



ADMINISTRATIVE REPORT 2016

Trinidad and Tobago Free Zones Company Limited

TABLE OF CONTENTS

| <i>Item</i> | <i>Page #</i> |
|---|---------------|
| Executive Summary | 2 |
| Introduction and Background to the TTFZ | 4 |
| Mission Statement | 8 |
| Vision Statement | 9 |
| Strategic Plan | 9 |
| Organizational Structure | 13 |
| Corporate Structure | 13 |
| Virtual Organizational Structure | 14 |
| Services / Products Provided | 15 |
| Levels of Authority | 16 |
| Performance Accomplishments | 18 |
| Financial Operations | 19 |
| Budget Formulation | 19 |
| Expenditure versus Budget | 19 |
| Debt Policy | 22 |
| Investment Policy | 22 |
| Human Resource Development Plan | 22 |
| Career Path Systems | 22 |
| Performance Measurement Tools | 22 |
| Promotion | 22 |
| Recruitment and Selection Procedures | 23 |
| Reporting Functions | 23 |
| Departmental Reports | 23 |
| Reports to Ministries, President / Parliament | 23 |
| Procurement Procedures | 24 |
| Selected Tender | 24 |

TRINIDAD AND TOBAGO FREE ZONES COMPANY LIMITED

**REPORT ON THE OPERATIONS OF THE
TRINIDAD AND TOBAGO FREE ZONES COMPANY LIMITED (TTFZ)
IN ACCORDANCE WITH SECTION 13 (1) OF THE FREE ZONES ACT
AND SECTION 66D OF THE CONSTITUTION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Executive Summary

The Trinidad and Tobago Free Zones Company Limited's (TTFZ) Administrative Report 2016 documents the company's operations over the past year, in terms of challenges, developments and achievements over the period in question and is designed to present an overview of the various aspects of the company's work for fiscal 2016. The report provides a brief background on the TTFZ which includes a historic outline of the rationale behind the development of the Trinidad and Tobago Free Zones Programme, the company's mandate, recent developments and a summary of the existing approved free zone enterprises.

This report on the operations of the TTFZ details the company's vision, mission and core values as well as its present and virtual organizational structures. It also provides insight into the proposed strategic direction designed to steer the company toward its quest of making a meaningful contribution to the Government's diversification agenda. The company's achievements both financial and otherwise are also examined to provide an understanding of the TTFZ's performance over the past year.

The Administrative Report 2016 is broken down into seven (7) chapters as stipulated by the State Enterprises Performance Monitoring Manual. A brief description of each of the chapters follows:

Chapter 1: Mission, Policy or Philosophy and the Strategic Plan

Details of the TTFZ's strategic objectives for 2016, justification for its development, as well as targeted outcomes, goals and objectives can all be found in this chapter.

Chapter 2: Organizational Structure

A depiction of the TTFZ's lean organizational chart, as well as a picture of the evolution of the company's corporate structure is presented in chapter 2 of the report. The TTFZ's products and services are also outlined therein.

Chapter 3: Performance accomplishments versus goals and any remedial plans

Information about the TTFZ's achievements and challenges both financial and otherwise can be found in chapter 3.

Chapter 4: Financial Operations

A comparative outline of the TTFZ's income statement 2015 vs 2016 is entailed in chapter 4 of the Administrative Report.

5. Human Resource Development Plan

Details of the recruitment and selection process employed by the company, the strategy utilized to measure employee performance and to determine fitness for promotional opportunities are available under this chapter of the report.

6. Reporting Functions

Chapter 6 provides a listing of the reporting requirements the TTFZ is obliged to meet.

7. Procurement Procedures

The TTFZ employs the selected tender method of procurement. The rationale for the selection of this system is provided under chapter 7 of the Administrative Report.

1. Introduction and Background to the TTFZ

In the late 1980s with the collapse of the oil price and the resultant IMF Programme, Government was persuaded that a Free Zones Programme based on the Jamaican model could quickly provide a significant number of jobs and stimulate economic activity. To this end, the Trinidad and Tobago Free Zones Programme was initiated by the enactment of the Trinidad and Tobago Free Zones Act of 1988.

The Trinidad and Tobago Free Zones Company Limited (TTFZ) was incorporated on the 6th July of the same year, to administer the Free Zones Programme, under the provisions of the Trinidad and Tobago Free Zones Act.

The Free Zones Programme of Trinidad and Tobago aims to attract both foreign and local investors to set up manufacturing, international trading and services operations, within free zones, dedicated to exports, with a view to encouraging and facilitating, new investment, the creation of jobs, the generation of net foreign exchange earnings and the deepening of the technology base of the country.

Approved free zone enterprises engaged in exporting from a free zone to a territory, other than the customs territory, shall be exempt from import and export licensing, corporation tax, business levy, withholding tax or any other tax or levy, on sales, receipts, profits or gains in respect of those exports. Additionally, free zone enterprises enjoy a host of other benefits including but not limited to import duty concessions and swift work permit processing.

The Trinidad and Tobago Free Zones Programme did not materialize in the form and design originally envisioned. Nevertheless, innovative means such as the involvement of the private sector as free zone developers were employed to ensure the viability and success of the Free Zones Programme. Additionally, the TTFZ works closely with other state agencies such as exporTT, invesTT, Eximbank, Trinidad and Tobago IFC, Customs and Excise Division etc. to facilitate new investments in the non-energy sector of our local economy. These strategic alliances have helped to close the gaps and constraints that the Company has faced due to limited human resources.

The TTFZ remains committed to its mandate of diversification of our national economy and has aligned itself to the Government of Trinidad and Tobago's sectors for sustainable development. To this end, the Company stands ready to provide unwavering support to all investors.

In 2016 the Trinidad and Tobago Free Zones Programme had:

- Eleven (11) locations throughout Trinidad designated as free zone areas

- Eighteen (18) approved enterprises with parent companies from Trinidad and Tobago, Switzerland, Germany, Canada, the USA and Suriname
- A diverse range of non-energy sector projects such as fish processing, cocoa production, software development, manufacture of packaging materials, trading businesses, mineral transshipment, back office processing, etc.

