

**National Infrastructure Development  
Company Limited**

**Financial Statements  
30 September 2014**

<b>Contents</b>	<b>Page</b>
Statement of management's responsibilities	1
Independent auditor's report	2
Statement of Financial Position	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the financial statements	7 – 30

# National Infrastructure Development Company Limited

## Statement of management's responsibilities

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It is the responsibility of management to prepare financial statements for each financial year which present fairly, in all material respects, the state of affairs of the Company as at the end of the financial year and of the operating results of the Company for the year. It is also management's responsibility to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with IFRS. Management is of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the Company and of its operating results. Management further accepts responsibility for the maintenance of accounting records which are relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of management to indicate that the Company will not remain a going concern for at least the next twelve months from the date of this statement.



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Director

17 March 2016



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Director

17 March 2016

**Independent auditor's report  
to the shareholders of  
National Infrastructure Development Company Limited**

**Report on the financial statements**

We have audited the accompanying financial statements of National Infrastructure Development Company Limited (the "Company"), which comprise the statement of financial position as at 30 September 2014, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (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.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as at 30 September 2014, and financial performance and cash flows for the year then ended in accordance with IFRS.

Deloitte & Touche  
Port of Spain  
Trinidad

17 March 2016 \_\_\_\_\_



# National Infrastructure Development Company Limited

## Statement of Financial Position

(Expressed in Trinidad and Tobago dollars)

	Notes	As at 30 September 2014	2013
		\$	\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	339,343,337	385,183,467
Intangible assets	6	854,702	1,134,663
Security deposits	7	1,030,748	1,354,828
Deferred tax asset	15(a)	754,400	-
Deferred capital grant shortfall	16	33,090,426	30,834,609
<b>Total non-current assets</b>		<b>375,073,613</b>	<b>418,507,567</b>
<b>Current assets</b>			
Trade and other receivables	10	8,926,901	5,993,324
Due from Government of Trinidad and Tobago	9	593,051,962	616,616,423
Tax refundable	15(c)	447,132	694,216
Cash and cash equivalents	8(a)	148,808,941	266,743,150
Restricted cash	8(b)	36,242,310	36,591,150
<b>Total current assets</b>		<b>787,477,246</b>	<b>926,638,263</b>
<b>Total assets</b>		<b>1,162,550,859</b>	<b>1,345,145,830</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Equity</b>			
Share capital	11	10	10
Accumulated deficit		(3,597,773)	(4,163,900)
<b>Net shareholder's equity</b>		<b>(3,597,763)</b>	<b>(4,163,890)</b>
<b>Non-current liabilities</b>			
Borrowings	12	447,568,113	574,457,293
Deferred government capital grant water tax	18	342,736,268	381,703,539
Deferred tax liability	15(a)	-	112,110
Security deposit – Lessee		10,000	-
<b>Total non-current liabilities</b>		<b>790,314,381</b>	<b>956,272,942</b>
<b>Current Liabilities</b>			
Trade payables	13	225,380,434	183,523,824
Accrued expenses and other liabilities	14	15,478,501	10,156,852
Borrowings	12	131,578,546	195,319,693
Deferred income	17	3,396,760	4,036,409
<b>Total current liabilities</b>		<b>375,834,241</b>	<b>393,036,778</b>
<b>Total liabilities</b>		<b>1,166,148,622</b>	<b>1,349,309,720</b>
<b>Total equity and liabilities</b>		<b>1,162,550,859</b>	<b>1,345,145,830</b>

The notes on pages 7 to 30 form an integral part of these financial statements.

On 17 March 2016, the Board of Directors of National Infrastructure Development Company Limited authorised these financial statements for issue.

 Director  Director

# National Infrastructure Development Company Limited

## Statement of Profit or Loss and Other Comprehensive Income

(Expressed in Trinidad and Tobago dollars)

	Notes	Year ended 30 September 2014	2013
		\$	\$
<b><u>NIDCO</u></b>			
<b>Revenue</b>			
Management fees		57,283,929	52,672,715
Tender fees		402,500	566,125
Interest income		653,795	4,708,595
Other income		163,260	3,065,149
		<u>58,503,484</u>	<u>61,012,584</u>
<b>Operating expenses</b>			
Administrative expenses	22	46,334,409	47,634,577
Depreciation and amortisation		3,727,321	3,611,300
Other expenses	23	8,383,646	7,588,841
		<u>58,445,376</u>	<u>58,834,718</u>
<b>Profit for the year before taxation</b>		58,108	2,177,866
Taxation credit/(charge)	15(b)	506,769	(1,248,649)
<b>Profit for the year after tax</b>		<u>564,877</u>	<u>929,217</u>
<b><u>Water Taxi</u></b>			
<b>Revenue</b>			
Ticketing income		8,676,602	6,610,688
Charter income		9,549,459	2,056,561
Other income		1,767,968	593,983
		<u>19,994,029</u>	<u>9,261,232</u>
<b>Operating expenses</b>			
Administrative expenses	24	50,956,292	39,650,539
<b>Loss from operations (Net)</b>		<u>(30,962,263)</u>	<u>(30,389,307)</u>
<b>Government grants - operations</b>		<u>30,962,263</u>	<u>30,389,307</u>
<b>Surplus for the year from operations</b>		<u>-</u>	<u>-</u>
Government capital grants		58,176,659	63,779,466
Depreciation		(45,885,917)	(46,458,476)
Loan interest		(12,290,742)	(17,320,990)
<b>Surplus on capital grants</b>		<u>-</u>	<u>-</u>
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the Year</b>		<u><u>564,877</u></u>	<u><u>929,217</u></u>

