



ANNUAL REPORT 2011

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MISSION

To fulfill our role as the leading project executing agency, through a philosophy of managing our business with the highest ethical standards providing optimal quality and value, while acting in a responsible manner with our employees, our stakeholders and environmental policies.

To create a premier project management organization with competencies responsive to the delivery of strategic infrastructure projects, always mindful of our stakeholder's best interest and the impact of our work on the environment.

VISION

MOTTO

“Partnering to Build Modern Infrastructure”

CORE VALUES

Our values provide a frame of reference for making decisions. They contribute to the general atmosphere of the Company and then guide us in our work our quest of excellence and our public service. In pursuing its vision, NIDCO embraces the following core values;

ACCOUNTABILITY AND TRANSPARENCY

We hold ourselves accountable for the diverse roles, obligations and actions to the public we serve and are committed to manage our operations with openness and absolute integrity.

SAFETY AND THE ENVIRONMENT

We are committed to ensuring the safety of our employees, our clients and the public, and the protection of the environment in which we work.

TEAMWORK

We are committed to a team work environment where success requires the collective efforts of a diverse coordinated team. Every associate is a valued member and is encouraged to be creative and innovative.

SERVICE EXCELLENCE

We strive to be the best in quality and in everything we do. We are dedicated to satisfying clients' needs and honouring commitments that we have made to them.

PROFESSIONALISM

We will ensure the most efficient and effective delivery of services by our trained and competent human resources. We continuously seek improvements to our methods and systems through adoption of models of "best practices".

COMMUNITY DEVELOPMENT

We are committed to positively impacting our communities through our Community Outreach Programmes throughout Trinidad and Tobago.

The National Infrastructure Development Company (NIDCO) was established in 2005 by the Government of the Republic of Trinidad and Tobago (GORTT), as a Special Purpose State Enterprise under the Companies Act, Chapter 81:01 of the Laws of Trinidad and Tobago.

It was created to increase the rate of implementation of the Government's expanded Public Sector Investment Programme, and to undertake projects in areas critical to the overall national development.

More specifically, NIDCO has been charged with the responsibility for providing project management and construction management services, ensuring that the execution of Government's policy initiatives are done in a manner that is timely, transparent and effective.

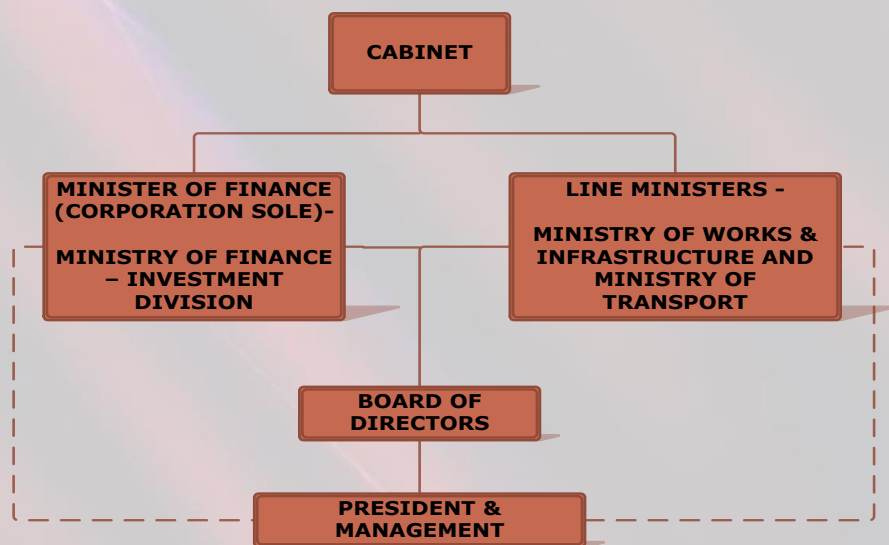
NIDCO, therefore was mandated to build an organizational structure and an operations framework with appropriate facilities, systems and resources (human, financial and material) so as to be able to respond effectively and positively to the expectations of Government and to the achievement of its own corporate goals and objectives.

