

**Trinidad and Tobago Creative Industries Company Limited**

**Consolidated financial statements  
September 30, 2019**

# Trinidad and Tobago Creative Industries Company Limited

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# Trinidad and Tobago Creative Industries Company Limited

## Statement of management's responsibilities<sup>1</sup>

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Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Trinidad and Tobago Creative Industries Company Limited, ('the Company') and its subsidiaries (together the 'Group') which comprise the consolidated statement of financial position as at September 30, 2019, the consolidated statements of profit or loss and other comprehensive income, changes in shareholder's equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of the Group's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

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

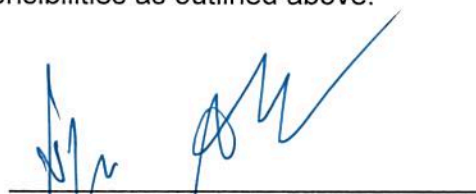
Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date; or up to the date; the accompanying consolidated financial statements have been authorised for issue.

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



Director

February 8, 2022



Director

February 8, 2022

<sup>1</sup> The above Statement of Management Responsibilities is not considered a part of the financial statements under IFRS. It is however recommended by the Institute of Chartered Accountants of Trinidad and Tobago for insertion into the financial statements immediately before the independent auditor's report and essentially represents Management's acknowledgement and acceptance of its duties, roles and responsibilities for the preparation and fair presentation of the financial statements it accompanies.

## **Independent Auditor's Report to the shareholder of Trinidad and Tobago Creative Industries Company Limited**

### **Report on the audit of the consolidated financial statements**

#### **Opinion**

We have audited the consolidated financial statements of Trinidad and Tobago Creative Industries Company Limited (the "Company") and its subsidiaries (together, the 'Group'), which comprise the consolidated statement of financial position as at September 30, 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholder's equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at September 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRS').

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other matter**

The consolidated financial statements of the Group for the year ended September 30, 2018, were audited by another auditor who expressed an unmodified opinion on those statements on October 23, 2019.

#### **Responsibilities of management and those charged with governance for the consolidated financial statements**

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

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

#### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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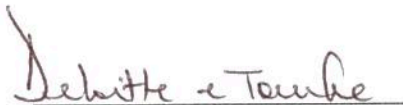
**Independent Auditor's Report (continued)**  
**to the shareholder of Trinidad and Tobago Creative Industries Company Limited**

**Auditor's responsibilities for the audit of the consolidated financial statements (continued)**

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

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

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



Deloitte & Touche  
Derek Mohammed, (ICATT # 864)

Port of Spain  
Trinidad  
February 18, 2022

# Trinidad and Tobago Creative Industries Company Limited

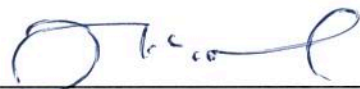
## Consolidated Statement of Financial Position

	Notes	As at September 30, 2019 \$	2018 \$ Restated	October 1, 2017 \$
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	115,468	162,722	230,071
<b>Total non-current assets</b>		<u>115,468</u>	<u>162,722</u>	<u>230,071</u>
<b>Current assets</b>				
Grant and other receivables	6	1,978,742	6,518,591	379,192
Cash and cash equivalent	7	1,518,711	4,565,692	2,006,578
<b>Total current assets</b>		<u>3,497,453</u>	<u>11,084,283</u>	<u>2,385,770</u>
<b>Total assets</b>		<u><b>3,612,921</b></u>	<u><b>11,247,005</b></u>	<u><b>2,615,841</b></u>
<b>Shareholder's equity and liabilities</b>				
<b>Shareholder's equity:</b>				
Stated capital	8	10	10	10
<b>Current liabilities:</b>				
Deferred revenue	9	2,158,388	2,270,410	1,044,453
Accrued expenses	10	1,454,523	8,976,585	1,571,378
<b>Total current liabilities</b>		<u>3,612,911</u>	<u>11,246,995</u>	<u>2,615,831</u>
<b>Total shareholder's equity and liabilities</b>		<u><b>3,612,921</b></u>	<u><b>11,247,005</b></u>	<u><b>2,615,841</b></u>

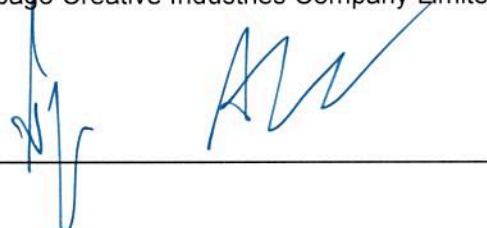
The accompanying notes on pages 8 to 33 form an integral part of these consolidated financial statements.