The notes on pages 7 to 30 form an integral part of these financial statements.

# National Infrastructure Development Company Limited

## Statement of Changes in Equity

(Expressed in Trinidad and Tobago dollars)

	Share Capital	Accumulated Deficit	Total
	\$	\$	\$
<b>Year ended 30 September 2014</b>			
Balance at beginning of the year	10	(4,163,900)	(4,163,890)
Total comprehensive income	-	564,877	564,877
Reversal of provision made in a prior year	-	1,250	1,250
<b>Balance at end of year</b>	<b>10</b>	<b>(3,597,773)</b>	<b>(3,597,763)</b>
<b>Year ended 30 September 2013</b>			
Balance at beginning of the year	10	(5,905,882)	(5,905,872)
Total comprehensive income	-	929,217	929,217
Reversal of provision made in a prior year	-	812,765	812,765
<b>Balance at end of year</b>	<b>10</b>	<b>(4,163,900)</b>	<b>(4,163,890)</b>

The notes on pages 7 to 30 form an integral part of these financial statements.

# National Infrastructure Development Company Limited

## Statement of Cash Flows

(Expressed in Trinidad and Tobago dollars)

	Notes	Year ended 30 September 2014	2013
		\$	\$
<b>Cash flows from operating activities</b>			
Profit before taxation		58,108	2,177,866
Adjustments for items not requiring an outlay of funds:			
Reversal of provision made in prior year		1,250	812,765
Prior year adjustment for surplus on capital grant		-	(1,269,526)
Depreciation	5/6	49,613,238	50,069,776
<b>Operating profit before changes in working capital</b>		49,672,596	51,790,881
Decrease/ (Increase) in due from Government of Trinidad and Tobago		23,564,461	(466,001,013)
Increase in trade receivables and prepayments		(2,933,577)	(3,811,186)
(Decrease)/ Increase in deferred income		(639,649)	4,036,409
Increase in accrued loan interest		-	53,853,260
Increase in trade payables and other liabilities		47,178,259	49,199,719
Net cash generated from / (used by) operations		116,842,090	(310,931,930)
Taxation paid		(112,656)	(143,585)
<b>Net cash generated/(utilised) by operating activities</b>		116,729,434	(311,075,515)
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment	5/6	(3,493,147)	(3,298,520)
Security deposit		324,080	(1,000)
<b>Net cash used in investing activities</b>		(3,169,067)	(3,299,520)
<b>Cash flows from financing activities</b>			
Loans repayments		(190,630,327)	(257,357,146)
Security Deposit - Lessee		10,000	-
Financing received from GORTT – Water Taxi		(38,967,271)	(8,936,344)
Movement in deferred capital grant deficit		(2,255,818)	(30,834,609)
<b>Net cash used in financing activities</b>		(231,843,416)	(297,128,099)
<b>Decrease in cash and cash equivalents</b>		(118,283,049)	(611,503,134)
<b>Cash and cash equivalents at beginning of year</b>		303,334,300	914,837,434
<b>Cash and cash equivalents at end of year</b>	8	<b>185,051,251</b>	<b>303,334,300</b>

The notes on pages 7 to 30 form an integral part of these financial statements.



# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

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### 1. Incorporation and principal activity

National Infrastructure Development Company Limited ("the Company") was incorporated in the Republic of Trinidad and Tobago on 11 January 2005. Its principal activity is the execution of infrastructure and transportation projects. The Company earns a management fee from The Government of The Republic of Trinidad and Tobago for its services. The registered office of the Company is #3 Melbourne Street, Port of Spain and is wholly owned by the Government of The Republic of Trinidad and Tobago.

The Company enters into various contracts with third parties for the execution of projects. All costs incurred in relation to these contracts are recoverable from The Government of The Republic of Trinidad and Tobago.

### 2. Adoption of new and revised International Financial Reporting Standards (IFRS)

#### **Standards and Interpretations adopted with no effect on financial statements**

During the period a number of new and revised IFRSs and IFRIC Interpretations have been issued, however, these standards/interpretations do not impact the amounts reported in these financial statements:

- IAS 1, Presentation of Financial Statements. Clarification of the requirements for comparative information (annual periods beginning on or after 1 January, 2013).

