

**National Infrastructure Development
Company Limited**

**Financial Statements
30 September 2016**

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National Infrastructure Development Company Limited

Statement of management's responsibilities

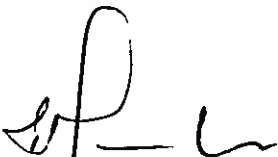
Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of National Infrastructure Development Company Limited, ('the Company') which comprise the statement of financial position as at 30 September 2016, the statements of profit or loss and other comprehensive income and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of the Company's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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



Vice President Finance (Ag.)
15 December 2017



President
15 December 2017

**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 2016, 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 2016, and financial performance and cash flows for the year then ended in accordance with IFRS.

Deloitte & Touche
Port of Spain
Trinidad

15 December 2017 _____

National Infrastructure Development Company Limited

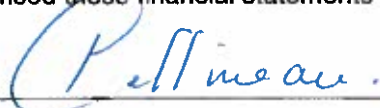
Statement of financial position

(Expressed in Trinidad and Tobago dollars)

		As at 30 September	
	Notes	2016	2015
		\$	\$
ASSETS			
Non-current assets			
Property and equipment	5	195,807,094	213,989,123
Intangible assets	6	614,986	571,390
Security deposits	7	1,030,748	1,030,748
Deferred tax asset	15(a)	999,458	934,848
Deferred capital grant shortfall	16	27,916,656	32,727,799
Total non-current assets		226,368,942	249,253,908
Current assets			
Trade and other receivables	10	11,509,374	10,532,545
Due from Government of Trinidad and Tobago	9	2,046,776,834	2,082,457,535
Tax refundable	15(c)	1,752,502	1,605,009
Cash and cash equivalents	8(a)	311,451,034	102,861,591
Restricted cash	8(b)	38,264,955	36,323,250
Total current assets		2,409,754,699	2,233,779,930
Total assets		2,636,123,641	2,483,033,838
EQUITY AND LIABILITIES			
Shareholder's equity			
Stated capital	11	10	10
Accumulated deficit		(77,888,079)	(31,509,542)
Net shareholder's equity		(77,888,069)	(31,509,532)
Non-current liabilities			
Borrowings	12	1,644,849,327	362,088,431
Demand on Contract Securities	18	292,702,694	-
Deferred government capital grant water tax	17	201,072,678	222,401,074
Government capital grant deferred	19	401,458	-
Security deposit – Lessee		10,000	10,000
Total non-current liabilities		2,139,036,157	584,499,505
Current Liabilities			
Trade payables	13	298,593,500	312,801,773
Accrued expenses and other liabilities	14	26,856,905	14,264,805
Borrowings	12	249,525,148	1,602,977,287
Total current liabilities		574,975,553	1,930,043,865
Total liabilities		2,714,011,710	2,514,543,370
Total equity and liabilities		2,636,123,641	2,483,033,838

The notes on pages 7 to 38 form an integral part of these financial statements.

On 15 December 2017, 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)

	<u>Notes</u>	<u>Year ended 30 September</u> <u>2016</u> \$	<u>2015</u> \$
<u>NIDCO</u>			
Revenue			
Management fees	20.a	6,287,869	37,231,847
Tender fees		670,759	280,500
Interest income		257,758	502,571
Other income		660,189	47,107
		<u>7,876,575</u>	<u>38,062,025</u>
Operating expenses			
General and administrative expenses	23	43,861,941	48,378,375
Depreciation and amortisation		2,609,390	3,462,676
Other expenses	24	7,644,215	14,259,094
		<u>54,115,546</u>	<u>66,100,145</u>
Loss for the year before taxation		<u>(46,238,971)</u>	<u>(28,038,120)</u>
Taxation	15(b)	<u>(139,566)</u>	<u>126,351</u>
Loss for the year after tax		<u>(46,378,537)</u>	<u>(27,911,769)</u>
<u>Water Taxi</u>			
Revenue			
Ticketing income		9,238,093	9,686,368
Charter income		200,853	733,988
Other income		508,691	211,617
		<u>9,947,637</u>	<u>10,631,973</u>
Operating expenses			
Administrative and other expenses	25	<u>64,515,210</u>	<u>54,533,510</u>
Loss from operations		<u>(54,567,573)</u>	<u>(43,901,537)</u>
Government grants - operations		<u>54,567,573</u>	<u>43,901,537</u>
Surplus for the year from operations		<u>-</u>	<u>-</u>
Government capital grants		31,288,402	133,811,177
Depreciation		(16,594,125)	(45,785,210)
Impairment	26	-	(78,466,425)
Loan interest		(7,506,177)	(9,559,542)
Forex on ANZ loan		(7,188,100)	-
Surplus on capital grants		<u>-</u>	<u>-</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u>(46,378,537)</u>	<u>(27,911,769)</u>