See table below detailing the approved free zone enterprises for 2016 and related information:

Report on the Trinidad and Tobago Free Zones Programme to 31st December, 2016

| Enterprise | Approval Date | Type of Activity | Initial Investment (USD) | Exports | | No of Employees (Direct Employment Only) |
|---------------------------------|---------------------------|--|--------------------------|---|---|--|
| | | | | To Overseas | To the Customs Territory | |
| Avasant LLC | 1 st July 2015 | Export of IT Consulting & Globalization Advisory Support & Processing Services | 54,000 | 1,008,074.28 | 0 | 6 |
| Barana Seafood Processors Ltd. | 22 nd May 2001 | Manufacturing - Processing of fish and other seafood products and by-products. | 2,300,000 | Not operational seeking new investments | Not operational seeking new investments | Not operational seeking new investments |
| Caribbean Roof Tile Company Ltd | 4 th Jan 2005 | Manufacture of Glazed and Unglazed Clay Product | 12,940,000 | Not operational seeking new markets | Not operational seeking new markets | Not operational seeking new markets |
| Crown Lithography Trinidad Ltd | 11 th Dec 2003 | Manufacture of Packaging Components and Materials | 2,000,000 | 7,604,406 | 88,050 | 18 |
| EthylChem Limited | 31 st Aug 2007 | Manufacture of Fuel Grade Dehydrated Ethanol | 37,000,000 | Revocation in Progress | Revocation in Progress | Revocation in Progress |
| Greyline Free Zone T&T Ltd | 1 st Sept 2013 | International Trading in Products (clothes, household items etc.) | 3,594,000 | Revocation in Progress | Revocation in Progress | Revocation in Progress |

| | | | | | | |
|--|-----------------------------|--|------------|------------|------------|-----|
| Intercontinental Business Park Free Zone Ltd | 16 th April 1996 | Free Zone Operator | 1,181,000 | N/a | N/a | 4 |
| Medullan (Trinidad) Ltd | 9 th July 2006 | Export of Services (software solutions developed for health care, life, sciences etc.) | 950,000 | 570,000 | 0 | 11 |
| Nestlé Caribbean Inc. | 8 th Jan 1993 | International Trading in Products (Nestlé food products) | 192,000 | 72,786,841 | 461,694 | 45 |
| Nigel Woodcock Financial Services Limited | 1 st Jan 2014 | Exporting of Tax and Financial Services | 5,937 | 123,106 | 0 | 5 |
| North American Trading Co. Ltd, | 30 th Dec 2003 | International Trading in Products (pharmaceuticals, herbs, medical equipment, promotional items, alcohol, etc.) | 145,000 | 13,639,643 | 443,339 | 22 |
| OCR Company Ltd | 16 th Dec 2005 | International Trading in Products (hardware, automotive products & manufacture of doors, windows & accessories.) | 100,000 | 8,742,093 | 129,858 | 6 |
| Oldendorff Carriers T&T Ltd | 12 th July 2012 | Bulk raw material transshipment service. | 45,000,000 | 12,052,097 | 0 | 250 |
| Operations and Shared Services Co. Ltd. | 12 th April 2013 | Export of Support and Processing Service (Financial) | 19,500 | 11,036,360 | 16,394,264 | 636 |
| Streamline Solutions Mailing Ltd (T&T) | 13 th July 2010 | Trading in Mailing equipment. Services related to data formatting, mail printing and insertions. | 161,290 | 984,744 | 1,137,805 | 145 |

| | | | | | | |
|---|---------------------------|---|-------------|-------------|------------|------|
| TCL Ponsa Manufacturing Ltd (T&T/Spain) | 1 st Aug 2001 | Manufacture of cement slings, harnesses and bags. | 560,000 | 3,519,322 | 1,425,038 | 54 |
| Trinidad & Tobago Fine Cocoa Company Limited | 1 st June 2015 | Processing of Cocoa | 703,125 | 0 | 30,065 | 12 |
| Western Plastics Ltd. | 9 th Sept 2009 | Manufacture of wristbands and plastic products. | 408,000 | 1,333,156 | 0 | 17 |
| TOTAL EXPORTS of the T&T Free Zones Programme 2016 | | | 107,259,852 | 132,391,768 | 20,110,113 | 1225 |

NOTE: The employment figure in this report does not include indirect employment.

During 2015 and continuing in 2016, the TTFZ was advised of the Ministry of Trade and Industry's (MTI) move toward the development of a new Special Economic Zones (SEZ) Regime.

Whilst this new policy was being finalized for submission to and review by Cabinet, the TTFZ was overshadowed by much uncertainty and was severely constrained with respect to undertaking the strategic objects set by the MTI, all of which were aligned to the development and approval of the new SEZ policy.

More in-depth discussion regarding the strategic work profiles for 2016 can be found under the heading 'Strategic Plan'.

i. *Mission Statement*

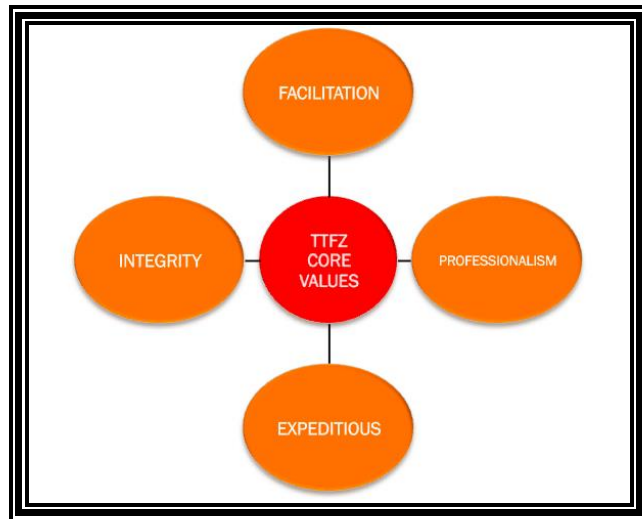
The TTFZ’s Mission Statement:

“Leveraging our competitive advantage to provide an investment friendly environment that facilitates business activities to achieve our aims of national economic diversification, job creation and attractive investor returns.”

Core Values

The Core Values to drive the Company’s Mission and Vision are:

- Facilitation - **We Engage** our customers to enhance value by providing a bureaucracy free environment and improving business synergies across the Free Zones.
- Expeditious - **Our Service** will be characterized by Efficient Zone operations and rapid execution via our business processes for on-time service delivery and prompt attention to stakeholder and customer needs.
- Integrity - **Strong Adherence** to the highest ethical standards in our business operations to drive accountability and transparency across the Trinidad and Tobago Free Zones.
- Professionalism - **Total Embodiment** of the highest standards of competence, courtesy and integrity in the administration of the Trinidad and Tobago Free Zones Programme. See diagram below:



ii. *Vision Statement*

The TTFZ's Vision Statement:

“TTFZ – The “Gateway” to global business and investment opportunities, leveraging our competitive advantages to provide the investor friendly Zone of Choice.”

iii. *Strategic Plan*

The TTFZ's Board of Directors' term of office ended in March 2016 without the development of a strategic plan for that fiscal year, and the TTFZ's new Board was not in place until August, 2016. As such, there was no formal strategic plan for fiscal 2016. Nevertheless, strategic project profiles were developed in conjunction with the Ministry of Trade and Industry (MTI) for the period October, 2015 to September, 2020.

The table which follows outlines the work set out for the TTFZ by the MTI for 2016.

The new Special Economic Zones (SEZ) policy was not approved by Cabinet for implementation until the beginning of the second quarter of 2017. As such, the MTI's work programme delegated for completion by the TTFZ during 2016 became an impossible feat, particularly in light of the fact that much of the work relied heavily on the MTI and not on the efforts of the TTFZ's staff. Additionally, the TTFZ was prevented from recruiting additional members of staff during this period of transition. This meant that the employment of a Compliance Officer and the related tasks could not be achieved.