On February 8, 2022 the Board of Directors of Trinidad and Tobago Creative Industries Company Limited authorised these consolidated financial statements for issue.

Director



Director



# Trinidad and Tobago Creative Industries Company Limited

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

		Year ended September 30,	
	Notes	2019	2018
		\$	\$
			Restated
<b>Revenue</b>			
Grants utilised	11	14,598,520	19,319,489
Other income	12	374,685	759,232
		<u>14,973,205</u>	<u>20,078,721</u>
Public Sector Investment Programme (PSIP)	13	<u>(7,033,647)</u>	<u>(6,457,011)</u>
Operating surplus		7,939,558	13,621,710
<b>Other expenses</b>			
Administrative expenses	14	<u>(7,816,136)</u>	<u>(13,431,780)</u>
<b>Surplus for the year before taxation</b>		123,421	189,930
Taxation	16	<u>(123,421)</u>	<u>(189,930)</u>
<b>Net surplus for the year</b>		-	-
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<u>-</u>	<u>-</u>

The accompanying notes on pages 8 to 33 form an integral part of these consolidated financial statements.

# Trinidad and Tobago Creative Industries Company Limited

## Consolidated Statement of Changes in Shareholder's Equity

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	<b>Stated capital</b>	<b>Accumulated Surplus</b>	<b>Total equity</b>
	\$	\$	\$
<b>Year ended September 30, 2019</b>			
Balance at October 1, 2018	10	-	10
Impact of restatement (Note 17)	-	-	-
Balance at October 1, 2018 - restated	10	-	10
Net surplus for the year after taxation	-	-	-
Total comprehensive income for the year	-	-	-
<b>Balance as at September 30, 2019</b>	<b>10</b>	<b>-</b>	<b>10</b>
<b>Year ended September 30, 2018</b>			
Balance as at October 1, 2017	10	-	10
Net surplus for the year after taxation	-	-	-
Total comprehensive income for the year	-	-	-
<b>Balance as at September 30, 2018</b>	<b>10</b>	<b>-</b>	<b>10</b>

The accompanying notes on pages 8 to 33 form an integral part of these consolidated financial statements.



# Trinidad and Tobago Creative Industries Company Limited

## Consolidated Statement of Cash Flows

	Year ended September 30,	
	2019	2018
	\$	\$ Restated
<b>Cash flows from operating activities</b>		
Net surplus for year before taxation	123,421	189,930
Adjustments to reconcile net surplus for the year before taxation to net cash used in operating activities:		
- Grants utilised	(14,598,520)	(19,319,489)
- Depreciation	47,254	67,348
Changes in accounts receivables	4,539,849	(6,139,399)
Changes in accounts payables	(7,468,852)	7,351,998
Cash used in operations	(17,356,848)	(17,849,612)
Taxes paid	(176,631)	(136,720)
<b>Net cash used in operating activities</b>	<u>(17,533,479)</u>	<u>(17,986,332)</u>
<b>Cash Flows from financing activities</b>		
Proceeds from government grants	14,486,498	20,545,446
<b>Net cash generated from financing activities</b>	<u>14,486,498</u>	<u>20,545,446</u>
<b>Net (decrease) / increase in cash and cash equivalents for the year</b>	(3,046,981)	2,559,114
<b>Cash and cash equivalents at beginning of the year</b>	<u>4,565,692</u>	<u>2,006,578</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><u>1,518,711</u></u>	<u><u>4,565,692</u></u>

The accompanying notes on pages 8 to 33 form an integral part of these consolidated financial statements.

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

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### 1. Reporting entity

Trinidad and Tobago Creative Industries Company Limited (the 'Company' or 'CreativeTT') 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 it was 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 CreativeTT:
  - 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 organisational structure.

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

### 2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (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.

#### (c) *Functional and reporting currency*

The consolidated financial statements are presented in Trinidad and Tobago dollars which is the Group'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 recognised in the period in which the estimates are revised and in any future periods affected.

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

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### 2. Significant accounting policies (continued)

#### (e) *Subsidiaries*

A subsidiary Company is an entity controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance. The financial statements of subsidiaries are prepared for the same reporting period as the Parent, using consistent accounting policies.

Non-controlling interests (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it;

- Derecognises the carrying amount of the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Recognises the fair value of any investment retained;
- Reclassifies to profit or loss or to retained earnings, as appropriate, the amounts recognised in OCI as would be required if the Group had directly disposed of the related assets or liabilities; and
- Recognises any resulting difference as a gain or loss in the profit or loss attributable to the Parent.

