

Trinidad and Tobago Creative Industries Company Limited



CREATIVETT
MUSIC | FILM | FASHION

TRINIDAD & TOBAGO
CREATIVE INDUSTRIES
COMPANY LIMITED

Administrative Report

2016

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1. Organisational Profile

a) Organizational Profile

The Creative Industries have the potential to make a significant contribution to the growth of the non-energy sector and to the diversification of the economy. In that regard, the Trinidad and Tobago Creative Industries Company Ltd (CreativeTT) is mandated to stimulate and facilitate the business development and export activities of the creative industries in Trinidad and Tobago to generate national wealth.

CreativeTT is a wholly owned state enterprise, which was incorporated on 29th July 2013 and commenced operations in 2014. CreativeTT has three (3) wholly owned subsidiaries the Trinidad and Tobago Film Company Ltd (FilmTT) which was incorporated on 04th May 2005 and commenced operations in 2006; Trinidad and Tobago Fashion Company Ltd (FashionTT) which was incorporated on 23rd December 2013 and commenced operations in 2014 and Trinidad and Tobago Music Company Ltd (MusicTT) which was incorporated on 23rd December 2013 and commenced operations in 2014.

Corporate Structure (Departments, Divisions, Units)

CreativeTT is the parent company of three (3) subsidiaries; MusicTT, FashionTT and FilmTT. The parent company and each subsidiary is governed by a Board of Directors (BoD).

The organizational structure for the parent company makes provisions for a Chief Executive Officer/General Manager, Auditor, Legal Unit, Corporate Services Unit (including Human Resources, Information Technology and Administrative Services), Marketing and Communications Unit, Finance and Accounting Unit, and Facilitation Unit. These units provide support to the subsidiaries. Whereas, each subsidiary has a General Manager, an Executive Secretary, a Business Development Unit and a Project Unit.

The functional departments of the current structure for the parent company and its subsidiaries are outlined below in Figs. 1- 4.

The Board of Directors for CreativeTT comprised the following Members up to 29th September 2016:

Neysha Soodeen (*Chairperson*)

Cynthia Hayes

David Boothman

Shyamal Chandradathsingh

John E. Arnold

Jason Lindsay

Camille Selvon-Abrahams

The Board of Directors of the subsidiary companies are listed below:

MusicTT

John Arnold (Chairman)
Kasey Phillips
Martin Raymond
Francis Escayg

FilmTT

Camille Selvon-Abrahams (Chairman)
Errol Fabien
Lorraine O'Connor
Richard Chin Fatt
Anthony Hall
Richard Chin

FashionTT

Jason Lindsay (Chairman)
Sharleen Chin
Sideeka Ojar
Ashley Christmas
Lisa Sinanan

Additionally, CreativeTT's sub-committees composed as follows up to 29th September 2016:

HR Sub-Committee

Jason Lindsay
Camille Selvon Abrahams
David Boothman

Audit Sub-Committee

Shyamal Chandradathsingh
John Arnold

Finance and Investments Sub-Committee

Camille Selvon Abrahams
David Boothman
Tenders Sub-Committee
Cynthia Hayes
David Boothman
Ria Karim (CEO)
Legal Manager
Finance Manager

MUSICTT ORGANZATIONAL STRUCTURE AS AT SEPTEMBER 30, 2016

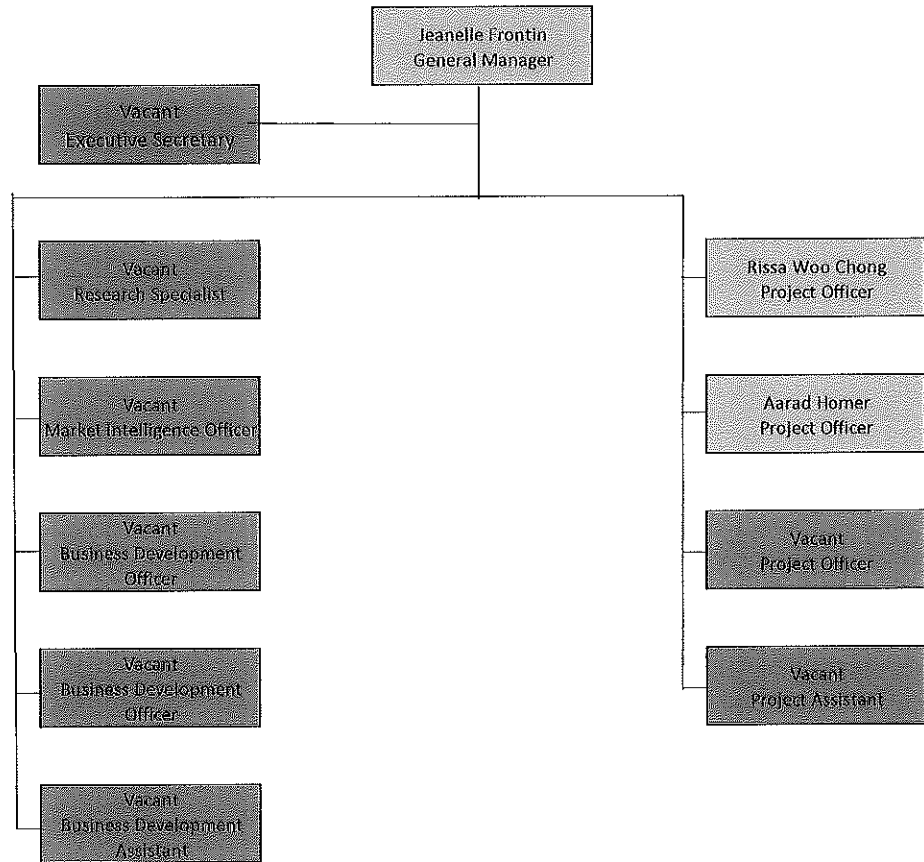
INCLUSIVE OF ALL APPROVED POSITIONS, FILLED POSITIONS AND VACANT POSITIONS

KEY:

- Filled Positions
- Vacant Positions

SUMMARY

No. of Filled Positions	No. of Vacant Positions
3	8



FILMTT ORGANZATIONAL STRUCTURE AS AT SEPTEMBER 30, 2016

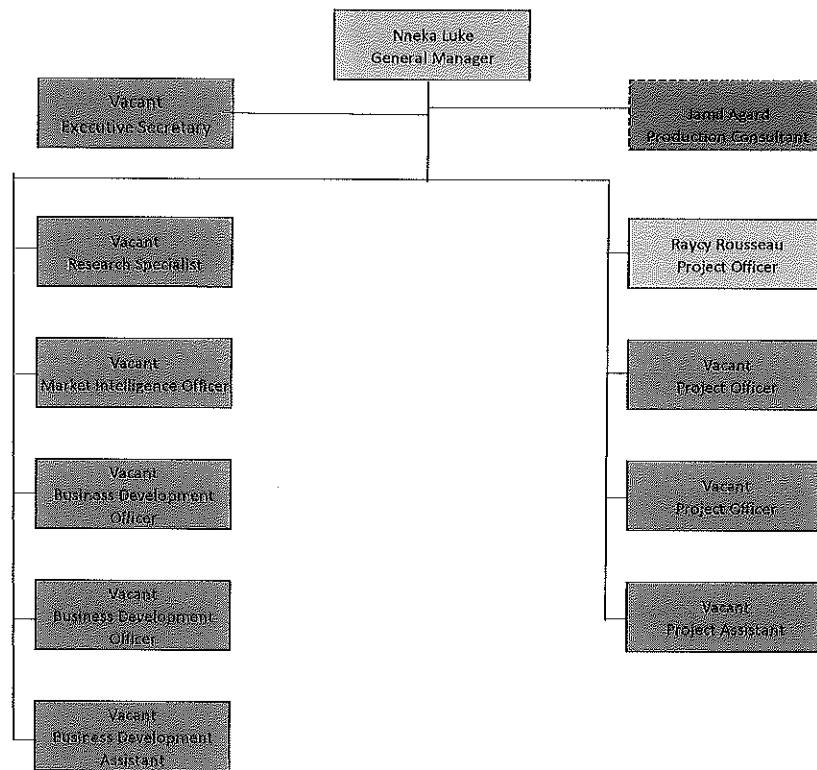
INCLUSIVE OF ALL APPROVED POSITIONS, FILLED POSITIONS, VACANT POSITIONS AND UNAPPROVED POSITION

