

Financial Statements of

**TRINIDAD AND TOBAGO CREATIVE
INDUSTRIES COMPANY LIMITED**

September 30, 2015



KPMG
Chartered Accountants

Savannah East
11 Queen's Park East
P.O. Box 1328
Port of Spain
Trinidad and Tobago, W.I.

Tel.: (868) 612-KPMG
(868) 623-1081
Fax: (868) 623-1084
Email: kpmg@kpmg.co.tt
Web: www.kpmg.com/tt

**Independent Auditors' Report to the Shareholder of
Trinidad and Tobago Creative Industries Company Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Trinidad and Tobago Creative Industries Company Limited (the Company), which comprise the statement of financial position as at September 30, 2015, the statements of comprehensive income and retained earnings and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

K P M G

Chartered Accountants

Port of Spain
Trinidad and Tobago
July 10, 2017

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Statement of Financial Position

September 30, 2015

	Notes	2015 \$	2014 \$
Assets			
Non-current assets			
Property, plant and equipment	1	243,276	357,361
Current assets			
Accounts receivable	2	96,851	653,110
Due from related parties	3	-	275,607
Cash and cash equivalents		1,737,175	3,585,729
		<u>1,834,026</u>	<u>4,514,446</u>
Total assets		<u>2,077,302</u>	<u>4,871,807</u>
Shareholder's Equity and Liabilities			
Shareholder's equity			
Stated capital	4	10	10
Current liabilities			
Deferred revenue	5	1,043,595	4,607,277
Due to related parties	3	507,643	38,017
Accrued expenses		526,054	226,503
		<u>2,077,292</u>	<u>4,871,797</u>
Total shareholders' equity and liabilities		<u>2,077,302</u>	<u>4,871,807</u>

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

On behalf of the Board


_____ Director


_____ Director

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Statement of Comprehensive Income and Retained Earnings

For the year ended September 30, 2015

	Notes	2015 \$	2014 \$
Revenue			
Subvention applied	5	7,330,131	6,452,421
Public Sector Investment Programme(PSIP)		(1,311,970)	(3,655,723)
		6,018,161	2,796,698
Administrative expenses – (Schedule 1)		(6,007,779)	(2,786,078)
Surplus for the year before taxation		10,382	10,620
Taxation	7	(10,382)	(10,620)
Net surplus of revenue over expenditure being the total comprehensive income and retained earnings		<u>-</u>	<u>-</u>

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

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Statement of Cash Flows

For the year ended September 30, 2015

	2015	2014
	\$	\$
Cash Flows from Operating Activities		
Net surplus of revenue over expenditure for the year before taxation	10,382	10,620
Adjustments to reconcile net surplus of revenue over expenditure for the year before taxation to net cash used in operating activities:		
Depreciation	122,730	70,838
Loss on disposal of plant, property and equipment	38,548	-
Amortization of deferred income	(7,330,131)	(6,452,421)
Changes in accounts receivables	14,549	(111,400)
Changes in due to/from related parties	745,233	(237,590)
Changes in accounts payables	299,551	226,503
Taxes paid	(10,382)	(10,620)
Net cash used in operating activities	(6,109,520)	(6,504,070)
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(47,193)	(428,199)
Cash Flows from Financing Activities		
Proceeds from issue of stated capital	-	10
Proceeds from government grants	10,231,520	10,619,900
Payment of government grants to related parties	(7,530,020)	(101,912)
Deferred grant received from Film TT	1,606,659	-
Net cash from financing activities	4,308,159	10,517,998
Net (decrease) increase in cash and cash equivalents	(1,848,554)	3,585,729
Cash and cash equivalents at October 01	3,585,729	-
Cash and cash equivalents at September 30	1,737,175	3,585,729
Analysis of cash and cash equivalents		
Cash and cash equivalents	1,737,175	3,585,729

The accompanying notes are an integral part of these financial statements

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Financial Statements

September 30, 2015

Reporting entity

Trinidad and Tobago Creative Industries Company Limited (the Company) was incorporated in the Republic of Trinidad and Tobago on July 29, 2013 and commenced operations in January 2014. The registered office of the Company is situated #47 Long Circular Road, St James.

The principal activity of the Company is to stimulate and facilitate the business development and export activities of the creative industries in Trinidad and Tobago to generate national wealth.

In accordance with Cabinet by Minute No. 1565 of June 6, 2013 agreed:

(a) that Creative TT be responsible for the strategic and business development of the three (3) niche areas and sub-sectors under its purview (namely, Film, Music and Fashion).

(b) that the undermentioned three (3) companies operate as subsidiary companies under Creative TT:

Trinidad and Tobago Film Company Limited to be branded as Film TT

Trinidad and Tobago Music Company Limited to be branded as Music TT

Trinidad and Tobago Fashion Company Limited to be branded as Fashion TT

(c) that Creative TT, as the holding company, provide the administration and support services in the areas of Human Resource, Information and Communication Technology, Finance, Marketing, Legal, etcetera, for its subsidiaries as indicated in the organizational structure.