Notwithstanding these constraints, the TTFZ continued to receive and attend to interest in the free zones programme from local and international investors. Meetings were facilitated with prospective clients such as but not limited to RBC Royal Bank (Trinidad and Tobago) Limited, Sagicor, Eve Anderson Recruitment Limited, Eastman and Associates and the STT Group T&T Limited. RBC Royal Bank, STT Group and Sagicor appeared to be great prospects but did not materialize by the end of 2016. A great deal of work was done during 2016 with iQor Trinidad and Tobago Limited (iQor) to ensure that this company had met all statutory and other requirements for the grant of free zone status. iQor is expected to be approved as a free zone enterprise in 2017. Additionally, the TTFZ participated in a panel discussion held as part of the Trinidad and Tobago International Outsourcing Summit, June 15th and 16th, 2016 at the Trinidad Hilton Hotel and Conference Centre.

The TTFZ developed the following policies during 2016: Investment Policy, revised Fee Structure Policy and Debt Collection Policy to ensure that the company operated in the realm of best practices. Greater focus was placed on monitoring and evaluation of the existing free zone enterprises in an effort to ensure that approved enterprises were compliant with the policies and regulations of the free zones programme and also to ensure that the TTFZ was optimizing the beneficial covenants of free zone agreements.

The implementation of the Debt Collection Policy enabled the TTFZ to keep a tighter rein on delinquent clients and has brought about improvements in the company's collection of receivables. The revision of the TTFZ's Fee Structure has also facilitated a review of fees paid by approved enterprises and spells an increase in the TTFZ's revenues by the sum of USD 33,800.00 annually from 2017. The development of an Investment Policy is designed to ensure that the TTFZ remains fiscally responsible as it relates to investment of retained earnings. The TTFZ also endeavoured to ensure that we remained compliant with reporting and other requirements of the Ministries of Finance and Trade and Industry.

In 2016, the TTFZ also sat on the committee formed to prepare a Business Process Outsourcing (BPO) Strategy Paper for submission to Cabinet. This entailed a number of weeks of meetings and discussions toward providing a sound foundation for Cabinet's consideration of the work to be done and the benefits to be derived from development of this sector.

PROJECT PROFILES 2016

| Project | Project Purpose/Justification | Project Description | Deliverables | Requirements |
|------------------------------------|---|---|---|---|
| World Bank Group (WBG) consultancy | This project is intended to modernize the legal, regulatory and institutional framework of free zones / Special Economic Zones (SEZs) in Trinidad and Tobago to ensure that the Trinidad and Tobago Free Zones Programme is aligned to global best practices and remains relevant and competitive | A legislative brief on reform of the free zone qualifying criteria, legislation and institutional framework | Operationalization of new SEZ Policy with updated regulations and institutional framework | World Bank Group to review draft SEZ Policy, including the existing legal, regulatory and institutional framework governing free zones in T&T (First Quarter) . Workshops on international best practices to be hosted by WBG. Learning missions to be completed (Second Quarter) . Legislation to be drafted and implementation of regulations to be commenced Zone occupancy strategy defined. PPP model defined (Third Quarter) . Legislation enacted. New SEZ Policy implemented (Fourth Quarter) . |

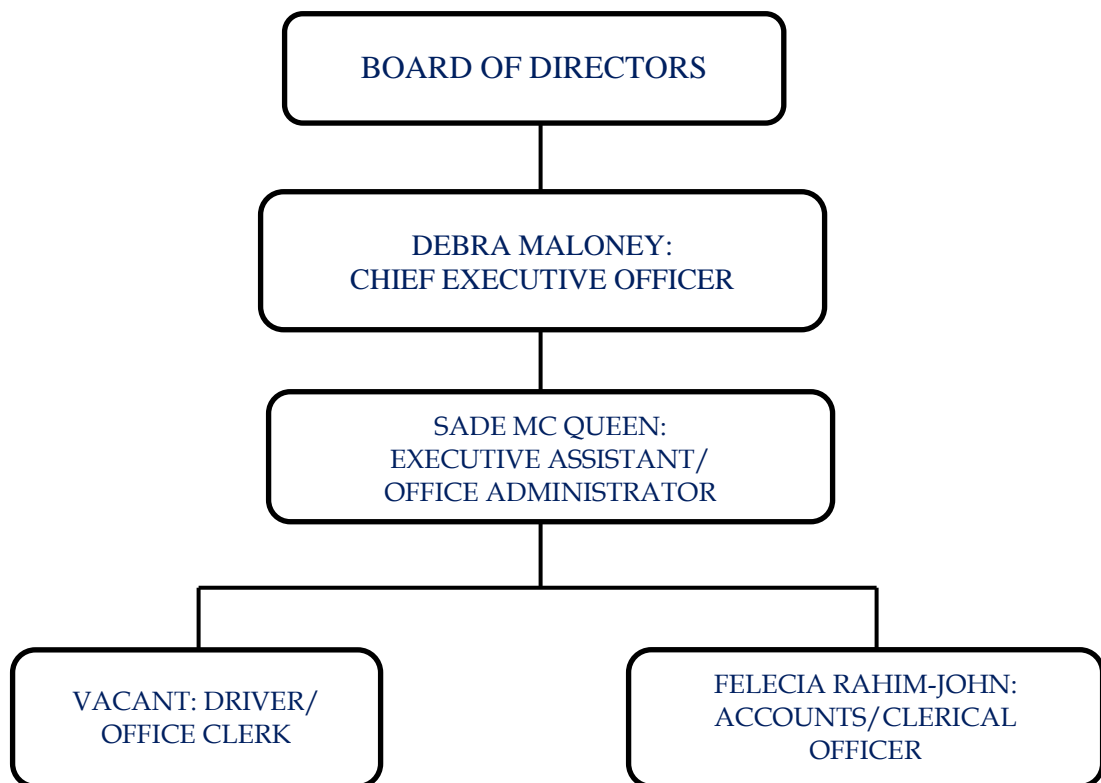
| Project | Project Purpose/Justification | Project Description | Deliverables | Requirements |
|--|--|--|---|--|
| Facilitating investment using new qualifying criteria for new free zones enterprises | Ensure a more diligent process of selection of new free zone enterprises with greater returns to the local economy | Establishment of new qualifying criteria governing the approval of new free zone enterprises | Cabinet-approved criteria governing new investments in the Trinidad and Tobago Free Zones Programme | Draft Note on revised qualifying criteria submitted to Cabinet (First Quarter). Implementation of new qualifying criteria (Second Quarter). Facilitate four (4) companies for free zone status (Third & Fourth Quarters). |
| Improve the monitoring and compliance system of TTFZ | To ensure compliance by all approved free zone enterprises according to new compliance policy toward improved performance monitoring within the free zones programme | Implementation of a monitoring and compliance system at the TTFZ | Compliance manual developed. Monitoring system established. Compliance reports. | Compliance Officer recruited (First Quarter). Compliance Policy Statement and template developed (Second Quarter). Compliance Policy Statement implemented. Awareness sessions with free zone enterprises conducted. Compliance exercises commenced (Third Quarter & Fourth Quarters) |

2. Organizational Structure

(a) Corporate Structure

The chart below depicts the approved Corporate Structure of the TTFZ. While this structure has allowed the Company to do just enough to remain self-sufficient, it is quite lean and does not afford wiggle room for the pursuit of major policies, initiatives or projects. To this end, a new organizational chart depicted below, was approved by the TTFZ's Board in 2015. It is anticipated that the TTFZ's organizational structure will change in the near future to support the implementation of the MTI's new SEZ Policy.