The notes on pages 7 to 38 form an integral part of these financial statements.

National Infrastructure Development Company Limited
Statement of changes in equity
(Expressed in Trinidad and Tobago dollars)

	<u>Share capital</u>	<u>Accumulated deficit</u>	<u>Total</u>
	\$	\$	\$
Year ended 30 September 2015			
Balance at beginning of the year	10	(3,597,773)	(3,597,763)
Total comprehensive loss	<u>-</u>	<u>(27,911,769)</u>	<u>(27,911,769)</u>
Balance at end of year	<u>10</u>	<u>(31,509,542)</u>	<u>(31,509,532)</u>
Year ended 30 September 2016			
Balance at beginning of the year	10	(31,509,542)	(31,509,532)
Total comprehensive loss	<u>-</u>	<u>(46,378,537)</u>	<u>(46,378,537)</u>
Balance at end of year	<u>10</u>	<u>(77,888,079)</u>	<u>(77,888,069)</u>

The notes on pages 7 to 38 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 2016 \$	2015 \$
Cash flows from operating activities:			
Loss before taxation		(46,238,971)	(28,038,120)
Adjustments for non-cash items:			
Impairment		-	78,466,426
Transfer		-	2,855,603
Gain on sale of asset		(732)	-
Depreciation – property and equipment	5	18,956,076	48,699,596
Amortisation – intangible	6	315,980	548,290
Operating profit before changes in working capital:		(26,967,647)	102,531,795
Decrease / (increase) in due from GORTT		36,123,465	(1,489,405,573)
Increase in trade receivables and prepayments		(976,829)	(1,605,644)
Decrease in deferred income		-	(3,396,760)
Increase in recalled bonds		292,702,694	-
Increase in trade payables and other liabilities		(1,616,173)	86,207,643
Net cash generated / (used) from operations		299,265,510	(1,305,668,539)
Taxation paid		(351,670)	(1,211,975)
Net cash generated from / (used in) operating activities		<u>298,913,840</u>	<u>(1,306,880,514)</u>
Cash flows from investing activities:			
Sale proceeds from asset		732	-
Acquisition - property and equipment	5	(815,352)	(4,667,410)
Acquisition - intangible assets	6	(359,576)	(264,978)
Net cash used in investing activities		<u>(1,174,196)</u>	<u>(4,932,388)</u>
Cash flows from financing activities:			
Loans (repayments) / advances		(70,691,243)	1,385,919,059
Financing from GORTT – Water Taxi		(21,328,396)	(120,335,194)
Movement in deferred capital grant deficit		4,811,143	362,627
Net cash (used in) / generated from financing activities		<u>(87,208,496)</u>	<u>1,265,946,492</u>
Increase / (decrease) in cash and cash equivalents		210,531,148	(45,866,410)
Cash and cash equivalents at beginning of year		<u>139,184,841</u>	<u>185,051,251</u>
Cash and cash equivalents at end of year	8	<u><u>349,715,989</u></u>	<u><u>139,184,841</u></u>

The notes on pages 7 to 38 form an integral part of these financial statements.

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2016

(Expressed in Trinidad and Tobago dollars)

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 The Atrium, Don Miguel Road Extension, San Juan 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 Government infrastructural projects. All costs incurred in relation to these contracts are recoverable from The Government of The Republic of Trinidad and Tobago together with the Company's management fees.

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

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

In the current year, there were no amendments to IFRS and new Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatorily effective for an accounting period that begins on or after 1 October 2015.