#### *Transactions eliminated on consolidation*

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

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### 2. Significant accounting policies (continued)

#### (f) *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 capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised 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 recognised 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 recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing property, plant and equipment are recognised 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 equipment	25%
Computers	33.3%
Office equipment	25%
Computer software	33.3%

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

#### (g) *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.

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

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### 2. Significant accounting policies (continued)

#### (h) Financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than financial assets and financial liabilities at fair value through profit or loss, are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### a) Financial assets

Financial assets, other than those designated and effective as hedging instruments, are classified and subsequently measured based on the following categories:

- i) amortised cost
- ii) fair value through profit or loss (FVTPL)
- iii) fair value through other comprehensive income (FVTOCI)

The classification is determined by both:

- i) the entity's business model for managing the financial asset
- ii) the contractual cash flow characteristics of the financial asset

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

This category includes non-derivative financial assets such as loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, loans are measured at amortised cost using the effective interest method.

The Group's cash and cash equivalents and receivables fall into this category of financial instruments.

#### i) Financial assets at amortised cost

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

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

This category includes non-derivative financial assets such as loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents and receivables fall into this category of financial instruments.

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

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### 2. Significant accounting policies (continued)

#### (h) Financial instruments (continued)

##### a) Financial assets (continued)

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

Financial assets at FVPTL are:

- financial assets whose contractual cash flows are not SPPI
- financial assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell
- financial assets designated at FVPTL using the fair value option

This category includes derivative instruments. Assets in this category are measured at fair value with gains or losses, including any interest or dividend income recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

##### iii) Financial assets at fair value through other comprehensive income (FVTOCI)

The Group accounts for financial assets at FVTOCI if the assets meet the following conditions:

- they are held under a business model whose objective is holding to collect the associated cash flows and sell and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI)

Any gains or losses recognised in OCI will be recycled upon derecognition of the asset.

##### b) Financial liabilities

The Group's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

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### 2. Significant accounting policies (continued)

#### (h) Financial instruments (continued)

##### c) Impairment of financial assets

The Group applies the forward-looking expected credit loss (ECL) approach to assess whether a financial asset or group of financial assets may be impaired.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

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

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') for which a 12 month ECL is recognised
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2') for which 'lifetime expected credit losses' are recognised.
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

##### *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

##### *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

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### 2. Significant accounting policies (continued)

#### (h) Financial instruments (continued)

##### c) Impairment of financial assets (continued)

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### *Credit-impaired financial assets*

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets.

##### *Other receivables*

IFRS 9 allows the use of a simplified approach in accounting for other receivables which does not track changes in credit risk but records the loss allowance based on lifetime expected credit losses at each reporting date.

##### d) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss but is transferred to accumulated deficit.

##### (i) *Provision*

A provision is recognised in the consolidated statement of financial position when the Group 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.

##### (j) *Revenue Recognition*

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group 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 Group are recognised in the consolidated statement of profit or loss as revenue when the grant becomes receivable.



# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

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### 2. Significant accounting policies (continued)

#### (j) *Revenue Recognition (continued)*

Subventions that compensate the Group for expenses incurred are recognised as revenue in the consolidated statement of profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are recognised in the consolidated statement of profit or loss as revenue on a systematic basis over the life of the asset.

All other revenue is recorded on an accrual's basis.

#### (k) *Lease payments*

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

#### (l) *Taxation*

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of profit or loss.

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.

#### (m) *Impairment*

The carrying amounts of the Group's assets are reviewed at each reporting 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 recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of profit or loss.

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 the consolidated financial statements For the year ended September 30, 2019

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### 3. Application of new and revised International Financial Reporting Standards ('IFRS')

#### 3.1 New IFRS and amendments to IFRS that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to IFRS and new Interpretation issued by the International Accounting Standards Board ('IASB') that are mandatorily effective for the Group for the year commencing October 1, 2018.

- **IFRS 9 *Financial Instruments***

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after January 1, 2018. The Group applied IFRS 9 prospectively, with an initial application date of January 1, 2018. The Group has not restated the comparative information, which continues to be reported under IAS 39.

IFRS 9 introduced new requirements for:

1. The classification and measurement of financial assets and financial liabilities,
2. Impairment of financial assets, and
3. General hedge accounting.

1. Classification and measurement of financial assets

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flow, and that have contractual cash flow that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- Debt instruments that are held within the business model whose objective is to collect both the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- All other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

The Group has evaluated that the application did not have an impact on the Group's financial statements. Financial assets classified as receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and the cash flows consist solely of principal and interest on the principal outstanding.