#### **Standards and Interpretations in issue not yet adopted**

- IFRS 7, Financial Instruments: Disclosures. Amended the disclosure requirements in IFRS 7 (annual periods beginning on or after 1 January 2013 and its interim periods within those periods).
- IFRS 9, Financial Instruments. Recognition and measurement (annual periods beginning on or after 1 January 2018).
- IFRS 10, Consolidated Financial Statements (annual periods beginning on or after 1 January 2013).
- IFRS 11, Joint Arrangements (annual periods beginning on or after 1 January 2013).
- IFRS 12, Disclosure in Interests in Other Entities (annual periods beginning on or after 1 January 2013).
- IFRS 13, Fair Value Measurement (annual periods beginning on or after 1 January 2013).
- IAS 19, Employee Benefits. Amended standard resulting from the post-employment benefits and termination benefits project (annual periods beginning on or after 1 January 2013).
- IAS 27, Consolidated and Separate Financial Statements. Re-issued as IAS 27 separate financial statements (as amended in 2011), (annual periods beginning on or after 1 January 2013).
- IAS 28, Investments in Associates. Re-issued as IAS 28 Investments in Associates and Joint Ventures (as amended in 2011), (annual periods beginning on or after 1 January 2013).
- IAS 32, Financial Instruments: Presentation. Offsetting financial assets and financial liabilities (annual periods beginning on or after 1 January 2014).
- IAS 32, Financial Instruments Presentation. Tax effect of distribution to holders of equity instruments (annual periods beginning on or after 1 January 2013).

# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

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### 2. Adoption of new and revised International Financial Reporting Standards (IFRS) (continued) Standards and Interpretations in issue not yet adopted (continued)

- IAS 36, Impairment of Assets. Reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed (annual periods beginning on or after 1 January 2014).
- Investment entities. Applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 27(annual periods beginning on or after 1 January 2014).
- IAS 19, Amendments to Defined benefit plans: Employee contributions (annual periods beginning on or after 1 July 2014).

Management is assessing the potential impact of the adoption of the new standards and interpretations.

### 3. Summary of significant accounting policies

#### 3.1 Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

#### 3.2 Basis of preparation

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

Historical Cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the assets or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis. In addition, for financial reporting process, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for assets or liability, either directly or indirectly: and
- Level 3 inputs are unobservable inputs for the asset or liability.



# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

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### 3. Summary of significant accounting policies (continued)

The principal accounting policies are set out below.

#### (a) Foreign currency transactions

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

#### b) Cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less at the time of purchase, which are subject to an insignificant risk of changes in value.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling, marketing and distribution expenses.

#### c) Property and equipment

Property and equipment is recorded at cost less accumulated depreciation at rates which are expected to apportion the cost of the assets on a systematic basis over their estimated useful lives.

Depreciated is recognised on the straight-line basis over the estimated useful lives of the assets as follows:

Equipment	10-25%
Furniture and fixtures	12.5-25%
Intangible assets	25%
Water taxi assets:	
▪ Vessels	10%
▪ Pontoons	10%
▪ Buildings	2%
▪ Leasehold improvements	2%

Assets under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Repairs and renovations are normally expensed as they are incurred. Expenses are added to assets only if the amounts involved are substantial and one or more of the following conditions is satisfied: the original useful life of the relevant asset is prolonged, its production capacity is increased, the quality of its output is enhanced materially or production costs are reduced considerably.

# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

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### 3. Summary of significant accounting policies (continued)

#### c) Property and equipment (continued)

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### d) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The rate utilised is 25%.

#### e) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

#### f) Non-current assets held for resale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving loss of control of a subsidiary all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Company will retain a non-controlling interest in its former subsidiary after the sale.

When the Company is committed to a sale plan involving disposal of an investment, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Company discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Company discontinues the use of the equity method at the time of disposal when the disposal results in the Company losing significant influence over the associate or joint venture.



# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

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### 3. Summary of significant accounting policies (continued)

#### g) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the services carried out in the ordinary course of the Company's activities. Revenue is shown net of rebates and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and any other specific criteria have been met for each of the Company's activities.

##### *Management fees*

Revenue is recognised at the time that work performed is certified and this is done on an accrual basis.

##### *Tender fees*

Revenue is recognised upon sale of tender package.

##### *Government grants*

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. These are recognised in the Statement of Profit or Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Statement of Financial Position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The Company receives Government Grants for the water taxi operations in two (2) forms:

- i.) As an operational grant to meet any shortfall created by the excess of operating expenditure over ticketing income; and
- ii.) As a capital grant to meet the total capital costs incurred in the acquisition of capital items, including the cost of borrowing where a loan is secured for their financing.

#### h) Borrowings

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets until such time as the assets are substantially ready for their intended use.

Borrowings are initially measured at transaction price (that is the present value of cash payable to the lender, including transactions costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest rate method and is included in finance costs.

# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

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### 3. Summary of significant accounting policies (continued)

#### i) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

#### j) Taxation

Income tax expense represents the sum of the tax charge and deferred taxes.