In carrying out this mandate, consideration is given to the objectives of improving quality standards and equity of access to facilities and services throughout the country and to fashion and sustain a culture of continuous human and national development.

The GORTT, through the Ministry of Works and Infrastructure (MOWI) and Ministry of Transport, has assigned responsibility to NIDCO to provide procurement, project and construction management services, and general oversight for national infrastructure development programmes, as it relates, to Roads and Bridges, Drainage and Landslips and Transportation, through its current mandate.

CORPORATE PROFILE

CORPORATE INFORMATION



BOARD OF DIRECTORS

For the year ended September 2011

Roshan Baboolal – Chairman
Professor Winston Suite – Deputy Chairman
Hollis J. Eversley – Director
Mandavi Tiwary – Director
Rabindra H. Outar – Director
Hilda Goodial – Corporate Secretary
Vanda Thomas- Lynch – Alternate Corporate Secretary

REGISTERED OFFICE

No. 3 Melbourne Street
Port of Spain
Trinidad and Tobago, W.I.
Tel: (868) 624-5593
Fax: (868) 624-5512
Website: www.nidco.co.tt

AUDITOR

D. Montgomery & Co. Chartered Accountants
118 Abercrombie Street,
Port-Of-Spain, Trinidad, W.I.

CHAIRMAN'S REPORT



Chairman's Report on the National Infrastructure
Development Company Limited Financial Year Ended
September 30th, 2011



Mr. Roshan Baboolal

CHAIRMAN'S REPORT

The National Infrastructure Development Company Limited (NIDCO) continues to position itself as the lead project executing arm of the Government of the Republic of Trinidad and Tobago (GORTT). Capital expenditure and the investment in capital goods form a stabilising core and an integral part of the GORTT's long and medium term policies in complimenting its recurrent infrastructural development and maintenance obligations.

NIDCO as one of the main project executing companies must constantly reassess and reaffirm its commitment to discharging its mandate in accordance with international best practices for corporate governance, transparency, accountability, integrity and value for money and in this context aligns its affairs with Government's best practices and policies yet adopts a global perspective in its operations. This equation has resulted in NIDCO being one of the most efficient and effective deliverer to the GORTT and the people of Trinidad and Tobago. This Financial year has proven no less so.

The global financial crisis and corporate governance deficiencies that have come to light in recent times have heightened the need for a proper and adequate corporate governance framework to be established and vigorously pursued for continual improvement. NIDCO recognises the importance of this framework and has during the year reorganized its strategic management function and re-defined its strategic corporate plan to align with these best practices. The goal oriented and goal driven formula has proven itself indispensable amongst the largest (as measured by market capitalization) and complicated companies in the world and who have competitively sustained their position as leaders in their respective industry fields.

A significant degree of financial restructuring has taken place during the year and includes the redrafting of the company's Statement of Financial Position to include the "Water Taxi" assets and operations in properly addressing the true activities and undertakings of NIDCO.

The Board's review of all areas relating to NIDCO's operations resulted in this restatement and has bolstered and strengthened the company's negotiating and financial position which will be contributory and representative of planned future operations and aligned with an expansive portfolio of activities. The value and scope of NIDCO's project portfolio is a good indicator of the confidence reposed by the GORTT and reflective of the need for this vehicle in fulfilling public infrastructural needs of current and future generations.

Total assets stood at \$4.6B at the reporting year end indicating an increase of 32% from its comparative 2010 position and were mainly attributed to the increased project portfolio being undertaken. NIDCO's net asset positioning improved by some \$11.5M or 81% in the current year as a result of a post-tax profit of \$11.5M from its operations.