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

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### 3. Application of new and revised International Financial Reporting Standards ('IFRS') (continued)

#### 3.1 New IFRS and amendments to IFRS that are mandatorily effective for the current year (continued)

- **IFRS 9 *Financial Instruments* (continued)**

- 2. Impairment of financial assets

IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. It is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information.

The Group has not restated the comparative information, which continues to be reported under IAS 39. No differences arose from the adoption of IFRS 9.

- 3. General hedge accounting

The new general hedge accounting requirements retain three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Group do not have any assets in this category.

- **IFRS 15 *Revenue from Contracts with Customers and clarifications to IFRS 15 Revenue from Contracts (April 2016)***

IFRS 15 supersedes the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

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### 3. Application of new and revised International Financial Reporting Standards ('IFRS') (continued)

#### 3.1 New IFRS and amendments to IFRS that are mandatorily effective for the current year (continued)

- **IFRS 15 Revenue from Contracts with Customers and clarifications to IFRS 15 Revenue from Contracts (April 2016) (continued)**

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The Group has evaluated that the application of IFRS 15 did not have an impact on the Group's financial statements due to lack of qualifying revenue transactions.

- **IFRIC 22 Foreign Currency Transactions and Advance Consideration**

IFRIC 22 addresses how to determine the 'date of transaction' for the purpose of determining the exchange rate to use on the initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset on non-monetary liability.

The Interpretation specifies that the date of transaction is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the Interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.

The Interpretation is effective for annual periods beginning on or after January 1, 2018 with earlier application permitted. Entities can apply the Interpretation either retrospectively or prospectively. Specific transition provisions apply to prospective application.

The Group has evaluated that the application of IFRIC 22 did not have an impact on the Group's financial statements. The Group had no transaction that recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income.

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

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### 3. Application of new and revised International Financial Reporting Standards ('IFRS') (continued)

#### 3.2 New and revised IFRS in issue but not yet effective

The Group has not applied the following new and revised IFRS that have been issued but are not yet effective:

- |   |   |
|---|---|
| • IFRS 16   | Leases <sup>1</sup>   |
| • Amendments to IFRS 9                                  | Prepayment Features with Negative Contribution  |
| • Annual Improvements to IFRS Standards 2015-2017 Cycle | Amendments to IFRS 3 Business Combinations, IFRS 11 Joint arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs <sup>1</sup> |
| • Amendments to IAS 19                                  | Employee Plan Amendment, Curtailment or Settlement Benefits <sup>1</sup>  |
| • IFRIC 23  | Uncertainty over income tax treatments <sup>1</sup>   |

<sup>1</sup> Effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.

#### • **IFRS 16 Leases**

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date.

Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion, which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease. Furthermore, extensive disclosures are required by IFRS 16.

The Group has evaluated that any application of the new and revised IFRS 16 will not have an impact on the Group's financial statements due to lack of qualifying leases and service contracts. Additional gains in the quality of financial reporting due to early adoption will not therefore be realised.

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

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### 3. Application of new and revised International Financial Reporting Standards ('IFRS') (continued)

#### 3.2 New and revised IFRS in issue but not yet effective (continued)

- **Amendments to IFRS 9: Prepayment Features with Negative Compensation**

The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI.

The amendment should be applied retrospectively and are effective from January 1 2019, with earlier application permitted. There are specific transition provisions depending on when the amendments are first applied, relative to the initial application of IFRS 9.

The Group has evaluated that any application of the amendments to IFRS 9 will not have an impact on the Group's financial statements due to lack of qualifying prepayment features with negative compensation. Additional gains in the quality of financial reporting due to early adoption will not therefore be realised.

- **Annual Improvements to IFRS Standards 2015–2017 Cycle**

- **IAS 12 Income Taxes** - The amendments clarify that an entity should recognise the income tax consequences of dividends in profit and loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

- **IAS 23 Borrowing Costs** - The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows *generally* when calculating the capitalisation rate on general borrowings.

The Group has evaluated that any application of the new and revised IAS 12 and 23 will not have an impact on the Group's financial statements due to lack of qualifying income tax consequences and borrowing costs. Additional gains in the quality of financial reporting due to early adoption will not therefore be realised.

- **Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement**

The amendment clarifies that the past service costs (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling. Any change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is recognised in other comprehensive income.

The amendment requires that updated assumptions be used to remeasure current service cost and net interest for the remainder of the reporting period after the change to the plan. Net interest post plan amendments are calculated by multiplying the net defined benefit liability (asset) with the discount rate used in the remeasurement.