##### i) *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profits before tax' as reported in the Statement of Profit or Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### ii) *Deferred tax*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.



# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

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### 3. Summary of significant accounting policies (continued)

#### k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### *Onerous contracts*

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

#### l) Leases

Leases of property and equipment where the Company assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in non-current and current liabilities.

The interest element of the finance charge is charged to the Statement of Profit or Loss over the lease period.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessors are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit or Loss on a straight-line basis over the period of the lease when an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

#### m) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. 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 and 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.

# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

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### 3. Summary of significant accounting policies (continued)

#### m) Financial Instruments (continued)

##### Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are classified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

##### *Trade and other receivables*

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. 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 receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of loss is recognised in the statement of profit or loss within 'operating expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'operating expenses' in the Statement of Profit or Loss. Other receivables are measured at cost less any impairment.

##### Financial liabilities and equity instruments

##### *Classification as debt or equity*

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the asset of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.



# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

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### 3. Summary of significant accounting policies (continued)

#### m) Financial Instruments (continued)

##### Financial liabilities and equity instruments (continued)

###### *Other financial liabilities*

Other financial liabilities are initially measured at transaction price, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

###### *Trade and other payables*

Trade and other payables are recognised initially at fair value based on the original invoice and subsequently measured at amortised cost.

#### (n) Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swap and cross currency swaps. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

### 4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make critical judgements and use estimates and assumptions that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results may differ from the estimates and assumptions used. Key sources of uncertainty require the use of estimates. The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

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

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

# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

### 4. Critical accounting judgements and key sources of estimation uncertainty (continued)

#### Key sources of estimation uncertainty (continued)

##### *Deferred taxation assets*

Deferred tax assets are recognised to the extent it is probable that the taxable income will be available in the future to be utilised against the tax losses. Future taxable profits are estimates based on business plans, which include estimates and assumptions regarding economic growth, interest, inflation, taxation rates and competitive forces.

##### *Contingent liabilities*

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

### 5. Property and equipment

#### Tangible asset

	Water taxi assets	Equipment	Furniture & fixtures	Leasehold improvements	Total
Costs	\$	\$	\$	\$	\$
At 1 October 2013	516,710,726	6,490,720	4,543,691	13,146,838	540,891,975
Additions	2,637,829	644,213	24,524	-	3,306,566
At 30 September 2014	519,348,555	7,134,933	4,568,215	13,146,838	544,198,541
<b>Accumulated depreciation</b>					
At 1 October 2013	146,349,905	3,553,996	1,561,254	4,243,353	155,708,508
Depreciation charge	45,870,253	1,369,907	456,056	1,450,480	49,146,696
At September 30, 2014	192,220,158	4,923,903	2,017,310	5,693,833	204,855,204
<b>Net book value</b>					
At 30 September 2014	<b>327,128,397</b>	<b>2,211,030</b>	<b>2,550,905</b>	<b>7,453,005</b>	<b>339,343,337</b>
At 30 September 2013	<b>370,360,821</b>	<b>2,936,724</b>	<b>2,982,437</b>	<b>8,903,485</b>	<b>385,183,467</b>

# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

### 6. Intangible assets

	Water Taxi Computer Software	Computer software	Total
Costs	\$	\$	\$
At 1 October 2013	18,625,917	5,041,506	23,667,423
Additions	-	186,581	186,581
At 30 September 2014	18,625,917	5,228,087	23,854,004
<b>Accumulated depreciation</b>			
At 1 October 2013	18,518,132	4,014,628	22,532,760
Depreciation charge	15,664	450,878	466,542
At 30 September 2014	18,533,796	4,465,506	22,999,302
<b>Net book value</b>			
At 30 September 2014	<b>92,121</b>	<b>762,581</b>	<b>854,702</b>
At 30 September 2013	<b>107,785</b>	<b>1,026,878</b>	<b>1,134,663</b>

### 7. Security deposits

	2014	2013
	\$	\$
Caribbean Sales Agency (Port of Spain)	919,468	919,468
N.J. Nahous Limited (St Clair)	-	334,080
The Capildeo Company Limited (Port of Spain)	70,000	70,000
GAL Holdings Limited (Diego Martin)	1,260	1,260
Basdeo Jaggernauth and Dyanand Jaggernauth (Debe)	20,020	20,020
Samury Limited / Caribbean Medical Solutions Ltd. (Tobago)	20,000	10,000
	<b>1,030,748</b>	<b>1,354,828</b>

This represents deposits paid for commercial property leases which are refundable at the end of the lease term.

### 8. (a) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balance with banks. Cash and cash equivalents included in the Statement of Cash Flows comprise the following amounts:

	2014	2013
	\$	\$
Cash at bank	148,785,509	266,716,650
Cash in hand	23,432	26,500
	<b>148,808,941</b>	<b>266,743,150</b>



# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

### 8. (b) Restricted cash

This represents the TTD equivalent of USD \$5.7 million plus interest for collateral posting of NIDCO's aggregate exposure under the Hedging agreement with Australia and New Zealand Banking Group (ANZ). Interest is earned daily at the existing bank rates and transferred to NIDCO's US Dollar account monthly.