The company's cash and cash equivalents for the financial year ended stood at \$439M, a 44.6% increase from the comparative 2010. NIDCO has placed itself in a strong liquidity position and has the necessary tools for negotiating future financing facilities by virtue of maintaining a cash liquidity position at 1.39 times with an overall liquidity position of 3.51 in 2011 as opposed to its 2010 position of 2.81times.

CHAIRMAN'S REPORT

Revenue earnings increased markedly during the period and stand at \$50.3M or 179% more than that reported in 2010 at year end, principally on account of management fees earned from the widened portfolio of activities undertaken.

Administrative and Other Expenses increased by \$9.9M or 39.3% as a result of the staffing initiative undertaken in anticipation of the National Network of Highways Project and other major projects. This initiative saw the recruitment of several highly skilled and technical experts to equip the company with the requisite human resource capital to effectively discharge its function. Other items of expenditure remain comparable and recurrent.

Ticketing income from the Water Taxi operations increased by \$1.2M or 26% and is attributable to the marketing drive and strategic planning and actions aimed at widening the Water Taxi operations to assist in defraying costs involved in its continuing operations. Administrative expenditure associated therewith, increased by 11.2% or \$4.6M and is also attributable to the continuing escalating costs involved with the continuing operations of the service.

The net profit realized from NIDCO's core activities increased by \$12.2M or 451.8% at the end of the period. The Water Taxi operational loss reported in 2010 was minimised during the year and stands at 98% or \$3.06M, less than that reported in 2010.

CHAIRMAN'S REPORT

Overall cumulative retained profits for the period has increased by some 1,017% or the sum of \$10.3M compared to the comparative 2010. Whilst revenue earnings and profitability are indeed the usual indicators of maximising shareholders wealth, it should be noted that NIDCO's charter is not one that is aimed solely at profitability but one that considers the execution and value for money (in relation to infrastructural development) as its primary indicator of success.

Despite some difficult setbacks, the National Network of Highways Project continues to be the main focus (as in the public eye) and NIDCO remains committed to ensure the completion of this project within the highest standards and continues to engage ALL stakeholders in this collective endeavour to make this national asset a reality. Indeed, this \$7.5B dollar project has attracted local, regional and international attention and will be a much needed stimulus to the economy and provide even greater multiplier benefits in the downstream industries.

Even with the changing and erratic global economic environment the company anticipates that its operations, strategic corporate plan and other functions will also adapt to accommodate and discharge the infrastructural project needs of the Republic of Trinidad and Tobago.

Warren Buffet once said "someone's sitting in the shade today because someone planted a tree long ago". NIDCO is the seed of capital and infrastructural development, whose contributions are bettering the country's infrastructure, based on the growing population needs and will be enjoyed by generations to come. It is this legacy that NIDCO will aim to protect in its day to day operations, financial pursuits and good corporate governance principles in the coming fiscal year.

The results for the year ended September 30th, 2011 would not have been possible without the input and contribution of the various stakeholders. The confidence in the company by the GORTT in allocating projects in addition to the responsive and committed members of staff, executive management and the Board of Directors, who have collectively tackled the challenges with technical expertise, vigour and determination, have contributed to these results.

Our company, in my respectful view has one of the most dedicated, professional and skilled teams heading these projects to successful outcomes. NIDCO's financial positioning at year end 2011 together with its valuable human resource asset can charter its course into a knowable future and I gratefully thank all the participants for making this year a very meaningful, competitive and successful one and we look forward to the challenges of 2012.