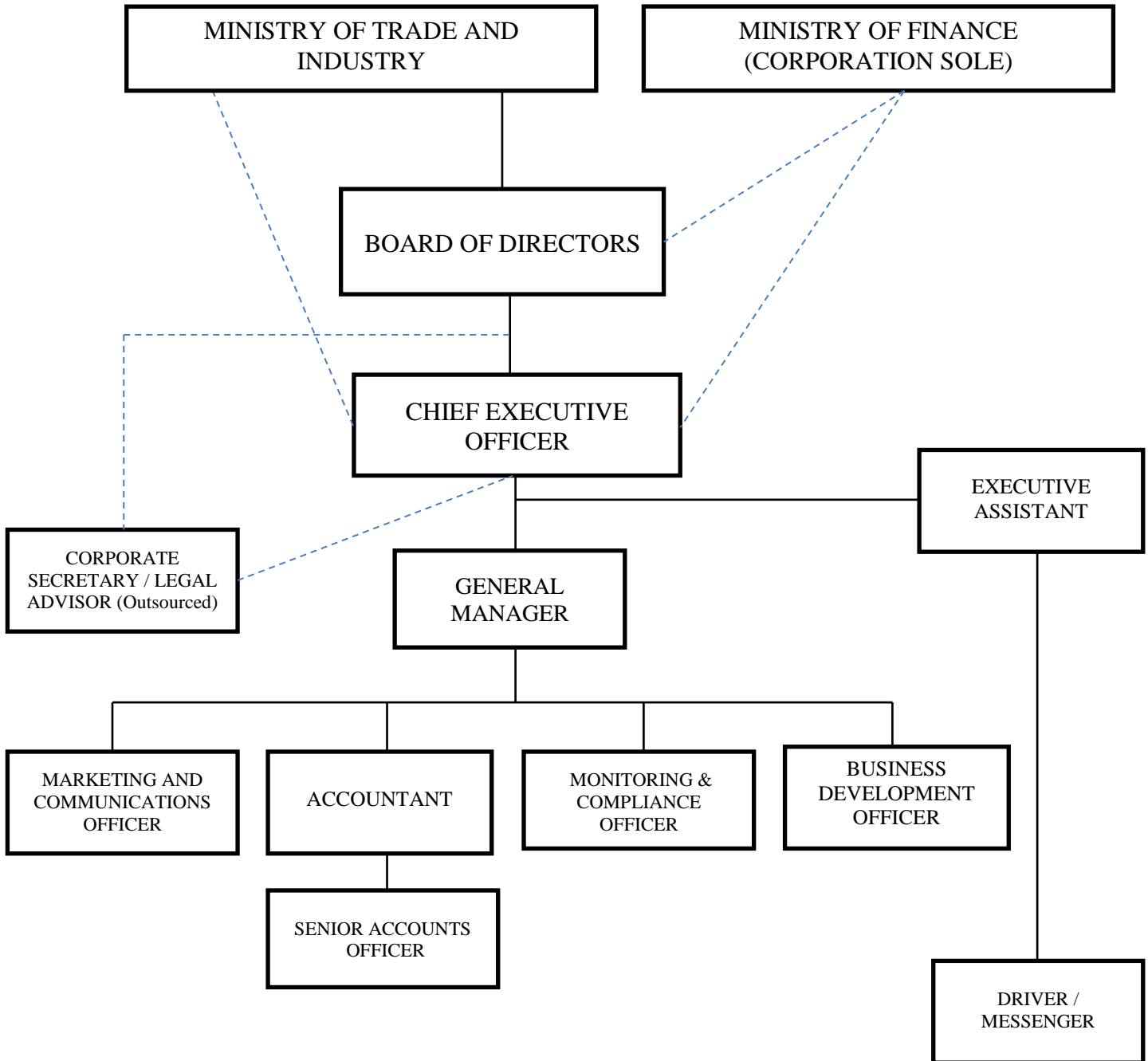
TRINIDAD AND TOBAGO FREE ZONES COMPANY
LIMITED
ORGANIZATIONAL CHART



Members of the Board of Directors up to March 2016: Kelly Baine (Chairman), Priya Ganness-Nanton, Shane Mohammed, Premnath Boodoosingh, Richard Sukdeo, Wayne Punnette, Stephen Broadbridge, Rasheed Mohammed, Marcus Woods & Mr. William Gaffar. Members of the Board of Directors from May 31st to December 31st, 2016: Karen Tom Yew (Chairman), Wayne Punnette & Esther Le Gendre.

TRINIDAD AND TOBAGO FREE ZONES COMPANY LIMITED

VIRTUAL ORGANIZATIONAL CHART



In 2015 it was agreed that only the Compliance post would be filled. Steps were taken in pursuit of this goal. However, as mentioned above, the recruitment process could not be ratified due to directives to the contrary from the TTFZ's line ministry.

(b) *Services / Products Provided*

The TTFZ provides the following products / services:

Issue of Free Zone Orders (Licenses)

The TTFZ under the authority of the Trinidad and Tobago Free Zones Act 1988, grants approval for enterprises which have satisfied the requisite criteria, to operate within the free zones programme, by issuing free zone orders. These free zone orders when gazetted by the Government Printery become legal notices. The notices generated by the Government Printery are legally binding and outline the approved activity free zone enterprises are permitted to conduct as well as the location of their operations.

The free zones orders / legal notices are utilized by holders to access a number of benefits under the Free Zones Act 1988, such as exemption from duties and taxes.

Facilitation Services

Guidance and Information

The TTFZ facilitates the diversification of the national economy through its administration of the T&T Free Zones Programme. In this regard, the Company provides support to both local and foreign investors enrolled and interested in the free zones programme. Investors are provided with as much information and assistance possible via telephone calls, email and our website: ttfzco.com. Investors are also directed to monitoring and oversight agencies for requisite approvals such as the Environmental Management Authority and the Customs and Excise Division.

The TTFZ may also provide follow-up support for enterprises awaiting approvals from similar agencies and/or Ministries. Furthermore, interested investors also benefit from recommendations of appropriate locations of operation and are provided with contact information for operators of industrial estates such as the National Energy Corporation (NEC) and e Teck. Guidance on business proposal development is also provided.

The Company also supports the work of the nation's investment promotion agencies by hosting meetings, reviewing proposals, facilitating networking initiatives and providing valued information as required.

