

*Personal Financial Services Limited*  
*Chartered Accountant*

**Trinidad and Tobago Creative Industries Limited**

**Consolidated Financial Statements**  
**As At**  
**September 30, 2022**

**Trinidad and Tobago Creative Industries Limited**



# Trinidad and Tobago Creative Industries Limited

## Consolidated Financial Statements For The Year Ended September 30, 2022

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## **INDEPENDENT AUDITORS' REPORT**

**To The shareholder of : Trinidad and Tobago Creative Industries Limited**

### **Opinion**

We have audited the consolidated financial statements of Trinidad and Tobago Creative Industries Limited which comprise the consolidated statement of financial position as at September 30, 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of Trinidad and Tobago Creative Industries Limited as at September 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with the 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 Company in accordance with the International Ethics Standards Board for Accountant's 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 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.



## Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exist, related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exist, 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with the 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.

*Adil Dhanessar*

Adil Dhanessar FCCA, CA

Director

[adildhan@hotmail.com](mailto:adildhan@hotmail.com)

#27 Ramsaran Street,  
Chaguanas,  
Trinidad. W.I

**November 30, 2023**





Consolidated Statement of Management's Responsibilities

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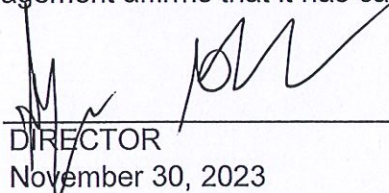
Management is responsible for the following:

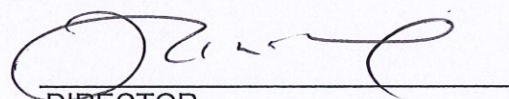
- Preparing and fairly presenting the accompanying consolidated financial statements of Trinidad and Tobago Creative Industries Limited, ('the Company') which comprise the statement of financial position as at September 30, 2022, the statements of profit or loss and other comprehensive income, changes 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 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 the Company'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 Company will not remain a going concern for the next twelve months from the reporting date; or up to the date; the accompanying financial statements have been authorised for issue.

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

  
\_\_\_\_\_  
DIRECTOR  
November 30, 2023

  
\_\_\_\_\_  
DIRECTOR  
November 30, 2023

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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.



TRINIDAD AND TOBAGO CREATIVE INDUSTRIES LIMITED

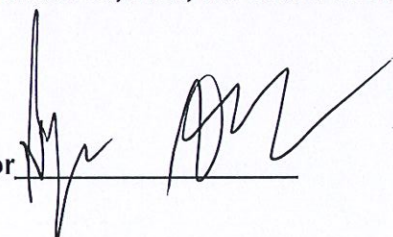
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT\$

Assets	Notes	As At September 30	
		2022	2021
<b>Non-current Assets</b>			
Plant and equipment	4	95,608	132,218
		<u>95,608</u>	<u>132,218</u>
<b>Current Assets</b>			
Receivables and prepayments	5	3,385,990	3,041,163
Cash and cash equivalents		2,334,458	1,513,357
		<u>5,720,448</u>	<u>4,554,520</u>
<b>Total Assets</b>		<u>5,816,056</u>	<u>4,686,738</u>
<b>Liabilities and Equity</b>			
<b>Equity</b>			
Stated capital	6	10	10
		<u>10</u>	<u>10</u>
<b>Current Liabilities</b>			
Deferred revenue	7	1,985,813	1,561,597
Payables and accruals	8	3,830,233	3,125,131
		<u>5,816,046</u>	<u>4,686,728</u>
<b>Total Liabilities and Equity</b>		<u>5,816,056</u>	<u>4,686,738</u>

*The accompanying notes on pages 7 to 23 form an integral part of these financial statements*

*On November 30, 2023, the Board of Directors of the company authorised these financial statements for issue.*

Director 

Director 



TRINIDAD AND TOBAGO CREATIVE INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT\$

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		2022	2021
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TRINIDAD AND TOBAGO CREATIVE INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT\$