KEY:

- Filled Positions
- Vacant Positions
- Filled Position but was not included in the Approved Org Structure

SUMMARY

No. of Filled Positions	No. of Vacant Positions	No. of Unapproved Position
2	9	1



FASHIONTT ORGANZATIONAL STRUCTURE AS AT SEPTEMBER 30, 2016

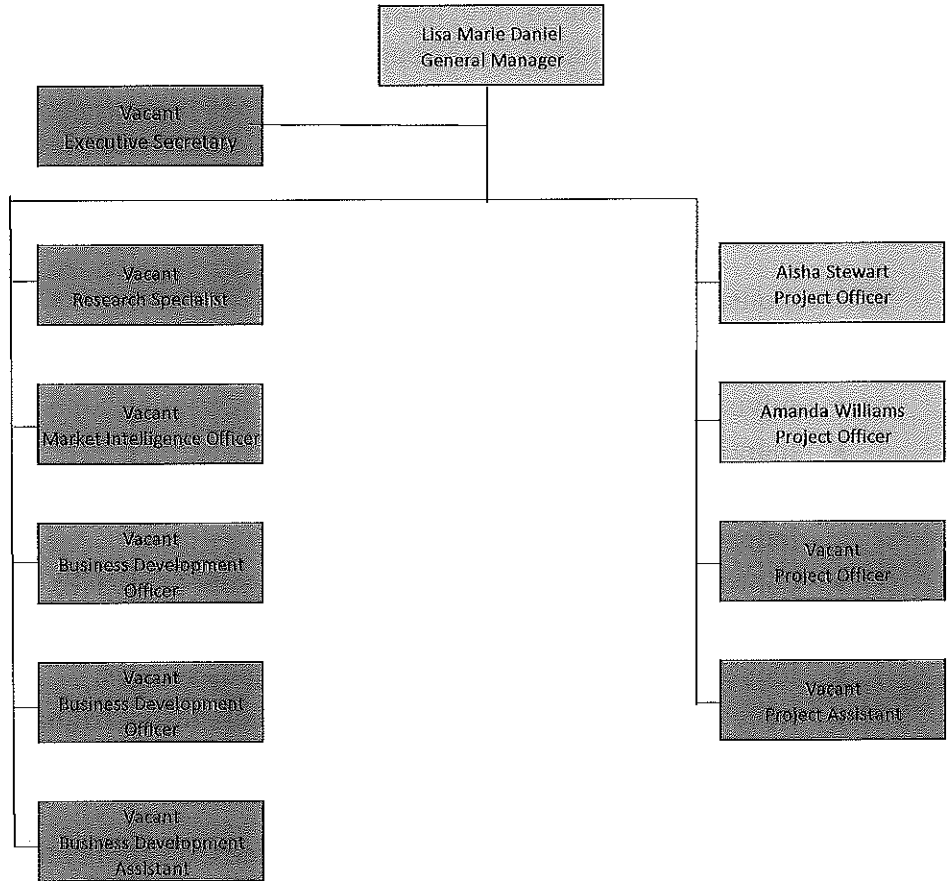
INCLUSIVE OF ALL APPROVED POSITIONS, FILLED POSITIONS AND VACANT POSITIONS

KEY:

- Filled Positions
- Vacant Positions

SUMMARY

No. of Filled Positions	No. of Vacant Positions
3	8



b) Service/Products Provided

The main functions of CreativeTT are to:

- ensure the harmonization of policy among the sub-sectors;
- promote the growth, development and global branding of the Creative Industry in Trinidad and Tobago;
- assist in the marketing and export of the creative product;
- harmonize an incentive programme for the creative industries;
- undertake research and monitor and evaluate the development of the Creative Industry in Trinidad and Tobago;
- assist in the marketing and export of the creative product; and
- provide the subsidiary companies with all the support functions such as Finance, Human Resources, Marketing, Corporate and Legal which will enable them to deliver their services effectively.

The responsibilities of the subsidiaries include:

- Providing technical and sector specific advice;
- Advising on market opportunities;
- Identify distribution networks;
- Undertaking research and monitoring and evaluating the development of the creative industries in T & T;
- Coordinating stakeholders to obtain relevant feedback;
- Assisting in the implementation of strategic initiatives;
- Identifying the training needs of the various sectors;
- Developing the creative product to compete internationally;
- Developing and administering an incentive programme for the specific sectors;
- Identifying creative capital (talent);
- Developing and implementing programmes to support the industry;
- Implementing co-production agreements;
- Enhancing the skills capacity in the fashion industry;
- Encouraging the development of artistes, artisans and artistic products; and
- Liaising with the educational institutions to develop the necessary curricula for training for the sectors.

c) Levels of Authority.

The CreativeTT Management reports to its Chief Executive Officer (Lower level Authority), the Chief Executive Officer reports to the Board of Directors (Middle Level Authority) and the Board of Directors reports to the Company's Line Ministry Permanent Secretary/Minister (Top Level Authority).

Procurement - Delegated Levels of Authority

The delegated levels of authority for procurement have been appointed by the Board of Directors. Based on the value of the procurement, the relevant authorities will approve as follows:

Amounts	Delegated Authority
Not exceeding TTD \$50,000.00 VAT Exclusive	Chief Executive Officer
Not exceeding TTD \$250,000.00 VAT Exclusive	Tenders Committee
Exceeding TTD \$250,000.00 VAT Exclusive	Board of Directors
Not exceeding TTD \$ 5000.00 VAT Exclusive	Threshold Limit

The signing authorities are as follows:

Represented by:

A - Directors

B - Corporate Secretary/Legal Manager and Finance Manager (Ag)

Amounts	Delegated Signing Authority
Any Amount	A + A
Not exceeding \$6,500,000.00	A + B
Not exceeding \$100,000.00	B + B

e) Reporting Functions

Departmental Reports

Departmental reports for the preceding month are prepared by the various Managers during the first week of the subsequent month, which are consolidated and submitted as a CEO's Report to the Board of Directors.

Reports to the Ministries

CreativeTT and its Subsidiaries are guided by the State Enterprises Performance Monitoring Manual on reporting to the Ministries as follows:

Report/Document	Submission date	Ministry
Strategic Plan	Six (6) months prior to start of period of the Plan	Ministry of Finance, Investments Division and Line Ministry
Annual Budget	Six (6) months prior to start of Financial Year	Ministry of Finance, Investments Division and Line Ministry
Annual Financial Statements/ Annual Reports	Four (4) months after end of Financial Year	Ministry of Finance, Investments Division and Line Ministry
Annual Performance Appraisal Report	Four (4) months after end of Financial Year	Line Ministry
Administrative Reports	End of June	Line Ministry

Board Minutes	One (1) week following Confirmation	Ministry of Finance, Investments Division & Line Ministry
Monthly Cash Statements of	Within three (3) weeks after the end of the month	Ministry of Finance, Investments Division
Quarterly Returns Report	End of first month after Quarter	Ministry of Finance, Investments Division
Quarterly Returns Report	End of first month after Quarter	Ministry of Finance, Investments Division
Quarterly Status of Loan/ Securities Portfolios and Litigation Proceedings	End of first month after Quarter	Ministry of Finance, Investments Division
Return of Award of Contracts	14 days after month end	Ministry of Finance, Investments Division
Internal Audit Reports	14 days after end of the Quarter	Ministry of Finance, Investments Division

2. Policies and Development Initiatives

(a) Achievements for financial year ended September 30th, 2016.

