National Infrastructure Development Company Limited

Financial Statements
30 September 2018

Contents

National Infrastructure Development Company Limited

Statement of management's responsibilities[1]

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 2018, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of 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 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.

Manager, Finance & Corporate Planning	President
25th October 2021	25th October 2021

[1] The above Statement of management responsibilities is not considered a part of the financial statements under IFRS. It is however recommended by the Institute of Chartered Accountants of Trinidad and Tobago for insertion into the financial statements immediately before the independent auditor's report and essentially represents management's acknowledgement and acceptance of its duties, roles and responsibilities for the preparation and fair presentation of the financial statements it accompanies.

Deloitte.

Deloitte & Touche
54 Ariapita Avenue
Woodbrook, Port of Spain
170309
Trinidad and Tobago

Tel: +1 (868) 628 1256
Fax: +1 (868) 628 6566
www.deloitte.com/tt

Independent Auditor's Report
To the Shareholder of
National Infrastructure Development Company Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of National Infrastructure Development Company Limited (the 'Company'), which comprise the statement of financial position as at 30 September 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as 30 September 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRS').

Basis for Qualified Opinion

The Company's total receivable balance for due from Government of Trinidad and Tobago, is carried at $1,964,987,269 (Note 9) on the statement of financial position as at 30 September 2018. We were unable to obtain sufficient appropriate audit evidence for receivable balances totalling $225,048,324 as at 30 September 2018, as unbilled contractor claims totalling $60,038,755 have not been reconciled and appropriate financial information was not provided for receivable balances totalling $165,009,569. As of the date of our report, management was still in the process of reconciling unbilled contractor claims due from Government of Trinidad and Tobago. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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

Other Information

Management is responsible for the other information. The other information comprises the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Continued...

Deloitte.

Independent Auditor's Report (continued)
to the Shareholders of
National Infrastructure Development Company Limited

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this Independent Auditors' report is Derek Mohammed (ICATT#864).

Deloitte & Touche

Deloitte & Touche
Port of Spain,
Trinidad.

26 October 2021

National Infrastructure Development Company Limited

Statement of financial position
(Expressed in Trinidad and Tobago dollars)

	Notes	As at 30 September 2018 $	2017 $ Restated
ASSETS			
Non-current assets			
Property and equipment	5	180,921,200	186,487,688
Intangible assets	6	201,318	365,345
Security deposits	7	219,160	184,060
Due from Government of Trinidad and Tobago	9	1,252,949,971	1,448,954,848
Deferred tax asset	15(a)	1,500,636	1,599,627
Total non-current assets		1,435,792,285	1,637,591,568
Current assets			
Trade and other receivables	10	12,786,725	13,667,712
Due from Government of Trinidad and Tobago	9	712,037,298	583,380,198
Tax refundable	15(c)	1,741,606	1,663,591
Cash and cash equivalents	8(a)	556,410,986	829,166,946
Restricted cash	8(b)	38,190,000	38,147,820
Total current assets		1,321,166,615	1,466,026,267
Total assets		**2,756,958,900**	**3,103,617,835**
EQUITY AND LIABILITIES			
Shareholder equity			
Stated capital	11	10	10
Accumulated deficit		(91,084,546)	(84,735,383)
Net shareholder equity		(91,084,536)	(84,735,373)
Non-current liabilities			
Borrowings	12	1,229,350,000	1,421,782,697
Due to Government of Trinidad and Tobago	17	728,989,074	902,755,597
Deferred government capital grant – Water Taxi	16	139,493,705	155,343,286
Government capital grant deferred - Projects	18	136,708	341,958
Security deposit		10,000	10,000
Total non-current liabilities		2,097,979,487	2,480,233,538
Current Liabilities			
Trade payables	13	364,370,765	333,557,351
Accrued expenses and other liabilities	14	121,718,813	96,042,007
Borrowings	12	191,614,089	222,592,968
Due to Government of Trinidad and Tobago	17	38,190,000	38,147,820
Deferred Government capital grant – Water Taxi	16	15,849,579	13,335,474
Deferred Government operating grant - Water Taxi		18,115,453	4,238,800
Government capital grant deferred - Projects	18	205,250	205,250
Total current liabilities		750,063,949	708,119,670
Total liabilities		2,848,043,436	3,188,353,208
Total equity and liabilities		**2,756,958,900**	**3,103,617,835**

The notes on pages 8 to 42 form an integral part of these financial statements.