	<u>Notes</u>	Year Ended September 30	
		<u>2022</u>	<u>2021</u>
<b>Revenue</b>			
Deferred revenue		12,530,652	10,701,718
		<u>12,530,652</u>	<u>10,701,718</u>
Public Sector Investment Programme (PSIP)	<b>9</b>	<u>(3,333,933)</u>	<u>(2,127,978)</u>
<b>Operating surplus</b>		9,196,719	8,573,740
Administrative and operating expenses	<b>10</b>	(9,097,584)	(8,484,397)
<b>Surplus for the year before tax</b>		<u>99,135</u>	<u>89,343</u>
Taxation		(99,135)	(89,343)
<b>Surplus for the year after tax</b>		<u>-</u>	<u>-</u>

*The accompanying notes on pages 7 to 23 form an integral part of these financial statements*





TRINIDAD AND TOBAGO CREATIVE INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TT\$

	<u>Stated Capital</u>	<u>Accumulated Surplus</u>	<u>Total 2022</u>
Balance at 1st October 2021	10	-	10
Surplus for the year after tax	-	-	-
Balance at 30th September 2022	<u>10</u>	<u>-</u>	<u>10</u>

	<u>Stated Capital</u>	<u>Accumulated Surplus</u>	<u>Total 2021</u>
Balance at 1st October 2020	10	-	10
Surplus for the year after tax	-	-	-
Balance at 30th September 2021	<u>10</u>	<u>-</u>	<u>10</u>

*The accompanying notes on pages 7 to 23 form an integral part of these financial statements*



TRINIDAD AND TOBAGO CREATIVE INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

TT\$

	Year Ended September 30	
	<u>2022</u>	<u>2021</u>
<b>Net Cash Flow From Operating Activities</b>		
(Deficit) / surplus for the year	99,135	89,343
Adjustments to reconcile profit to net cash provided by operating activities:		
Amortization of deferred income	(12,127,947)	(10,592,681)
Depreciation	47,002	65,036
	<u>(11,981,810)</u>	<u>(10,438,302)</u>
<b>Changes in Operating Assets and Liabilities</b>		
(Increase) / decrease in accounts receivables	(344,826)	193,031
Increase / (decrease) in accounts payable and accruals	705,101	(734,554)
Tax paid	(99,135)	(89,343)
<b>Cash (Used) / Provided by Operating Activities</b>	<u>(11,720,670)</u>	<u>(11,069,168)</u>
<b>Investing Activities</b>		
Purchase of plant and equipment	(10,392)	(78,914)
Disposals of plant and equipment	-	1,261
<b>Cash (Used) / Provided in Investing Activities</b>	<u>(10,392)</u>	<u>(77,653)</u>
Proceeds from government grants	12,552,163	11,051,250
<b>Cash (Used) / Provided in Financing Activities</b>	<u>12,552,163</u>	<u>11,051,250</u>
<b>(Decrease) / Increase in Cash and Equivalents for the Year</b>	821,101	(95,571)
Cash and cash equivalents - beginning of year	1,513,357	1,608,928
Cash and cash equivalents - end of year	<u>2,334,458</u>	<u>1,513,357</u>
<b>Represented by:</b>		
Cash at bank and on hand	2,334,458	1,513,357
	<u>2,334,458</u>	<u>1,513,357</u>

*The accompanying notes on pages 7 to 23 form an integral part of these financial statements*



## 1. Registration and Nature of Activities

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

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

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

- (a) that Creative TT be responsible for the strategic and business development of the three (3) niche areas and sub-sectors under its purview (namely, Film, Music and Fashion).
- (b) that the undermentioned three (3) companies operate as subsidiary companies under Creative TT:
  - Trinidad and Tobago Film Company Limited to be branded as Film TT
  - Trinidad and Tobago Music Company Limited to be branded as Music TT
  - Trinidad and Tobago Fashion Company Limited to be branded as Fashion TT
- (c) that Creative TT, as the holding company, provide the administration and support services in the areas of Human Resource, Information and Communication Technology, Finance, Marketing, Legal, et cetera, for its subsidiaries as indicated in the organizational structure.