2.2 New and revised IFRS in issue but not yet effective

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

• IFRS 9	Financial instruments ³
• IFRS 14	Regulatory Deferral Accounts ¹
• IFRS 15	Revenue from Contracts with Customers ³
• IFRS 16	Leases ⁴
• Amendments to IFRS 11	Accounting for Acquisitions of Interest in Joint Operations ¹
• Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortization ¹
• Amendments to IFRS	Annual Improvements to IFRS 2012-2014 ¹
• Amendments to IAS 1	Disclosure Initiative ¹
• Amendments to IAS 27	Equity Method in Separate Financial Statements ¹
• Amendments to IAS 12	Recognition of Deferred Tax Assets
• Amendments to IAS 7	Unrealised Losses ²
• Amendments to IAS 7	Disclosure initiative ²
• Amendments to IFRS 2	Classification and Measurement of Share-based

¹ Effective for annual periods beginning on or after 1 January, 2016, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January, 2017, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 January, 2018, with earlier application permitted.

⁴ Effective for annual periods beginning on or after 1 January, 2019, with earlier application permitted.

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2016

(Expressed in Trinidad and Tobago dollars)

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

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

- **IFRS 9 *Financial Instruments***

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of this IFRS was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of the subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
- in relation to the impairment of financial assets, IFRS 9 requires an expected loss model, as opposed to an incurred loss model under IAS 39. The expected loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2016

(Expressed in Trinidad and Tobago dollars)

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

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

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

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

The directors of the Company anticipate that the application of IFRS 9 in the future may have a material impact on the amounts reported in respect of the Company's financial assets and liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Company undertakes a detailed review.

- **IFRS 14 *Regulatory Deferral Accounts***

IFRS 14 specifies the accounting for regulatory deferral account balances that arise from rate-regulated activities. The Standard is available only to first-time adopters of IFRSs who recognised regulatory deferral account balances under their previous GAAP. IFRS 14 permits eligible first-time adopters of IFRSs to continue their previous GAAP rate-regulated accounting policies, with limited changes, and requires separate presentation of regulatory deferral account balances in the statement of financial position and statement of profit or loss and other comprehensive income. Disclosures are also required to identify the nature of, and risk associated with, the form of rate regulation that has given rise to the recognition of regulatory deferral account balances.

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

- **IFRS 15 *Revenue from Contracts with Customers***

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2016

(Expressed in Trinidad and Tobago dollars)

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

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

- **IFRS 15 *Revenue from Contracts with Customers* (continued)**

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

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

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

On 20 June 2016, the IASB issued amendments in *Clarifications to IFRS 15 'Revenue from Contracts with Customers'* which addressed three of the five topics identified (identifying performance obligations, principal versus agent considerations, and licensing) and provide some transition relief for modified contracts and completed contracts. The IASB concluded that it was not necessary to amend IFRS 15 with respect to collectability or measuring non-cash consideration. In all its decisions, the IASB considered the need to balance helping entities with implementing IFRS 15 and not disrupting the implementation process.

The directors of the Company anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Company's financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Company performs a detailed review.

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2016

(Expressed in Trinidad and Tobago dollars)

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

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

- **IFRS 16 *Leases***

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

The directors of the Company anticipate that the application of IFRS 16 in the future may have a material impact on the amounts reported and disclosures made in the Company's financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 16 until the Company performs a detailed review.

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

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

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

- **Amendments to IFRS 11 *Accounting for Acquisitions of Interest in Joint Operations***

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 *Impairment of Assets* regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to IFRS 11 will have a material impact on the Company's financial statements.

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2016

(Expressed in Trinidad and Tobago dollars)

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

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

- **Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortization***

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in the following two limited circumstances;

- a) when the intangible asset is expensed as a measure of revenue; or
- b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Company uses the straight-line method for depreciation and amortisation of its property, plant and equipment, and intangible assets respectively. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Company's financial statements.

- **Annual Improvements 2012 – 2014**

The *Annual Improvements to IFRS 2012-2014* include a number of amendments to various IFRS, which are summarised below.