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

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### 3. Application of new and revised International Financial Reporting Standards ('IFRS') (continued)

#### 3.2 New and revised IFRS in issue but not yet effective (continued)

- **Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement (continued)**

These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

The Group has evaluated that any application of the amendments to IAS 19 will not have an impact on the Group's financial statements due to lack of qualifying employee benefits plan amendments, curtailment or settlement. Additional gains in the quality of financial reporting due to early adoption will not therefore be realised.

- **IFRIC 23 Uncertainty over Income Tax Treatments**

The interpretation sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires an entity to:

- Determine whether uncertain tax position is assessed separately or as a Group;
- Assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings; and
- The effect of changes in facts and circumstances

The Group has evaluated that any application of the new and revised IFRIC 23 will not have an impact on the Group's financial statements due to lack of uncertainty over income tax treatments. Additional gains in the quality of financial reporting due to early adoption will not therefore be realised.

- **Classification and Measurement of Share-based Payment Transactions (*Amendments to IFRS 2*)**

Amendments to IFRS 2 Share-based Payment clarify the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

The directors do not anticipate that the application of these amendments will have a significant impact on the Group's financial statements.

- **Annual Improvements 2014-2016**

**IFRS 1** - Deletes the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose.

**IAS 28** - Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

The directors do not anticipate that the application of these amendments will have a significant impact on the Group's financial statements.

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

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### 3. Application of new and revised International Financial Reporting Standards ('IFRS') (continued)

#### 3.2 New and revised IFRS in issue but not yet effective (continued)

- **IFRIC 22 Foreign Currency Transactions and Advance Consideration**

The interpretation addresses foreign currency transactions or parts of transactions where:

- there is consideration that is denominated or priced in a foreign currency;
- the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- the prepayment asset or deferred income liability is non-monetary.

The Interpretations Committee came to the following conclusion:

- The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability.
- If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

The directors do not anticipate that the application of this interpretation will have a significant impact on the Group's financial statements.

### 4. Critical judgements and the use of estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make critical judgements and use estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Actual results may differ from the estimates and assumptions used. Key sources of uncertainty, which requires the use of estimates, include:

#### *Useful lives and residual values of property, plant and equipment*

The estimates of useful lives as translated into depreciation rates are detailed in the property, plant and equipment policy above. These rates and the residual lives of the assets are reviewed annually taking cognizance of the forecasted commercial and economic realities and through benchmarking of accounting treatments within the industry.

#### *Contingent liabilities*

Management applies its judgement to the facts and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, more likely than not, or remote. Such judgement is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.



## Trinidad and Tobago Creative Industries Company Limited

### Notes to the consolidated financial statements For the year ended September 30, 2019

#### 5. Property, plant and equipment

	Furniture and equipment	Computers	Office equipment	Computer software	Total
	\$	\$	\$	\$	\$
<b>Year ended September 30, 2019</b>					
<b>Cost</b>					
Balance as at September 30, 2019	736,523	634,886	413,484	65,720	1,850,613
<b>Accumulated depreciation</b>					
Balance as at October 1, 2018	701,133	567,112	365,351	54,295	1,687,891
Charge for the year	8,848	22,569	12,033	3,805	47,254
Balance as at September 30, 2019	709,981	589,681	377,384	58,100	1,735,145
<b>Net book value</b>					
Balance as at September 30, 2019	<b>26,543</b>	<b>45,205</b>	<b>36,100</b>	<b>7,620</b>	<b>115,468</b>
<b>Year ended September 30, 2018</b>					
<b>Cost</b>					
Balance as at September 30, 2018	736,523	634,886	413,484	65,720	1,850,613
<b>Accumulated depreciation</b>					
Balance as at October 1, 2017	689,337	533,231	349,307	48,668	1,620,543
Charge for the year	11,796	33,881	16,044	5,627	67,348
Balance as at September 30, 2018	701,133	567,112	365,351	54,295	1,687,891
<b>Net book value</b>					
Balance as at September 30, 2018	<b>35,390</b>	<b>67,774</b>	<b>48,133</b>	<b>11,425</b>	<b>162,722</b>

#### 6. Grant and other receivables

	<u>2019</u>	<u>2018</u>
	\$	\$ Restated
Government grant	1,874,573	6,350,568
Other receivables	15,299	925
Prepayments	87,945	167,098
	<b><u>1,978,742</u></b>	<b><u>6,518,591</u></b>

Government Grant Receivable of \$1,874,573 (2018 - \$6,350,568) relates to expenditure undertaken and funding received after the years end.