## 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 financial statements are prepared in accordance with International Financial Reporting Standards (IFRS)

### (b) *Basis of preparation*

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

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

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

### (d) *Use of estimates and judgements*

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

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

**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 for 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.

**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 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.

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	25.00%
Computers	33.30%
Computer software	33.30%

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.

**(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.

**2 Significant Accounting Policies (continued)****(h) Financial instruments (continued)****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 the entity's business model for managing the financial asset and by 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 Company'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 Company's cash and cash equivalents and receivables fall into this category of financial instruments.

**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.



**2. Significant Accounting Policies (continued)****(h) Financial instruments (continued)****a) Financial assets (continued)****iii) Financial assets at fair value through other comprehensive income (FVTOCI)**

The Company 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
- 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 Company'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 Company 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.

**c) Impairment of financial assets**

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

The Company 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 Company 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 Company 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 Company'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 Company's core operations.

**2. Significant Accounting Policies (continued)****(h) Financial instruments (continued)****c) Impairment of financial assets (continued)***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

*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.

**(i) Provisions**

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments at the time value of money and, where appropriate, the risks specific to the liability.

**(j) Revenue recognition**

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

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

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

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

**(k) Lease payments**

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

**(l) Taxation**

Income tax expense comprises current and deferred tax and is recognised in the 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.

**2. Significant Accounting Policies (continued)****(m) Impairment**

The carrying amounts of the Company'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 statement of profit or loss.

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.

**(n) Accrued expenses**

Accrued expenses are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accrued expenses are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Accrued expenses are recognised initially at fair value and subsequently measured at amortised cost.

**(o) Government grants**

Grants from the Government of the Republic of Trinidad and Tobago are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all the attached conditions. Grants that contain no vesting conditions are recognised immediately in the statement of profit or loss.

Grants related to recurrent costs are deferred in liabilities and recognised in the statement of profit or loss over the period necessary to match them with the costs they are intended to compensate.

Grants relating to capital expenditure are deferred in liabilities and are credited to the statement of profit or loss on a systematic basis over the expected useful lives of the related assets.

**(p) Foreign currency transactions**

Items included in the financial statements of the Company are measured using the currency that best reflects the economic substance of the underlying events and the circumstances relevant to the Company (the functional currency). The presentation and functional currency of the Company is Trinidad and Tobago dollars.

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 of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

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

#### New IFRS effective in recent years

The Company 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 Company.

#### (i) IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement.

The Company applied IFRS 9 prospectively, with an initial application date of January 1, 2018.

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. (The company does not have assets in this category)

#### 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 Company has evaluated that the application did not have an impact on the Company'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.

#### 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 Company 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.

**3. Application of new and revised International Financial Reporting Standards ('IFRS') (continued)****New IFRS effective in recent years (continued)****(ii) IFRS 15 Revenue from Contracts with Customers**

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.

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

**(iii) 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.

**3. Application of new and revised International Financial Reporting Standards ('IFRS') (continued)****New IFRS effective in recent years (continued)****(iii) IFRS 16 Leases (continued)**

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

**(iv) IFRIC 23 Uncertainty over income tax treatment**

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 are assessed separately or as a Company;
- 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 Company has evaluated that any application of the new and revised IFRIC 23 will not have an impact on the Company's financial statements due to lack of uncertainty over income tax treatments given the current nature of the Company's operations.

**4. Plant and Equipment**

	<b>Furniture &amp; Equipment</b>	<b>Computers</b>	<b>Computer Software</b>	<b>Total 2022</b>
<b>Cost</b>				
Balance as at 1st October 2021	105,352	558,069	65,720	729,141
Additions for the year	-	10,392	-	10,392
Balance as at 30th September 2022	105,352	568,461	65,720	739,533
<b>Accumulated Depreciation</b>				
Balance as at 1st October 2021	99,485	435,109	62,329	596,923
Annual depreciation charge	1,467	44,407	1,128	47,002
Balance as at 30th September 2022	100,952	479,516	63,457	643,925
<b>Net Book Amount - 30th September 2022</b>	<b>4,400</b>	<b>88,945</b>	<b>2,263</b>	<b>95,608</b>