On 20th October 2021, 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 2018 $	2017 $ Restated
PROJECTS			
Revenue			
Management fees	19(a)	19,614,435	15,725,959
Construction supervision fees	19(a)	-	3,573,333
Tender fees		876,033	2,492,930
Interest income on deposits		9,937,421	9,717,672
Grant income		77,242,747	86,115,090
Other income		450,000	-
		108,120,636	117,624,984
Operating expenses			
General and administrative expenses	22	(32,540,621)	(36,306,490)
Depreciation and amortisation	5,6	(827,323)	(1,501,509)
Other expenses	23	(20,986,401)	(7,589,173)
Foreign exchange gains		17,475,824	6,818,006
Loan interest		(77,242,747)	(86,115,090)
		(114,121,268)	(124,694,256)
Loss for the year before taxation		(6,000,632)	(7,069,272)
Taxation	15(b)	(348,531)	221,968
Loss for the year after tax		**(6,349,163)**	**(6,847,304)**
Water Taxi			
Revenue			
Ticketing income		5,836,662	8,154,667
Charter income		(13,244)	2,003,096
Other income		171,306	236,321
		5,994,724	10,394,084
Operating expenses			
Administrative and other expenses	24	(52,489,300)	(64,765,089)
Loss from operations		(46,494,576)	(54,371,005)
Government grants – operations	19(a)	46,494,576	54,371,005
Surplus for the year from operations		-	-
Amortisation of government capital grants	16,19(a)	19,465,509	11,140,539
Depreciation and amortisation	5,6	(16,652,840)	(13,447,641)
Reversal of impairment		-	8,135,789
Loan interest		(2,812,669)	(5,127,618)
Forex exchange		-	(701,069)
Surplus on capital grants		-	-
Other comprehensive income		-	-
Total comprehensive loss for the year		**(6,349,163)**	**(6,847,304)**

The notes on pages 8 to 42 form an integral part of these financial statements.

National Infrastructure Development Company Limited

Statement of changes in equity
For the year ended 30 September 2018
(Expressed in Trinidad and Tobago dollars)

	Note	Share capital $	Accumulated deficit $	Total $
Year ended 30 September 2017				
Balance at beginning of the year		10	(77,888,079)	(77,888,069)
Total comprehensive loss – previously recorded			(13,852,910)	(13,852,910)
Restatement	28	-	7,005,606	7,005,606
Total comprehensive loss – restated		-	(6,847,304)	(6,847,304)
Balance at end of year – restated	28	**10**	**(84,735,383)**	**(84,735,373)**
Year ended 30 September 2018				
Balance at beginning of the year – restated	28	10	(84,735,383)	(84,735,373)
Total comprehensive loss		-	(6,349,163)	(6,349,163)
Balance at end of year		**10**	**(91,084,546)**	**(91,084,536)**

The notes on pages 8 to 42 form an integral part of these financial statements.

National Infrastructure Development Company Limited

Statement of cash flows
For the year ended 30 September 2018
(Expressed in Trinidad and Tobago dollars)

	Notes	Year ended 30 September 2018 $	2017 $ Restated
Cash flows from operating activities:			
Loss before taxation		(6,000,632)	(7,069,272)
Loss on WT operations		(46,494,576)	(54,371,005)
Adjustments for non-cash items:			
Foreign exchange gain/loss		(17,475,824)	(6,116,937)
Interest income		(9,937,421)	(9,717,672)
Interest expense		80,055,416	91,242,708
Grant income		(80,055,416)	(91,242,708)
Amortisation of deferred capital grant		(16,652,840)	(6,012,921)
Reversal of impairment	5	-	(8,135,789)
Financing from Government of Trinidad and Tobago – Water Taxi		58,982,686	34,017,314
(Gain) / loss on sale of asset		(1,334)	3,332,328
Depreciation – property and equipment	5	17,298,832	14,904,758
Amortisation – intangible	6	181,331	249,641
Cash flows used in operating activities before changes in working capital:		(20,099,778))	(38,919,555)
Decrease in due from Government of Trinidad and Tobago net of loans		(154,575,050)	(169,358,523)
Decrease/(increase) in trade receivables and other receivables		880,987	(2,158,338)
(Increase)/decrease in security deposit		(35,100)	846,688
(Decrease)increase in due to Government of Trinidad and Tobago		(173,724,343)	609,935,768
Increase in trade payables and other liabilities		58,693,926	80,225,025
Net cash (used in) / generated from operations		(288,859,358)	480,571,065
Taxation paid		(327,553)	(289,289)
Net cash (used in) / generated from operating activities		(289,186,911)	480,281,776
Cash flows from investing activities:			
Sale proceeds from disposal of property and equipment		1,334	1,425,000
Acquisition – property and equipment		(11,954,899)	(2,206,892)
Interest received		10,928,708	8,248,726
Net cash (used in) / generated from investing activities		(1,024,857)	7,466,834
Cash flows from financing activities:			
Loan principal repayments	12	(223,411,576)	(223,474,425)
Loan interest paid		(82,248,862)	(94,361,181)
Loan Financing from Government of Trinidad and Tobago		305,660,438	317,835,606
Capital grants received		-	22,961,696
Net cash generated from financing activities		-	22,961,696
Net (decrease) / increase in cash and cash equivalents		(290,211,768)	510,710,306
Effects of exchange rate differences on cash and cash equivalents		17,455,808	7,005,606
Cash and cash equivalents at beginning of year		829,166,946	311,451,034
Cash and cash equivalents at end of year	8	**556,410,986**	**829,166,946**

