23-SEP-10606

Grant Thornton

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

MAY 31, 2023

Grant Thornton

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2023

TABLE OF CONTENTS

Capital Markets
ELITE GROUP™

Capital Markets Elite Group
(Trinidad & Tobago) Limited.
Albion Plaza, 22-24 Victoria Avenue
Queens Park Savannah, Port of Spain
Trinidad and Tobago
T: 1 868 610 2634

www.cmelitegroup.com

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

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) ("the Company"), which comprise the statement of financial position as at May 31, 2023, the statement of comprehensive income, the statement of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the 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 operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these financial statements, management utilised the International Financial Reporting Standard as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances. Nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the reporting date; or 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.

Duke Pollard
Chief Executive Officer
September 14, 2023

Gerald Vincent
Senior Manager Finance and Brokerage
September 14, 2023

Grant Thornton

Independent Auditors' Report

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

Opinion

We have audited the financial statements of Capital Markets Elite Group (Trinidad and Tobago) Limited ("the Company"), which comprise the statement of financial position as at May 31, 2023, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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 financial statements" section of our report. We are independent of the Company in accordance with the 'International Ethics Standards Board for Accountants' Code of Ethics of Professional Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Trinidad and Tobago, and we have fulfilled our ethical responsibilities in accordance with these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in the audit of the separate financial statements of the current period. Key audit matters are selected from matters communicated with those charged with governance. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and the auditor does not provide a separate opinion on these matters.

Key Audit Matters	How our Audit Addressed the Key Audit Matters
Reclassification of prior year balances Management made reclassifications of prior year balances for the following reasons: i) Mis-allocation of client funds remitted by a related party to its related party balance and ii) Change in the treatment/disclosure of a trade and other payables balance - due to clearing firm and cash and cash equivalents.	Substantive audit procedures were performed to verify the accuracy of the reclassification journals, the existence of the reclassified balances and the completeness of the notes as detailed in Notes 4 o), 9, 11 and 14.

Independent Auditors' Report (continued)

Responsibilities of Management and those Charged with Governance for the Financial statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue the auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.
- If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report (continued)

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Giles Leung.

Grant Thornton

Grant Thornton
ORBIT Solutions
Port of Spain,
Trinidad
September 14, 2023

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED MAY 31, 2023
(Presented in Trinidad and Tobago Dollars)

	Notes	2023 $	2022 $
ASSETS			
Non-current assets			
Property, plant and equipment	6	4,048,188	7,303,162
Intangible assets	8	24,094,305	41,626,764
Deferred tax asset	18	14,422,984	5,075,378
		42,565,477	54,005,304
Current assets			
Amounts due from related parties	9	66,534,294	56,203,070
Trade and other receivables	10	4,520,873	4,514,575
Cash and cash equivalents	11	3,357,296	31,661,322
Client deposits	11	35,740,597	69,535,536
		110,153,060	161,914,503
TOTAL ASSETS		**152,718,537**	**215,919,807**
EQUITY & LIABILITIES			
Equity			
Stated capital	12	6,240,025	6,240,025
Translation reserve		(1,874,229)	(1,953,119)
Retained earnings		16,556,687	46,431,012
		20,922,483	50,717,918
Non-current liabilities			
Borrowings	13	859,896	990,682
Lease liability	7	170,082	6,889,716
Deferred tax liability	18	1,493,555	1,870,279
		2,523,533	9,750,677
Current liabilities			
Lease liability	7	773,737	5,791,750
Client funds	11	35,740,597	69,535,536
Trade and other payables	14	54,999,718	43,482,000
Borrowings	13	2,124,792	124,873
Amounts due to related parties	9	18,136,614	17,301,732
Taxation		17,497,063	19,215,321
		129,272,521	155,451,212
Total liabilities		131,796,054	165,201,889
TOTAL EQUITY AND LIABILITIES		**152,718,537**	**215,919,807**

The accompanying notes form an integral part of these financial statements

On September 14, 2023, the Board of Directors of Capital Markets Elite Group (Trinidad and Tobago) Limited authorised these financial statements for issue.