Work Permits / Visa Waivers

Additionally, the TTFZ applies on behalf of foreign and local investors for work permits and visa exemptions for start-up operations or where the required expertise is not readily available locally. The Company provides any assistance it

can to investors in this regard. In this respect, all requisite documentation is submitted to the TTFZ for onward transmission to the Ministry of National Security's Work Permit Secretariat, for processing. This service is provided free of charge to all approved free zone enterprises.

In the medium to long terms, the TTFZ hopes to enhance its service offerings by building a database of key suppliers, relevant state and non-governmental agencies as well as complimentary services, to better serve existing and prospective clients. The Company also plans to commission required studies critical to strategic decision making, intended to enhance our free zones programme and model.

Aftercare Services

The TTFZ supports the operations of approved free zone enterprises by the provision of aftercare services. To this end, the Company when called upon leverages its relationships with other stakeholders, to play an integral role in assisting with the provision of solutions for operational constraints experienced by free zone enterprises. In this regard, the TTFZ works with investTT and / or any other relevant agency to resolve Immigration and work permit issues, to assist with Board of Inland Revenue Issues or Customs concerns and to provide guidance on any unique matter affecting approved enterprises. Sometimes, the TTFZ may visit worksites or relevant Government Offices to provide these aftercare services.

(c) *Levels of Authority*

The Board of Directors provides overall strategic direction to the Company. In this regard, the Board may pass resolutions or grant approval to implement specific decisions to guide the organization at a policy level, to ensure that the Company's Mission, Vision, Goals and Objectives are achieved. It also has the responsibility to ensure that managerial performance is reviewed on a timely basis and that corrective measures are implemented where required. As espoused in the State Enterprises Performance Monitoring Manual, the "...Board must not usurp the responsibilities of executive management by involving itself in day to day management issues. It is an organ of review, appraisal and appeal."

The TTFZ's Chief Executive Officer (CEO) manages the business and affairs of the Company, including all day to day management issues, under the strategic direction of the Board of Directors. Due to the lean structure of the TTFZ, there are presently no managers who supervise staff. As such, the CEO supervises all members of staff and addresses all employee issues. The Company has developed an Administrative and Staff Policy Manual which provides guidance to staff members on their rights and obligations in the Company. It also affords a grievance procedure to all members of staff.

Additionally, the company abides by policies developed internally or delegated by the Ministry of Finance and / or the Ministry of Trade and Industry.

Tenders Committee

The Tenders Committee is convened when approval is required for the following purposes:

- (a) Purchase of Assets over TT\$50,000;
- (b) Contracting of Services over TT\$50,000;
- (c) Sale of Assets over TT\$50,000.

The Committee makes recommendations to the Board of Directors where final approval is obtained.

The Chief Executive Officer is authorized to incur expenditure on behalf of the Company:

- in respect of specifically budgeted items up to the approved budgeted sum
- in respect of items not specified in the budget up to TT\$50,000.

Cheque Signing Limits

All Company Cheques irrespective of the sum are to be signed by:

- The Chief Executive Officer and any one (1) authorized Director

3. Performance Accomplishments 2016

Despite policy constraints which stymied the TTFZ's ability to grow the number of approved enterprises in 2016, the company was still able to achieve an increase in revenue and net income by the end of fiscal 2016 over that of fiscal 2015.

The TTFZ also recorded the following achievements in 2016:

- **Total exports from free zone enterprises – USD 132,391,768**
- **Total purchases from the Customs Territory – USD 20,110,113**
- **Employment within free zone enterprises – 1225 (indirect employment excluded)**
- **Dividend payment (with respect to fiscal 2014/2015) – TTD 600,000.00**

4. Financial Operations

(a) *Budget Formulation*

The development of the TTFZ's budget is based on the Company's mandate, expected operational expenditure and the organization's strategic goals and objectives projected for the particular year. Formulation of the Company's budget for the coming year is also done in consideration of actual income and expenditure from the previous year.

Development of the Company's budget has customarily been the purview of the Chief Executive Officer in collaboration with the Administrative and Accounts Officers. The formulated budget is reviewed and approved by the Company's Board of Directors, then forwarded to Corporation Sole and the Line Ministry for their further review. Recommended changes are made to the budget based on feedback from the Ministries.

The TTFZ strives to undertake its actual operations within budget as far as possible and is most times successful in so doing.

(b) *Income versus Expenditure 2015 / 2016*

A comparative presentation of the TTFZ's income statements for 2015 and 2016 is presented below.

The TTFZ through very lean operations and fairly tight management of its debt collection efforts was able to grow revenues by TTD 484,160.00 and net income by TTD 1,608,139.00 in 2016. To accomplish this feat, the TTFZ reduced its total expenditure by TTD 528,801.00 by the end of fiscal 2016.

The TTFZ's audited financial statements for the year ended December 31, 2016 is at ***Attachment I*** of this report.

(c) / (d) *Debt Policy / Investment Policy*

As per section 3.1.14 of the State Enterprises Performance Monitoring Manual, "State enterprises ... are required to obtain prior approval of the Minister of Finance for ... new investments in non-government securities, the incurrence of new / additional long-term debt ..."

The TTFZ is guided by the policies outlined in the State Enterprises Performance Monitoring Manual. However, in 2016 the TTFZ completed both Debt Collection and Investment Policies specific to the operations of the Company.

5. Human Resource Development Plan

(a) Career Path Systems

The TTFZ appreciates that training is an integral part of the development of its human resources. To this end, staff members are encouraged to pursue Company-supported training opportunities geared toward increased efficiency and effectiveness of the particular job function.

(b) Performance Measurement Tools

Each employee's attendance record is updated annually, on the anniversary date of employment with the Company. Each employee's performance is reviewed annually, usually early in the New Year. The assessment is based on the use of an appraisal system. Each individual's report is completed by his/her immediate supervisor and includes the opportunity for discussion before completion.

(c) Promotion – Performance based? If not, what are the criteria used?

It is hoped that the new organizational structure, likely to arise from the implementation of the new SEZ Policy will give rise to opportunities for growth and advancement to existing team members. As the Company grows in size, promotional advancement will be evaluated based on performance, experience, training and educational suitability for the post. That is, based on best-fit for the organization.

(d) Recruitment & Selection Procedures

Vacant posts within the organization at the lower levels may be filled using the following steps:

- i. Advertise vacancy in daily newspapers
- ii. Sort through applications received based on experience, qualifications, training etc.
- iii. Conduct interviews with suitable candidates
- iv. Make selection based on interview and evaluation process
- v. Formally offer (by contract) post to most suitable candidate

Similar steps are used for the recruitment and selection of senior members of staff except that in this case the services of a human resource consultant or executive recruitment agency is usually contracted to undertake steps i and ii.

As part of the recruitment process each permanent member of staff of the Company receives a letter of appointment which sets out basic conditions of service such as starting salary, probation period, notice period for the termination of service and includes clauses

relating to confidential information and the use of time and effort in the service of the Company.