BOARD OF DIRECTORS

Mr. Roshan Baboolal
Chairman



Prof. Winston Suite
Deputy Chairman



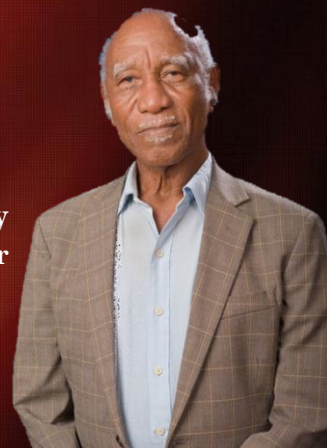
Mr. Rabindra H. Outar
Director



Ms. Mandavi Tiwary
Director



Mr. Hollis J. Eversley
Director



PRESIDENT'S REPORT



President's Report on the National Infrastructure
Development Company Limited Financial Year Ended
September 30th, 2011



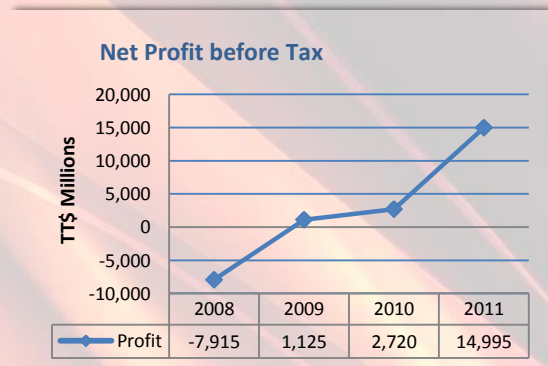
Dr. Carson Charles

PRESIDENT'S REPORT

NIDCO's performance over the past year was a reflection of creative re-focused management in a climate of major political and economic adjustments. After a period of relative slow growth, the Company experienced a surge in procurement and construction activities in the 2011 financial year, resulting in unprecedented growth in revenue earnings. Despite major challenges throughout the year, including significant changes to the Company's strategic directions, we successfully delivered on our commitment to facilitate government's developmental agenda of increasing public access to quality and reliable physical infrastructure.

Strategic planning and proactive management were our keys to the successful navigation of 2011. In addition, we benefited greatly from our role as a major partner in the Government's infrastructure development plan and its initiatives in the construction sector.

The year therefore ended on a positive note, with the Company recording a Profit before Tax of TT\$14.99M. This was an increase of \$12.27M (or approx. 451%) over the previous year.



FULFILLING OUR MANDATE

Fiscal 2011 saw the rolling out of a number of new and exciting initiatives, driven by government's strategy of expanding economic activity across the country through access to modernised physical infrastructure.

Roads and Highways Construction

One of the most significant achievements for the financial year was the signing of a design-build contract, commencing in March 2011, with Construtora OAS of Brazil, to execute works on the long-conceptualised Solomon Hochoy Highway Extension to Point Fortin (SHHEPF) project. With a budget of TT\$7.5 billion, this landmark project will see the construction of 47km of new highway segments by 2015. Already, 60% of the design works in Phase 1 and 3% of the construction works have been completed. This project is now on target to be completed well within budget and is anticipated to open up economic activity in the South-West peninsula.

We are proud to have also realised the substantial completion of the east and west bridges of the Churchill Roosevelt Highway/Uriah Butler Highway Interchange (Package C). Another contract was also awarded in March 2011 to *Vinci Construction Grands Projets* for the construction of the other segments of this Interchange.

Overall, the Roads and Highways Programme contributed \$34.45M to NIDCO's fee income in 2011, an increase of over \$27.45M (or 392%) over 2010.

TRANSPORTATION MANAGEMENT

Water Taxi Service. With an average daily ridership of 1,685, the Water Taxi has become a preferred means of travel among the commuting public, fulfilling yet another commitment of the government – to provide an efficient, diverse transportation system. Operating the Service is admittedly an expensive undertaking, the cost of which cannot be fully recovered through the level of existing tariff, without pricing the service beyond the reach of the normal traveller. Since its inception government has provided subvention to make up for the shortfall in earnings. During this fiscal year, focus was placed on measures to reduce subsidy requirements and secure long-term viability of the Service. Plans are being developed for route expansion to Venezuela and Tobago and effect a marginal increase in tariff from \$15 to \$20.