Director:

Director:

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MAY 31, 2023
(Presented in Trinidad and Tobago Dollars)

	Notes	2023	2022
		$	$
Revenue			
Brokerage income	15	54,517,228	125,802,905
Trading revenue	16	(1,158,936)	9,504,697
Total revenue		53,358,292	135,307,602
Cost of sales		(33,678,541)	(58,747,368)
Gross profit		19,679,751	76,560,234
Other income		224,162	311,235
		19,903,913	76,871,469
Expenses			
Amortization of computer software		10,511,069	5,819,471
Bank charges		2,226,782	1,953,333
Commissions and fees		-	32,100
Depreciation		1,131,902	1,428,623
Depreciation - right of use asset		3,840,580	2,674,329
Finance costs	17	2,800,346	753,439
General and administrative expenses		860,577	2,665,322
Legal and professional fees		5,775,042	6,580,398
License fees and subscriptions		55,056	64,193
Management fees		13,735,372	27,301,004
Marketing expenses		1,073,003	2,100,592
Motor vehicle expenses		126,151	131,457
Loss allowance		(3,620,466)	2,958,583
Write off of funds receivable from clients		-	2,843,177
Relocation expenses		5,738	28,134
Rent		1,448,472	1,424,185
Staff costs		3,182,998	4,866,592
Telephone and internet		646,186	773,240
Business development		1,816,511	6,624,994
Information technology expenses		10,013,881	18,404,221
		55,629,200	89,427,387
Loss before tax		**(35,725,287)**	**(12,555,918)**
Taxation	18	9,245,964	1,797,753
Net loss after tax		**(26,479,323)**	**(10,758,165)**
Other comprehensive income			
Foreign currency translation		78,890	(217,584)
Total comprehensive loss for the year		**(26,400,433)**	**(10,975,749)**

The accompanying notes form an integral part of these financial statements

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MAY 31, 2023
(Presented in Trinidad and Tobago Dollars)

	Stated capital $	Translation reserve $	Retained earnings $	Total $
Balance as at June 1, 2023	6,240,025	(1,953,119)	46,431,012	50,717,918
Dividends paid	-	-	(3,395,000)	(3,395,000)
Loss for the year	-	-	(26,479,323)	(26,479,323)
Other comprehensive income	-	78,890	-	78,890
Balance as at May 31, 2023	**6,240,025**	**(1,874,229)**	**16,556,689**	**20,922,485**
Balance as at June 1, 2022	6,240,025	(1,735,535)	59,226,177	63,730,667
Dividends paid	-	-	(2,037,000)	(2,037,000)
Loss for the year	-	-	(10,758,165)	(10,758,165)
Other comprehensive income	-	(217,584)	-	(217,584)
Balance as at May 31, 2022	**6,240,025**	**(1,953,119)**	**46,431,012**	**50,717,918**

The accompanying notes form an integral part of these financial statements

CAPITAL MARKETS ELITE GROUP (TRINIDAD AND TOBAGO) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2023
(Presented in Trinidad and Tobago Dollars)

	Notes	2023 $	2022 $
Cashflows from operating activities			
Loss before taxation		(35,725,287)	(12,555,918)
Adjustments for:			
Depreciation and amortization - PPE and software		11,642,970	7,248,094
Depreciation and amortization - right of use asset		3,840,580	2,674,329
Loss on disposal of non-financial assets		43,926	-
Foreign exchange adjustment		78,890	(217,585)
Interest		2,388,221	1,591,242
Net changes in working capital	21	2,015,077	(13,671,715)
Tax refund		-	10,610
Net cash generated from/(used in) operations		(15,715,623)	(14,920,943)
Taxation paid		(4,584,848)	(11,040,343)
		(20,300,471)	(25,961,286)
Investing activities			
Purchase of property, plant and equipment		(1,305,528)	(1,499,445)
Investment in intangible assets		(2,915,119)	(16,717,685)
Write off of work in progress		-	16,665,418
Reduction in right of use asset		9,394,019	1,402,003
Proceeds from disposal of property, plant and equipment		86,586	4,140
Net cashflow used in investing activities		5,259,958	(145,569)
Financing activities			
Dividends paid		(3,395,000)	(2,037,000)
Net financing		(9,868,513)	(4,194,361)
Net cashflow used in financing activities		(13,263,513)	(6,231,361)
Net change in cash and cash equivalents		(28,304,026)	(32,338,216)
Cash and cash equivalents at the beginning of year		31,661,322	63,999,538
Cash and cash equivalents at the end of the year		**3,357,296**	**31,661,322**
Represented by:			
Cash and cash equivalents	11	**3,357,296**	**31,411,322**