All offers of employment shall be confirmed and require acceptance in writing and may be subject to medical examination and certification of fitness by a Medical Officer appointed by the Company.

6. Reporting Functions

(a) Departmental Reports

The TTFZ's Accounting Department produces an Income and Expenditure Statement monthly. This report is used by the Chief Executive Officer (CEO) to monitor and evaluate the Company's financial performance at a glance. It is also used to report to the Board and Line Ministry on the Company's financial health and ability to meet operating expenses with available income.

(b) Reports to Ministries, President / Parliament

The following reports are submitted to the Ministries, President and Parliament:

- Annual Returns
- External Debt of State Enterprises
- Status of Loan & Overdraft (App C)
- Summary of National Ins. Contributions (NI 187)
- N.I.B. Statement of Contributions Due (NI 184)
- Monthly Return of PAYE Tax & Health Surcharge Deductions
- Monthly Income & Expenditure Report
- Quarterly Appendix B (Submitted to Min. of Finance)
- Audited Financial Statements
- Strategic Plan
- Annual Budget
- Administrative Report
- Annual Performance Appraisal Report
- Board Minutes
- Litigation Reports
- Quarterly Returns
- Award of Contracts Report

7. Procurement Procedures

(a) Selected Tender

The procedure used for procurement at the Company is the selected tender. The TTFZ has opted to utilize this system for the following reasons:

- A core of prequalified suppliers can be established in advance, making the overall procurement workload significantly lower than that in an open tender.
- Product quality may be more easily assured through this restricted tendering system.
- It is easier and faster to evaluate bidders based on proven track records, product quality and expertise known to the Company.

As mentioned above the Tenders Committee of the TTFZ's Board of Directors has the responsibility of oversight of any type of procurement which exceeds TTD 50,000.00.

In this regard, the Tenders Committee will review proposals and / or presentations from prospective suppliers and make recommendations to the Company's Board of Directors. The Board grants final approval for tenders at this level.

In light of the expected proclamation of **the Public Procurement and Disposal of Public Property Act 1 of 2015**, TTFZ is prepared to adopt the regulations of the Act and amend its procurement procedures accordingly.



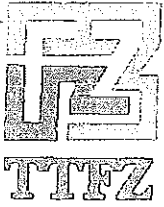
Trinidad & Tobago Free Zones Company Limited

Financial Statements

For the Year Ended 31 December 2016

Trinidad & Tobago Free Zones Company Limited

| Contents | Page |
|--|---------|
| Statement of management responsibilities | 1 |
| Auditors' report | 2 |
| Statement of financial position | 3 |
| Statement of comprehensive income | 4 |
| Statement of changes in shareholders' equity | 5 |
| Statement of cash flows | 6 |
| Accounting policies | 7 - 9 |
| Notes to the financial statements | 10 - 14 |



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E-mail: ttfzco@tstt.net.tt

02nd June, 2017

Aegis & Co.
18 Scott Bushe Street
Port of Spain

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Trinidad & Tobago Free Zones Company Limited which comprise the statement of financial position as at 31 December 2016 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the company's assets, detection/prevention of fraud, and the achievement of company operational efficiencies;
- Ensuring that the system of internal controls operated effectively during the reporting period;
- Producing reliable financial reporting that complies with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements; management utilized the International Financial Reporting Standards. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

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

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

Signed
Title: Chief Executive Officer
Date: 2/6/17

Signed
Title: Director
Date: 2/6/17

Independent Auditors' Report

To the members of
Trinidad & Tobago Free Zones Company Limited

Opinion

We have audited the accompanying financial statements of Trinidad & Tobago Free Zones Company Limited, which comprise the statement of financial position as at 31 December, 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Trinidad & Tobago Free Zones Company Limited as at 31 December, 2016, of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards.

Basis for Opinion

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

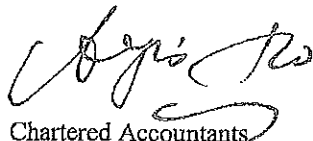
Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material 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 financial statements.



Chartered Accountants
Port of Spain
Trinidad, West Indies
2nd June 2017

Aegis & Co. P.O. Box 1543, Port of Spain, Trinidad and Tobago, West Indies.
Tel: 868 625 6473 Fax: 868 625 4484 VOIP: 305 260 6673 Website: www.aegistt.com
Email: info@aegistt.com

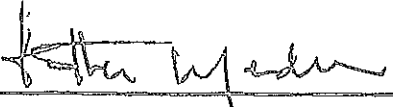
Trinidad & Tobago Free Zones Company Limited

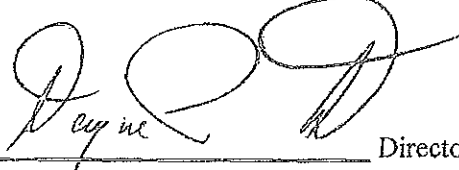
Statement of financial position

| | Notes | 31 December | |
|-------------------------------------|-------|-------------------|-------------------|
| | | 2016 \$ | 2015 \$ |
| ASSETS | | | |
| Non-current assets | | | |
| Plant and equipment | 2 | <u>199,521</u> | <u>278,445</u> |
| Current assets | | | |
| Receivables and prepayments | 3 | 764,110 | 834,059 |
| Cash and cash equivalents | 4 | <u>13,582,202</u> | <u>11,987,622</u> |
| | | <u>14,346,312</u> | <u>12,821,681</u> |
| Total assets | | <u>14,545,833</u> | <u>13,100,126</u> |
| EQUITY AND LIABILITIES | | | |
| Capital and reserves | | | |
| Share capital | 5 | 2 | 2 |
| Retained earnings | | <u>14,348,451</u> | <u>12,434,420</u> |
| Total shareholders' equity | | <u>14,348,453</u> | <u>12,434,422</u> |
| Current liabilities | | | |
| Dividends payable | | - | 600,000 |
| Accrued liabilities | | <u>197,380</u> | <u>65,704</u> |
| | | <u>197,380</u> | <u>665,704</u> |
| Total equity and liabilities | | <u>14,545,833</u> | <u>13,100,126</u> |

The accounting policies on pages 7 to 9 and the notes on pages 10 to 14 are an integral part of these financial statements.

On 2nd June, 2017 the Board of Directors of Trinidad & Tobago Free Zones Company Limited authorised these financial statements for issue.


Director


Director

Trinidad & Tobago Free Zones Company Limited

Statement of comprehensive income

| | Note | Year Ended 31 December | |
|-----------------------------|------|---------------------------|--------------------|
| | | 2016 \$ | 2015 \$ |
| Revenue | | 3,252,295 | 2,771,223 |
| Other income | | <u>3,088</u> | <u>--</u> |
| | | 3,255,383 | 2,771,223 |
| Administrative expenses | 6 | <u>(1,872,667)</u> | <u>(2,401,468)</u> |
| Operating profit | | 1,382,716 | 369,755 |
| Net finance income / (cost) | 7 | <u>531,315</u> | <u>(63,863)</u> |
| Net profit | | <u>1,914,031</u> | <u>305,892</u> |

The accounting policies on pages 7 to 9 and the notes on pages 10 to 14 are an integral part of these financial statements.