Within the framework above, the Administrative Expense category is significantly higher than the PSIP expenses.

These financial statements were approved for issue by the directors on July 10, 2017.

Significant accounting policies

(a) *Statement of compliance*

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board.

(b) *Basis of preparation*

These financial statements have been prepared on the historical cost basis.

(c) *Functional and reporting currency*

The financial statements are presented in Trinidad and Tobago dollars, which is the Company's functional currency.

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Financial Statements

September 30, 2015

Significant accounting policies

(d) Use of estimates and judgements

The preparation of these financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(e) Property, plant and equipment and depreciation

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The gain or loss on disposal of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognized net within other income/other expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Financial Statements

September 30, 2015

Significant accounting policies (continued)

(e) *Property, plant and equipment and depreciation* (continued)

Depreciation is charged using the reducing balance basis at the following rates which are designed to write off the cost of the assets over their estimated useful lives:

Furniture and fittings	25.0%
Computers	33.3%
Computer software	33.3%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) *Cash and cash equivalents*

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash at hand and in bank and amounts held in a money market account.

(g) *Accounts payable*

Accrued expenses are stated at cost.

(h) *Provisions*

A provision is recognised in the balance sheet 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 benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments at the time value of money and, where appropriate, the risks specific to the liability.

(i) *Revenue recognition*

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs, or the possible return of goods.

Unconditional grants related to the ongoing operations of the Company are recognised in the statement of revenue and expenditure as revenue when the grant becomes receivable.

Subventions that compensate the Company for expenses incurred are recognised as revenue in the statement of revenue and expenditure on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Company for the cost of an asset are recognised in the statement of revenue and expenditure as revenue on a systematic basis over the life of the asset. All other revenue is recorded on an accruals basis.

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Financial Statements

September 30, 2015

Significant accounting policies (continued)

(j) Lease payments

Payments under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

(k) Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or subsequently enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

(l) Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Financial Statements

September 30, 2015

Significant accounting policies (continued)

(m) IFRS Not Yet Effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2015, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except for IFRS 9, which is not expected to become effective for accounting periods beginning any earlier than January 1, 2017 and could change the classification and measurement of financial assets. The Company does not plan to adopt this standard early and the extent of the impact is likely to be insignificant.

(n) Related parties

A related party is a person or entity that is related to the Company as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - i) is a member of the key management personnel of the Company or of a parent of the Company;
 - ii) has control over the Company; or
 - iii) has joint control or significant influence over the Company or has significant voting power in it.
- b) An entity is related to the Company if any of the following conditions applies:
 - i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii) Either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
 - iii) Both entities are joint ventures of a third party.
 - iv) Either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - vi) The entity is controlled, or jointly controlled by a person identified in (a).

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Financial Statements

September 30, 2015

Significant accounting policies (continued)

(n) Related parties (continued)

- vii) A person identified in (a)(i) has significant voting power in the entity.
- viii) A person identified in (a)(ii) has significant influence over the entity or significant voting power in it.
- ix) A person or a close member of that person's family has both significant influence over the entity or significant voting power in it and joint control over the Company.
- x) A member of the key management personnel of the entity or of a parent of the entity, or a close member of that member's family, has control or joint control over the Company or has significant voting power in it

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

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Financial Statements

September 30, 2015

1. Property, Plant and Equipment

	Furniture and equipment	Computers	Software	Total
	\$	\$	\$	\$
<i>Year ended September 30, 2015</i>				
Cost				
At September 30, 2014	20,608	341,871	65,720	428,199
Additions for the year	-	47,193	-	47,193
Disposals	-	(67,492)	-	(67,492)
Balance at September 30, 2015	<u>20,608</u>	<u>321,572</u>	<u>65,720</u>	<u>407,900</u>
Accumulated depreciation				
At September 30, 2014	3,435	58,384	9,019	70,838
Charge for the year	4,293	99,723	18,714	122,730
Disposal	-	(28,944)	-	(28,944)
Balance at September 30, 2015	<u>7,728</u>	<u>129,163</u>	<u>27,733</u>	<u>164,624</u>
Net book value				
Balance at September 30, 2015	<u>12,880</u>	<u>192,409</u>	<u>37,987</u>	<u>243,276</u>
September 30, 2014	<u>17,173</u>	<u>283,487</u>	<u>56,701</u>	<u>357,361</u>

