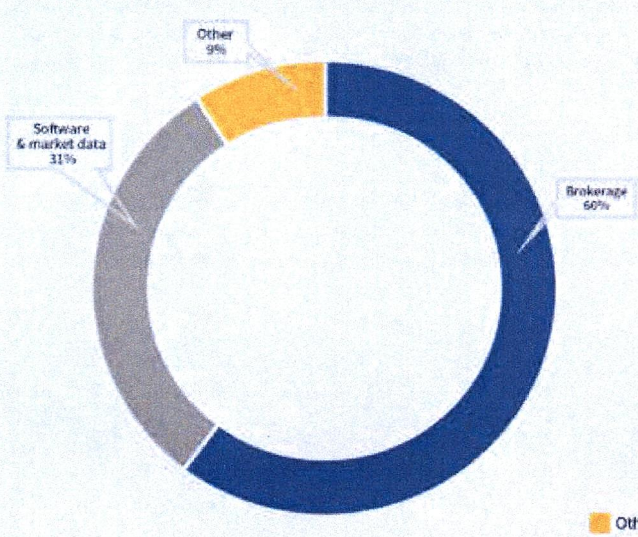
Client Funds

Client funds of $22.6 million decreased by $13.1 million, from the effects of lower market activity driven by inflation and interest rate hikes.

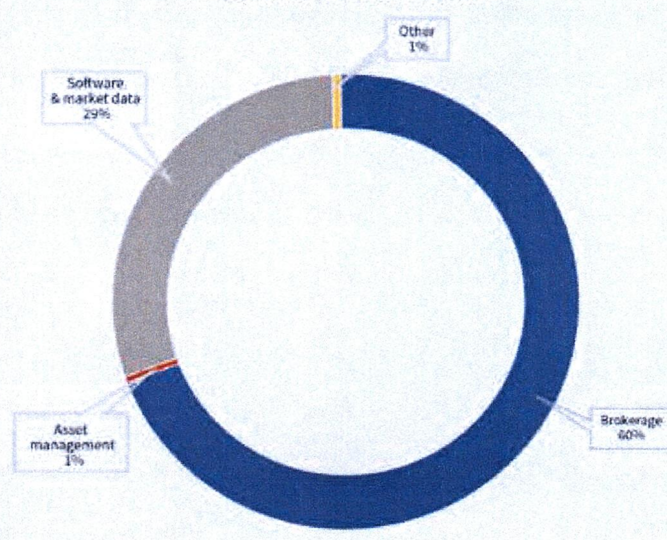
Total Equity

Total equity at May 31, 2024 stood at $8.9 million, a decrease by $12.0 million or 57.4% from prior year, driven by the net effect of net losses.

Revenue breakdown 2024



Revenue breakdown 2023



Other
Software & Market Data
Brokerage
Asset Management

Appendix

PKF

Chartered Accountants
& Business Advisors

PKF LIMITED

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

UNCONSOLIDATED FINANCIAL STATEMENTS

31 MAY 2024

PKF
Chartered Accountants
& Business Advisors
PKF LIMITED

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

INDEX

Capital Markets
ELITE GROUP™

Capital Markets Elite Group (Trinidad and Tobago) Limited

Management is responsible for the following:

- preparing and fairly presenting the accompanying financial statements of Capital Markets Elite Group (Trinidad and Tobago) Limited, which comprise the statement of financial position as at 31 May 2024, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of material accounting policies and other explanatory information;

- ensuring that the Company keeps proper accounting records;

- selecting appropriate accounting policies and applying them in a consistent manner;

- implementing, monitoring and evaluating the system of internal control that assures security of the company's assets, detection/prevention of fraud, and the achievement of Company's operational efficiencies;

- ensuring that the system of internal control operated effectively during the reporting year;

- producing reliable financial reporting that comply with laws and regulations, including the Companies Act 1995; and

- using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where the IFRS Accounting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the reporting date; or 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.

Yours sincerely

Mr. Duke Pollard Managing Director 30 August 2024	**Gerald Vincent** Senior Manager – Finance and Brokerage 30 August 2024

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Capital Markets Elite Group (Trinidad and Tobago) Limited

Opinion

We have audited the unconsolidated financial statements of Capital Markets Elite Group (Trinidad and Tobago) Limited, which comprise the unconsolidated statement of financial position as at 31 May 2024, the unconsolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of Capital Markets Elite Group (Trinidad and Tobago) Limited as at 31 May 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

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 Unconsolidated Financial Statements* section of our report. We are independent of Capital Markets Elite Group (Trinidad and Tobago) Limited 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 the Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing Capital Markets Elite Group (Trinidad and Tobago) Limited'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 Capital Markets Elite Group (Trinidad and Tobago) Limited or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing Capital Markets Elite Group (Trinidad and Tobago) Limited's financial reporting process.

Telephone: (868) 235-5063
Address: 111 Eleventh Street, Barataria, Trinidad, West Indies
Mailing Address: PO Box 10205, Eastern Main Road, San Juan

Directors: Renée-Lisa Philip Mark K. Superville Jenine Felician-Romain Darcel Corbin

INDEPENDENT AUDITORS' REPORT (Cont'd)

Auditors' Responsibilities for the Audit of the unconsolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated 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 unconsolidated 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 Capital Markets Elite Group (Trinidad and Tobago) Limited'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 Capital Markets Elite Group (Trinidad and Tobago) Limited's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated 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 Capital Markets Elite Group (Trinidad and Tobago) Limited to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Capital Markets Elite Group (Trinidad and Tobago) Limited, to express an opinion on the unconsolidated financial statements. We are responsible for the direction, supervision and performance of Capital Markets Elite Group (Trinidad and Tobago) Limited audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors 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.

Other Matters
The previous year's accounts were audited by another firm of Chartered Accountants. The Independent Auditor's Report on the financial statements as at and for the year ended 31 May 2023 was dated 14 September 2023 and contained an Unqualified Auditors Opinion.