IFRS 5 — Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

IFRS 7 — Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

IAS 19 — Clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

IAS 34 — Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2016

(Expressed in Trinidad and Tobago dollars)

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

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

- **Amendment to IAS 1: *Disclosure Initiative***

Amendments were made to IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

- a) clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;
- b) clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;
- c) additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

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

- **Amendments to IAS 27: *Equity Method in Separate Financial Statements***

Amendments were made to IAS 27 Separate Financial Statements to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. Consequently, an entity is permitted to account for these investments either:

- (i) at cost; or
- (ii) in accordance with IFRS 9 (or IAS 39); or
- (iii) using the equity method.

This is an accounting policy choice for each category of investment.

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2016

(Expressed in Trinidad and Tobago dollars)

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

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

- **Amendments to IAS 12, (*Recognition of Deferred Tax Assets for Unrealised Losses*)**

Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.

The carrying amount of an asset does not limit the estimation of probable future taxable profits.

Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.

An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type

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

- **Amendments to IAS 7, (*Disclosure Initiative*)**

Amends IAS 7 Statement of Cash Flows to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2016

(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies

3.1 Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'). The principal accounting policies applied in the preparation of these financial statements are set out below and have been consistently applied to all periods presented, unless otherwise stated.

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 financial statements is determined on such a basis. In addition, for financial reporting purposes, 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.

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 and 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.

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2016

(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

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.

Depreciation 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	6.67%
▪ 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.

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.

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2016

(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

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.

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.

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2016

(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

g) Revenue recognition (continued)

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.

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.

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2016

(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

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.

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.

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2016

(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

k) Provisions (continued)

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 2016

(Expressed in Trinidad and Tobago dollars)

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 2016

(Expressed in Trinidad and Tobago dollars)

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 2016

(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

	Water Taxi assets	Equipment	Furniture & fixtures	Motor Vehicle	Leasehold improvements	Total
	\$	\$	\$	\$	\$	\$
Costs						
At 1 October 2015	231,189,374	7,283,424	4,627,006	-	13,437,175	256,536,979
Additions	121,130	93,801	-	600,421	-	815,352
Adjustment	-	(41,305)	-	-	-	(41,305)
Disposals	-	(7,239)	-	-	-	(7,239)
At 30 September 2016	231,310,504	7,328,681	4,627,006	600,421	13,437,175	257,303,787
Accumulated depreciation						
At 1 October 2015	26,926,647	6,191,058	2,472,576	-	6,957,575	42,547,856
Depreciation charge	16,583,510	651,523	406,891	98,430	1,215,722	18,956,076
Disposals	-	(7,239)	-	-	-	(7,239)
At 30 September 2016	43,510,157	6,835,342	2,879,467	98,430	8,173,297	61,496,693
Net book value						
At 30 September 2016	187,800,347	493,339	1,747,539	501,991	5,263,878	195,807,094

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2016

(Expressed in Trinidad and Tobago dollars)

5. Property and equipment (continued)

	Water Taxi assets	Equipment	Furniture, & fixtures	Leasehold improvements	Total
	\$	\$	\$	\$	\$
Costs					
At 1 October 2014	519,348,555	7,134,933	4,568,215	13,146,838	544,198,541
Additions	4,169,791	148,491	58,791	290,337	4,667,410
Adjustment	(2,855,603)	-	-	-	(2,855,603)
Impairment (refer to note 26)	(289,409,930)	-	-	-	(289,409,930)
Disposals	(63,439)	-	-	-	(63,439)
At 30 September 2015	231,189,374	7,283,424	4,627,006	13,437,175	256,536,979
Accumulated depreciation					
At 1 October 2014	192,220,158	4,923,903	2,017,310	5,693,833	204,855,204
Depreciation charge	45,713,433	1,267,155	455,266	1,263,742	48,699,596
Impairment (refer to note 26)	(210,943,505)	-	-	-	(210,943,505)
Disposals	(63,439)	-	-	-	(63,439)
At September 30, 2015	26,926,647	6,191,058	2,472,576	6,957,575	42,547,856
Net book value					
At 30 September 2015	204,262,727	1,092,366	2,154,430	6,479,600	213,989,123