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Financial Statements

September 30, 2015

1. Property, Plant and Equipment (continued)

	Furniture and equipment	Computers	Software	Total
	\$	\$	\$	\$
<i>Year ended September 30, 2014</i>				
Cost				
Additions for the year	20,608	341,871	65,720	428,199
Balance at September 30, 2014	<u>20,608</u>	<u>341,871</u>	<u>65,720</u>	<u>428,199</u>
Accumulated depreciation				
Charge for the year	<u>3,435</u>	<u>58,384</u>	<u>9,019</u>	<u>70,838</u>
Balance at September 30, 2014	<u>3,435</u>	<u>58,384</u>	<u>9,019</u>	<u>70,838</u>
Net book value				
Balance at September 30, 2014	<u>17,173</u>	<u>283,487</u>	<u>56,701</u>	<u>357,361</u>

	2015	2014
	\$	\$
2. Grant and other Receivable		
Government subventions receivable	-	541,710
Prepayments	<u>96,851</u>	<u>111,400</u>
	<u>96,851</u>	<u>653,110</u>

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Financial Statements

September 30, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
3. Related parties		
<i>Due from related parties</i>		
Trinidad and Tobago Film Company Limited (FilmTT)	<u>-</u>	<u>275,607</u>
<i>Due to related parties</i>		
Trinidad and Tobago Fashion Company Limited (FashionTT)	113,750	20,767
Trinidad and Tobago Music Company Limited (MusicTT)	110,755	17,250
Trinidad and Tobago Film Company Limited (FilmTT)	<u>283,138</u>	<u>-</u>
	<u>507,643</u>	<u>38,017</u>

Key management personnel

Key management personnel receive compensation in the form of short-term, employee benefits and post-employment benefits.

Key management personnel received compensation of \$630,638 for the year. Total remuneration is included in salaries and wages.

	<u>2015</u>	<u>2014</u>
	\$	\$
4. Stated Capital		
Authorised capital		
Unlimited number of common shares on no par value		
Issued and fully paid capital		
10 common shares of no par value	<u>10</u>	<u>10</u>

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Financial Statements

September 30, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
5. Deferred Income		
Balance brought forward	4,607,277	-
Grants received for the year	10,231,520	10,619,900
Subventions receivable at the year end	-	541,710
Subventions allocated to MusicTT	(1,379,315)	(38,693)
Subventions allocated to FashionTT	(2,707,013)	(63,219)
Subventions allocated to FilmTT	(2,378,743)	-
Amortization for the year	<u>(7,330,131)</u>	<u>(6,452,421)</u>
Balance at September 30, 2015	<u>1,043,595</u>	<u>4,607,277</u>

Funding for the operations of the Company is provided via subvention from the Government of the Republic of Trinidad and Tobago (GORTT). The deferred income of \$1,043,595 relates to the funding of committed or deferred projects at the year ended September 30, 2015.

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Financial Statements

September 30, 2015

6. Public Sector Investment Programme (PSIP)

These are the projects for which PSIP funds were expended

	<u>2015</u>	<u>2014</u>
	\$	\$
Music		
Decibel 2014	195,000	685,701
Music Video Workshop	318,027	-
Mission to Midem 2014	-	379,000
'2+2 = A better TT' musical	15,000	60,000
Mission to Rotterdam Carnival 2014	37,112	254,316
	<u>565,139</u>	<u>1,379,017</u>
Film		
Film Familiarization	-	44,891
Starlight	-	98,390
Documentary 'Dennis Lawrence'	-	55,000
Sitcom 'Life with the Ramsingh'	105,000	-
Documentary 'Jab Molassie'	150,000	-
Anime Caribe 2014	-	82,369
	<u>255,000</u>	<u>280,650</u>
Fashion		
Vogue Italia	-	1,089,851
Maasai Collection event 2014	44,000	176,000
Strategic Plan for Fashion TT	398,475	448,284
	<u>442,475</u>	<u>1,714,135</u>
Multi		
Mass Trade Mission to Europe	-	150,000
Miss T&T Carnival 2014	-	131,921
Web Portal	49,356	-
	<u>49,356</u>	<u>281,921</u>
	<u>1,311,970</u>	<u>3,655,723</u>

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Financial Statements

September 30, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
7. Taxation		
<i>Income tax recognised in profit and loss</i>		
Corporation tax – current year	-	-
Deferred taxation	-	-
Green fund levy	<u>10,382</u>	<u>10,620</u>
	<u>10,382</u>	<u>10,620</u>
<i>Reconciliation of effective tax rate</i>		
Net surplus of revenue over expenditure for the year	<u>10,382</u>	<u>10,620</u>
Tax calculation at the statutory rate of 25%	2,596	2,655
Non-deductible expenses	(2,596)	(2,655)
Green fund levy	<u>10,382</u>	<u>10,620</u>
	<u>10,382</u>	<u>10,620</u>

8. Financial instruments

A financial instrument is any contract that gives rise to both a financial asset and a financial liability or equity instrument of another enterprise. For the purpose of these financial statements, financial assets have been determined to include accounts receivable, prepayments and cash. Financial liabilities have been determined to include long-term debt, accounts payable and interest payable.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Derivative financial instruments are not presently used to reduce exposure to fluctuations in these risks.