PKF

Barataria
TRINIDAD
30 August 2024

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	31 May 2024 $	31 May 2023 $
Non-Current Assets			
Property, plant and equipment	5	4,165,950	4,048,188
Intangible assets	7	363,220	24,094,305
Deferred tax asset	17	16,552,384	14,422,984
Amounts due from related parties	8	23,814,757	23,319,965
Total Non-Current Assets		44,896,311	65,885,442
Current Assets			
Amounts due from related parties	8	47,301,299	43,214,329
Trade and other receivables	9	334,196	4,520,873
Cash and short-term funds	10	3,695,603	3,357,296
Client deposits	10	22,609,487	35,740,597
Total Current Assets		73,940,585	86,833,095
Total Assets		**118,836,896**	**152,718,537**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity			
Stated capital	11	6,240,025	6,240,025
Translation reserve		(2,240,055)	(1,874,229)
Retained earnings		4,911,224	16,556,689
Total Shareholders' Equity		8,911,194	20,922,485
Non-Current Liabilities			
Taxation		19,053,877	17,455,687
Borrowings	12	722,564	859,896
Lease liability	6	1,047,426	170,081
Deferred tax liability	17	21,530	1,493,554
Amounts due to related parties	8	778,563	18,136,614
Total Non-Current Liabilities		21,623,960	38,115,832
Current Liabilities			
Lease liability	6	1,066,770	773,737
Bank overdraft	10	2,104,066	1,982,877
Client funds	10	22,609,487	35,740,597
Trade and other payables	13	62,265,900	54,999,718
Borrowings	12	149,185	141,915
Taxation		106,334	41,376
Total Current Liabilities		88,301,742	93,680,220
Total Liabilities		109,925,702	131,796,052
Total Shareholders' Equity and Liabilities		**118,836,896**	**152,718,537**

These financial statements were approved by the Board of Directors and authorized for issue on 30 August 2024 and signed on their behalf by:

Director **Director**

(The accompanying notes on pages 9 to 38 form an integral part of these financial statements)

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	For the year ended 31 May 2024 $	2023 $
Revenue			
Brokerage income	14	25,400,753	54,517,228
Trading revenue	15	-	(1,158,936)
Total revenue		25,400,753	53,358,292
Cost of sales		(14,022,335)	(33,678,541)
Gross profit		11,378,418	19,679,751
Other income		158,329	224,162
		11,536,747	19,903,913
Expenses			
Amortization of computer software		6,638,505	10,511,069
Bank charges		1,343,799	2,226,782
Depreciation		815,487	1,131,902
Depreciation - right of use asset		1,586,460	3,840,580
Finance costs	16	2,050,587	2,800,346
General and administrative expenses		1,449	860,577
Legal and professional fees		2,414,856	5,775,042
License fees and subscriptions		80,177	55,056
Management fees		8,320,324	13,735,372
Marketing expenses		409,544	1,073,003
Motor vehicle expenses		107,216	126,151
Loss allowance		(3,280,488)	(3,620,466)
Relocation expenses		14,750	5,738
Rent		340,478	1,448,472
Staff costs		2,638,602	3,182,998
Telephone and internet		451,466	646,186
Business development		795,450	1,816,511
Information technology expenses		1,762,936	10,013,881
		26,491,598	55,629,200
Loss before tax		(14,954,851)	(35,725,287)
Taxation	17	3,309,386	9,245,964
Net loss after tax		(11,645,465)	(26,479,323)
Other comprehensive income:			
Foreign currency translation (loss)/gain		(365,826)	78,890
Total comprehensive loss for the year		**(12,011,291)**	**(26,400,433)**

(The accompanying notes on pages 9 to 38 form an integral part of these financial statements)

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

STATEMENT OF CHANGES IN EQUITY

	Stated capital $	Translation reserve $	Retained earnings $	Total $
Balance, 1 June 2023	6,240,025	(1,874,229)	16,556,689	20,922,485
Total comprehensive loss for the year	-	(365,826)	(11,645,465)	(12,011,291)
Balance, 31 May 2024	**6,240,025**	**(2,240,055)**	**4,911,224**	**8,911,194**
Balance, 1 June 2022	6,240,025	(1,953,119)	46,431,012	50,717,918
Dividends paid	-	-	(3,395,000)	(3,395,000)
Total comprehensive loss for the year	-	78,890	(26,479,323)	(26,400,433)
Balance, 31 May 2023	**6,240,025**	**(1,874,229)**	**16,556,689**	**20,922,485**

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

UNCONSOLIDATED STATEMENT OF CASH FLOWS

	For the year ended 31 May 2024 $	2023 $
Operating Activities:		
Loss before tax	(14,954,851)	(35,725,287)
Adjustment for:		
Loss on disposal of property, plant and equipment	2,669	43,925
Depreciation	7,453,992	11,642,970
Depreciation – RoUA's	1,586,460	3,840,580
Foreign exchange adjustment	(365,826)	78,890
Interest portion of lease payment	187,428	314,867
Expected credit loss	(3,280,488)	(3,620,467)
Changes in working capital items:	(9,370,616)	(23,424,522)
Net change in trade and other receivables	7,467,165	3,614,168
Net change in amounts due from related parties	(4,581,762)	(10,331,224)
Net change in trade and other payables	8,864,374	11,517,718
Taxation paid (net of refund)	(227,080)	(2,196,626)
Cash provided by/(used in) Operating Activities	2,152,081	(20,820,486)
Investing Activities:		
Net change in intangible assets	17,092,580	6,272,322
Proceeds of disposal of property, plant and equipment	188,581	293,163
Additions to property, plant and equipment	(2,710,959)	(1,305,527)
Cash provided by Investing Activities	14,570,202	5,259,958
Financing Activities:		
Net change in amounts due to related parties	(17,358,051)	834,882
Interest portion of lease payments	(187,428)	(314,867)
Principal portion of lease payments	1,170,377	(11,737,647)
Dividends paid	-	(3,395,000)
Net change in borrowings	(130,062)	(113,744)
Cash used in Financing Activities	(16,505,164)	(14,726,376)
Net change in cash resources	217,119	(30,286,904)
Cash and cash equivalent, beginning of year	1,374,418	31,661,322
Cash and cash equivalent, end of year	**1,591,537**	**1,374,418**
Represented by:		
Cash and short-term funds	3,695,603	3,357,295
Bank overdraft	(2,104,066)	(1,982,877)
	1,591,537	**1,374,418**

(The accompanying notes on pages 9 to 38 form an integral part of these financial statements)

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

31 MAY 2024

1. **Incorporation and Principal Activity:**

Capital Market Elite Group (Trinidad and Tobago) Limited ("CMEG (T&T) Ltd") was incorporated on 5 July 2013, in the Republic of Trinidad and Tobago under the Companies Act 1995, as a private limited liability company.