The accompanying notes form an integral part of these financial statements

1. Nature of operations

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

The Company, 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 the Company 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 April 7, 2020 the Company 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 the Company. The shareholders of Capital Markets Elite Group (Trinidad & 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. 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").

The Company'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.

3. Changes in accounting policy

a) New, revised and amended standards and interpretations not yet effective

At the date of authorisation of these financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

4. Summary of significant accounting policies

a) Foreign currency translation

(i) Functional and presentation currency

The Company'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.

b) 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.

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.

4. Summary of significant accounting policies (continued)

c) 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.

d) 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.

4. Summary of significant accounting policies (continued)

d) Leased assets (continued)

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.

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.

4. Summary of significant accounting policies (continued)

d) Leased assets (continued)

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 4.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.

e) Cash and cash equivalents

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.

f) 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. The impaired trade receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties.

Note 5. (b) includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses.

4. Summary of significant accounting policies (continued)

g) 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.

4. Summary of significant accounting policies (continued)

g) Financial instruments (continued)

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.

The Company 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

The Company 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.

The Company assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, they have been grouped based on the days past due.

4. Summary of significant accounting policies (continued)

g) Financial instruments (continued)

Classification and measurement of financial liabilities

The Company'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.

h) 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.

i) 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.

j) 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.

4. Summary of significant accounting policies (continued)

k) Revenue

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

To determine whether to recognise revenue, the Company 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.

l) Operating expenses

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

4. Summary of significant accounting policies (continued)

m) 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.

n) Significant management judgement in applying accounting policies and estimation uncertainty

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.

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.

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.

4. Summary of significant accounting policies (continued)

o) Reclassification of prior year balances

After the completion of the Company's 2022 audit, Management was made aware of mis-allocated funds of $18,567,009.05 which arose from the audit of related company Capital Markets Elite Group (Cayman). These funds represented client funds remitted by the Cayman entity to the Company during the 2022 financial year which were incorrectly classified as being due to the Cayman entity by the Company. The prior year comparative balances have accordingly been reclassified in these financial statements resulting in; an increase to client funds of $11.6M, increase in client deposits of $11.6M, a decrease in cash and cash equivalents of $18.6M and a decrease in amount due to the Cayman entity of $18.6M with an associated reduction in related party balances being recorded by the Cayman entity.

The decision was taken by Management in this reporting period to reclassify entries from cash and cash equivalents to 'due to clearing firm'. This reclassification was necessary to disclose the amounts payable to the clearing firm in year ended 2023 as well as comparative amounts in 2022. The original treatment of amounts payable to the clearing firm arising from write-offs of inactive accounts and losses on the Company's Short Sale Restriction (SSR) account was a credit to cash and cash equivalents which represented funds to be remitted to the clearing firm. This treatment has been modified in this reporting period to instead credit the trade and other payables sub-account 'due to clearing firm'. For the year ended May 31st, 2022, the reclassified amount totalled $21.7M which comprised accumulated write-offs and losses incurred on SSR and resulted in an increase in cash and cash equivalents and an increase in trade and other payables. Accumulated write-offs and losses amounted to $28.1M at the end of the current year.

5. 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).

5. Financial risk management (continued)

a) Market risk analysis (continued)

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$
2023		
Financial assets	498,966	-
Financial liabilities	(5,311,822)	-
Total exposure	**(4,812,856)**	**-**
2022 - Restated		
Financial assets	1,472,922	-
Financial liabilities	(10,240,874)	-
Total exposure	**(8,767,952)**	**-**

The table below illustrates the sensitivity of profit and equity with regards to the Company'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 May 31, 2023 (2022: 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.