MusicTT

Project/Activity	Achievement
Music Video Workshop	MusicTT conducted the first ever Music video Workshop with award winning producers Russell Santos and Ron Elliot to enhance the quality and quantity of domestically produced music videos and develop support structures. The workshop attracted 34 attendees and resulted in a music video for a local band being produced and aired globally through TEMPO.
Music Publishing Camp	MusicTT hosted its first Publishing Camp hosted by highly influential global music industry executives Vivian Barclay -GM of Warner Chappell Music Publishing; Marcus Spence – Senior VP of A&R Mosley Music Group/Ole Music Publishing; Jennifer Beavis – Director Publishing, Copyright & Royalty Administration; BMG Chrysalis, and Sean Mulligan – VP – Film, TV & Media, Rock Steady Music. Approximately 150 participants attended this session.
Open Call for Proposals 2016	MusicTT invested in the projects of selected participants which aligned with the mandate of the company. In return, awardees conducted workshops, webinars, webisodes and similar activities for MusicTT in order to transfer their knowledge and skills to the rest of the industry. Among the awardees was Calypso Rose and the promotion of her album “Far from Home” which has since become the first Gold and Platinum album out of Trinidad and Tobago. Eight Contracts totalling \$290,000 were awarded.
4-Day Song writing, Production, Mixing, Mastering Camp	The workshop was hosted by Grammy-winning and/or Platinum-awarded music industry specialists: 88-Keys, IRKO, Michelle Bell, and Jeremy Harding. The event was held from 3rd – 6th August at T&T Chamber of Industry and Commerce from 9am-4pm. An

	average of 100 participants per day were reviewed in the participant surveys.
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FilmTT

Project/Activity	Achievement/Goal
Feature Film Programme	<p>FilmTT invested grant and equity funding into three feature films through the Production and Script Development Programme (PASD):</p> <p><i>Play the Devil</i>: world premiered at 2016 LA Film Festival with positive reviews; Caribbean premiered at 2016 Trinidad Tobago film festival, winning two awards; screened at more than 40 film festivals and won several awards; licensed to an international sales agent seeking distribution.</p> <p><i>The Cutlass</i>: world premiered at 2016 Trinidad Tobago Film Festival, winning two awards; since played in several regional and international film festivals, had a three-week theatre run in T&T, and in cinemas across the Caribbean in August 2017 and was licensed to an international sales agent seeking distribution.</p> <p><i>Moving Parts</i>: had its international premiere at the Denver Film Festival in November 2017, secured a sales agent, played in T&T, regional and international film festivals.</p>

Film Festival Season marketing campaign	Developed and executed Film Festival Season digital and PR marketing campaign to bring national attention to the Trinidad and Tobago Film Festival, Animaé Caribe and Green Screen and to FilmTT as sponsor.
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FashionTT

Project	Achievement/Goal
Garment Production Standards Workshop	FashionTT partnered with the Trinidad and Tobago Bureau of Standards (TTBS) to facilitate a workshop on Garment Production Standards for designers to upgrade the quality of their products for exportability into international markets. This one-day workshop, held on 27 February 2016, addressed critical issues that designers encounter in garment manufacturing and served as the medium to roll out the Garment Production Standards document which TTBS prepared in 2013. There were fifty (50) attendees which comprising of Designers, Seamstresses/Tailors, Representatives from UTT and THA and other Business persons within the Fashion Community.
Value Chain Investment Programme 2016 Interviews	An International Expert Panel interviewed twenty-nine (29) Designers for their alignment into one of the four tiers of the VCIP based on each of their business developmental stages. All twenty-nine (29) Designers applied via an Open Call advertised in June 2016.

b) Special Projects to be undertaken by:

MusicTT

- Develop of the National Strategic Action Plan for the Music Sector of Trinidad and Tobago.
- Convening two stakeholder engagements.

FilmTT

- Creation of a Strategic Action Plan for the capacity development and export potential of the film sector which will inform the activities and projects over the next five (5) years.
- Execution of industry development training programmes in partnerships with indigenous TT Film Festivals.
- Modernising of the FilmTT's operations through software.
- Review the Production Expenditure Rebate Programme.

FashionTT

- The launch and commencement of the Business Advisory Tier of the VCIP in partnership with NEDCO comprising 11 designers, 6 from Trinidad and 5 from Tobago.
- The completion and approval of the three-year business model for the implementation of a Local Production Facility.
- Host Capacity Development Seminars.
- Facilitate sponsorships to local designers in attending foreign trade shows, local fashion entrepreneurs in conducting Fashion Summer Camps and local fashion entrepreneurs in hosting local fashion shows & Trade shows.

3. Financial Operations

(a) Budget Formulation

The budget is formulated based on the mandate, strategic goals and objectives of CreativeTT, the parent company, as well as the individual subsidiary companies, MusicTT, FilmTT and FashionTT. The subsidiary budgets are first approved by their respective boards with the rolled-up budget being approved by the parent Board in a consolidated format. The CreativeTT Board approved budget is then forwarded to its line Ministry, the Ministry of Trade and Industry for their consideration and approval.

For Recurrent Expenditure, respective Managers develop and submit their budget proposals in keeping with the pertinent Call Circular issued by the Ministry of Finance and Economy.

The subsidiaries – FilmTT, FashionTT and MusicTT shall prepare their PSIP budgets in accordance with their mandate/directives of CreativeTT and submit their budgets for consolidation with CreativeTT's Budget.

(b) Expenditure versus Budgets

1. For Fiscal year 2016 – October 1, 2015 to September 30, 2016

Expenditure Vs Budget					
Details	Budget Allocatio	Actual Receipt	Other Income	Spent	Surplus/Deficit
2016					
Recurrent	8,695,500	8,471,819		9,258,900	(787,081)
PSIP	8,050,000	5,300,000		5,404,462	(104,462)
	16,745,500	13,771,819		14,663,362 *1	(891,543)

*1 Funding from prior year subvention received in 2016

2. Audited Financial Statements 2016

A copy of our Audited Consolidated Financial Statements for the year ended September 30, 2016 is attached.

The following are extracts from our Audited Consolidated Financial Statements for the year ended September 30, 2016:

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

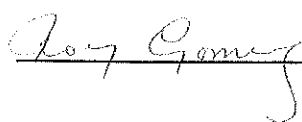
Consolidated Statement of Financial Position

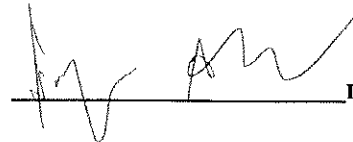
September 30, 2016

	Notes	2016 \$	2015 \$
Assets			
Non-current assets			
Property, plant and equipment	3	326,399	468,358
Current assets			
Grant and other receivables	4	694,227	97,776
Cash and cash equivalents		672,876	1,737,175
		1,367,103	1,834,951
Total assets		1,693,502	2,303,309
Shareholder's Equity and Liabilities			
Shareholder's equity			
Stated capital	5	10	10
Current liabilities			
Deferred revenue	6	523,639	1,335,180
Accrued expenses		1,169,853	968,119
		1,693,492	2,303,299
Total shareholder's equity and liabilities		1,693,502	2,303,309

The accompanying notes form an integral part of these consolidated financial statements.

On behalf of the Board


 _____ Director


 _____ Director

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Consolidated Statement of Comprehensive Income and Accumulated Fund

For the year ended September 30, 2016

	Notes	2016 \$	2015 \$
Revenue			
Grants utilised		14,583,362	15,971,865
Other income		80,000	150
		<u>14,663,362</u>	<u>15,972,015</u>
Public Sector Investment Programme (PSIP)	8	<u>(5,404,462)</u>	<u>(6,537,606)</u>
Operating surplus		<u>9,258,900</u>	<u>9,434,409</u>
Other expenses			
Administrative expenses -- (Schedule 1)		(9,212,139)	(9,423,098)
Finance cost		-	(929)
		<u>(9,212,139)</u>	<u>(9,424,027)</u>
Surplus for the year before taxation		46,761	10,382
Taxation	7	<u>(46,761)</u>	<u>(10,382)</u>
Net surplus for the year being the total comprehensive income and accumulated fund		<u>-</u>	<u>-</u>

The accompanying notes form an integral part of these consolidated financial statements.