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

### 7. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	<u>2019</u>	<u>2018</u>
	\$	\$
Cash in hand	5,000	5,000
Cash in bank	1,513,711	4,560,692
	<u><u>1,518,711</u></u>	<u><u>4,565,692</u></u>

### 8. Stated capital

	<u>2019</u>	<u>2018</u>
	\$	\$
<b>Authorised capital:</b>		
Unlimited number of common shares on no-par value		
<b>Issued and fully paid capital:</b>		
10 common shares of no-par value		
	<u><u>10</u></u>	<u><u>10</u></u>

### 9. Deferred revenue

	<u>2019</u>	<u>2018</u>
	\$	\$
		<b>Restated</b>
Balance brought forward	2,270,410	1,044,438
Grants received for the year	12,677,489	14,379,000
Grants supplied to prior year	-	(184,121)
Grants receivable	1,809,009	6,350,582
Amortization for the year	(14,598,520)	(19,319,489)
Balance as at September 30, 2019	<u><u>2,158,388</u></u>	<u><u>2,270,410</u></u>

Funding for the operations of the Group is provided via grants from the Government of the Republic of Trinidad and Tobago (GORTT). The deferred income of \$2,158,388 (2018 - \$2,270,410) relates to the funding of committed or deferred projects at the year end.

### 10. Accrued expenses

	<u>2019</u>	<u>2018</u>
	\$	\$
		<b>Restated</b>
Audit fees	612,268	7,118,400
Gratuity	842,255	1,804,975
Other accounts payable	11,902	53,210
	<u><u>1,454,523</u></u>	<u><u>8,976,585</u></u>

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

### 11. Grants utilised

	<u>2019</u>	<u>2018</u>
	\$	\$
		<b>Restated</b>
PSIP grants utilised	6,857,522	5,697,779
Recurrent grants utilised	<u>7,740,998</u>	<u>13,271,710</u>
	<b><u>14,598,520</u></b>	<b><u>19,319,489</u></b>

### 12. Other income

These are donations, marketing support, event fees and sponsorship received by:

	<u>2019</u>	<u>2018</u>
	\$	\$
MusicTT	69,672	450,000
FilmTT	26,496	-
FashionTT	<u>278,517</u>	<u>309,232</u>
	<b><u>374,685</u></b>	<b><u>759,232</u></b>

### 13. Public Sector Investment Programme (PSIP)

These are the projects for which PSIP funds were expended.

	<u>2019</u>	<u>2018</u>
	\$	\$
		<b>Restated</b>
<b>MusicTT</b>		
Artist Management and Branding Production	-	6,000
Artist Portfolio Development Programme	323,278	98,637
Live Music District	589,703	635,147
Music Tech Platform	223,410	208,125
Music Export Academy	249,926	143,634
Open Call for Proposals	2,000	16,035
Stakeholders Engagement	-	23,861
Strategic Plan	<u>-</u>	<u>200,003</u>
	<b><u>1,388,317</u></b>	<b><u>1,331,442</u></b>

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

### 13. Public Sector Investment Programme (PSIP) (continued)

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
		<b>Restated</b>
<b>FilmTT</b>		
Animae Caribe	140,000	75,000
AFCI Training	17,109	-
Film Production Facilitation	37,938	58,059
Film & Folklore Film Festival	10,000	-
Green Screen Environmental Film Festival	125,000	50,000
International Festival and Market	130,993	-
Marketing and Distribution	370,186	195,327
Re-engineer Rebate programme	-	197,406
Secondary Schools' Short Film Festival	-	2,485
Stakeholders' Engagement	143,095	-
Strategic Plan	-	537,003
Trinidad and Tobago Locations: Unseen and Unexpected	744,257	-
Trinidad and Tobago Film Festival	175,000	75,000
	<u>1,893,578</u>	<u>1,190,280</u>
<b>FashionTT</b>		
Fashion Industry Development Programme	55,550	103,269
Local Production Facility	7,078	10,800
Ultra Be Spoke Tailoring (Saville Row)	2,422,322	2,893,176
Value Chain Investment Programme (Non GVC)	983,753	900,544
Value Chain Investment Programme ( GVC)	7,648	-
VCIP (Capacity Building Seminars)	275,401	27,500
	<u>3,751,753</u>	<u>3,935,289</u>
<b>Total expended under PSIP by the Group</b>	<u><b>7,033,647</b></u>	<u><b>6,457,011</b></u>