CMEG (T&T) Ltd, through the Trinidad and Tobago Securities and Exchange Commission is an authorised broker-dealer principal under Section 51 (I) of the Securities Act 2012.
The principal activities of CMEG (T&T) Ltd include investment trading and asset management services. These activities are grouped into the following service lines:

- Online Brokerage – facilitating the execution of equity trades requested by clients online
- Investment Advisory – providing customers with fund management services

On 7 April 2020 CMEG (T&T) Ltd was restructured and a holding company, Mondeum Investment Group Limited, was formed in the jurisdiction of St. Lucia. The shareholders of Capital Markets Elite Group (Trinidad & Tobago) Limited surrendered their shareholdings and the authorized share capital was subsequently issued to Mondeum Investment Group Limited, resulting in Mondeum Investment Group Limited becoming the parent of CMEG (T&T) Ltd. The shareholders of Capital Markets Elite Group (Trinidad and Tobago) Limited became shareholders of Mondeum Investment Group Limited in the same proportion of the shareholding held as at the date of surrender of their respective shareholding.

2. **Summary of Material Accounting Policies:**

(a) **Basis of preparation -**

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB").

CMEG (T&T) Ltd's financial statements have been prepared on an accrual basis and under the historical cost convention. Monetary amounts are expressed in Trinidad and Tobago dollars ("TT$") and are rounded to the nearest dollar.

(b) **New Accounting Standards and Interpretations -**

i. CMEG (T&T) Ltd has applied the following standard that has been issued and effective as they do apply to the activities of the company:

Effective for annual periods beginning on or after 1 January 2023

IAS 1 - Presentation of Financial Statements -
Amendments regarding the disclosure of accounting policies. Capital Markets Elite Group (Trinidad and Tobago) Limited is now required to disclose its accounting policy information instead of its accounting policies. The amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial. The amendments also indicates that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

31 MAY 2024

2. Summary of Material Accounting Policies – (Cont'd):

(b) New Accounting Standards and Interpretations (cont'd) -

ii. Capital Markets Elite Group (Trinidad and Tobago) Limited has not applied the following standards, revised standards and interpretations that have been issued and are effective as they:

- do not apply to the activities of Capital Markets Elite Group (Trinidad and Tobago) Limited; or
- have no material impact on its financial statements.

Effective for annual periods beginning on or after 1 January 2023

IFRS 4	Insurance Contracts - Amendments regarding IFRS 17 and the extension of the temporary exemption from applying IFRS 9
IFRS 17	Insurance Contracts
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates
IAS 12	Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations
IAS 12	Income Taxes – Amendments to introduce an exception to the requirements in the standard that an entity does not recognise and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes

iii. The company has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective as they:

- do not apply to the activities of the company;
- have no material impact on its financial statements; or
- have not been early adopted by the entity.

Effective for annual periods beginning on or after 1 January 2024

IFRS 16	Leases - Amendments clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale
IAS 1	Presentation of Financial Statements - Amendments regarding non-current liabilities with covenants
IAS 7	Statement of Cash Flows – Amendments to address disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a Group's liabilities, cash flows and exposure to liquidity risk

Effective for annual periods beginning on or after 1 January 2025

IAS 21	Effects of Changes in Foreign Exchange rates – Amendments to lack of exchange ability

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

(c) Foreign currency translation -

i Functional and presentation currency

CMEG (T&T) Ltd's functional currency is United States dollars ("US$") as most revenue and cost of sales are generated and expensed in US$. The company applies the translation procedures applicable to the functional currency in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

The financial statements are presented in Trinidad and Tobago dollars ("the presentation currency") for local reporting purposes.

ii Foreign currency transactions and balances

Applicable balances in the statement of financial position have been translated into the presentation currency using exchange rates in effect at the reporting date. The statement of comprehensive income amounts has been translated into the presentation currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate) and the average exchange rates for the year where applicable.

For the reporting period, foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in other comprehensive income.

(d) Property, plant and equipment -

Property, plant and equipment are initially recognised at acquisition cost including any costs directly operating in the manner intended by the company's management. All property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation is recognised on a diminishing balance basis at rates designed to write down the cost less estimated residual value of property, plant and equipment over their estimated useful lives as follows:

Motor vehicles	25%
Office equipment and signage	25%
Furniture and fixtures	10%
Computers	33.3%

Leasehold property and leasehold improvements are depreciated on a straight-line basis over the relevant lease term.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

2. **Summary of Material Accounting Policies (Cont'd):**

(d) Property, plant and equipment (cont'd) -

In the case of right-of-use assets, expected useful lives are determined by reference to comparable owned assets or the lease term, if shorter. Material residual value estimates and estimates of useful life are updated as required, but at least annually. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

(e) Intangible assets -

Expenditure on the research phase of projects to develop new customised software for information technology is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably;
- the project is technically and commercially feasible;
- the company intends to and has sufficient resources to complete the project;
- the company has the ability to use or sell the software; and
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs incurred on software development along with an appropriate portion of relevant overheads and borrowing costs.

Subsequent measurement

All finite-lived intangible assets, including capitalised internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a reducing balance basis at 33.3%. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing.
Any capitalised developed software that is not yet complete is not amortised but is subject to impairment testing.

Amortisation has been included within depreciation, amortisation and impairment of non-financial assets.