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Consolidated Statement of Cash Flows

For the year ended September 30, 2016

	2016	2015
	\$	\$
Cash Flows from Operating Activities		
Net surplus for year before taxation	46,761	10,382
Adjustments to reconcile net surplus for the year before taxation to net cash used in operating activities:		
Grants utilized	(14,583,362)	(15,971,865)
Depreciation	141,959	206,927
Loss on disposal of property, plant and equipment	-	38,547
Changes in accounts receivables	27,549	294,967
Changes in accounts payables	201,734	331,583
Taxes paid	(46,761)	(10,382)
Net cash used in operating activities	<u>(14,212,120)</u>	<u>(15,099,841)</u>
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	-	(47,193)
Cash Flows from Financing Activities		
Proceeds from government grants	13,147,821	10,231,520
Net decrease in cash and cash equivalents for the year	(1,064,299)	(4,915,514)
Cash and cash equivalents at beginning of the year	<u>1,737,175</u>	<u>6,652,689</u>
Cash and cash equivalents at the end of the year	<u>672,876</u>	<u>1,737,175</u>

The accompanying notes form an integral part of these consolidated financial statements.

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Consolidated financial statements

September 30, 2016

1. 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 at 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.

During the period, seven film production crews expended \$17,977,215 into the economy of Trinidad and Tobago.

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Financial Statements

September 30, 2016

8. Public Sector Investment Programme (PSIP)

These are the projects for which PSIP funds were expended

by Trinidad and Tobago Creative Industries Company Limited

	<u>2016</u>	<u>2015</u>
	\$	\$
Music		
'2+2 = A better TT' musical	-	15,000
Decibel 2014	97,500	195,000
Mission to Midem 2014	-	-
Mission to Rotterdam Carnival 2014	-	37,112
Music Video Workshop	<u>8,405</u>	<u>318,027</u>
	<u>105,905</u>	<u>565,139</u>
Film		
Sitcom 'Life with the Ramsingh'	-	105,000
Documentary 'Jab Molassie'	<u>-</u>	<u>150,000</u>
	<u>-</u>	<u>255,000</u>
Fashion		
Maasai Collection event 2014	-	44,000
Strategic Plan for Fashion TT	<u>-</u>	<u>398,475</u>
	<u>-</u>	<u>442,475</u>
Multi		
Marketing and Promotional Support	63,437	-
Web Portal	<u>219,665</u>	<u>49,356</u>
	<u>283,102</u>	<u>49,356</u>
	<u>389,007</u>	<u>1,311,970</u>

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Consolidated financial statements

September 30, 2016

8. Public Sector Investment Programme (PSIP) (continued)

These are the projects for which PSIP funds were expended (continued)

By Trinidad and Tobago Music Company Limited

	<u>2016</u>	<u>2015</u>
	\$	\$
Advanced Song Writing Workshop	35,000	1,546
Artist Portfolio Development Programme	40,760	-
Lunch and Learn	-	14,385
Music Content Creation	7,500	4,000
Music IP Valuation Workshop	182,484	13,270
Music Publishing Camp	78,736	111,399
Merchandising	10,114	9,149
Open Call for Proposals	224,000	-
SXSW Trade Show	-	288,868
Social Media Marketing	-	2,342
Special Recognition Projects	-	24,897
Stakeholders' Engagement	139,275	40,371
Strategic Plan	120,000	3,669
Tobago Jazz	-	5,422
Writing and Production Workshop	243,882	225,000
Jointpop	12,000	48,000
	<u>1,093,751</u>	<u>792,318</u>

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Consolidated financial statements

September 30, 2016

8. Public Sector Investment Programme (PSIP) (continued)

These are the projects for which PSIP funds were expended (continued)

By Trinidad and Tobago Fashion Company Limited

	<u>2016</u>	<u>2015</u>
	\$	\$
Capacity Building Workshop	247,472	-
Caribbean Fashion Spot	-	25,200
Caribbean Style Week 2015	2,600	10,400
Coco Velvet Workshop	3,000	12,000
Colombia Moda 2015	-	157,756
Co-ordinate Sector Members	10,000	-
Fashion Business Workshop	-	227,383
Fashion Coda	-	50,000
Fashion Fundamentals Technical Camp	5,300	21,200
Fashion Industry Development Programme	158,900	-
French Caribbean Inward Buyers Mission	102,163	541,750
Local Production Facility	140,586	-
Local Retail Channel	9,200	36,800
Lookbook	-	245,753
Lookbook Convos	-	7,679
Racked "The Fashion Market"	-	20,770
Strategic Plan	-	434,704
Trinidad and Tobago Fashion Week 2015	-	250,000
Value Chain Investment Programme	<u>278,327</u>	-
	<u>957,548</u>	<u>2,041,395</u>

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Consolidated financial statements

September 30, 2016

8. Public Sector Investment Programme (PSIP) (continued)

These are the projects for which PSIP funds were expended (continued)

By Trinidad and Tobago Film Company Limited

	<u>2016</u>	<u>2015</u>
	\$	\$
Animae Caribe	200,000	506,000
Dubbing/Sub-titling Support	-	3,000
Feature Film Programme 'Play the Devil'	78,000	280,000
Feature Film Programme 'The Cutlass'	577,507	-
Feature Film Programme 'Moving parts of Love'	517,507	-
Film Commission Re-engineering	33,168	-
Green Screen Environmental Film Festival	60,000	-
Internship and Apprenticeship Programme	-	10,000
Marketing and Distribution	189,980	81,198
Outreach Programme	-	300
Production Assistance and Script Development (PASD)	252,881	771,059
Production Rebate	499,278	-
Promotional Items	-	21,910
Secondary Schools' Short Film Festival	109,796	254,686
Stakeholders' Engagement	-	39,369
Strategic Plan	13,736	-
Trade Shows	-	3,772
Training Workshop/Capacity Building	-	31,746
Trinidad and Tobago Film Festival	360,000	250,000
Trinidad and Tobago Smart Phone Film Festival	68,803	123,433
Website Costs	3,500	15,450
	<u>2,964,156</u>	<u>2,391,923</u>
Total expended by the Company and its subsidiaries	<u>5,404,462</u>	<u>6,537,606</u>

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Schedule 1

Schedule of Administrative Expenses

For the year ended September 30, 2016

	2016	2015
	\$	\$
Advertising	21,969	119,204
Audit fee	56,250	56,250
Bank charges	6,966	4,726
Board of Directors expenses	-	71,091
Depreciation	79,888	122,730
Directors' fees	528,000	630,638
Information technology expenses	260,702	124,790
Insurance	87,631	49,074
Meals	15,149	38,667
Motor vehicle expense	322,405	221,797
Office supplies	59,241	94,896
Penalty and interest	45	13,251
Professional fees	82,404	826,426
Rent	544,000	560,770
Repairs and maintenance	60,549	85,731
Salaries	2,878,516	2,712,928
Security	62,912	35,087
Travel	409	30,280
Utilities	174,353	209,443
Expended by Trinidad and Tobago Creative Industries Company Limited	<u>5,241,389</u>	<u>6,007,779</u>
Audit fees	50,625	50,625
Director fees	223,200	187,492
Information technology	-	300
Meals	-	365
Penalties and interest	25	-
Professional fees	7,201	-
Salaries	839,097	339,019
Software expenses	-	-
Travel	-	9,196
Expended by Trinidad and Tobago Music Company Limited	<u>1,120,148</u>	<u>586,997</u>

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Schedule 1

Schedule of Administrative Expenses

For the year ended September 30, 2016

	2016	2015
	\$	\$
Advertising	-	3,900
Audit fee	50,625	50,625
Consultants	525,015	-
Depreciation	62,071	84,197
Director's fees	312,000	234,626
Insurance	-	32,068
IT expenses	13,806	23,350
Meals	-	37,956
Motor vehicle	-	18,379
Office rent	35,860	245,715
Office supplies	-	34,753
Penalty and interest	1,000	4,838
Professional fees	8,970	31,687
Repairs and maintenance	-	32,685
Salaries	579,291	1,296,650
Travel	-	9,700
Utilities	26,836	21,575
Expended by Trinidad and Tobago Film Company Limited	<u>1,615,474</u>	<u>2,162,704</u>
Audit fees	50,625	50,625
Director fees	267,600	267,600
Information technology	-	7,740
Meals	-	10,491
Motor vehicle	-	1,840
Penalties and interest	128	-
Professional fees	24,738	-
Salaries	892,037	320,537
Travel	-	6,785
Expended by Trinidad and Tobago Fashion Company Limited	<u>1,235,128</u>	<u>665,618</u>
Total expended by the Company and its subsidiaries	<u>9,212,139</u>	<u>9,423,098</u>

(c) Debt policy and Investment policy

Prior approval of the Minister of Finance would be sought for the acquisition of significant assets, new investments in non-government securities and the incurrence of new/additional long-term debt.