### 9. Due from Government of the Republic of Trinidad and Tobago

This amount represents outstanding request for funds and drawdown approvals from the Government of the Republic of Trinidad and Tobago for payment of project costs, project related expenses and outstanding loan balances on financing obtained to fund projects and management fees.

	2014	2013
	\$	\$
Project funding, outstanding loan balances and management fees due	<u>593,051,962</u>	<u>616,616,423</u>

### 10. Trade and other receivables

	2014	2013
	\$	\$
<b>NIDCO</b>		
Prepayments	440,638	364,294
Other receivables	328,264	309,242
VAT refundable	-	3,376,525
	<u>768,902</u>	<u>4,050,061</u>
<b>Water Taxi</b>		
Prepayments	471,459	1,470,794
Other receivables	7,686,540	472,469
	<u>8,926,901</u>	<u>5,993,324</u>

### 11. Stated capital

Authorised:

Unlimited number of ordinary shares of no par value

	2014	2013
	\$	\$
Issued and fully paid:		
10 Ordinary shares of no par value	<u>10</u>	<u>10</u>



# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

### 12. Borrowings

These represent current balances for loans obtained from both local and international financial institutions. These loans were obtained to fund various government projects. The loans are fully guaranteed by the Government of The Republic of Trinidad and Tobago.

Institution	Project	2014 \$	2013 \$
i) Citibank – TTD\$344.75	Aranguez overpass	230,584,336	253,612,077
ii) Australia & New Zealand (ANZ) Banking Group – USD\$66.5M	Water Taxis	182,973,162	247,144,523
iii) ANSA Merchant Bank – TTD\$153M	R/ Rail \$103M and NNHP \$50M	87,968,399	107,516,960
iv) RBC – TTD\$53M	Nat. Traffic Management System	37,996,887	41,615,639
v) Scotiabank - USD\$9.462M	Nat. Network of Highways Programme	6,026,702	18,254,498
vi) Citibank - USD\$52M	Rapid rail project	33,597,173	101,633,289
<b>Total borrowings</b>		<b>579,146,659</b>	<b>769,776,986</b>
Less current portion of borrowings		(131,578,546)	(195,319,693)
<b>Non-current borrowings</b>		<b>447,568,113</b>	<b>574,457,293</b>

#### Long-term borrowings

Borrowings comprise of six (6) loans from lending institutions to fund government projects. These are all guaranteed by the Government of the Republic of Trinidad and Tobago. They are as follows:

#### i.) *Citibank Trinidad and Tobago Limited*

The Company obtained a 15 year loan of TT \$344.75M from Citibank Trinidad and Tobago Limited to finance the Aranguez / El Socorro overpass. The loan is secured by a letter of comfort from the Government of the Republic of Trinidad and Tobago backed by an unconditional Government guarantee. It carries a fixed rate of interest 6.7% per annum and is repayable semi-annually over 15 years from date of issue. The loan was issued on 27 August 2009.

#### ii.) *Australia and New Zealand (ANZ) Banking Group*

The Company entered into a loan financing agreement in the amount of US\$66.53M with Australia and New Zealand Banking Group Limited and Export Finance and Insurance Corporation (EFIC) for the construction of four (4) new fast ferries.

The loan comprises two parts: USD \$53.421M provided by Export Financing Facility (EFF) and USD\$13.109M provided by Commercial Financing Facility (CFF) both of which are guaranteed by the Government of the Republic of Trinidad and Tobago.

The loan carries interest rates of EFF at LIBOR plus a margin of 1.4% per annum and CFF at LIBOR plus a margin of 2.15% per annum. A hedging arrangement was reached with ANZ whereby the above fluctuating interest rates were swapped for a fixed rate of EFF at 5.39% per annum and CFF at 5.12% per annum. Both loans are repayable at semi-annual intervals over 4 years for the part from Commercial Financing Facility (CFF) and 8.5 years for the other part Export Financing Facility (EFF).

# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

### 12. Borrowings (continued)

#### iii.) ANSA Merchant Bank Limited

This represents a long-term fixed rate non-callable bond for TTD\$153.8MM from ANSA Merchant Bank Limited to finance the Rapid Rail Project and National Network of Highways Project (NNHP) with a coupon rate of 5.85% for 8 years ending 16 December 2018.

#### iv.) RBC Merchant Bank (Caribbean) Limited

The Company entered into a 15 year loan of TTD\$53M from RBC Merchant Bank (Caribbean) Limited to finance the National Traffic Management System (NTMS). The loan is secured by a letter of comfort from the Ministry of Finance which shall be substituted in due course by an unconditional guarantee and indemnity from the Government of the Republic of Trinidad and Tobago. It carries a fixed rate of interest of 7.9% per annum and is repayable over 15 years from the date of issue. The loan was issued on 10 December 2009.