Subsequent expenditures on the maintenance of computer software are expensed as incurred. When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset and is recognised in profit or loss within other income or other expenses.

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

(f) Leased assets -

IFRS 16 *Leases* replaced IAS 17 *Leases* along with three Interpretations (IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC 15 *Operating Leases-Incentives* and SIC 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*) for accounting periods starting after 1 January 2019.

Accordingly, for any new contracts entered into on or after June 1, 2019, the company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the company assesses whether the contract meets three key evaluations which are whether:

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

Measurement and recognition of leases as a lessee

At lease commencement date, the company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

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

At the commencement date, the company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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

(f) Leased assets (cont'd) -

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

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and intangible assets and finance lease liabilities are disclosed separately under current and non-current liabilities.

Finance leases

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the company obtains ownership of the asset at the end of the lease term.

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interests. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

See **Note 2 (b)** for the depreciation methods and useful lives for assets held under finance leases. The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease.

Operating leases

All other leases are treated as operating leases. Where the company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(g) Cash and short-term funds -

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Trade and other receivables -

Trade receivables consist of commissions and fees receivable from clients. Other receivables consist of prepayments, loans receivable, tax refundable and service and security deposits. The company's trade and other receivables in the comparative periods have been reviewed for indicators of impairment.

Note 4 (b) includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses.

2. **Summary of Material Accounting Policies (Cont'd):**

(i) Financial instruments -

Recognition and derecognition

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

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

Financial assets are classified into the following categories:

- amortised cost.
- fair value through profit or loss (FVTPL).

The classification is determined by both:

- the company's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, other income, except for impairment of trade receivables which is presented within expenses.
Subsequent measurement of financial assets

Financial assets at amortised cost.

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

(i) Financial instruments (cont'd) -

Financial assets at fair value through profit or loss (FVTPL)

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

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.
Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost, trade receivables and loan commitments.

CMEG (T&T) Ltd recognises credit losses by considering a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and

- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second and third category.

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

Trade and other receivables

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

CMEG (T&T) Ltd assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, they have been grouped based on the days past due.

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

31 MAY 2024

2. **Summary of Material Accounting Policies (Cont'd):**

(i) Financial instruments (cont'd) -

Classification and measurement of financial liabilities

CMEG (T&T) Ltd's financial liabilities include borrowings, trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the company's designated a financial liability at fair value through profit or loss.

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

(j) Equity, reserves and dividend payments -

Stated capital represents the nominal value of shares that have been issued.

Retained earnings includes all current and prior period retained profits.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

(k) Client funds and deposits -

Client funds are funds obtained, while carrying on investment business which the company receives and holds on behalf of clients. These funds include cash and equity instruments maintained with regulated clearing institutions.

The company recognises client funds received as an asset and an associated liability. Client deposits and the associated liabilities are recognised when the definitions of an asset and liability contained in the Conceptual Framework for Financial Reporting (2018) are met.

(l) Provisions, contingent assets and contingent liabilities -

Provisions for legal disputes, onerous contracts or other claims are recognised when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic resources will be required from the company and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the company is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

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

(m) Revenue -

Revenue arises mainly from commission earned from online investment brokerage services provided to customers.

To determine whether to recognise revenue, CMEG (T&T) Ltd follows a 5-step process:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognising revenue when/as performance obligation(s) are satisfied.

The company often enters into transactions involving a range of products and services, for example for the execution of equity trades, and the provision of asset management services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

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

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

Trading revenue includes revenue arising from leveraged derivatives. Revenue from leveraged derivatives business represents gains and losses for the company arising on trading activity. The company hedges the risk associated with the client trading activity and the company's, together with gains and losses incurred by the company arising on hedging activity.

Open client and hedging positions are fair valued on a daily basis and gains and losses arising on this valuation are recognised in revenue as well as gains and losses realised on positions that have closed. The policies and methodologies associated with the determination of fair value are disclosed in **Note 16**, Trading revenue.

(n) Operating expenses -

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

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

(o) Taxation -

(i) Current tax

The tax expense for the period comprises current and deferred tax. Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred income taxes are calculated using the balance sheet liability method.

Deferred tax liabilities are generally recognised in full, although IAS 12 *Income Taxes* specifies limited exemptions. As a result of these exemptions the company does not recognise deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries.

(p) Comparative figures -

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

3. Critical Accounting Estimates and Judgements:

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are the judgements made by management in applying the accounting policies of the company that have the most significant effect on the financial statements.

(i) Capitalisation of internally developed software

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

(ii) Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

31 MAY 2024

4. **Financial Risk Management:**

Risk management objectives and policies

The company is exposed to various risks in relation to financial instruments. The company's financial assets and liabilities by category are summarised below. The main types of risks are market risk, credit risk and liquidity risk. The company's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term strategic investments are managed to generate lasting returns.

The company does not write options.

(a) **Market risk analysis -**

The company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Foreign currency sensitivity

Most of the company's transactions are carried out in US$. Exposures to currency exchange rates arise from the company's sales and purchases, which are primarily denominated in US$. The company also holds US$ cash and cash equivalents. To mitigate the company's exposure to foreign currency risk, non-TT$ cash flows are monitored, and foreign currency exchanges are entered in accordance with the company's risk management policies. Generally, the company's risk management procedures distinguish short-term foreign currency cash flows (due within six months) from longer-term cash flows (due after six months).

Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no hedging activity is undertaken.

Foreign currency denominated financial assets and liabilities which expose the company to currency risk are disclosed below. The amounts shown are those reported to key management translated into TT$ at the closing rate:

	Short-term exposure US$	Long-term exposure US$
2024		
Financial assets	533,935	-
Financial liabilities	(3,360,257)	-
Total exposure	(2,826,322)	-
2023		
Financial assets	498,966	-
Financial liabilities	(5,311,822)	-
Total exposure	(4,812,856)	-

4. Financial Risk Management (Cont'd):

(a) Market risk analysis (cont'd) -

The table below illustrates the sensitivity of profit and equity with regards to CMEG (T&T) Ltd's financial assets and financial liabilities and the USD/TTD exchange rate 'all other things being equal'. It assumes a +/- 1% change of the TTD/USD exchange rate for the year ended 31 May 2023 (2023: 1%).