6. Intangible assets

	Water Taxi computer software	Computer software	Total
	\$	\$	\$
Costs			
At 1 October 2015	18,625,917	5,493,065	24,118,982
Additions	-	359,576	359,576
At 30 September 2016	18,625,917	5,852,641	24,478,558
Accumulated amortisation			
At 1 October 2015	18,605,572	4,942,020	23,547,592
Amortisation	10,615	305,365	315,980
At 30 September 2016	18,616,187	5,247,385	23,863,572
Net book value			
At 30 September 2016	9,730	605,256	614,986

National Infrastructure Development Company Limited

Notes to the financial statements
For the year ended 30 September 2016
(Expressed in Trinidad and Tobago dollars)

6. Intangible assets (continued)

	Water Taxi computer software	Computer software	Total
	\$	\$	\$
Costs			
At 1 October 2014	18,625,917	5,228,087	23,854,004
Additions	-	264,978	264,978
At 30 September 2015	18,625,917	5,493,065	24,118,982
Accumulated amortisation			
At 1 October 2014	18,533,796	4,465,506	22,999,302
Amortisation	71,776	476,514	548,290
At 30 September 2015	18,605,572	4,942,020	23,547,592
Net book value			
At 30 September 2015	20,345	551,045	571,390

7. Security deposits

	2016	2015
	\$	\$
Caribbean Sales Agency (Port of Spain)	919,468	919,468
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	20,000
	1,030,748	1,030,748

These represent deposits paid for commercial property leases, which are refundable at the end of the lease term.

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2016

(Expressed in Trinidad and Tobago dollars)

8. Cash and cash equivalents

8.a Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash balances with banks. Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

	2016	2015
	\$	\$
Cash at bank	311,426,366	102,836,923
Cash in hand	24,668	24,668
	311,451,034	102,861,591
Restricted cash	38,264,955	36,323,250
	349,715,989	139,184,841

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 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 becoming payable in the future to lending institutions on external financing obtained to fund projects and management fees.

	2016	2015
	\$	\$
Project funding, outstanding loan balances and management fees due (Note 20)	2,046,776,834	2,082,457,535

10. Trade and other receivables

	2016	2015
	\$	\$
NIDCO		
Prepayments	27,946	665,643
Other receivables	135,607	296,194
Value Added Tax refundable	3,940,645	1,929,598
	4,104,198	2,891,435
Water taxi		
Prepayments	-	152,806
Other receivables	7,405,176	7,488,304
	11,509,374	10,532,545

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2016

(Expressed in Trinidad and Tobago dollars)

11. Stated capital

Authorised:

Unlimited number of ordinary shares of no par value

Issued and fully paid:

10 Ordinary shares of no par value

2016	2015
\$	\$
10	10

12. Borrowings

Institution	Project	2016	2015
		\$	\$
i) Citibank – TTD\$344.75M	Aranguez overpass	185,014,196	208,169,658
ii) Australia & New Zealand (ANZ) Banking Group – USD\$66.5M	Water Taxis	107,840,217	142,630,286
iii) ANSA Merchant Bank – TTD\$153.8M	R/ Rail \$103.8M and NNHP \$50M	48,871,333	68,415,244
iv) RBC – TTD\$53M	Nat. Traffic Management System	30,759,385	34,375,310
v) RBC – TTD\$1,500M 15 Year Fixed Rate Bond	Sir Solomon Hochoy Highway Extension to Point Fortin	1,521,889,344	1,511,475,220
Total borrowings		1,894,374,475	1,965,065,718
Less current portion of borrowings		(249,525,148)	(1,602,977,287)
Non-current borrowings		1,644,849,327	362,088,431

Details of Long-term borrowings

Borrowings comprise of several loans from various lending institutions to fund government projects. These are all backed by the Government of the Republic of Trinidad and Tobago. Details of borrowings 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. It carries a fixed rate of interest 6.7% per annum and is repayable semi-annually over 15 years from the 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).