Trinidad & Tobago Free Zones Company Limited

Statement of changes in shareholders' equity

| | Share capital \$ | Retained earnings \$ | Total equity \$ |
|-------------------------------|------------------------|----------------------------|-----------------------|
| Year ended 31 December | | | |
| Balance at 1 January 2015 | 2 | 13,233,111 | 13,233,113 |
| Dividend paid | -- | (804,583) | (804,583) |
| Proposed dividend | -- | (300,000) | (300,000) |
| Net profit for 2015 | -- | 305,892 | 305,892 |
| Balance at 31 December 2015 | <u>2</u> | <u>12,434,420</u> | <u>12,434,422</u> |
| Year ended 31 December | | | |
| Balance at 1 January 2016 | 2 | 12,434,420 | 12,434,422 |
| Net profit for 2016 | -- | 1,914,031 | 1,914,031 |
| Balance at 31 December 2016 | <u>2</u> | <u>14,348,451</u> | <u>14,348,453</u> |

The accounting policies on pages 7 to 9 and the notes on pages 10 to 14 are an integral part of these financial statements.

Trinidad & Tobago Free Zones Company Limited

Statement of cash flows

| | Year ended 31 December | |
|---|---------------------------|--------------------|
| | 2016 \$ | 2015 \$ |
| Operating activities | | |
| Operating profit | 1,382,716 | 369,755 |
| Adjustments for items not requiring an outlay of funds: | | |
| Depreciation | 84,535 | 106,406 |
| Gain on sale of asset | (4,925) | -- |
| Operating profit before working capital changes | 1,462,326 | 476,161 |
| Decrease in receivables and prepayments | 69,949 | 334,928 |
| Increase / (decrease) in accrued liabilities | 131,676 | (25,872) |
| Net cash flows generated from operating activities | <u>1,663,951</u> | <u>785,217</u> |
| Investing activities | | |
| Purchase of fixed assets | (5,843) | (28,463) |
| Proceeds from disposal of fixed assets | 5,157 | -- |
| Interest received | 532,786 | -- |
| Interest paid | (1,471) | (63,863) |
| Net cash flows generated from / (absorbed by) investing activities | <u>530,629</u> | <u>(92,326)</u> |
| Financing activities | | |
| Dividends paid | (600,000) | (1,054,583) |
| Net cash flows used in financing activities | <u>(600,000)</u> | <u>(1,054,583)</u> |
| Increase / (decrease) in cash and cash equivalents | 1,594,580 | (361,692) |
| Cash and cash equivalents at beginning of year | <u>11,987,622</u> | <u>12,349,314</u> |
| Cash and cash equivalents at end of year (note 4) | <u>13,582,202</u> | <u>11,987,622</u> |

The accounting policies on pages 7 to 9 and the notes on pages 10 to 14 are an integral part of these financial statements.

Trinidad & Tobago Free Zones Company Limited

Accounting policies 31 December 2016

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 below.

a Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and under the historical cost convention.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

b Plant and equipment

Plant and equipment are stated at historical cost and are depreciated on the reducing balance basis, at rates estimated to write off the cost of each asset to their residual values over their estimated useful lives as follows:

| | | |
|--|---|-----------|
| Leasehold improvements & fixtures | - | 33.33% |
| Office furniture, fittings and equipment | - | 20-33.33% |
| Motor vehicles | - | 25% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Profits or losses on disposals of plant and equipment are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income.

Plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use.

c Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

d Revenue recognition

Revenue comprises the invoiced value for services rendered in the year and is recognized on the performance of the services. Interest income is recognized on an effective yield basis.

Trinidad & Tobago Free Zones Company Limited

Accounting policies (continued)
31 December 2016

e **Foreign currency translation**

i) Functional and presentational currency

Items included in the company's financial statements are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in Trinidad and Tobago dollars ("TT\$"), which is the company's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Translation differences on debt securities and other monetary financial assets measured at fair value are included in foreign exchange gains and losses. Translation differences on non-monetary items such as equities held for trading are reported as part of the fair value gain or loss. Translation differences on available-for-sale equities are included in the fair value reserve in equity.

f **Financial instruments**

Financial instruments carried on the statement of financial position include cash and cash equivalents, accounts receivable and accounts payable and are stated at their approximate fair values determined in accordance with the policy statements disclosed.

g **Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost and comprise cash in hand, cash at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and funds held in Money Market Funds. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position. For the purposes of the statement of cash flows, cash and cash equivalent also include the bank overdrafts.

h **Trade receivables**

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets' carrying amount and the recoverable amount. Provisions for impairment of receivables are included in the statement of comprehensive income.

Trinidad & Tobago Free Zones Company Limited

Accounting policies (continued)

31 December 2016

i **Annuities**

The company makes payments on behalf of its employees to deferred annuity plans. The deferred annuity plans are non-contributory by employees. A deferred annuity plan allows one to pay premiums and then receive a lump sum or series of regular payments at a preset future date, usually upon maturity of the plan or at retirement. The regular payments constitute net periodic costs for the year in which they are due and as such are included in staff costs.

j. **Provisions**

Provisions are recorded when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Trinidad & Tobago Free Zones Company Limited

Notes to the financial statements
31 December 2016

1 Incorporation and business activities

The company is incorporated and domiciled in the Republic of Trinidad and Tobago. The company is fully owned by the Government of Trinidad and Tobago. Its principal activity is to administer, control, operate and manage all free zones in accordance with the provisions of the Trinidad and Tobago Free Zones Act No 19 of 1988. The address of the company's registered office is Albion Court, 2nd Floor West, 61Dundonald Street, Port of Spain, Trinidad and Tobago.

2 Property, plant and equipment

| | Leasehold improvement & fixtures \$ | Furniture fittings & equipment \$ | Motor vehicles \$ | Total \$ |
|------------------------------------|--|--|-------------------------|----------------|
| Year ended 31 December 2015 | | | | |
| Opening net book amount | 44,438 | 163,404 | 148,546 | 356,388 |
| Additions | -- | 28,463 | -- | 28,463 |
| Depreciation charge | (14,811) | (54,459) | (37,136) | (106,406) |
| Closing net book amount | <u>29,627</u> | <u>137,408</u> | <u>111,410</u> | <u>278,445</u> |
| At 31 December 2015 | | | | |
| Cost | 114,000 | 416,142 | 238,000 | 768,142 |
| Accumulated depreciation | (84,373) | (278,734) | (126,590) | (489,697) |
| Net book amount | <u>29,627</u> | <u>137,408</u> | <u>111,410</u> | <u>278,445</u> |
| Year ended 31 December 2016 | | | | |
| Opening net book amount | 29,627 | 137,408 | 111,410 | 278,445 |
| Additions | -- | 5,843 | -- | 5,843 |
| Disposals | -- | (232) | -- | (232) |
| Depreciation charge | (9,875) | (46,808) | (27,852) | (84,535) |
| Closing net book amount | <u>19,752</u> | <u>96,211</u> | <u>83,558</u> | <u>199,521</u> |
| At 31 December 2016 | | | | |
| Cost | 114,000 | 395,109 | 238,000 | 747,109 |
| Accumulated depreciation | (94,248) | (298,898) | (154,442) | (547,588) |
| Net book amount | <u>19,752</u> | <u>96,211</u> | <u>83,558</u> | <u>199,521</u> |