This percentage has been determined based on the average market volatility in exchange rates in the previous twelve months. The sensitivity analysis is based on the company's foreign currency financial instruments held at each reporting date.

	Profit for the year US$	Equity US$
Total exposure		
2024	+/- (28,263)	-
2023	+/- (48,129)	-

Interest rate sensitivity

The company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At 31 May 2023, the company is exposed to changes in market interest rates through bank borrowings at fixed interest rates. The exposure to interest rates for the company's money market funds is considered immaterial.

(b) Credit risk analysis -

Credit risk is the risk that a counterparty fails to discharge an obligation to the company. The company is exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables.

Credit risk management

The credit risk is managed on an entity-basis based on the company's credit risk management policies and procedures.

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits and are only with major reputable financial institutions.

The company faces the risk that either a client or a financial counterparty fails to meet their obligations to Capital Markets Elite Group (Trinidad and Tobago) Limited, resulting in a financial loss. As a result of offering leveraged trading products, CMEG (T&T) Ltd accepts that client credit losses can arise as a cost of its business model. Client credit risk principally arises when a client's total funds deposited with the company are insufficient to cover any trading losses incurred. In addition, a small number of clients are granted credit limits to cover running losses on open trades and margin requirements. Client credit risk is managed through the application of the company's Client Credit Risk Policy.

4. **Financial Risk Management (Cont'd):**

(b) Credit risk analysis (cont'd) -

The business further mitigates client credit risk through the real-time monitoring of client positions via the close-out monitor (COM), and by giving clients the ability to set a level at which an individual

deal will be closed (the 'stop' level or 'guaranteed stop' level). The COM automatically identifies accounts that have breached their liquidation thresholds and triggers an automated liquidation process of positions on those accounts.

Where client losses are such that their total equity falls below the specified liquidation level, positions will be liquidated to bring the account back on-side, resulting in reduced credit risk exposure for the company. This market risk arises following the closure of a client position, as the company may hold a corresponding hedging position that will, assuming sufficient market liquidity, be unwound.

The company continuously monitors the credit quality of customers based on a credit rating scorecard. Where available, external credit ratings and/or reports on customers are obtained and used. The company's policy is to deal only with credit worthy counterparties. The credit terms range between 30 and 90 days. The credit terms for customers as negotiated with customers are subject to an internal approval process which considers the credit rating scorecard. The ongoing credit risk is managed through regular review of aging analysis, together with credit limits per customer.

Brokerage customers are required to pay brokerage commissions upon the execution of transactions, mitigating the credit risk involved in this business line.

Trade receivables

The company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for services over the past 48 months before 31 May 2024 and 1 June 2022 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The company has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and according adjusts historical loss rates for expected changes in these factors. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 90 days from the transaction date and failure to engage with the company on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

31 MAY 2024

4. **Financial Risk Management (Cont'd):**

(b) Credit risk analysis (cont'd) -

Liquidity risk is that the company might be unable to meet its obligations. The company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting period. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets. The company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The company's existing cash resources and trade receivables is marginally exceeded by the current cash outflow requirements.

(c) Liquidity risk analysis -

As at 31 May 2024, CMEG (T&T) Ltd's non-derivative financial liabilities have contractual maturities.

This compares to the maturity of CMEG (T&T) Ltd's non-derivative financial liabilities in the previous reporting periods as follows:

2024	**Current**		**Non-Current**		
	Within 6 months $	**6-12 months $**	**1 to 5 years $**	**Later than 5 years $**	**Total $**
Bank borrowings	74,592	74,593	722,564	-	871,749
Bank overdraft	2,104,066	-	-	-	2,104,066
Trade and other payables	62,265,900	-	-	-	62,265,900
Total	**64,444,558**	**74,593**	**722,564**	**-**	**65,241,715**

2023	**Current**		**Non-Current**		
	Within 6 months $	**6-12 months $**	**1 to 5 years $**	**Later than 5 years $**	**Total $**
Bank borrowings	70,957	70,958	764,369	95,527	1,001,811
Bank overdraft	1,982,877	-	-	-	1,982,877
Trade and other payables	52,304,318	2,695,400	-	-	54,999,718
Total	**54,358,152**	**2,766,358**	**764,369**	**95,527**	**57,984,406**

4. **Financial Risk Management (Cont'd):**

(d) Capital management policies and procedures -

CMEG (T&T) Ltd's capital management objectives are:

- to ensure the company's ability to continue as a going concern.
- to provide an adequate return to shareholders by pricing products and services in a way that reflects the level of risk involved in providing those goods and services.

The company monitors capital based on the carrying amount of equity, less cash and cash equivalents as presented in the statement of financial position. Management assesses the company's capital requirements to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the company's various classes of debt. The company manages the capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

31 MAY 2024

5. Property, Plant and Equipment:

	Motor Vehicles $	Office equipment and signage $	Furniture & fixtures $	Computers $	Leasehold property and improvements $	Total $
Cost						
Balance, 1 June 2023	3,033,669	494,058	1,060,383	2,758,100	3,803,913	11,150,123
Additions	-	-	-	-	2,710,959	2,710,959
Disposals	-	-	(237,019)	(78,113)	-	(315,132)
Balance, 31 May 2024	3,033,669	494,058	823,364	2,679,987	6,514,872	13,545,950
Accumulated depreciation						
Balance, 1 June 2023	1,706,855	359,025	361,243	1,799,552	2,875,260	7,101,935
Depreciation	331,703	84,274	69,914	323,456	1,592,600	2,401,947
Disposals	-	-	(71,245)	(52,637)	-	(123,882)
Balance, 31 May 2024	2,038,558	443,299	359,912	2,070,371	4,467,860	9,380,000
Net book value						
Balance, 31 May 2024	**995,111**	**50,759**	**463,452**	**609,616**	**2,047,012**	**4,165,950**
Balance, 31, May 2023	**1,326,814**	**135,033**	**699,140**	**958,548**	**928,653**	**4,048,188**