Total exposure	**Profit for the year US$**	**Equity US$**
2023	+/- (48,129)	-
2022	+/- (55,779)	-

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 May 31, 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.

5. Financial risk management (continued)

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, Capital Markets Elite Group (Trinidad and Tobago) Limited 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.

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 ageing 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.

5. Financial risk management (continued)

b) Credit risk analysis (continued)

The expected loss rates are based on the payment profile for services over the past 48 months before May 31, 2023 and June 1, 2021 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.

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.

5. Financial risk management (continued)

c) Liquidity risk analysis

As at May 31, 2023, the Company's non-derivative financial liabilities have contractual maturities.

This compares to the maturity of the Company's non-derivative financial liabilities in the previous reporting periods as follows:

2023	Current		Non-current	
	within 6 months	6-12 months	1 to 5 years	later than 5 years
	$	$	$	$
Bank borrowings	70,958	70,958	764,369	95,527
Bank Overdraft	1,982,878	-	-	-
Trade and other payables	52,890,318	2,695,400	-	-
Total	**54,944,154**	**2,766,358**	**764,369**	**95,527**

2022	Current		Non-current	
	within 6 months	6-12 months	1 to 5 years	later than 5 years
	$	$	$	$
Bank borrowings	62,437	62,436	990,683	-
Trade and other payables	43,482,000	-	-	-
Total	**43,544,437**	**62,436**	**990,683**	-

5. Financial risk management (continued)

d) Capital management policies and procedures

The Company'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.

6. Property, plant and equipment

Details of the Company's property, plant and equipment and their carrying amounts are as follows:

	Motor vehicles $	Office equipment & signage $	Furniture & fixtures $	Computers $	Leasehold property and improvements $	Total $
Cost						
Balance as at June 1, 2022	3,033,669	508,847	1,156,533	2,758,681	7,820,585	15,278,315
Additions for the year	-	-	11,323	10,988	1,283,216	1,305,527
Disposals for the year	-	(14,789)	(107,473)	(11,569)	(5,299,888)	(5,433,719)
Balance as at May 31, 2023	3,033,669	494,058	1,060,383	2,758,100	3,803,913	11,150,123
Accumulated depreciation						
Balance as at June 1, 2022	1,264,584	251,466	307,805	1,321,907	4,829,391	7,975,153
Depreciation charge	442,271	114,665	85,670	484,977	3,095,830	4,223,413
Depreciation on disposals	-	(7,106)	(32,232)	(7,332)	(5,049,961)	(5,096,631)
Balance as at May 31, 2023	1,706,855	359,025	361,243	1,799,552	2,875,260	7,101,935
Net book value as at May 31, 2023	**1,326,814**	**135,033**	**699,140**	**958,548**	**928,653**	**4,048,188**
Cost						
Balance as at June 1, 2021	3,033,669	490,028	1,102,876	2,515,637	6,643,229	13,785,439
Additions for the year	-	18,819	53,657	249,613	1,177,356	1,499,445
Disposals for the year	-	-	-	(6,569)	-	(6,569)
Balance as at May 31, 2022	3,033,669	508,847	1,156,533	2,758,681	7,820,585	15,278,315
Accumulated depreciation						
Balance as at June 1, 2021	674,889	129,892	217,469	697,788	2,154,594	3,874,632
Depreciation charge	589,695	121,574	90,336	626,549	2,674,797	4,102,951
Depreciation on disposals	-	-	-	(2,430)	-	(2,430)
Balance as at May 31, 2022	1,264,584	251,466	307,805	1,321,907	4,829,391	7,975,153
Net book value as at May 31, 2022	**1,769,085**	**257,381**	**848,728**	**1,436,774**	**2,991,194**	**7,303,162**

All depreciation and impairment charges are included within depreciation, amortisation and impairment of non-financial assets.

6. Property, plant and equipment (continued)

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

	2023	2022
	$	$
Leasehold property	850,547	2,823,864
Office equipment	67,354	157,161
	917,901	**2,981,025**
Intangible assets	-	9,834,604
Total right-of-use assets	**917,901**	**12,815,629**

7. Leases

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

	2023	2022
	$	$
Current	773,737	5,791,750
Non-current	170,082	6,889,716
Total	**943,819**	**12,681,466**

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 further lease is held for office equipment which is used in its operations. 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 4. 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.