Bridges Reconstruction Programme

During the fiscal year, a total of twenty-six (26) dilapidated bridges across the country were identified for repair or reconstruction in Phase 1 of this Programme. The entire Programme currently comprises sixty-two (62) bridges which will be upgraded in phases over a 5-year period, with an estimated budget of TT\$1.35B. In this first phase, bids have already been invited for design and supervision consultancy services.

Drainage and Landslips Programme

We continued with the implementation of this Programme to address the perennial flooding problem plaguing communities across the country. The Programme however, is being severely affected by the absence of adequate Government funding at this time.

Nonetheless, feasibility studies were completed for remediation works in the North Oropouche River Basin and the Ortoire River Basin. Negotiations are now taking place for the commencement of the Caroni River Basin Study.

In Port-of-Spain, a temporary detention pond was constructed at South Quay in August 2011 as part of the *POS Flood Alleviation Project*. This facility is expected to reduce the impact of flooding in this area by containing some of the surface water from each rainfall, for subsequent release during drier periods. The Project is being executed under nine (9) packages for which the tendering process for the remaining eight (8) will begin in October 2011. Contracts for the execution of sixteen (16) smaller drainage projects for the construction of box drains and retaining walls were awarded during September 2011.

Corporate Transformation

As the Company began the new fiscal year, concrete steps were taken to ensure greater alignment between our operations and government's requirements and development agenda. One of the early actions implemented towards re-positioning the company to better respond to its new mandates, was a transitioning of leadership.

The process resulted in the appointment of a new Board of Directors, a new President and several new Senior Executives. In addition, after being in existence for five (5) years, the Company developed its first 4-year Strategic Plan in October 2010, signalling NIDCO's renewed commitment to greater transparency and delivering improved results.

Emphasis was also placed on developing our human capital to be able to successfully implement the new strategic initiatives. We finalised and implemented a Strategic Human Resources Management Programme, which includes more targeted training programmes that will address identified performance gaps. Additionally, structured performance targets have been continuously monitored, realigned and adjusted to keep pace with the changing departmental, business and strategic objectives.

Recognising the potential impact of physical development projects on disruptions normal community life, we sought to reorganise our operations and processes to be more citizen-centered. A Community Outreach Centre was established in Debe to provide services to residents affected by the construction of the SHHEPF project. The Centre is part of a wider community outreach programme which will see NIDCO implementing community improvement projects identified by residents across the country, particularly in communities affected by NIDCO's major development workss.

FINANCIAL HIGHLIGHTS

Financial year 2011 was both profitable and challenging. The Company posted a Net Profit after Tax of \$11.5 million compared to \$1.1 million in 2010.

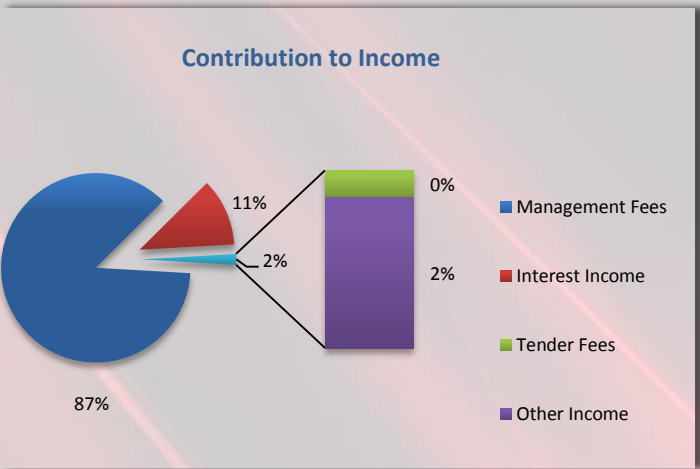
PRESIDENT'S REPORT

PRESIDENT'S REPORT

The significant improvement in profitability was a result of increases in Management Fees attributed to the initiating of the Highways projects, in particular the San Fernando to Point Fortin Highway Extension Project.