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

31 MAY 2024

5. Property, Plant and Equipment (Cont'd):

	Motor Vehicles $	Office equipment and signage $	Furniture & fixtures $	Computers $	Leasehold property and improvements $	Total $
Cost						
Balance, 1 June 2022	3,033,669	508,847	1,156,533	2,758,681	7,820,585	15,278,315
Additions	-	-	11,323	10,988	1,283,216	1,305,527
Disposals	-	(14,789)	(107,473)	(11,569)	(5,299,888)	(5,433,719)
Balance, 31 May 2023	3,033,669	494,058	1,060,383	2,758,100	3,803,913	11,150,123
Accumulated depreciation						
Balance, 1 June 2022	1,264,584	251,466	307,805	1,321,907	4,829,391	7,975,153
Depreciation	442,271	114,665	85,670	484,977	3,095,830	4,223,413
Disposals	-	(7,106)	(32,232)	(7,332)	(5,049,961)	(5,096,631)
Balance, 31 May 2023	1,706,855	359,025	361,243	1,799,552	2,875,260	7,101,935
Net book value						
Balance, 31 May 2023	1,326,814	135,033	699,140	958,548	928,653	4,048,188
Balance, 31, May 2022	1,769,085	257,381	848,728	1,436,774	2,991,194	7,303,162

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

31 MAY 2024

5. Property, Plant and Equipment (Cont'd):

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

	31 May 2024	31 May 2023
	$	$
Leasehold property	2,042,400	850,547
Office equipment	-	67,354
	2,042,400	**917,901**
Intangible assets	-	-
Total right-of-use assets	**2,042,400**	**917,901**

6. Leases:

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

	31 May 2024	31 May 2023
	$	$
Current	1,066,770	773,737
Non-current	1,047,426	170,081
Total	**2,114,196**	**943,818**

The company has leases for two floors of an office building in Port of Spain and a lease for an apartment in the United States which is retained for the use of executives while away on official duties. A three-year lease for office equipment used in the company's operations ended during the current reporting period. Except for short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of company sales) are excluded from the initial measurement of the lease liability and asset. The company classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see **Note 2 (b)**).

Each lease generally imposes a restriction that, unless there is a contractual right for the company to sublet the asset to another party, the right-of-use asset can only be used by the company. Property leases are renewable for a further two years from lease expiration. The company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings, the company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the company incurs maintenance fees on such items in accordance with the lease contracts.

Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of company sales) are excluded from the initial measurement of the lease liability and asset. The company classifies its right-of-use assets in a consistent manner to its intangible assets.

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

31 MAY 2024

6. **Leases (Cont'd):**

The table below describes the nature of the company's leasing activities by type of right-of-use asset recognised on the Statement of Financial Position:

Right-of-use asset	No of right-of-use-assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with options to purchase	No of leases with variable payments linked to an index	No of leases with termination options
Leasehold property	2	3	3	2	-	-	2

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 May 2024 were as follows:

	Minimum lease payments due Within 1 year $	1-5 years $	5-10 years $	Total $
31 May 2024				
Lease payments	1,173,338	1,085,718	-	2,259,056
Finance charges	(106,568)	(38,292)	-	(144,860)
Net present values	**1,066,770**	**1,047,426**	-	**2,114,196**
31 May 2023				
Lease payments	809,354	171,107	-	980,461
Finance charges	(35,617)	(1,026)	-	(36,643)
Net present values	**773,737**	**170,081**	-	**943,818**

Lease payments not recognised as a liability

The company has elected not to recognise a lease liability for short term leases (leases with an expected term of twelve (12) months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

Variable lease payments expensed on the basis that they are not recognised as a lease liability include common area maintenance charges on the property based on maintenance costs from the use of the underlying asset. Variable lease payments are expensed in the period they are incurred. Total cash outflow for variable leases for the year ended 31 May 2024 was **$262,961** (2023: **$1,448,472**).

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

31 MAY 2024

6. **Leases (Cont'd):**

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

	Carrying amount (Note 5) $	Depreciation/ amortization expense $	Impairment $
Leasehold property	2,042,400	1,519,105	-
Office equipment	-	67,355	-
Total right-of-use assets	**2,042,400**	**1,586,460**	-

7. **Intangible Assets:**

Details of the company's other intangible assets include capitalised website costs and their carrying amounts are as follows:

	31 May 2024 $	31 May 2023 $
Gross carrying amount		
Balance, 1 June	39,576,592	47,802,004
Foreign currency translation	(40,602)	40,602
Work-in-progress	1,680,812	2,773,613
Disposal of software asset	(39,612,424)	-
Disposal of software lease	-	(11,039,627)
Balance, 31 May	1,604,378	39,576,592
Amortisation and impairment		
Amortisation		
Disposal	1,241,158	15,482,287
	-	-
Balance, 31 May	1,241,158	15,482,287
Carrying amount, 31 May	**363,220**	**24,094,305**

The capitalised website costs are amortised at a rate of 33.3% on a reducing balance basis. All amortisation and impairment charges are included within depreciation, amortisation and impairment of non-financial assets. During the financial year, the Cap-it-All trading platform was transferred at net book value to Capital Markets Elite Group (Trinidad and Tobago) Limited's BVI based technology company – Mondeum Technologies. At the time of transfer, the platform was functional and economically viable and remains in use at various companies across the group.

7. Intangible Assets (Cont'd):

Work in progress

During the financial year, the company invested in the technological enhancement of its operations. For the period under review, the company spent **$1,680,812** (2023: **$16,777,579**) further developing the Cap-it-All trading platform and its associated risk management and order management which was transferred from work in progress to software assets.