	<b>Furniture &amp; Equipment</b>	<b>Computers</b>	<b>Computer Software</b>	<b>Total 2021</b>
<b>Cost</b>				
Balance as at 1st October 2020	105,352	496,980	65,720	668,052
Additions for the year	-	78,914	-	78,914
Disposals for the year	-	(17,825)	-	(17,825)
Balance as at 30th September 2021	105,352	558,069	65,720	729,141
<b>Accumulated Depreciation</b>				
Balance as at 1st October 2020	97,530	388,436	62,485	548,451
Annual depreciation charge	1,955	61,388	1,693	65,036
Disposals for the year	-	(14,715)	(1,849)	(16,564)
Balance as at 30th September 2021	99,485	435,109	62,329	596,923
<b>Net Book Amount - 30th September 2021</b>	<b>5,867</b>	<b>122,960</b>	<b>3,391</b>	<b>132,218</b>

**5. Receivables and Prepayments**

	<u>2022</u>	<u>2021</u>
Government grant	3,324,055	2,972,629
Prepayments	57,899	53,636
Other receivables	4,036	14,898
	<u>3,385,990</u>	<u>3,041,163</u>

**6. Stated Capital**

**Authorised**

The authorised capital is unlimited

**Issued and fully paid**

10 shares of no par value

	<u>2022</u>	<u>2021</u>
	10	10

**7. Deferred Revenue**

	<u>2022</u>	<u>2021</u>
Balance brought forward	1,561,597	1,103,028
Grants received for the year	12,552,163	11,051,250
Amortization for the year	(12,127,947)	(10,592,681)
	<u>1,985,813</u>	<u>1,561,597</u>

Funding for the operations of the Company is provided via grants from the Government of the Republic of Trinidad and Tobago (GORTT). The deferred income of \$1,985,813 (2021: \$1,561,597) relates to the funding of committed or deferred projects at the year end.

**8. Payables and Accruals**

	<u>2022</u>	<u>2021</u>
Audit fees	374,500	374,500
Gratuity	957,263	1,138,751
Other payables	2,498,470	1,611,880
	<u>3,830,233</u>	<u>3,125,131</u>



**9. Public Sector Investment Programme (PSIP)**

These are the projects for which PSIP funds were expended.

	<u>2022</u>	<u>2021</u>
<b>Music TT</b>		
Artist Portfolio Development programme	373,309	251,918
Live Music District	422,246	71,000
Music Tech Platform	68,348	-
Music Export Academy	553,204	161,159
Open calls for proposals	-	18,767
	<u>1,417,107</u>	<u>502,844</u>
<b>Fashion TT</b>		
Local production facility	600,800	486,000
Ultra Be Spoke Tailoring (Saville Row)	124,600	107,222
Value Chain Investment Programme (Non GVC)	371,249	393,604
Value Chain Investment Programme (GVC)	17,056	205,471
Value Chain Investment Programme (Capacity building seminars)	-	90,779
Value Chain Investment Programme (Entrepreneurship Development Programme)	105,303	123,046
	<u>1,219,008</u>	<u>1,406,122</u>
<b>Film TT</b>		
Animae Caribe	65,000	25,000
Film production facilitation	347,750	6,000
Green Screen Environmental film festival	60,000	25,000
General Sponsorship	30,735	4,900
Stakeholders' engagement	-	50,243
Trinidad and Tobago Locations: Unseen and unexpected	124,443	82,869
Trinidad and Tobago Film Festival	69,890	25,000
	<u>697,818</u>	<u>219,012</u>
<b>Total PSIP funds expended by the Group</b>	<u>3,333,933</u>	<u>2,127,978</u>