#### v.) Scotiabank Trinidad and Tobago Limited

This represents a 5 year loan of USD\$9.462M from Scotiabank Trinidad and Tobago Limited to provide financing for the planning, design and management of the National Network of Highways project with an interest rate of 4.85% per annum repayable on or before 17 March 2015. This loan is secured by a letter of comfort from the Government of the Republic of Trinidad and Tobago stating that a guarantee in the amount of US\$9.462M is provided.

#### vi.) Citibank Trinidad and Tobago Limited

The Company obtained a 5 year loan of USD\$52M from Citicorp Merchant Bank Limited to finance the Rapid Rail Project. The loan is secured by a letter of comfort from the Government of the Republic of Trinidad and Tobago backed by an unconditional Government guarantee. It carries a fixed rate of interest of 5.3% per annum and is repayable 5 years from date of issue. The loan was issued on 21 December 2009.

### 13. Trade payables

	2014	2013
	\$	\$
<b>NIDCO</b>		
Payable to contractors	189,800,488	155,920,638
Retention due to contractors	26,142,197	17,891,494
	215,942,685	173,812,132
<b>Water taxi</b>		
Payable to contractors	6,635,884	6,077,217
Retention due to contractors	2,801,865	3,634,475
	225,380,434	183,523,824

# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

### 14. Accrued expenses and other liabilities

	2014	2013
	\$	\$
<b>NIDCO</b>		
Accrued liabilities	7,805,183	6,661,914
VAT payable	1,520,165	-
Performance bonds	800,000	623,758
	10,125,348	7,285,672
<b>Water taxi</b>		
Accrued liabilities	5,353,153	2,871,180
	<b>15,478,501</b>	<b>10,156,852</b>

### 15. Taxation

#### a) *Deferred tax (asset) / liability*

Deferred tax liability of \$754,400 arises from the tax written down value of assets and their accounting book values as at 30 September 2014. The current rate of corporation tax is 25%.

	2014	2013
	\$	\$
Written down value per accounting values	12,977,521	15,849,526
Tax value of plant and machinery	(15,995,117)	(15,401,085)
Temporary difference	(3,017,596)	448,441
Deferred tax (asset) / liability at 25%	<b>(754,400)</b>	<b>112,110</b>

#### b) *Taxation credit/(charge)*

	2014	2013
	\$	\$
Current tax	(359,741)	(891,336)
Deferred tax	866,510	(357,313)
Total tax expense	<b>506,769</b>	<b>(1,248,649)</b>



# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

### 15. Taxation (continued)

#### b) *Taxation (charge)/credit (continued)*

The effective tax rate differs from the statutory tax rates for the following reasons:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Profit before tax	58,108	2,177,866
Corporation taxes charge calculated at statutory rates	(14,527)	(544,466)
Business and green fund levies	(77,844)	(154,653)
Lost benefit from non-taxable deductions	(267,370)	(192,217)
Deferred tax	866,510	(357,313)
Total expense	<b>506,769</b>	<b>(1,248,649)</b>

The current rate of corporation tax is 25%, (2013 25%). The Company is entitled to set-off its brought forward tax losses against taxable profits. All tax losses have been utilised in prior years.

#### c) *Tax refundable*

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Business levy refundable	122,791	56,471
Green fund levy refundable	20,215	51,723
Corporation tax refundable	304,126	586,022
	<b>447,132</b>	<b>694,216</b>



# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

### 16. Deferred capital grant shortfall

In 2009, the Company obtained a loan to acquire four (4) sea vessels. In accordance with IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) the loan proceeds were accounted for as Capital Grant receipts to be matched against the cost of the assets in the form of depreciation and the cost of acquiring the assets in the form of loan interest over the estimated useful life of the assets (vessels).

The amount of \$33,090,426 represents the total amount to date by which depreciation charges and loan interest costs are in excess of the total capital receipts accounted for as at 30 September 2014 regarding capital acquisition in accordance with Accounting for Government Grants and Disclosure of Government Assistance. The amount will be fully consumed over the remaining useful life of the assets.

### 17. Deferred Income

This represents income deferred to be recognised as income in profit or loss within the next financial year from:

	<u>2014</u>	<u>2013</u>
	\$	\$
Water Taxi Service Agreement	30,096	1,036,409
Management fees	3,366,664	3,000,000
	<u>3,396,760</u>	<u>4,036,409</u>

### 18. Deferred government capital grants water taxi

This account balance represents total claims to the Ministry to date on capital items acquired for the Water Taxi service.

### 19. Related party transactions

The Company is wholly owned by the Government of the Republic of Trinidad and Tobago.