During the reporting period, the Company terminated three lease agreements for software licenses which were held at the end of the last financial year. A negotiated settlement agreement was reached with supplier requiring scheduled payments against the negotiated settlement sum over a one-year period.

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.

7. Leases (continued)

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

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	3	.08-1	0.5	3	-	-	3
Office equipment	1	0.5	0.5	1	-	-	1
Intangible assets	-	-	-	-	-	-	-

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at May 31, 2023 were as follows:

	Minimum lease payments due			
	Within 1 year	1-5 years	5-10 years	Total
	$	$		$
May 31, 2023				
Lease payments	809,354	171,108	-	980,462
Finance charges	(35,617)	(1,026)	-	(36,643)
Net present values	**773,737**	**170,082**	-	**943,819**
May 31, 2022				
Lease payments	6,460,015	7,354,504	-	13,814,519
Finance charges	(668,265)	(464,788)	-	(1,133,053)
Net present values	**5,791,750**	**6,889,716**	-	**12,681,466**

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 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.

7. Leases (continued)

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 May 31, 2023 was $1,448,472 (2021: $2,938,263). Additional information on the right-of-use assets by class of assets is as follows:

	Carrying amount (note 6)	Depreciation/ amortization expense	Impairment
	$	$	$
Leasehold property	850,547	3,001,706	-
Office equipment	67,355	89,806	-
Software leases	-	749,068	-
Total right-of-use assets	**917,902**	**3,840,580**	-

8. Intangible assets

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

	2023	2022
	$	$
Gross carrying amount		
Balance at June 1	47,802,004	49,151,740
Foreign currency translation	40,602	(95,633)
Work-in-progress	2,773,613	16,813,319
Work-in-progress - write off	-	(14,015,546)
Work-in-progress - reversal of cancelled invoice	-	(2,649,872)
Cancellation of lease	-	(3,441,492)
Increase in software leases	-	2,039,488
Disposal of software lease	(11,039,627)	-
Balance at May 31	39,576,592	47,802,004
Amortisation and impairment		
Amortisation	15,482,287	6,175,240
Disposal	-	-
Balance at May 31	15,482,287	6,175,240
Carrying amount May 31	**24,094,305**	**41,626,764**

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.

8. Intangible assets (continued)

Work in progress

During the financial year, the Company invested in the technological enhancement of its operations. As at year end $16,777,579 (2021: $37,027,593) was spent developing these various projects. One significant project, the Cap it All trading platform with associated risk management and order management systems was completed and launched in December 2021. The direct cost of this project amounted to $30,242,949 which was transferred from work in progress to software assets. The Olympic core banking project was terminated during the reporting period and associated costs amounting to $14,015,546 were transferred from work in progress to expenses. The Cap it All trading platform is functional and economically viable as at the reporting date.

9. Related party balances and transactions

	2023 $	2022 $
a) Amounts due from related parties		
Capital Markets Elite Company (BVI) Limited	2,218,087	-
Capital Markets Elite Company (Cayman) Limited	-	-
MISC Property Management Company Limited	130	130
Mondeum Financial Holdings LLC	4,222,489	5,764,116
Mondeum International Service Centre Limited – 4. p)	961,286	2,227,657
Mondeum Investment Group Limited	52,393,174	45,301,046
Due from directors	5,915,330	5,911,709
Capital Markets Elite Company (Australia) Limited	30,832	33,929
Capital Markets Elite Company (UK) Limited	724,692	1,127,118
Due from shareholder	68,274	84,243
	66,534,294	60,449,948
Loss allowance	-	(4,246,878)
	66,534,294	**56,203,070**

These loans are unsecured and with no fixed terms of repayment. The balance includes a loan of $17,162,659 (2022 $16,681,548) 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. This would be largely serviced by funds being injected in the Group through Investor Loan Note issued by the parent Mondeum Investment Group Limited and dividend from subsidiary broker/dealer CapitalMEG Cayman and BVI.