All Debts and Investments are guided by the policies outlined in Section 2.2.6.4 of the State Enterprises Performance Monitoring Manual.

d) Internal Audit function

This function was not carried out as it remained vacant for the year 2016.

4. Human Resources Development Plan

Organizational Establishment

Trinidad and Tobago Creative Industries Company Limited (CreativeTT) was established in 2013 as a wholly owned State Enterprise under the then Ministry of Trade, Industry and Investment (MTII) and comprises three (3) companies that operate as subsidiary companies under CreativeTT to provide specific sector advice in the areas of film, fashion and music namely, FilmTT, MusicTT and FashionTT.

In keeping with best practice, we aim to recruit and retain the best staff to enable us to deliver our Corporate Plan. Our policy is to ensure that recruitment and selection decisions are based on the ability of the applicant to meet the requirements of the job description, person specification and any other relevant criteria. All applicants and employees will be treated fairly and according to this policy and procedure, and our relevant equality policies. We are committed to valuing diversity and promoting equality.

The Human Resources Unit utilizes the following general guidelines in its operation.

Category of Employees

The categories that specifies and/or defines an employee relationship with CreativeTT are as follows:

i. Permanent

A permanent employee is one who is employed on a full-time basis and whose employment is expected to continue for a term or an indefinite period. A permanent employee may be required to work for a probationary period of either three or six months, which may be extended by another three months as CreativeTT deems necessary. This probationary period allows both employer and employee to determine whether they wish the employment relationship to continue a long-term basis.

ii. Temporary

A temporary employee may be employed on a full or part time basis and is expected to perform duties for a period not exceeding twelve (12) months.

iii. Full Time

A full-time employee is employed for at least thirty (30) hours per week.

iv. Part Time

A part time employee is employed for less than thirty (30) hours per week.

v. Contract

A contract employee is one whose services has been contracted by the company for a specified period.

a) Career Path Systems

In order to meet the operational demands of the organization, CreativeTT is focused on maintaining a highly motivated, capable and competent work force. As such, it is important for the human resources strategies to be in line with the organization's goals. The HR strategies places emphasis on:

- Compensation, benefits, compliance, etc. which aims to provide fair salaries, leave, insurance coverage and a safe and comfortable working environment.
- Recruiting, selection, performance management, training and development, career path development and succession planning.

All strategies identified, are designed to aid CreativeTT and its subsidiaries to be a desirable employer and become more effective by protecting and enhancing its human resource capabilities.

As a result, HR's objectives are:

- To deliver HR strategies that are appropriate and relevant to the needs of CreativeTT and its subsidiary companies, in a timely manner with the ultimate aim of achieving the company's objective.
- To continuously add value to the future employment and business environment of the companies and its employees.
- To provide interesting and challenging work and appropriate personal development for HR professionals and other employees, such that their ultimate ambition is achieved.
- To encourage and promote staff engagement activities and, rewards and recognition programme to build team spirit and keep staff motivated.

b) Performance measurement tools

CreativeTT is committed to provide effective on-going performance management to all staff members within the parent company and its subsidiaries. In this regard, its aim will be to periodically measure employee performance as a basis for determining employee's training needs, to establish individual accountability and deal with poor performance. This will also act as a development plan to improve the employee's performance and determine their suitability for the position. The focus is mainly to ensure continuous communication between the manager/supervisor and the employee to help the employee achieve their best results in an efficient and effective manner.

Performance Appraisal

CreativeTT will aim to conduct performance reviews bi-annually with all employees, with the intended purpose of developing activities that will assist and motivate employees to accomplish their maximum potential.

The objectives of the performance appraisal are:

- To establish mutually acceptable performance goals and objectives.
- To motivate and guide employees toward greater self-development and improve performance by encouraging the discussion of significant strengths and areas needing improvement in a positive and constructive manner.
- To provide an objective and uniform means for managers/supervisors to make recommendations for merit salary determinations based on an assessment of employee performance.
- To identify training needs and succession planning activities.
- To determine whether the employee is suitable to continue in the job.
- To provide the employee with an opportunity to indicate preferences for future work assignments.
- To provide a record of employee's progress.

The written appraisal will be conducted by the employee's immediate supervisor/manager on the specified appraisal form and subsequently reviewed by the Human Resource Department. The first appraisal will be completed at the end of the employee's probationary period and thereafter, appraisals will be conducted mid-year and end of year.

The reviews will measure employee's performance on a scale.

Succession Planning

CreativeTT will aim to develop a system for succession planning to ensure that the required staffing is identified and that staff with the high levels of competencies are recruited, retained and developed to deliver the Company's objectives.

Additionally, the company will seek out avenues to expose their staff to the necessary training to allow for growth and development which will prepare them to assume higher positions along the career path within the organisation.

c) Promotion

CreativeTT will strive to encourage promotion from within by providing training opportunities, advertising vacancies and considering capable, qualified and experienced employees. In the instance where an employee has been selected for a higher position, which is representative of a promotion, he/she will be offered the position with an expected response in a timeframe. He/she may choose to decline the promotion without prejudice. If development opportunities (by reason of work content, supervisory responsibility, etc) are inherent in the offer, the employee will be notified. If the employee accepts, the manager will ensure the employee understands their duties and responsibilities for the new position and their performance expectation.

d) Recruitment and Selection procedures

Vacancies will normally be filled in accordance with the approved manpower forecast. However, where for business reasons there is a need to deviate from this policy, the Board must authorise the recruitment.

Before a vacancy can be filled, the Chief Executive Officer must agree that a vacancy exists and must approve the filling of such a vacancy. CreativeTT will consider employees whenever a vacancy is to be filled. This is to give employees opportunities for growth and development. CreativeTT may fill a vacancy without advertising for applications. However, where it is agreed by the Chief Executive Officer that the vacancy needs to be advertised, such vacancy shall first be advertised in-house, then externally, or simultaneously if so determined.

The Company will treat each applicant for employment with equal consideration. Hiring will be conducted based upon individual merit and in keeping with equal opportunity employment practices. Employment opportunities to non-nationals will be in accordance with the provisions of national policy and current immigration and other legislation. The Chief Executive Officer or his/her delegated authority will be responsible for developing job descriptions for all positions, outlining reporting relationships, job purpose, key responsibilities, performance standards, skill, knowledge and ability requirements and the on-the-job training that must be undertaken within the first six (6) months of appointment. Appointments will be made in a written communication, highlighting compensation and terms and conditions of employment. All appointment letters are to be signed by the Chief Executive Officer. You are required to sign your appointment letter and an acknowledgement form for having received a copy of CreativeTT Policies & Procedures Manual. A copy of this acknowledgement is given to you and the other copy is maintained on your personal file.

Selection Process

CreativeTT employee selection process follows the following procedures

- During the interview process, each panellist must complete the Scorecard for each interviewee detailing his/her comments and the scores awarded. This Scorecard must be signed.
- Upon completion of the interview process, the Senior HR Officer or designate will collate and summarize the interview scores on the Summary Score Sheet.
- The Summary Score Sheet will be distributed among the panel members and CEO to agree on the successful candidate(s).
- Once the successful candidate(s) is/are determined, the Senior HR Officer will conduct reference checks in the approved format.
- The CEO, Line Manager and Senior HR Officer will (if needed) discuss and agree on any special details related to the terms and conditions of employment.
- Senior HR Officer will convey an offer of employment, terms and conditions to the successful candidate(s).
- A starting date is agreed upon with the successful candidate(s) and employment commences.
- The Senior HR Officer will ensure practical arrangements are put in place for the new member(s) of staff before their arrival.

Employment Support Services

CreativeTT will initiate a system to encourage and assist employees who seek help to resolve any personal or professional problems that may affect their work performance. An independent organisation will be contacted to provide the Employee Assistance Programme (EAP). The employee will be reminded that the company is committed to maintaining confidentiality unless there are circumstances involving probable risk to the safety of any person/s, or where maintaining confidentiality would be unlawful, or when this would compromise principles of natural justice.

5. Procurement Procedures

CreativeTT has develop and implemented its Procurement Manual, which governs its procurement of goods and services of its Subsidiaries and CreativeTT.