8. Related Party Balances and Transactions:

	31 May 2024 $	31 May 2023 $
a) Amounts due from related parties -		
Capital Markets Elite Company (BVI) Limited	5,116,702	2,218,087
Capital Markets Elite Company (Cayman) Limited	-	-
MISC Property Management Company Limited	130	130
Mondeum Financial Holdings LLC	6,581,070	4,222,489
Mondeum International Service Centre Limited	-	961,286
Mondeum Investment Group Limited	55,120,676	52,393,174
Due from directors	4,196,957	5,915,330
Capital Markets Elite Company (Australia) Limited	32,416	30,832
Capital Markets Elite Company (UK) Limited	-	724,692
Due from shareholder	68,105	68,274
	71,116,056	66,534,294

	31 May 2024 $	31 May 2023 $
Non-current portion	**23,814,757**	**23,319,965**
Current portion	**47,301,299**	**43,214,329**
	71,116,056	66,534,294

These loans are unsecured and with no fixed terms of repayment. The balance includes a loan of **$15,301,597** (2023: **$17,162,659**) receivable from Mondeum Investment Group on which interest of 1% per annum is charged.

The settlement of related party transactions, specifically those due from MIG, represents the largest outstanding amount to the organization. During the reporting period, the facility was partially settled by dividends from subsidiary broker/dealer CapitalMEG Cayman and Mondeum Technologies Limited. For the upcoming period its expected that this balance would be serviced by funds being injected through an Investor loan Note issued by the parent company Mondeum Investment Group Limited.

The estimated value of this Private Placement is **$21,000,000** with a targeted close date of 30 September 2024. As at 31 May 2024 'Amount due from related party was **$55,490,759** and is expected to be reduced to **$34,490,759** following these initiatives.

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

31 MAY 2024

8. Related Party Balances and Transactions (Cont'd):

	31 May 2024 $	31 May 2023 $
b) Amounts due to related parties -		
Mondeum Investment Group Limited – Private placement	-	10,382,044
Capital Markets Elite Group (Cayman) Limited	-	7,000,500
Due to directors	104,363	90,970
Loans from investors	674,200	663,100
	778,563	18,136,614

The loans from investors are unsecured with no fixed terms of repayment. Interest is paid to investors at 5% per annum.

c) Key management compensation -

Key management of the company consist of the executive members of the Capital Markets Elite Group (Trinidad and Tobago) Limited board of directors and members of the senior management. Key management personnel remuneration includes the following expenses:

	31 May 2024 $	31 May 2023 $
Short-term employee benefits	1,066,747	2,083,441

d) Related party transactions -

	2024 $	2023 $
(i) Consultancy fees		
Ventuos Investments (Trinidad and Tobago) Limited	1,018,570	1,018,081
Directors	-	1,015,718
	1,018,570	2,033,799
(ii) Director fees	149,380	223,943
(iii) Management fees		
Mondeum International Service Centre Limited	8,320,324	13,735,372

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

31 MAY 2024

9. Trade and Other Receivables:

	31 May 2024 $	31 May 2023 $
Funds receivable from clients	-	6,246,662
Loss allowance	-	(3,280,487)
	-	2,966,175
Loans receivable	-	77,100
Prepayments	292,322	1,423,677
Tax refundable	10,610	10,610
Service and security deposits	31,264	43,311
	334,196	4,520,873

As of 1 May 2023, trade and other receivables amounted to $4,520,873. This aggregate includes net funds receivable from clients totalling $2,966,175. In the subsequent reporting period, May 2024, these net funds receivable were reclassified under client funds/deposits, as they represent amounts due to the Fund.

The reclassification from trade and other receivables to client funds/deposits was necessitated by a reassessment of the nature flows associated with these amounts, ensuring compliance with IFRS 15's requirements for revenue recognition and the presentation of contract balances. See **Note 21.**

10. Cash and Cash Equivalents:

a) Cash and short-term funds

	31 May 2024 $	31 May 2023 $
Checking accounts – TT$	892	4,012
Checking accounts – US$	67,139	95,451
Checking accounts – GBP	6,855	7,114
Short-term deposits – TT$	3,605,695	2,586,823
Short-term deposits – US$	15,022	663,896
	3,695,603	3,357,296

10. Cash and Cash Equivalents (Cont'd):

b) Bank overdraft -

	31 May 2024 $	31 May 2023 $
Checking accounts – TT$	2,104,066	1,982,877

The company has an overdraft facility with a limit of **$2,000,000** at a current effective rate of 6.5%. This overdraft facility is secured by a fixed deposit of **$1,000,000** and a personal guarantee from two Directors of **$500,000** each. Included in Short-term deposits - TT$ are fixed deposits in the amount of **$1,400,000** (2023: **$1,400,000**) pledged as security for borrowings.

c) Client deposits and funds -

	31 May 2024 $	31 May 2023 $
Client deposits	22,609,487	35,740,597
Client funds	(22,609,487)	(35,740,597)
	-	-

The client deposits and funds include balances of **$1,567,601**, **$189,655** and **$10,269,817** (2023: **$6,044,852**, **$287,679** and **$12,473,686**) which are held on behalf of related entities Capital Markets Elite Group (Cayman), Capital Markets Elite Group (UK) and Mondeum Technologies (BVI) respectively.

11. Stated Capital:

	31 May 2024 $	31 May 2023 $
Authorised		
10,000,000 ordinary shares of no par value		
Issued and fully paid		
10,000,000 ordinary shares (2023: 10,000,000)		
Beginning of the year	6,240,025	6,240,025
Issued during the year	-	-
Redeemed during the year	-	-
At the end of the year	6,240,025	6,240,025

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

31 MAY 2024

12. Borrowings:

Borrowings include the following financial liabilities:

	Current		Non-current	
	2024	2023	2024	2023
	$	$	$	$
At amortised cost:				
Bank borrowings	149,185	141,915	722,564	859,896
	149,185	**141,915**	**722,564**	**859,896**
Fair value:				
Bank borrowings	149,185	141,915	722,564	859,896
Borrowings at amortised cost	**149,185**	**141,915**	**722,564**	**859,896**

Bank borrowings are secured by a fixed deposit of **$1,400,000** and personal guarantees from two Directors of **$1,400,000** each (2023: **$1,400,000** each). The carrying amount of the bank borrowings and due to other third parties are considered to be a reasonable approximation of the fair value. All borrowings are dominated in Trinidad and Tobago dollars. The interest rate on the borrowings is fixed at 5%.