The estimated value of this Private Placement is $16,975,000 with a targeted close date of September 30th, 2023. As at July 31st, 2023 'Amount due from related party was $55,490,759 and is expected to be reduced to $13,096,715 following these initiatives.

9. Related party balances and transactions (continued)

b) Amounts due to related parties	**2023 $**	**2022 $**
Mondeum Investment Group Limited – Private placement	10,382,044	-
Capital Markets Elite Group (BVI) Limited	-	942,565
Capital Markets Elite Group (Cayman) Limited	7,000,500	15,468,305
Mondeum International Service Centre Limited – 4. p)	-	-
Due to directors	90,970	238,862
Loans from investors	663,100	652,000
	18,136,614	**17,301,732**

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 & Tobago) Limited board of directors and members of the senior management. Key management personnel remuneration includes the following expenses:

	2023 $	**2022 $**
Short-term employee benefits	**2,083,441**	**1,872,417**

d) Related party transactions

	2023	2022
(i) Consultancy fees		
Ventuos Investments (Trinidad and Tobago) Limited	1,018,081	509,753
Directors	1,015,718	509,365
	2,033,799	1,019,118
(ii) Director fees	223,943	234,255
(iii) Management fees		
Mondeum International Service Centre Limited	13,735,372	27,301,004

10. Trade and other receivables

Trade and other receivables consist of the following:	2023 $	2022 $
Funds receivable from clients	6,246,662	4,120,120
Loss allowance	(3,280,487)	(2,654,075)
	2,966,175	1,466,045
Loans receivable	77,100	260,680
Prepayments	1,423,677	2,666,649
Tax refundable	10,610	10,610
Service and security deposits	43,311	110,591
	4,520,873	**4,514,575**

The net receivable from clients includes $272,449 (2022: $478,932) which is receivable from a related entity, Capital Markets Elite Group UK.

11. Cash and cash equivalents

	2023 $	2022 $
a) Cash and cash equivalents consist of:		
Checking accounts– TT$	4,012	33,594
Checking accounts– US$	95,451	29,057,364
Checking accounts- GBP	7,114	6,439
Short-term deposits - TT$	2,586,823	2,550,988
Short-term deposits - US$	663,896	12,937
	3,357,296	**31,661,322**

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 (2022: $1,400,000) pledged as security for borrowings.

b) Client deposits and funds

	2023	2022
Client deposits	35,740,597	69,535,536
Client funds	(35,740,597)	(69,535,536)
	-	-

The client deposits and funds include balances of $6,044,852, $287,679 and $12,473,686 (2022: $3,004,574, $568,750 and $3,115,740) which are held on behalf of related entities Capital Markets Elite Group (Cayman), Capital Markets Elite Group (UK) and Capital Markets Elite Group (BVI) respectively.

12. Stated capital

	2023	2022
Authorised		
10,000,000 ordinary shares of no par value	$	$
Issued and fully paid		
10,000,000 ordinary shares (2021: 10,000,000)	6,240,025	6,240,025

13. Borrowings

Borrowings include the following financial liabilities:

	Current		Non-current	
	2023	2022	2023	2022
	$	$	$	$
At amortised cost:				
Bank borrowings	141,915	124,873	859,896	990,682
Bank overdraft (Note 11)	1,982,877	-	-	-
	2,124,792	124,873	859,896	990,682
Fair value:				
Bank borrowings	141,915	124,873	859,896	990,682
Bank overdraft	1,982,877	-	-	-
Borrowings at amortised cost	2,124,792	124,873	859,896	990,682

Bank borrowings are secured by a fixed deposit of $1,400,000 (see note 11) and personal guarantees from two Directors of $1,400,000 each (2022: $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% per annum.

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

14. Trade and other payables

	2023 $	2022 $
Trade payables	26,110,349	14,016,271
Accruals	471,183	1,957,851
Amount due to clearing firms	28,131,245	26,401,305
Other payables	286,941	1,106,573
	54,999,718	**43,482,000**

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

15. Brokerage revenue

In 2023, 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.