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

### 14. Administrative expenses

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
		<b>Restated</b>
Advertising	45,825	10,232
Audit Fees	166,500	209,700
Bank Charges	14,298	10,797
Depreciation	47,255	67,348
Directors' Fees	1,064,400	1,058,240
Information Technology Expenses	92,060	89,103
Insurance	86,337	74,932
Legal Fees	14,532	11,573
Meeting Expenses	21,308	16,857
Motor Vehicle Expenses	78,785	86,563
Office Supplies	55,735	38,013
Penalties and Interest	-	38,861
Professional Fees	29,811	2,677
Rent	512,922	508,772
Rent - Equipment	39,828	18,563
Repairs Cleaning & Maintenance	81,450	41,631
Salaries	5,120,767	4,740,462
Staff Training	2,688	-
Travel	6,654	9,366
Facilitations	196,095	-
Production Expenditure Rebate	33,316	6,285,005
Utilities	105,570	113,085
	<b><u>7,816,136</u></b>	<b><u>13,431,780</u></b>

### 15. Operating leases

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Non-cancellable operating lease rentals are payable as follows:		
Less than one year	472,500	472,500
Between one and five years	1,296,000	1,417,500
	<b><u>1,768,500</u></b>	<b><u>1,890,000</u></b>

During the year, \$512,922 (2018: \$507,772) was recognised as rental expense in the statement of profit or loss in respect of operating leases.

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

### 16. Taxation

	<u>2019</u>	<u>2018</u>
	\$	\$ Restated
Income tax recognised in profit and loss:		
Business fund levy	82,281	126,620
Green fund levy	<u>41,140</u>	<u>63,310</u>
	<u>123,421</u>	<u>189,930</u>
Reconciliation of effective tax rate:		
Net surplus for the year	<u>123,421</u>	<u>189,930</u>
Tax calculation at the statutory rate of 30%	37,026	56,979
Non-deductible expenses	(37,026)	(56,979)
Business levy	82,281	126,620
Green fund levy	<u>41,140</u>	<u>63,310</u>
	<u><b>123,421</b></u>	<u><b>189,930</b></u>

### 17. Restatement

There is a prior year adjustment that relates to the correction of prior period errors which are detailed below:

#### Recording of expenses in correct period

FilmTT, a subsidiary, recorded a production expenditure rebate expense of \$6M in 2019, but should have been recorded in 2018. Accordingly, the Group has restated its 2018 financial statements to account for the error.

FashionTT, a subsidiary recorded rental expenses of \$406k in 2019, but should have been recorded in 2018. Accordingly, the Group has restated its 2018 financial statements to account for the error.

#### Recording of taxation

The Company makes all taxation payments for itself and its subsidiaries to the Board of Inland Revenue and records the full payment in its records. Accordingly, the Group has restated its 2018 financial statements to account for the taxation payments relating to itself only in its records and the payment of the taxation on behalf of its subsidiaries as a receivable.

The table below summarizes the effect of the restatements to the consolidated statement of financial position at September 30, 2018:

	<u>Balance before restatement</u>	<u>Correction of errors</u>	<u>Restated balance</u>
	\$	\$	\$
<b>As at September 30, 2018</b>			
Other receivables	6,453,027	65,564	6,518,591
Deferred revenue	(2,231,748)	(38,662)	(2,270,410)
Accrued expenses	(8,949,683)	(26,902)	(8,976,585)

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

### 17. Restatement (continued)

The table below summarizes the effect of the restatement to the consolidated statement of profit or loss and other comprehensive income for the year ended September 30, 2018:

	<b>Balance before restatement</b>	<b>Correction of errors</b>	<b>Restated balance</b>
	\$	\$	\$
<b>Year ended September 30, 2018</b>			
Revenue	12,574,654	6,744,835	19,319,489
Public Sector Investment Programme	(6,050,391)	(406,620)	(6,457,011)
Administrative expenses	(7,146,775)	(6,285,005)	(13,431,780)
Taxation	(136,720)	(53,210)	(189,930)

The table below summarizes the effect of the restatements to the consolidated statement of cash flows for the year ended September 30, 2018:

	<b>Balance before restatement</b>	<b>Correction of errors</b>	<b>Restated balance</b>
	\$	\$	\$
<b>Year ended September 30, 2018</b>			
Surplus before taxation	136,720	53,210	189,930
Non-cash items	(12,507,306)	(6,744,835)	(19,252,141)
Net cash flow from operating activities	(17,920,770)	(65,562)	(17,986,332)
Net cash flow from financing activities	20,479,884	65,562	20,545,446