## 10. Administrative and Operating Expenses

	<u>2022</u>	<u>2021</u>
Advertising	20,837	25,365
Audit fees	193,613	123,750
Bank charges	5,842	6,083
Depreciation	47,002	65,036
Director fees	1,064,400	1,064,400
Information Technology expenses	20,684	58,881
Insurance	76,433	103,865
Legal fees	1,181	2,422
Loss on disposal of property, plant and equipment	-	(8,718)
Motor Vehicle expenses	3,679	5,311
Office supplies	36,239	20,140
Penalty and interest	3,410	571
Production expenditure rebate	1,311,454	794,488
Professional fees	215,250	119,361
Rent - equipment	97,999	101,753
Rent - office	432,000	432,000
Repairs, cleaning and maintenance	80,835	63,356
Salaries and gratuity	5,395,714	5,410,012
Staff training	4,275	1,000
Traveling and entertainment	300	2,500
Utilities	86,437	92,821
	<u>9,097,584</u>	<u>8,484,397</u>

## 11. Capital Commitments and Contingent Liabilities

## Lease Commitments

The company is committed to the following minimum lease payments in the following years after the financial year end relating to property rental and car park rental which are expected to continue.

	<u>2022</u>	<u>2021</u>
Up to 1 year after the year end	444,000	444,000
Years 2 to 5 after year end	444,000	828,000

**12. Financial Instruments**

A financial instrument is any contract that gives rise to both a financial asset and a financial liability or equity instrument of another enterprise. For the purpose of these financial statements, financial assets have been determined to include due from related parties and cash and cash equivalents. Financial liabilities have been determined to include deferred revenue liability, payables and accruals and due to related parties.

<b>Assets as per statement of financial position</b>	<b>2022</b>	<b>2021</b>
Cash and Cash equivalents	2,334,458	1,513,357
	<u>2,334,458</u>	<u>1,513,357</u>
<b>Liabilities as per statement of financial position</b>	<b>2022</b>	<b>2021</b>
Deferred revenue liability	1,985,813	1,561,597
Payables and accruals	3,830,233	3,125,131
	<u>5,816,046</u>	<u>4,686,728</u>

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

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

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

**(i) 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 statement of financial position. The maximum exposure to credit risk is considered nil as the risk of default of this balance is insignificant.

**(ii) Liquidity risk**

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

The following are the contractual maturities of financial liabilities:

	Carrying amount	Contractual cash flows	12 months or less	1 to 2 years	2 to 5 years	more than 5 years
<b>September 30, 2022</b>						
Payables and accruals	3,830,233	3,830,233	3,830,233	-	-	-
<b>September 30, 2021</b>						
Payables and accruals	3,125,131	3,125,131	3,125,131	-	-	-

**12. Financial Instruments (continued)**

**(iii) Market risk**

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

**a) Foreign currency risk**

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

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

At September 30, 2022:	TT\$6.7301
At September 30, 2021:	TT\$6.7901

**Sensitivity analysis**

The Company has not performed a sensitivity analysis on the effect of a strengthening of the Trinidad and Tobago dollar against the United States dollar at year end, because there was no 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.

The company does not have any interest bearing debt so there is no significant exposure to interest rate risk.

**c) Estimation of Fair values**

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

**13. Commitments**

At the year end the Company had commitments totaling \$1,004,402 (2021: \$1,031,465) relating to projects that had commenced before the year end.

	<u>2022</u>	<u>2021</u>
Trinidad and Tobago Fashion Company Limited	1,004,402	1,031,465
<b>Total Commitments</b>	<u>1,004,402</u>	<u>1,031,465</u>

**14. 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.

**15. Subsidiaries**

The following are subsidiaries of the Company:

<u>Entities</u>	<u>Principal Activity</u>	<u>Place of Incorporation</u>	<u>Proportion of shareholding and voting power held</u>	
			<u>2022</u>	<u>2021</u>
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%	100%
Trinidad and Tobago Film Company Limited	To stimulate and facilitate the business development and export activities of the film industry in Trinidad and Tobago to generate national wealth.	Trinidad and Tobago	100%	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%	100%

**16. Impact of COVID-19**

The coronavirus disease (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 Company. However the extent of the impact on the financial position and performance of the Company 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 Company's operations and may have a negative impact on the Company's financial condition and results.

**17. Future Amalgamation of Creative group**

The group was informed that there is intention to amalgamate the group with other government entities into a newly formed company called the "Trade and Investment Promotions Agency (TIPA)" sometime in the future.

No further information is available regarding the amalgamation.