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2016

(Expressed in Trinidad and Tobago dollars)

12. Borrowings (continued)

ii) *Australia and New Zealand (ANZ) Banking Group (continued)*

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).

iii) *ANSA Merchant Bank Limited*

This represents a long-term fixed rate non-callable bond for TTD\$153.8M 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. 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) *RBC Royal Bank (Trinidad and Tobago) Limited*

In December 2014, the company obtained a loan from RBC Royal Bank (Trinidad and Tobago) Limited of TT\$1.5Bn to finance outstanding obligations on the Sir Solomon Hochoy Highway Extension to Point Fortin project. The amount was originally negotiated as a Bridging facility and subsequently converted to a TT\$1.5Bn fixed rate bond effective June 2016. It carries an interest rate of 7.9% per annum and is repayable over 15 years semi-annually.

13. Trade payables

	2016	2015
	\$	\$
NIDCO		
Payable to contractors	231,538,696	257,573,391
Retention due to contractors	57,914,624	46,570,971
	289,453,320	304,144,362
Water taxi		
Payable to contractors	9,079,147	8,596,379
Retention due to contractors	61,033	61,032
	298,593,500	312,801,773

National Infrastructure Development Company Limited

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(Expressed in Trinidad and Tobago dollars)

14. Accrued expenses and other liabilities

	2016	2015
	\$	\$
NIDCO		
Accrued liabilities	14,498,307	9,066,334
Performance bonds	427,053	327,054
	14,925,360	9,393,388
Water taxi		
Accrued liabilities	11,931,545	4,871,417
	<u>26,856,905</u>	<u>14,264,805</u>

15. Taxation

a) *Deferred tax asset*

Deferred tax asset of \$999,458 arises from the tax written down value of assets and their corresponding accounting book values as at 30 September 2016. The current rate of corporation tax is 25% for the first \$1m and 30% for profits over \$1m. The company is entitled to set-off its brought forward tax losses against taxable profits in any year where it is probable that taxable income will become available in the future for set-off of tax losses. Tax losses have been utilised this year to the extent of taxable profits computed. No account of deferred tax was made for remaining losses as an estimate of future taxable profits was not made.

	2016	2015
	\$	\$
Written down value per accounting values	8,612,003	10,277,441
Tax value of plant and machinery	(12,609,831)	(14,016,831)
Temporary difference	(3,997,828)	(3,739,390)
Deferred tax asset	<u>999,458</u>	<u>934,848</u>

b) *Taxation (charge)/credit*

	2016	2015
	\$	\$
Current tax	(204,176)	(54,097)
Deferred tax	64,610	180,448
Total tax expense	<u>(139,566)</u>	<u>126,351</u>

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15. Taxation (continued)

b) Taxation (charge)/credit (continued)

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

	2016	2015
	\$	\$
Loss before tax	(46,238,971)	(28,038,120)
Corporation taxes charge calculated at statutory rates	-	-
Business and green fund levies	(98,984)	(94,037)
Lost benefit from non-taxable deductions	-	(314,907)
Prior years adjustment of corporation tax	(105,192)	354,847
Deferred tax	64,610	180,448
Total expense	<u>(139,566)</u>	<u>126,351</u>

The current rate of corporation tax is 25% for the first \$1m and 30% for profits over \$1m, (2015: 25%). The Company is entitled to set-off its brought forward tax losses against taxable profits and will do so in any year that an estimate of future taxable profits can be reliably ascertained.

c) Tax refundable

	2016	2015
	\$	\$
Business levy refundable	141,228	226,174
Green fund levy refundable	52,274	51,731
Corporation tax refundable	1,559,000	1,327,104
	<u>1,752,502</u>	<u>1,605,009</u>

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 vessels.

The amount of \$27,916,656, (2015: \$32,727,799) represents the total amount to date by which depreciation charges and loan interest costs are in excess of the total capital grant receipts accounted for as at 30 September 2016 regarding capital acquisitions in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. This amount will be fully consumed over the remaining useful life of the assets.

17. Deferred government capital grant water tax

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

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18. Demand on Contract Securities

NIDCO contracted with Construtora OAS Ltda, now Construtora OAS S.A. ("Construtora") in July 2011 to carry out the design and construction works for the National Network of Highways Project (the Sir Solomon Hochoy Highway Extension to Point Fortin) Package 3 for the sum of \$4,999,993,000 (vat inclusive) Trinidad and Tobago Dollars together with certain provisional sums.