### 18. Capital management

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

### 19. 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.

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

### 19. Financial instruments (continued)

Financial instruments by category as per consolidated statement of financial position:

	<u>2019</u>	<u>2018</u>
	\$	\$ Restated
<b>Assets as per consolidated statement of financial position</b>		
Other receivables	1,978,742	6,518,591
Cash and cash equivalents	<u>1,518,711</u>	<u>4,565,692</u>
<b>Total</b>	<b><u>3,497,453</u></b>	<b><u>11,084,283</u></b>
<b>Liabilities as per consolidated statement of financial position</b>		
Deferred revenue	2,158,388	2,270,410
Accrued expenses	<u>1,454,523</u>	<u>8,976,585</u>
<b>Total</b>	<b><u>3,612,911</u></b>	<b><u>11,246,995</u></b>

The Group 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.

#### 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 consolidated statement of financial position. While there is a grants receivable balance of \$88,870 (2018: \$6,453,027), the maximum exposure to credit risk is considered nil as the risk of default of this balance is insignificant. The receivable balance was settled when the next allocation of grants was received in March & August 2020.

#### Liquidity risk

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

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

	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>6 months or less</u>	<u>6 to 12 months</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>More than 5 years</u>
	\$	\$	\$	\$	\$	\$	\$
<b>September 30, 2019</b>							
Accrued expenses	<u>1,454,523</u>	<u>1,454,523</u>	<u>1,454,523</u>	-	-	-	-
<b>September 30, 2018</b>							
Accrued expenses - Restated	<u>8,976,585</u>	<u>8,976,585</u>	<u>8,976,585</u>	-	-	-	-



# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

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### 19. Financial instruments (continued)

#### 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 Group 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 Group 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, 2019: TT\$6.78

At September 30, 2018: TT\$6.78

#### Sensitivity analysis

The Group 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.

#### 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 Group's interest-bearing instruments was:

	<u>2019</u>	<u>2018</u>
	\$	\$
<b>Fixed rate instruments</b>		
Financial assets	<u>1,518,711</u>	<u>4,565,692</u>
Exposure	<u>1,518,711</u>	<u>4,565,692</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 Group's financial instruments is based on the market prices and valuation methodologies.

## Trinidad and Tobago Creative Industries Company Limited

### Notes to the consolidated financial statements For the year ended September 30, 2019

#### 20. Subsidiaries

The subsidiaries are as follows:

Entities	Principal activity	Place of incorporation and operation	Proportion of shareholding and voting power held
			2019
Trinidad and Tobago Music Company Limited	To stimulate and facilitate the business development and export activities of the music industry in Trinidad and Tobago to generate national wealth	Trinidad and Tobago	100%
Trinidad and Tobago Film Company Limited	To provide logistical support and core services, such as location scouting, research and acting as a liaison with industry partners, the community, production houses and Government agencies	Trinidad and Tobago	100%
Trinidad and Tobago Fashion Company Limited	To stimulate and facilitate the business development and export activities of the fashion industry in Trinidad and Tobago to generate national wealth	Trinidad and Tobago	100%

#### 21. Commitments

At the year end the Group had commitments totalling \$373,564 (2018: \$3,751,872) relating to projects that had commenced before the year end.

	2019	2018
	\$	\$
Trinidad and Tobago Music Company Limited	166,324	72,449
Trinidad and Tobago Film Company Limited	-	272,582
Trinidad and Tobago Fashion Company Limited	207,240	3,406,941
Commitments	<b>373,564</b>	<b>3,751,972</b>

#### 22. 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 was before the Registration Recognition and Certification Board to determine whether the former employee is deemed a "worker" under the Industrial Relations Act. On March 15, 2021, the Registration Recognition and Certification Board notified the Company that the former CEO was not considered a worker under the Industrial Regulations Act. The Company is currently awaiting any appeal by the former CEO.

# Trinidad and Tobago Creative Industries Company Limited

## Notes to the consolidated financial statements For the year ended September 30, 2019

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### 23. Events after the reporting period

The coronavirus disease 2019 (COVID-19) was declared a pandemic by the World Health Organisation on March 11, 2020. This pandemic has had a negative impact on the operations of the Group, however the extent of the impact on the financial position and performance of the Group depends on future developments, including but not limited to:

- (i) the duration and spread of the outbreak
- (ii) the extent of restrictions and advisories , and
- (iii) the effects on the local and global financial and economic markets, all of which are highly uncertain and cannot be predicted.

The continuation of these circumstances will continue to impact the Group's operations and may have a negative impact on the Group's financial condition and results.