The Chief Executive Officer shall evaluate and recommend to the Tenders Committee for approval amounts not exceeding TTD 250,000.00 VAT exclusive or its equivalent in a foreign currency by a minimum of three (3) quotes selective tendering.

For amounts exceeding TTD 250,000.00 VAT exclusive or its equivalent in a foreign currency the Tenders Committee shall determine whether a selective tender of a minimum of five (5) quotes if available or open tender be used in the procurement process.

(a) Open Tender

Open tendering is a process where invitations are issued through advertisements or other forms of public notice. Open tendering shall be used in the following instances:

- i. When CreativeTT's list of approved vendors does not cater or adequately cater for types of materials, works and/or services.
- ii. Where it is competitively more advantageous.
- iii. Where the terms and conditions of CreativeTT's borrowings so require.

When open tendering is used the Chief Executive Officer shall approve the advertisement or public notice, the method of procurement and the evaluation criteria and award.

(b) Selected Tender

Selective tendering is a process where tenders are invited from CreativeTT's list of approved vendors and/or where justified, vendors specifically approved by the committee responsible for the pre-qualification of vendors.

A minimum number of invitees shall be set to allow adequate competition in the procurement process. The invitees selected shall be the top ten (10) ranked vendors

registered to provide the materials, works and/or services. In cases where there are less than ten (10) registered vendors, all the vendors registered to provide the materials, works and/or services shall be invited.

Vendors shall be continually evaluated on their performance, inclusive of responsiveness to tender invitations and overall compliance with contract terms and conditions.

(c) Sole tender – and the criteria used in selecting each system

Merit awards (or sole tender awards) for purchases of materials, works and/or services including consultancy services shall be issued without inviting competitive bids in any of the following circumstances:

- i. Where the materials are non-interchangeable spares or replacement parts for materials already in use.
- ii. When the works and/or services are to be carried out on a site where the employment of another vendor may hinder the progress of work already being performed by an existing vendor, taking due account of cost effectiveness of the approach adopted.
- iii. When the material, works and/or services represent a natural or direct continuation of an agreement previously awarded competitively and completed, taking due account of the incumbent vendor's/consultant's performance and cost effectiveness of the approach adopted.
- iv. Where only one (1) vendor/consultant is capable or available or identified as having the qualifications or special proficiency, experience and skill of exceptional worth, expertise and/or equipment to supply the required materials, works and/or services or is the agent/representative for the materials, works and/or services.
- v. Where the materials, works and/or services are of an urgent and critical nature, that is, there is some measure of risk to people,

property, plant, equipment or the environment or the community and the profitability of CreativeTT's operation demand.

- vi. When significant cost savings can be achieved by using a consultant who is familiar with the Company having worked on a similar project.
- vii. Where a vendor was selected out of a competitive bidding process and, within thirty (30) days, additional items are required. Vendor prices must be valid and repeat purchases shall not exceed \$10,000.

Prior approval shall be required for all merit awards in accordance with CreativeTT's Levels of Authority. A detailed description of the materials to be purchased or works or services to be performed must be presented along with a certification of at least one of the merit circumstances listed above. Executing Units shall prepare a Company estimate as well as relevant documentation, which may include the scope of work, specifications, form of bid, conditions of contract or form of agreement and any other relevant information. The vendor shall be required to submit a bid or written proposal, which must be evaluated for reasonableness against CreativeTT's estimate.

6. Public and Community Relations

Public and community relation's activities fall under the purview of CreativeTT's Marketing and Communication Department. They are responsible for implementing the marketing and promotional aspects of the company's strategic plan. Further they also hold responsibility for branding and brand policy for CreativeTT and its subsidiaries, promotional activities and promotional material, and corporate reputation and media relations.

a) Client and Public access to services/ service delivery systems

To ensure effective public access to CreativeTT's service delivery systems, given the January 2015 initiation of the Marketing and Communications Department, the organisation has embarked on the rollout of the following activities that lay the foundation for community relations:

- Integrated online social presence (Facebook, Twitter) that provides:

- Mailing and Contact Information for CreativeTT;
- Regular Updates on creative industry happenings; and
- 2-way communication channel with stakeholders.

Our online social presence facilitated the growth of a stakeholder database, currently grown to over 5000 people interested in maintaining a relationship with the brand and industry.

- CreativeTT's website, currently scoped and at the final leg of the tendering process intends to provide access not only to the local community on the creative industries, but also the foreign stakeholders about the brand of TT's creative sector. It will be highly engaging and fully socially integrated to allow maximum stakeholder engagement.

b) Community and Stakeholder Relations/Outreach

Stakeholders have been engaged through:

- Online Social Media with well over 100,000 engagements with the CreativeTT brand and its subsidiaries, and 500,000 impressions:
 - ✓ Through scores of private and public conversations through Facebook messenger and the Facebook walls of MusicTT, FilmTT and CreativeTT
 - ✓ Boosted notes and posts
 - ✓ Online/ Offline juxtaposition at events and brand activations
- Stakeholder Engagement Events
 - i. One FilmTT public stakeholder consultation - Port of Spain
One FashionTT public stakeholder engagement
 - ii. "The Launch of the Strategic Plan for the Fashion Industry" at Hyatt Regency, Port of Spain
 - iii. The Value Chain Investment Programme (VCIP) 2016 Designer Assessments.
 - iv. Four (4) MusicTT stakeholder consultations
 - Port of Spain
 - San Fernando
 - Tobago
 - Arima

c) Strategic Partnerships (Local, regional and international)

Industry specific strategic partnerships are a priority for CreativeTT. As such, the organisation saw the opportunity to connect with the global creative industries by attending the South by South West Music, Film and Interactive Festival with a view to network and

build modern capacity in the area of creative business. The results were terrific, forming strong connections with US media and multiple international creative export offices. Still at the beginning of a powerful trajectory, we have begun to lay the foundation for cost effective global business.

CreativeTT, through FashionTT has forged relationships with:

- ExporTT in the development of a regional Fashion Export Business Workshop and Showcase, targeted at the French Caribbean Outermost Regions,
- has worked with the Intellectual Property Office, Ministry of Legal Affairs to roll out the Intellectual Property Awards.
- The Trinidad and Tobago Bureau of Standards to facilitate the first workshop of its kind in “Garment Production Standards.”
- Professors from the Fashion Institute of Technology, New York in the development of the Value Chain Investment Programme (VCIP) Framework. These Professors were on the International Expert Panel.
- The Tobago House of Assembly (THA) to host the VCIP 2016 interviews in the THA’s Victor E. Bruce Complex for the Tobagonian Designers. The THA also supported FashionTT with the promotion of the VCIP in Tobago.
- The National Entrepreneurship Development Company (NEDCO). NEDCO has collaborated with FashionTT with the roll out and facilitation of the VCIP Business Advisory Tier.

**** end *****

Consolidated financial statements of

**TRINIDAD AND TOBAGO CREATIVE
INDUSTRIES COMPANY LIMITED**

September 30, 2016



KPMG
Chartered Accountants
Savannah East
11 Queen's Park East
P.O. Box 1328
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Trinidad and Tobago, W.I.

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

Report on the Consolidated financial statements

We have audited the accompanying consolidated financial statements of Trinidad and Tobago Creative Industries Company Limited (the Company), which comprise the consolidated statement of financial position as at September 30, 2016, the consolidated statements of comprehensive income, consolidated changes in equity 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 consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2016, 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
February 11, 2019

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

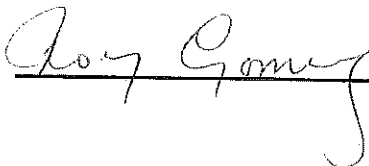
Consolidated Statement of Financial Position

September 30, 2016

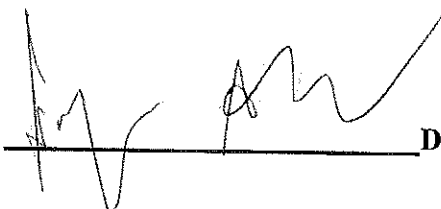
	Notes	2016 \$	2015 \$
Assets			
Non-current assets			
Property, plant and equipment	3	<u>326,399</u>	<u>468,358</u>
Current assets			
Grant and other receivables	4	694,227	97,776
Cash and cash equivalents		<u>672,876</u>	<u>1,737,175</u>
		<u>1,367,103</u>	<u>1,834,951</u>
Total assets		<u>1,693,502</u>	<u>2,303,309</u>
Shareholder's Equity and Liabilities			
Shareholder's equity			
Stated capital	5	<u>10</u>	<u>10</u>
Current liabilities			
Deferred revenue	6	523,639	1,335,180
Accrued expenses		<u>1,169,853</u>	<u>968,119</u>
		<u>1,693,492</u>	<u>2,303,299</u>
Total shareholder's equity and liabilities		<u>1,693,502</u>	<u>2,303,309</u>

The accompanying notes form an integral part of these consolidated financial statements.