Other financial instruments
The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

a) trade and other receivables.
b) cash and cash equivalents.
c) trade and other payables.
d) bank overdraft

13. Trade and other payables:

	31 May	
	2024	2023
	$	$
Trade payables	23,134,152	26,110,349
Accruals	669,320	471,183
Amount due to clearing firms	38,410,550	28,131,245
Other payables	51,878	286,941
	62,265,900	**54,999,718**

Trade payables are non-interest bearing and are generally settled within thirty (30) days.

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

31 MAY 2024

14. Brokerage Revenue:

In 2024, there was no material impact on the recognition of revenue from performance obligations settled from clients since these are settled instantaneously upon the execution of trading activity.

	31 May	
	2024 $	2023 $
Brokerage	15,291,057	37,740,356
Asset management	-	170,642
Software and market data	7,785,455	16,025,154
Other	2,324,241	581,076
	25,400,753	54,517,228

15. Trading Revenue:

Trading revenue represents gains and losses for the company arising on trading activity. The company engaged in no trading activity during the reporting period and so incurred neither gain nor loss for the financial year (2023: Loss - **$1,158,936**).

16. Finance Costs and Finance Income:

Finance costs for the reporting periods consist of the following:

	31 May	
	2024 $	2023 $
Interest expense for borrowings at amortised cost:		
– Other borrowings at amortised cost	2,050,587	2,800,346
Total interest expense	2,050,587	2,800,346
Finance income for the reporting periods consists of the following:		
Interest income from cash and cash equivalents	148,604	216,512
Total finance income	148,604	216,512

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

31 MAY 2024

17. Taxation:

The major components of tax expense and the reconciliation of the expected tax expense based on the effective tax rate of the company at 30% and the reported tax expense in profit or loss are as follows:

	31 May 2024 $	31 May 2023 $
a) Components of tax charge -		
Deferred tax	(3,601,425)	(9,724,332)
Green fund levy	135,022	159,456
Business levy	157,017	318,912
	(3,309,386)	(9,245,964)
b) Reconciliation of applicable tax charge to effective tax charge -		
Loss before tax	(14,954,851)	(35,725,287)
Tax at 30%	(4,486,455)	(10,717,586)
Tax effect of expenses not allowed	884,962	1,013,598
Tax effect of exempt income	68	(20,344)
Green fund levy	135,022	159,456
Business levy	157,017	318,912
Tax charge	(3,309,386)	(9,245,964)

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

31 MAY 2024

17. **Taxation (Cont'd):**

c) **Deferred tax asset/(liability) -**

	Balance 1 June $	Benefit/(charge) to statement of comprehensive income $	Balance 31 May $
31 May 2024			
Deferred tax asset			
Allowance for doubtful debts	984,146	(984,146)	-
Property, plant	-	376,766	376,766
Tax loss	13,438,838	2,736,780	16,175,618
	14,422,984	**2,129,400**	**16,552,384**
Deferred tax liability			
Property, plant and equipment	(1,486,328)	1,486,328	-
Leases	(7,227)	(14,303)	(21,530)
	(1,493,555)	**1,472,025**	**(21,530)**
31 May 2023			
Deferred tax asset			
Allowance for doubtful debts	2,070,286	(1,086,140)	984,146
Tax loss	3,005,092	10,433,746	13,438,838
	5,075,378	**9,347,606**	**14,422,984**
Deferred tax liability			
Property, plant and equipment	(1,863,658)	377,330	(1,486,328)
Leases	(6,621)	(606)	(7,227)
	(1,870,279)	**376,724**	**(1,493,555)**

18. **Dividends:**

During the financial year 2024, Capital Markets Elite Company (Trinidad and Tobago) Limited declared no dividends to its equity shareholders (2023: **$3,395,000**).

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

31 MAY 2024

19. Financial Assets and Liabilities:

Categories of financial assets and financial liabilities
The carrying amounts of financial assets and financial liabilities in each category are as follows:

	31 May 2024 $	31 May 2023 $
Financial Assets		
Trade and other receivables	334,196	4,520,873
Cash and short-term funds	3,695,603	3,357,296
Clients deposits	22,609,487	35,740,597
Amounts due from related parties	71,116,055	66,534,294
Total Assets	**97,755,341**	**110,153,060**
Financial Liabilities		
Non-current borrowings and lease liability	1,769,990	1,029,978
Current borrowings and lease liability	1,215,955	915,652
Bank overdraft	2,104,066	1,982,877
Client funds held	22,609,487	35,740,597
Taxation	19,160,211	17,497,063
Amounts due to related parties	778,563	18,136,614
Trade and other payables	62,265,900	54,999,718
Total Liabilities	**109,904,172**	**130,302,499**

A description of the company's financial instrument risks, including risk management objectives and policies is given in **Note 4**.

The methods used to measure financial assets and liabilities reported at fair value are described in **Note 2.**

20. Capital Commitments:

There were no material contractual commitments to acquire property, plant and equipment at 31 May 2024 (2023: **$Nil**).

21. Events after the Reporting Date:

As at 31 May 2024, Capital Markets Elite Group Trinidad & Tobago Limited held client funds totalling **$22,609,487** in segregated accounts, which were reported on the firm's balance sheet. On 1 June 2024, the firm sought approval from the Board of Directors to have these funds, held in a fiduciary capacity, reported off-balance sheet. This approval was granted on 15 July 2024.

In making this decision, the firm was guided by IFRS 15 'Revenue from Contracts with Customers,' which suggests that funds should be disclosed off-balance sheet if the following conditions are met:

1. **Control**: The brokerage firm acts solely as a custodian, holding the funds in segregated accounts.
2. **Inventory Risk**: The clients bear the risk associated with their own investments.
3. **Pricing Discretion**: The firm earns a fixed fee for providing custodial and trading services, without discretion over the investment returns.
4. **Performance Obligation**: The firm's responsibility is limited to executing trades as instructed by the clients.

This transition is expected to be completed by 31 August 2024.