	2023 $	2022 $
Brokerage	37,740,356	97,771,907
Asset management	170,642	326,324
Software and market data	16,025,154	27,579,214
Other	581,076	125,460
	54,517,228	**125,802,905**

16. Trading revenue

Trading revenue represents gains and losses for the Company arising on trading activity. This income is derived wholly from the United States. The Company incurred losses of $1,158,936 for the year ended May 31, 2023 (2022: Gain - $9,504,697). All investment positions held by the Company are closed prior to the close of markets daily and are therefore not held overnight.

17. Finance costs and finance income

Finance costs for the reporting periods consist of the following:

	2023 $	2022 $
Interest expense for borrowings at amortised cost:		
– Other borrowings at amortised cost	2,800,346	753,439
Total interest expense	**2,800,346**	**753,439**
Finance income for the reporting periods consists of the following:		
Interest income from cash and cash equivalents	216,512	232,749
Total finance income	**216,512**	**232,749**

18. Taxation

	2023 $	2022 $
a) Components of tax charge		
Deferred tax	(9,724,332)	(2,808,348)
Green fund levy	159,456	351,916
Business levy	318,912	658,681
	(9,245,964)	**(1,797,753)**
b) Reconciliation of applicable tax charge to effective tax charge:		
Loss before tax	(35,725,287)	(12,555,918)
Tax at 30%	(10,717,586)	(3,766,775)
Tax effect of expenses not allowed	1,013,598	985,947
Tax effect of exempt income	(20,344)	(27,520)
Green fund levy	159,456	351,916
Business levy	318,912	658,681
Tax charge	**(9,245,964)**	**(1,797,753)**

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:

c) Deferred tax asset/(liability)	**Balance as at June 1** $	**Benefit/(charge) to statement of comprehensive income** $	**Balance as at May 31** $
As at May 31, 2023			
Deferred tax asset			
Provision 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)**
As at May 31, 2022			
Deferred tax asset			
Provision for doubtful debts	455,045	1,615,241	2,070,286
Leases	78,764	(78,764)	-
Tax Loss	-	3,005,092	3,005,092
	533,809	**4,541,569**	**5,075,378**
Deferred tax liability			
Property, plant and equipment	(137,059)	(1,726,599)	(1,863,658)
Leases	-	(6,621)	(6,621
	(137,059)	**1,733,220**	**(1,870,279)**

19. Dividends

During the financial year 2023, Capital Markets Elite Company (Trinidad and Tobago) Limited paid dividends of $3,395,000 to its equity shareholders (2022: $2,037,000).

- 1st interim dividend 2023 - $3,395,000. This represented a payment of $0.3395 per share.

20. 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:

	2023 $	2022 $
Financial assets		
Trade and other receivables	5,106,872	4,514,575
Cash and cash equivalents	3,357,296	10,001,140
Client deposits	35,740,597	69,535,536
Amounts due from related parties	66,534,294	56,203,070
Total assets	**110,739,059**	**140,254,321**
Financial liabilities		
Non-current borrowings	1,029,978	7,880,398
Current borrowings	915,652	5,916,623
Bank overdraft	1,982,878	-
Client funds held	35,740,597	69,535,536
Amounts due to related parties	18,136,614	17,301,732
Trade and other payables	55,585,717	21,821,818
Total liabilities	**113,391,436**	**122,456,107**

A description of the Company's financial instrument risks, including risk management objectives and policies is given in Note 5.

The methods used to measure financial assets and liabilities reported at fair value are described in Note 4.

21. Changes in working capital

The following changes in working capital were made to profit before tax to arrive at operating cash flow:

	2023 $	2022 $
Net changes in working capital:		
Increase in trade and other receivables	(10,337,523)	(34,262,482)
Increase in trade and other payables	12,352,600	20,590,767
Total changes in working capital	**2,015,077**	**(13,671,715)**

22. Capital commitments

There were no material contractual commitments to acquire property, plant and equipment at May 31, 2023 (2022: Nil).

23. Events after the reporting date

There has been no occurrence of any adjusting or significant non-adjusting events between the May 31, 2023, reporting date and the date of authorisation of these financial statements.