On behalf of the Board



Director



Director

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Consolidated Statement of Comprehensive Income and Accumulated Fund

For the year ended September 30, 2016

	Notes	2016 \$	2015 \$
Revenue			
Grants utilised		14,583,362	15,971,865
Other income		80,000	150
		<u>14,663,362</u>	<u>15,972,015</u>
Public Sector Investment Programme (PSIP)	8	<u>(5,404,462)</u>	<u>(6,537,606)</u>
Operating surplus		<u>9,258,900</u>	<u>9,434,409</u>
Other expenses			
Administrative expenses – (Schedule 1)		(9,212,139)	(9,423,098)
Finance cost		-	(929)
		<u>(9,212,139)</u>	<u>(9,424,027)</u>
Surplus for the year before taxation		46,761	10,382
Taxation	7	<u>(46,761)</u>	<u>(10,382)</u>
Net surplus for the year being the total comprehensive income and accumulated fund		<u>-</u>	<u>-</u>

The accompanying notes form an integral part of these consolidated financial statements.

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Consolidated Statement of Cash Flows

For the year ended September 30, 2016

	2016	2015
	\$	\$
Cash Flows from Operating Activities		
Net surplus for year before taxation	46,761	10,382
Adjustments to reconcile net surplus for the year before taxation to net cash used in operating activities:		
Grants utilized	(14,583,362)	(15,971,865)
Depreciation	141,959	206,927
Loss on disposal of property, plant and equipment	-	38,547
Changes in accounts receivables	27,549	294,967
Changes in accounts payables	201,734	331,583
Taxes paid	(46,761)	(10,382)
Net cash used in operating activities	<u>(14,212,120)</u>	<u>(15,099,841)</u>
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	<u>-</u>	<u>(47,193)</u>
Cash Flows from Financing Activities		
Proceeds from government grants	<u>13,147,821</u>	<u>10,231,520</u>
Net decrease in cash and cash equivalents for the year	<u>(1,064,299)</u>	<u>(4,915,514)</u>
Cash and cash equivalents at beginning of the year	<u>1,737,175</u>	<u>6,652,689</u>
Cash and cash equivalents at the end of the year	<u><u>672,876</u></u>	<u><u>1,737,175</u></u>

The accompanying notes form an integral part of these consolidated financial statements.

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Consolidated financial statements

September 30, 2016

1. 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 at 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.

During the period, seven film production crews expended \$17,977,215 into the economy of Trinidad and Tobago.

These consolidated financial statements were approved for issue by the directors on February 11, 2019.

2. Significant accounting policies

(a) *Statement of compliance*

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

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Consolidated financial statements

September 30, 2016

2. Significant accounting policies

(c) Functional and reporting currency

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

(d) Use of estimates and judgements

The preparation of these consolidated 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.

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Consolidated financial statements

September 30, 2016

2. Significant accounting policies (continued)

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

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.

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.

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Consolidated financial statements

September 30, 2016

2. Significant accounting policies (continued)

(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 comprehensive income as revenue when the grant becomes receivable.

Subventions that compensate the Company for expenses incurred are recognised as revenue in the statement of comprehensive income 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 comprehensive income as revenue on a systematic basis over the life of the asset.

All other revenue is recorded on an accruals basis.

(j) *Lease payments*

Payments under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives are recognised in the statement of comprehensive income 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 statement of 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.

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.

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Consolidated financial statements

September 30, 2016

2. Significant accounting policies (continued)

(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 statement of comprehensive income

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.

(m) *IFRS Not Yet Effective*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2016, 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

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Consolidated financial statements

September 30, 2016

3. Property, Plant and Equipment

	Furniture and equipment	Computers	Software	Total
	\$	\$	\$	\$
<i>Year ended September 30, 2016</i>				
Cost				
Balance at September 30, 2016 and 2015	<u>146,838</u>	<u>362,738</u>	<u>268,554</u>	<u>778,130</u>
Accumulated depreciation				
Balance as at October 01	100,984	130,346	78,442	309,772
Charge for the year	<u>45,854</u>	<u>83,569</u>	<u>12,536</u>	<u>141,959</u>
Balance at September 30, 2016	<u>146,838</u>	<u>213,915</u>	<u>90,978</u>	<u>451,731</u>
Net book value				
Balance at September 30, 2016	<u>-</u>	<u>148,823</u>	<u>177,576</u>	<u>326,399</u>
<i>Year ended September 30, 2015</i>				
Cost				
Balance at October 01	146,838	383,037	268,554	798,429
Additions for the year	-	47,193	-	47,193
Disposals	-	(67,492)	-	(67,492)
Balance at September 30, 2015	<u>146,838</u>	<u>362,738</u>	<u>268,554</u>	<u>778,130</u>
Accumulated depreciation				
Balance as at October 01	34,992	37,070	59,728	131,790
Charge for the year	65,992	122,221	18,714	206,927
Disposal	-	(28,945)	-	(28,945)
Balance at September 30, 2015	<u>100,984</u>	<u>130,346</u>	<u>78,442</u>	<u>309,772</u>
Net book value				
Balance at September 30, 2015	<u>45,854</u>	<u>232,392</u>	<u>190,112</u>	<u>468,358</u>

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Consolidated financial statements

September 30, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
4. Grant and other Receivable		
Government grant	624,000	925
Prepayments	<u>70,227</u>	<u>96,851</u>
	<u>694,227</u>	<u>97,776</u>
5. Stated Capital		
<i>Authorised capital</i>		
Unlimited number of common shares on no par value		
<i>Issued and fully paid capital</i>		
10 common shares of no par value	<u>10</u>	<u>10</u>
6. Deferred Revenue		
Balance at October 01	1,335,180	7,455,640
Grants received for the year	13,771,821	10,231,520
Grant receivable at the year end	-	(380,115)
Amortization for the year	<u>(14,583,362)</u>	<u>(15,971,865)</u>
Balance at September 30, 2016	<u>523,639</u>	<u>1,335,180</u>

Funding for the operations of the Company is provided via grants from the Government of the Republic of Trinidad and Tobago (GORTT). The deferred income of \$523,639 relates to the funding of committed or deferred projects at the year end.

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Financial Statements

September 30, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
7. Taxation		
<i>Income tax recognised in profit and loss</i>		
Business fund levy	14,803	-
Green fund levy	31,958	10,382
	<u>46,761</u>	<u>10,382</u>
 <i>Reconciliation of effective tax rate</i>		
Net surplus for the year	<u>46,761</u>	<u>10,382</u>
Tax calculation at the statutory rate of 25%	11,690	2,596
Non-deductible expenses	(11,690)	(2,596)
Business fund levy	14,803	-
Green fund levy	31,958	10,382
	<u>46,761</u>	<u>10,382</u>

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Financial Statements

September 30, 2016

8. Public Sector Investment Programme (PSIP)

These are the projects for which PSIP funds were expended

by Trinidad and Tobago Creative Industries Company Limited

	<u>2016</u>	<u>2015</u>
	\$	\$
Music		
'2+2 = A better TT' musical	-	15,000
Decibel 2014	97,500	195,000
Mission to Midem 2014	-	-
Mission to Rotterdam Carnival 2014	-	37,112
Music Video Workshop	<u>8,405</u>	<u>318,027</u>
	<u>105,905</u>	<u>565,139</u>
Film		
Sitcom 'Life with the Ramsingh'	-	105,000
Documentary 'Jab Molassie'	<u>-</u>	<u>150,000</u>
	<u>-</u>	<u>255,000</u>
Fashion		
Maasai Collection event 2014	-	44,000
Strategic Plan for Fashion TT	<u>-</u>	<u>398,475</u>
	<u>-</u>	<u>442,475</u>
Multi		
Marketing and Promotional Support	63,437	-
Web Portal	<u>219,665</u>	<u>49,356</u>
	<u>283,102</u>	<u>49,356</u>
	<u>389,007</u>	<u>1,311,970</u>