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Financial Statements

September 30, 2015

8. Financial instruments (continued)

Credit risk

Management monitors exposure to credit risk on an on-going basis. The maximum exposure to credit risk is represented by the carrying amount of the financial asset in the balance sheet. The maximum exposure to credit risk at year end was:

	2015	2014
	\$	\$
Accounts receivable	96,851	653,110
Due from related parties	-	275,607
Cash at bank	1,737,175	3,584,229
	<u>1,834,026</u>	<u>4,512,946</u>

All amounts in accounts receivable are current.

Liquidity risk

The Company manages its liquidity risk by maintaining cash to meet its cash obligations as they fall due. Further, the Company also maintains flexibility through established credit facilities with its Bankers.

The following are the contractual maturities of financial liabilities, including interest payments:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	\$	\$	\$	\$	\$	\$	\$
<i>September 30, 2015</i>							
Due to related parties	507,643	507,643	507,643	-	-	-	-
Accrued expenses	526,054	526,054	526,054	-	-	-	-
	<u>1,033,697</u>	<u>1,033,697</u>	<u>1,033,697</u>	-	-	-	-
<i>September 30, 2014</i>							
Due to related parties	38,017	38,017	38,017	-	-	-	-
Accrued expenses	226,503	226,503	226,503	-	-	-	-
	<u>264,520</u>	<u>264,520</u>	<u>264,520</u>	-	-	-	-

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Financial Statements

September 30, 2015

Market risk

Market risk arises in the normal course of business and encompasses the risk to earnings that arises from changes in foreign exchange rates, interest rates and equity prices.

(a) Foreign currency risk

The Company does not incur significant foreign currency risk on purchases that are denominated in a currency other than the Trinidad and Tobago dollar. The currency giving rise to any risk is primarily the United States dollar. The Company was not exposed at the year end.

The exchange rate of the United States dollar to the Trinidad and Tobago dollar at the year end was as follows:

At September 30, 2015: TT\$6.35

Sensitivity analysis:

The Company has not performed a sensitivity analysis on the effect of a strengthening of the Trinidad and Tobago dollar against the United States dollar at year end, because there was not a significant exposure.

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Financial Statements

September 30, 2015

8. Financial instruments (continued)

Market risk (continued)

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

At year end, the interest rate profile of the Company's interest bearing instruments was:

	<u>2015</u>	<u>2014</u>
<i>Fixed rate instruments</i>	\$	\$
Financial assets	1,732,175	3,584,229
Exposure	<u>1,732,175</u>	<u>3,584,229</u>

Estimation of Fair values

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed upon between knowledgeable and willing parties who are under no compulsion to act and is best evidenced by a quoted market price if one exists. The estimated fair value of the Company's financial instruments is based on the market prices and valuation methodologies.

9. Capital management

The Company has no formal policy in regards to capital management, as the Company is currently financed through Government subventions.

10. Operating leases

	<u>2015</u>	<u>2014</u>
Non cancellable operating lease rentals are payable as follows:	\$	\$
Less than one year	240,000	240,000
Between one and five years	1,920,000	1,920,000
	<u>2,160,000</u>	<u>2,160,000</u>

During the year, \$745,345 was recognised as an expense in the statement of comprehensive in respect of operating leases.

11. Commitments

At the year end the Company had commitments totaling \$149,455 relating to projects that had commenced before the year end.

12. Contingent Liability

There is only one legal claim against the Company, The National Union of Government and Federation Workers vs Trinidad and Tobago Creative Industries Limited (Creative TT). It is alleged that the termination of the former CEO of Creative TT was contrary to good industrial relations practice. The matter is currently before the Registration Recognition and Certification Board to determine whether the former employee is deemed a "worker" under the Industrial Relations Act. Both parties are currently awaiting notification of the next hearing date from the Registration Recognition and Certification Board.

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Schedule of Administrative Expenses

For the year ended September 30, 2015

	2015	2014
	\$	\$
Schedule 1		
Advertising	119,204	268,863
Audit Fee	56,250	-
Bank charges	4,726	1,474
Board of Directors Expenses	71,091	-
Depreciation	122,730	70,838
Directors' fees	630,638	520,869
Information technology expenses	124,790	76,732
Insurance	49,074	4,042
Meals	38,667	16,764
Motor vehicle expense	221,797	9,320
Office supplies	94,896	59,272
Penalty and interest	13,251	21,463
Professional fees	826,426	951,354
Rent	560,770	313,950
Repairs and maintenance	85,731	28,880
Salaries	2,712,928	339,145
Security	35,087	-
Travel	30,280	18,939
Utilities	209,443	84,173
	<u>6,007,779</u>	<u>2,786,078</u>