The following table provides the total amount of material transactions which have been entered into with related parties for the years ended 30 September 2014 and 2013:

#### a) Government of The Republic of Trinidad and Tobago

	<u>2014</u>	<u>2013</u>
	\$	\$
Management fees earned	<u>57,283,929</u>	<u>52,672,715</u>
Financing for projects	<u>593,051,962</u>	<u>616,616,423</u>

There are no other material transactions with any other government agency.

# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

### 19. Related party transactions (continued)

#### b) *Compensation of key management personnel*

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company.

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Short term benefits	4,197,000	3,717,000
Post-employment benefits	622,800	540,000
	<b><u>4,819,800</u></b>	<b><u>4,257,000</u></b>

### 20. Commitments and contingencies

#### a) *Capital commitments*

There were no capital commitments relating to property and equipment at the end of the year.

#### b) *Other commitments*

In carrying out its activities as stated in Note 1, the Company has entered into several contracts with various contractors for which commitments existed at the year end. These contractual commitments amounted to \$3,616.92 million at 30 September 2014 (2013:\$4,169.70 million).

#### c) *Contingencies*

At the end of its financial year the Company was engaged in several legal proceedings arising from the normal course of business. No provisions have been made for 2014 (2013: nil). As a matter of disclosure, the following legal matters are reported:

#### **Unfair Dismissal**

There is a claim for unfair dismissal by a former individual who provided services to NIDCO. The Registration, Recognition and Certification Board was not satisfied that this individual was a person falling within Section 2(3) (e) of the Industrial Relations Act. The hearing for this matter is set for 29 June 2016. The individual is asking for the sum of \$1,342,362.00 exclusive of interest.

#### **Termination of employment**

With respect to a pending matter for a former employee, the Judge held that the claimant was wrongfully dismissed and judgement was therefore held in his favour. The amount of \$292,021.84 was paid in full settlement on December 11, 2014.

#### **WSP International Sweden AB**

NIDCO entered into a contract with WSP International Sweden AB for Programme Management Consultancy Services for the Trinidad Rapid Rail Transportation Project. Clause 6.7(f) of the contract required NIDCO to pay the consultant within 45 calendar days of the receipt of the invoices with supporting documents. Failure to make such payments within the contracted time provided for interest to be paid by NIDCO. NIDCO failed to make a payment due. As a result, WSP filed an action with the High Court to recover payment.

# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

### 20. Commitments and contingencies (continued)

#### c) Contingencies (continued)

##### WSP International Sweden AB (continued)

Monies were owed to WSP for a specific invoice based on the fact that the amount certified was less than the amount claimed.

WSP was willing to accept the sum of TT\$ 812,035.63 and US\$ 309,183.67 as full and final settlement and NIDCO has since settled.

##### Lutchmeesingh's Transport Contractors Ltd.

As a matter of disclosure, there is an ongoing matter with Lutchmeesingh's Transport Contractors Limited with respect to a declaration by same that the Invitation to Tender (ITT) constitutes a binding contractual document between the Claimant and the Defendant. The claimant is seeking damages for breach of contract, interest on all damages recovered at such rate and for such period as the Court shall think fit, costs and further and/or other relief as the Court may deem just.

### 21. Lease commitments – NIDCO

Operating lease rental expense for motor vehicles, copiers, premises and services totalled \$11,138,827 for the year ended 30 September 2014 (2013 - \$8,445,427). Future minimum rentals payable under non-cancellable leases are as follows:

	<u>2014</u>	<u>2013</u>
	\$	\$
Not later than one year	7,389,151	8,604,057
Later than one year, not later than five years	3,218,429	9,624,620
	<u>10,607,580</u>	<u>18,228,677</u>

### 22. General and administrative expenses-NIDCO

	<u>2014</u>	<u>2013</u>
	\$	\$
Staff costs	36,123,939	37,502,767
Rental	8,277,054	7,740,924
Legal, professional and consultancy fees	1,145,083	1,905,405
Directors' fees	788,333	485,481
	<u>46,334,409</u>	<u>47,634,577</u>



# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

### 23. Other expenses-NIDCO

	2014	2013
	\$	\$
Utilities	3,378,619	3,328,274
Repairs & maintenance	864,574	861,817
Public relations	1,653,848	1,433,197
Print reproduction and stationery	628,763	608,013
Office and other expenses	1,857,842	1,357,540
	<b>8,383,646</b>	<b>7,588,841</b>

### 24. Administrative and other expenses

	2014	2013
	\$	\$
<b>Water taxi</b>		
Staff costs	20,684,917	16,894,177
Rental	2,861,773	704,503
Legal, professional and consultancy fees	3,405,723	3,149,390
	<b>26,952,413</b>	<b>20,748,070</b>
Utilities	5,397,106	5,434,761
Repairs & maintenance	1,356,089	1,070,647
Repairs & maintenance vessels	9,568,637	7,026,235
Public relations	395,431	438,001
Print reproduction and stationery	270,656	227,801
Office and other expenses	1,292,596	925,495
Fuel expenses	5,723,364	3,779,529
	<b>50,956,292</b>	<b>39,650,539</b>

### 25. Financial instruments

#### *Fair values*

The aggregate fair values of financial assets and liabilities in the Statement of Financial Position at 30 September 2014 are disclosed hereunder.