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Consolidated financial statements

September 30, 2016

8. Public Sector Investment Programme (PSIP) (continued)

These are the projects for which PSIP funds were expended (continued)

By Trinidad and Tobago Music Company Limited

	2016	2015
	\$	\$
Advanced Song Writing Workshop	35,000	1,546
Artist Portfolio Development Programme	40,760	-
Lunch and Learn	-	14,385
Music Content Creation	7,500	4,000
Music IP Valuation Workshop	182,484	13,270
Music Publishing Camp	78,736	111,399
Merchandising	10,114	9,149
Open Call for Proposals	224,000	-
SXSW Trade Show	-	288,868
Social Media Marketing	-	2,342
Special Recognition Projects	-	24,897
Stakeholders' Engagement	139,275	40,371
Strategic Plan	120,000	3,669
Tobago Jazz	-	5,422
Writing and Production Workshop	243,882	225,000
Jointpop	12,000	48,000
	<u>1,093,751</u>	<u>792,318</u>

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Consolidated financial statements

September 30, 2016

8. Public Sector Investment Programme (PSIP) (continued)

These are the projects for which PSIP funds were expended (continued)

By Trinidad and Tobago Fashion Company Limited

	2016	2015
	\$	\$
Capacity Building Workshop	247,472	-
Caribbean Fashion Spot	-	25,200
Caribbean Style Week 2015	2,600	10,400
Coco Velvet Workshop	3,000	12,000
Colombia Moda 2015	-	157,756
Co-ordinate Sector Members	10,000	-
Fashion Business Workshop	-	227,383
Fashion Coda	-	50,000
Fashion Fundamentals Technical Camp	5,300	21,200
Fashion Industry Development Programme	158,900	-
French Caribbean Inward Buyers Mission	102,163	541,750
Local Production Facility	140,586	-
Local Retail Channel	9,200	36,800
Lookbook	-	245,753
Lookbook Convos	-	7,679
Racked "The Fashion Market"	-	20,770
Strategic Plan	-	434,704
Trinidad and Tobago Fashion Week 2015	-	250,000
Value Chain Investment Programme	278,327	-
	<u>957,548</u>	<u>2,041,395</u>

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Consolidated financial statements

September 30, 2016

8. Public Sector Investment Programme (PSIP) (continued)

These are the projects for which PSIP funds were expended (continued)

By Trinidad and Tobago Film Company Limited

	2016	2015
	\$	\$
Animae Caribe	200,000	506,000
Dubbing/Sub-titling Support	-	3,000
Feature Film Programme 'Play the Devil'	78,000	280,000
Feature Film Programme 'The Cutlass'	577,507	-
Feature Film Programme 'Moving parts of Love'	517,507	-
Film Commission Re-engineering	33,168	-
Green Screen Environmental Film Festival	60,000	-
Internship and Apprenticeship Programme	-	10,000
Marketing and Distribution	189,980	81,198
Outreach Programme	-	300
Production Assistance and Script Development (PASD)	252,881	771,059
Production Rebate	499,278	-
Promotional Items	-	21,910
Secondary Schools' Short Film Festival	109,796	254,686
Stakeholders' Engagement	-	39,369
Strategic Plan	13,736	-
Trade Shows	-	3,772
Training Workshop/Capacity Building	-	31,746
Trinidad and Tobago Film Festival	360,000	250,000
Trinidad and Tobago Smart Phone Film Festival	68,803	123,433
Website Costs	3,500	15,450
	<u>2,964,156</u>	<u>2,391,923</u>
Total expended by the Company and its subsidiaries	<u>5,404,462</u>	<u>6,537,606</u>

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Consolidated financial statements

September 30, 2016

9. Operating leases

	<u>2016</u>	<u>2015</u>
Non cancellable operating lease rentals are payable as follows:	\$	\$
Less than one year	614,250	240,000
Between one and five years	<u>651,375</u>	<u>1,920,000</u>
	<u>1,265,625</u>	<u>2,160,000</u>

During the year, \$846,456 was recognised as an expense in the statement of comprehensive in respect of operating leases.

10. Capital management

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

11. 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 consolidated 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 credit, liquidity and market risks from its use of financial instruments:

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

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:

	<u>2016</u>	<u>2015</u>
	\$	\$
Accounts receivable	694,227	97,776
Cash at bank	<u>672,876</u>	<u>1,737,175</u>
	<u>1,367,103</u>	<u>1,834,951</u>

No provision for impairment for losses was considered necessary.

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Notes to Consolidated financial statements

September 30, 2016

9. Financial instruments (continued)

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, 2016</i>							
Accrued expenses	1,169,853	1,169,853	1,169,853	-	-	-	-
<i>September 30, 2015</i>							
Accrued expenses	968,119	968,119	968,119	-	-	-	-

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, 2016: TT\$6.71

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 Consolidated financial statements

September 30, 2016

9. 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>2016</u>	<u>2015</u>
	\$	\$
<i>Fixed rate instruments</i>		
Financial assets	<u>672,876</u>	<u>1,737,175</u>
Exposure	<u>672,876</u>	<u>1,737,175</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.

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Schedule 1

Schedule of Administrative Expenses

For the year ended September 30, 2016

	2016	2015
	\$	\$
Advertising	21,969	119,204
Audit fee	56,250	56,250
Bank charges	6,966	4,726
Board of Directors expenses	-	71,091
Depreciation	79,888	122,730
Directors' fees	528,000	630,638
Information technology expenses	260,702	124,790
Insurance	87,631	49,074
Meals	15,149	38,667
Motor vehicle expense	322,405	221,797
Office supplies	59,241	94,896
Penalty and interest	45	13,251
Professional fees	82,404	826,426
Rent	544,000	560,770
Repairs and maintenance	60,549	85,731
Salaries	2,878,516	2,712,928
Security	62,912	35,087
Travel	409	30,280
Utilities	174,353	209,443
Expended by Trinidad and Tobago Creative Industries Company Limited	<u>5,241,389</u>	<u>6,007,779</u>
Audit fees	50,625	50,625
Director fees	223,200	187,492
Information technology	-	300
Meals	-	365
Penalties and interest	25	-
Professional fees	7,201	-
Salaries	839,097	339,019
Software expenses	-	-
Travel	-	9,196
Expended by Trinidad and Tobago Music Company Limited	<u>1,120,148</u>	<u>586,997</u>

TRINIDAD AND TOBAGO CREATIVE INDUSTRIES COMPANY LIMITED

Schedule 1

Schedule of Administrative Expenses

For the year ended September 30, 2016

	2016	2015
	\$	\$
Advertising	-	3,900
Audit fee	50,625	50,625
Consultants	525,015	-
Depreciation	62,071	84,197
Director's fees	312,000	234,626
Insurance	-	32,068
IT expenses	13,806	23,350
Meals	-	37,956
Motor vehicle	-	18,379
Office rent	35,860	245,715
Office supplies	-	34,753
Penalty and interest	1,000	4,838
Professional fees	8,970	31,687
Repairs and maintenance	-	32,685
Salaries	579,291	1,296,650
Travel	-	9,700
Utilities	26,836	21,575
Expended by Trinidad and Tobago Film Company Limited	<u>1,615,474</u>	<u>2,162,704</u>
Audit fees	50,625	50,625
Director fees	267,600	267,600
Information technology	-	7,740
Meals	-	10,491
Motor vehicle	-	1,840
Penalties and interest	128	-
Professional fees	24,738	-
Salaries	892,037	320,537
Travel	-	6,785
Expended by Trinidad and Tobago Fashion Company Limited	<u>1,235,128</u>	<u>665,618</u>
Total expended by the Company and its subsidiaries	<u>9,212,139</u>	<u>9,423,098</u>