Under the Contract Construtora OAS S.A. was required to provide to NIDCO standby letters of credit in advance for mobilisation, performance and retention payments, and these were provided as per the Contract.

A dispute having arisen between NIDCO and Construtora, NIDCO terminated the Contract, as it was entitled to, on the 6th July 2016 pursuant to Clause 15.2(b) of the Contract due to OAS having abandoned the Works or, alternatively, having plainly demonstrated the intention not to continue performance of its obligations under the Contract.

Pursuant to the employer's issuance of its Termination Notice and in accordance with FIDIC (International Federation of Consulting Engineers) rules the employer exercised its right to call in the securities and in fiscal 2016 a total value of US\$ 44.6m (TT\$293m) was received. Hence a liability for the total sum to date established in favour of the Government of the Republic of Trinidad & Tobago is reported.

19. Government Capital Grant Deferred – OAS Vehicles

This represents Government's interest in the provision of three (3) vehicles acquired by NIDCO pursuant to the contractual arrangement and related conditions of the contract with the principal contractor engaged for construction of the Sir Solomon Hochoy Highway Extension project.

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20. Related party transactions

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

The following data constitutes the total amount of material transactions, which have been entered into with related parties for the years ended 30 September 2016 and 2015:

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

	<u>2016</u>	<u>2015</u>
	\$	\$
Management fees earned	<u>6,287,869</u>	<u>37,231,847</u>
Financing for projects (Note 9)	<u>2,046,776,834</u>	<u>2,082,457,535</u>

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

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.

	<u>2016</u>	<u>2015</u>
	\$	\$
Directors' fees	659,000	550,000
Short term benefits	3,883,212	4,197,000
Post-employment benefits	<u>257,215</u>	<u>622,800</u>
	<u>4,799,427</u>	<u>5,369,800</u>

National Infrastructure Development Company Limited

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21. Commitments and contingencies

a) *Capital commitments*

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

b) *Contingencies*

At the end of its financial year the Company was engaged in several legal proceedings arising from the normal course of business. As a matter of disclosure, the following legal matters are reported:

Unfair dismissal

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. At the most recent court hearing, the individual is claiming the sum of \$1,252,880.00 It is possible a payment may have to be made which has been accrued for. This matter is expected to be completed in the Industrial Court before December 2017.

Trade dispute

As a matter of disclosure, a claim brought against NIDCO by a former employee represented by the Banking Insurance and General Workers Union (BIGWU) claiming salaries for the remainder of their contract period upon termination, is ongoing.

22. Lease commitments – NIDCO

Operating lease rental expense for motor vehicles, copiers, premises and other services totalled \$8,257,410 for the year ended 30 September 2016 (2015 - \$9,580,007) for combined operations. Future minimum rentals payable under non-cancellable leases are as follows:

	<u>2016</u>	<u>2015</u>
	\$	\$
Not later than one year	2,587,913	2,746,049
Later than one year, not later than five years	5,729,242	634,440
	<u>8,317,155</u>	<u>3,380,489</u>

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23. General and administrative expenses-NIDCO

	2016	2015
	\$	\$
Staff costs	34,375,628	38,012,770
Rental	7,289,913	8,553,758
Legal, professional and consultancy fees	1,454,372	1,225,453
Directors' fees	742,028	586,394
	43,861,941	48,378,375

24. Other expenses-NIDCO

	2016	2015
	\$	\$
Management Fee reversals/write off	2,322,286	4,565,270
Utilities	3,201,726	3,756,653
Repairs & maintenance	600,094	1,336,377
Public relations	374,183	2,693,654
Print reproduction and stationery	331,634	510,249
Office and other expenses	814,292	1,396,891
	7,644,215	14,259,094

25. Administrative and other expenses

	2016	2015
	\$	\$
Water taxi		
Staff costs	20,475,062	21,337,106
Rental	967,496	1,026,249
Legal, professional and consultancy fees	2,257,765	3,210,637
	23,700,323	25,573,992
Income write-off	73,273	-
Utilities	4,370,567	5,028,039
Repairs & maintenance	1,454,168	1,166,092
Repairs & maintenance vessels	27,983,641	15,761,556
Public relations	58,718	285,884
Print reproduction and stationery	217,172	249,355
Office and other expenses	721,380	1,082,993
Fuel expenses	5,935,968	5,385,599
	64,515,210	54,533,510

26. Impairment – Water Taxi

An assessment of the Water Taxi vessels was made in May 2017 by Tsunami Marine Ltd. The results of the assessment required no adjustments for impairment.