Trinidad & Tobago Free Zones Company Limited

Notes to the financial statements (continued)

31 December 2016

| 3 | Receivables and prepayments | 2016 | 2015 |
|---|-----------------------------|----------------|----------------|
| | | \$ | \$ |
| | Trade receivables | 745,198 | 792,064 |
| | Prepayments | 14,520 | 14,520 |
| | Interest receivable | 4,191 | 27,475 |
| | Other receivables | 201 | -- |
| | | <u>764,110</u> | <u>834,059</u> |

As at 31 December 2016, trade receivables of \$745,198 were current (2015: \$792,064). Trade receivables are non-interest bearing and are due upon receipt or on 90 day terms.

| 4 | Cash and cash equivalents | 2016 | 2015 |
|---|---------------------------|-------------------|-------------------|
| | | \$ | \$ |
| | Money Market Funds | 13,147,936 | 11,691,500 |
| | Cash at bank | 200,238 | 293,122 |
| | Cash in transit | 231,028 | -- |
| | Cash in hand | 3,000 | 3,000 |
| | At end of year. | <u>13,582,202</u> | <u>11,987,622</u> |

The Money Market Funds have been classified as a cash equivalent because management uses the account for working capital requirements. The interest rate at the year-end was 0.85%.

| 5 | Share capital | 2016 | 2015 |
|---|---|----------|----------|
| | | \$ | \$ |
| | Authorised: | | |
| | An unlimited number of shares of no par value | | |
| | Issued and fully paid: | | |
| | 2 ordinary shares of no par value | <u>2</u> | <u>2</u> |

Trinidad & Tobago Free Zones Company Limited

Notes to the financial statements (continued)
31 December 2016

| | | | |
|---|---|------------------|------------------|
| 6 | Administrative expenses | | |
| | The company's operating profit includes the following costs and expenses: | | |
| | | 2016 | 2015 |
| | | \$ | \$ |
| | Staff costs (Note 8) | 899,121 | 714,923 |
| | Operating lease rental for property (Note 9) | 390,332 | 398,268 |
| | Directors fee | 226,700 | 445,200 |
| | Office administration (Note 10) | 142,285 | 177,656 |
| | Depreciation | 84,535 | 106,406 |
| | Professional fees | 74,338 | 140,375 |
| | Insurance | 17,757 | 17,639 |
| | Motor vehicles | 19,989 | 17,215 |
| | Entertainment | 7,684 | 5,786 |
| | Repairs & maintenance | 5,538 | 13,627 |
| | Business development | 2,407 | 177,889 |
| | Subscriptions | 1,698 | 1,564 |
| | Travelling | 283 | 21,012 |
| | Donations | -- | 20,563 |
| | Advertising and promotions | -- | 143,345 |
| | | <u>1,872,667</u> | <u>2,401,468</u> |
| 7 | Net finance income / (cost) | | |
| | Interest income / (cost) | 532,786 | (61,617) |
| | Bank charges | <u>(1,471)</u> | <u>(2,246)</u> |
| | | <u>531,315</u> | <u>(63,863)</u> |
| 8 | Staff costs | | |
| | Contracted wages | 624,000 | 501,341 |
| | Temporary employment | 102,000 | 80,654 |
| | Wages and salaries | 91,671 | 122,104 |
| | National insurance costs | 42,338 | 29,095 |
| | Annuity allowance costs / (income) | 26,001 | (31,244) |
| | Group health insurance costs | 9,672 | 9,534 |
| | Group life insurance costs | <u>3,439</u> | <u>3,439</u> |
| | | <u>899,121</u> | <u>714,923</u> |

Annuity allowance costs of \$70,000 paid to Guardian Life of the Caribbean Limited, regarding Policy #80001008886, was reimbursed in the year 2015.

Trinidad & Tobago Free Zones Company Limited

Notes to the financial statements (continued)
31 December 2016

9 Lease commitment

A new lease agreement was signed with Trinidad and Tobago Mortgage Finance Company Limited for the three year period 1 January 2015 to 31 December 2017. Monthly rentals of \$32,467.50 are payable towards rent, electricity, service charges and VAT.

| | 2016 \$ | 2015 \$ |
|-----------------|----------------|----------------|
| Property rental | <u>390,332</u> | <u>398,268</u> |

The minimum lease payments as at the year end is as follows:

| | | |
|----------------------------|---------|---------|
| Due in less than one year: | 389,610 | 390,332 |
|----------------------------|---------|---------|

10 Office administration

| | | |
|--------------------------------|----------------|----------------|
| Telephone and cable | 59,317 | 56,423 |
| Plants and janitors | 29,256 | 29,695 |
| Stationery and office supplies | 19,792 | 38,741 |
| Postage and courier services | 13,220 | 16,910 |
| Shop supplies | 12,405 | 16,217 |
| Meeting refreshments | 5,718 | 18,894 |
| Subsistence and staff welfare | <u>2,577</u> | <u>776</u> |
| | <u>142,285</u> | <u>177,656</u> |

11 Taxation

The company is exempt from corporation tax or levies in respect of sales and profits, by virtue of Section 33 of the Free Zones Act.

12 Related parties

The company's key management compensation earned total remuneration of \$465,600 (2015 - \$471,273) and directors' fees totaled \$226,700 (2015 - \$445,200)

13 Other Income

| | | |
|--------------------------------|----------------|-----------|
| Gain / (loss) sale of asset | 4,925 | -- |
| Gain / (loss) foreign exchange | <u>(1,837)</u> | <u>--</u> |
| | <u>3,088</u> | <u>--</u> |

Trinidad & Tobago Free Zones Company Limited

Notes to the financial statements (continued)
31 December 2016

13 Financial risk management

The company's activities expose it to credit risk, compliance risk and reputation risk. The company's overall risk management procedures employed manage the risks as discussed below:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation. Credit risk relating to accounts receivable balances are consistently managed and analysed for each client. Cash balances are held with reputable financial institutions and the company has actively sought to limit the amount of exposure to any single financial institution therefore minimizing credit risk arising from cash and cash equivalents.

The Company also actively monitors global economic developments and government policies that may affect the growth rate of the local economy.

(b) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Government of Trinidad and Tobago, as well as by the monitoring controls applied by the company. The company has an Audit Committee which does routine reviews on compliance.

(c) Reputation risk

The risk of loss of reputation arising from the negative publicity relating to the company's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the company. The company engages in activities that bring awareness to its operations and therefore engender trust and minimize this risk.