#### *Short term financial assets and liabilities*

The carrying amounts of financial assets comprising cash and bank balances and accounts receivable and financial liabilities comprising accounts payable at transaction value, are a reasonable estimate of their fair values because of the short maturity of these instruments.

#### *Credit risk*

Financial instruments that potentially subject the Company to credit risk include trade debtors. These are due primarily from the Government of The Republic of Trinidad and Tobago. No provisions have been set up against the receivable balances for potential credit losses as the likelihood of this occurring is remote.

# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

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### 26. Capital management

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

### 27. Financial risk management objectives and policies

The risk management process is an integral part of management and it is vital to the health and safety of employees and members of the public.

#### *Role of the Board*

The Board of Directors, under the Companies Act 1995, directs the management of the business and affairs for the Company. The Board performs a set of specific functions aimed at meeting the mission of the Company. Its main responsibility lies in planning, monitoring and controlling the activities of the Company so as to ensure optimal utilisation of its resources and the achievement of its corporate objectives. It ensures that policies and business decisions taken at the Board level are implemented. The Board should also ensure that the policies and objectives of the Company reflect the policies of the Government of The Republic Trinidad and Tobago.

Members of the Board are required to familiarise themselves with the Company and its various publics, in order to serve them effectively. It is the Board's responsibility to ensure the Company is staffed by competent senior management personnel, set standards and review managerial performance in the context of the Company's objectives.

#### *Role of Internal Audit*

Internal Audit is an independent, objective, assurance and consulting activity designed to add value and improve the Company's operations. It helps the Company to achieve its objectives by bringing in a systematic disciplined approach to evaluate and improve the effectiveness of control and governance processes.

#### *Role of the Finance and Risk Committee*

This Committee is appointed by the Board to act in an advisory capacity. The Committee's primary duties and responsibilities are to formulate and to recommend policies and procedures to the Board for approval; review on an ongoing basis policies and procedures in light of economic and business conditions to ensure relevancy to the Company and where needed make recommendations for Board approval.

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

- Credit risk
- Liquidity risk
- Market risk
- Currency risk
- Interest risk

# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

### 27. Financial risk management objectives and policies (continued)

#### *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 at year end was:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Trade and other receivables	9,049,956	6,127,126
Restricted cash	36,242,310	36,591,150
Security deposit	1,030,748	1,354,828
Cash and cash equivalents	148,808,941	266,743,150
	<b>195,131,955</b>	<b>310,816,254</b>

#### *Credit risk*

The ageing of trade receivables at year end was:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Current:		
1-30 days due	943,830	716,011
31-90 days due	1,348,944	3,376,526
Over 90 days due	5,722,029	65,699
Balance at September 30	<b>8,014,803</b>	<b>4,158,236</b>

Impairment losses of NIL were recorded with respect to trade receivables in 2014 (2013: NIL).

#### *Liquidity risk*

The Company manages its liquidity risk by maintaining cash to meet its cash obligations as they fall due.



# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

### 27. Financial risk management objectives and policies (continued)

#### *Liquidity risk (continued)*

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

	<b>Less than One year</b>	<b>More than One year</b>
	<b>\$</b>	<b>\$</b>
<b>30 September 2014</b>		
Borrowings	131,578,546	447,568,113
Accounts Payable	191,511,675	33,868,759
	<b>323,090,221</b>	<b>481,436,872</b>
	<b>Less than One year</b>	<b>More than One year</b>
	<b>\$</b>	<b>\$</b>
<b>30 September 2013</b>		
Borrowings	195,319,693	574,457,293
Accounts Payable	153,520,398	30,003,427
	<b>348,840,091</b>	<b>604,460,720</b>

#### *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.

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

At 30 September 2014: TT\$ 6.3733

At 30 September 2013: TT\$ 6.4214

#### *Sensitivity analysis:*

The Company considered currency risk to be insignificant and accordingly 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.

# National Infrastructure Development Company Limited

## Notes to the financial statements

For the year ended 30 September 2014

(Expressed in Trinidad and Tobago dollars)

### 27. Financial risk management objectives and policies (continued)

#### *Market risk (continued)*

#### *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

At year end, the interest rate profile of the Company's interest bearing instruments was:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<i>Fixed rate instruments</i>		
Financial assets		
Cash and cash equivalents	148,808,941	266,743,150
Restricted cash	36,242,310	36,591,150
	<b>185,051,251</b>	<b>303,334,300</b>
Financial liabilities		
Borrowings	<b>579,146,659</b>	<b>769,776,986</b>
Net exposure	<b>(394,095,408)</b>	<b>(466,442,686)</b>

#### *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.

### 28. Events after the reporting date

No significant events occurred after the reporting date of 17 March 2016 affecting the financial performance, position or changes therein for the reporting period presented in these annual financial statements.