An impairment review was also undertaken by the same marine consultant for fiscal 2015 on the Company's Water Taxi vessels currently in use. Subject to this review the vessels were found to be impaired in the amount of \$78,466,425 (\$289,409,930 cost less \$210,943,505 accumulated depreciation) and the value of the asset was reduced accordingly.

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Notes to the financial statements

For the year ended 30 September 2016

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27. Financial instruments

Fair values

The aggregate fair values of financial assets and liabilities in the statement of financial position at 30 September 2016 and 2015 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.

28. Capital management

The Company has no formal documented policy regarding capital management, as the Company's projects are funded via direct funding from the Infrastructure Development Fund and open market loans backed by the Government of the Republic of Trinidad & Tobago. The company earns a management fee from the Government for its services provided. Notwithstanding these receipts, every effort is made to ensure value for money for all services rendered and, effective management of its assets and liabilities.

29. 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 of 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.

National Infrastructure Development Company Limited

Notes to the financial statements

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29. Financial risk management objectives and policies (continued)

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 of 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

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:

	<u>2016</u>	<u>2015</u>
	\$	\$
Trade and other receivables	11,728,180	10,784,787
Restricted cash	38,264,955	36,323,250
Security deposit	1,030,748	1,030,748
Cash and cash equivalents	<u>311,451,034</u>	<u>102,861,591</u>
	<u>362,474,917</u>	<u>151,000,376</u>

Credit risk

The ageing of trade receivables at year end was:

	<u>2016</u>	<u>2015</u>
	\$	\$
Current:		
1-30 days due	3,940,646	-
31-90 days due	-	1,929,598
Over 90 days due	<u>7,759,562</u>	<u>8,036,740</u>
Balance at September 30	<u>11,700,208</u>	<u>9,966,338</u>

Impairment losses of NIL were recorded with respect to trade receivables in 2016 (2015: NIL).

The amount of \$7.5 m continues to be a recoverable sum from the Chaguaramas Development Authority despite the contract completion in 2014.

National Infrastructure Development Company Limited

Notes to the financial statements

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29. Financial risk management objectives and policies (continued)

Liquidity risk

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

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

	Less than One year	More than One year
	\$	\$
30 September 2016		
Borrowings	249,525,148	1,644,849,327
Trade payables	204,623,114	93,970,386
	454,148,262	1,738,819,713
30 September 2015		
Borrowings	1,602,977,287	362,088,431
Trade payables	279,359,312	33,442,461
	1,882,336,599	395,530,892

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 2016: TT\$ 6.7392

At 30 September 2015: TT\$ 6.3725

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Notes to the financial statements

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29 Financial risk management objectives and policies (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:

	<u>2016</u>	<u>2015</u>
	\$	\$
<i>Fixed rate instruments</i>		
Financial assets		
Cash and cash equivalents	311,451,034	102,861,591
Restricted cash	<u>38,264,955</u>	<u>36,323,250</u>
	<u>349,715,989</u>	<u>139,184,841</u>
Financial liabilities		
Borrowings	<u>1,894,374,475</u>	<u>1,965,065,718</u>
Net exposure	<u>(1,544,658,486)</u>	<u>(1,825,880,877)</u>

Estimation of Fair values

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

30. Events after the reporting date

No significant events occurred after the reporting date of 15 December 2017 affecting the financial performance, position or changes therein for the reporting period presented in these annual financial statements.

Legal title to properties not yet transferred

An amount of \$14,857,020.71 has not been reported in the financial statements as titles to the respective properties have not yet passed to the entity as a result of title queries. Once resolved, the associated transaction values will be reflected in the financial statements and related disclosures.