On the expenditure side, we recorded an increase in operating expenditure of approximately 39% over the previous year. This upward movement was due primarily to increases in depreciation of assets and increased costs attributed to the expansion of our staff base and payment of gratuity. The staff complement rose from 137 at the beginning of the financial period to 182 as at September 2011. The increase was necessary to put the organization in a state of readiness for the rapid expansion of projects allocated to NIDCO by the Government.

Despite the declines recorded in interest income (-33%) and tender fees (-75%), our total revenue position at the end of the financial year stood at TT\$50.32 million, an increase of TT\$22.25 million over the previous year.



LOOKING TOWARDS 2012

The year ahead is expected to bring new opportunities, increased demands and new challenges for NIDCO. The Company will, therefore, not only need to work to fulfill its mandates but will need to take the necessary steps to remain viable and profitable and to position itself for continuing changes in the economic and political landscape. Some of priorities for the new fiscal year will include-

- Improving corporate governance, management and information systems;
- Placing greater emphasis on human capital development within NIDCO and within the many communities impacted by NIDCO's projects;
- Securing private sector investment in infrastructure development by pursuing Design-Build-Finance construction contracts;
- Expanding and diversifying the revenue base of the Water Taxi Service.

The Board and Management stand ready to rise to the occasion and will at the same time continue to ensure that NIDCO functions in the best interest of its shareholders, stakeholders and customers, alike.

I would like to take the opportunity to express my appreciation to NIDCO's Board of Directors for the guidance and support they have provided to the management team over the course of the year. To NIDCO's management and staff, I am deeply appreciative of your support and commitment to the mission and work of the Company. Finally, I extend a special word of gratitude to NIDCO's main partners in the "building of modern infrastructure" – the Government of Trinidad and Tobago. This relationship has not only been financially rewarding, but has given NIDCO the distinct privilege of significantly contributing to national development. We are confident that the physical infrastructure to which our citizens will have access will be of the highest global standards and will provide the platform on which economic growth and social inclusion can be built.

I am truly grateful for the confidence the government has placed in NIDCO and give the assurance that the Company will remain fully committed to our partnership in the coming years.

Dr. Carson Charles
President

PRESIDENT'S REPORT

EXECUTIVE MANAGEMENT TEAM



Dr. Carson Charles
President



Ms. Hilda Goodial
Director of Contracts



Mr. Roger Joseph
Vice President- Corporate Services



Mr. Dinanath Ramkissoon
Vice President- Legal Services



Mr. Michael Guyadeen
Vice President- Finance



Ms. Sharon Taylor
Project Director- Water Taxi Service



Mr. Steve Garibsingh
Vice President- Engineering and
Programme Management

PARTNERING TO BUILD AN INSTITUTION

MOWI's Sports Day
Independence Fashion Show
Gym Opening
Diwali Celebration



PARTNERING TO BUILD A NATION

Construction of the
Churchill Roosevelt Highway/ Uriah Butler Highway Intersection.



PARTNERING TO BUILD A NATION

Sod Turning of the Solomon Hochoy Highway Extension to Point Fortin
Start of Golconda to Debe Segment
Construction works of the Golconda to Debe Segment



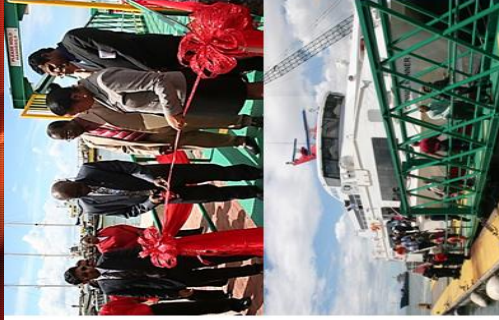
PARTNERING TO BUILD A NATION

Opening of the Aranguuez Flyover
Artist Rendering of the Aranguuez Flyover



PARTNERING TO BUILD A NATION

Commissioning of 4 vessels into the Service
Photos of the fleet of vessels



INDEPENDENT AUDITOR'S REPORT