The notes on pages 8 to 42 form an integral part of these financial statements.

1. Incorporation and principal activity

National Infrastructure Development Company Limited ('the Company') was incorporated in 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 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 Trinidad and Tobago.

The Company enters into various contracts with third parties for the execution of Government infrastructural projects. All contract costs incurred in relation to these contracts are recoverable from The Government 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 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 2017.

- **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, including both cash and non-cash changes.

  The Company's liabilities arising from financing activities consist of borrowings (Note 12). A reconciliation between the opening and closing balances of these items is provided in Note 12.

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

  Amends IAS 12 *Income Taxes* to clarify the following aspects:

  - 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 application of these amendments has no impact on the Company's financial statements as the Company already assesses the sufficiency of future taxable profits in a way that is consistent with these amendments.

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

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

- **Amendments to *IFRS Annual Improvements 2014-2016***
  - **IFRS 12** - Clarifies the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*

  The application of these amendments has no effect on the Company's financial statements, as the Company does not have investments which require disclosure under IFRS 12.

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[1]
IFRS 15	Revenue from Contracts with Customers[1]
IFRS 16	Leases[2]
Amendments to IFRS 2	Classification and Measurement of Share-based[1]
IFRIC 22	Foreign currency transactions and advance Considerations[1]
IFRIC 23	Uncertainty over income tax treatments[2]
Amendments to IAS 40	Transfers of investment property[1]
Amendments to IFRS	Annual Improvements to IFRS Standards 2014 – 2016 Cycle[1]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

- **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 9 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.

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)***

  Key requirements of IFRS 9:

  - all recognised financial assets that are within the scope of IFRS 9 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 that 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 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 nor contingent consideration recognised by an acquirer in a business combination) 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 such changes 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 credit 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.

  - 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 Company is in the process of assessing the impact of the Standard.

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***

  IFRS 15 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.

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

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

  Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the 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.

  In April 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 Company is in the process of assessing the impact of Standard.

- **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 Company is in the process of assessing the impact of Standard.

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 IFRS 2 *Classification and Measurement of Share-based Payment Transactions***

  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 any impact on the Company's financial statements as the Standard does not apply to the Company's current or anticipated future operations.

- **IFRIC 22 *Foreign Currency Transactions and Advance Consideration***

  The interpretation addresses foreign currency transactions or parts of transactions where:

  - there is consideration that is denominated or priced in a foreign currency;
  - the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
  - the prepayment asset or deferred income liability is non-monetary.

  The Interpretations Committee came to the following conclusion:

  - The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability.
  - If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

  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.

- **IFRIC 23 *Uncertainty over Income Tax Treatments***

  The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

  - Whether tax treatments should be considered collectively
  - Assumptions for taxation authorities' examinations
  - The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
  - The effect of changes in facts and circumstances.

  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.

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 40, *Transfer of investment property***

  The amendments to IAS 40 *Investment Property*:

  - Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.
  - The list of examples of evidence in paragraph 57(a) – (d) is now presented as a non-exhaustive list of examples instead of the previous exhaustive list.

  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 as the Standard does not apply to the Company's current or anticipated future operations.

- **Amendments to IFRS *Annual Improvements to IFRS Standards 2014 -2016 Cycle***

  - **IFRS 1** - Deletes the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose.
  - **IAS 28** - Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

  The application of these amendments has no effect on the Company's financial statements, as the Company is not a first-time adopter of IFRS and does not have investments which are classified as associates and joint ventures under IAS 28.

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').

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 from sale of 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 asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis except for measurements that have some similarities to fair vale but are not fair value, such as value in use in IAS 36 'Impairment of Assets'.

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 asset 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.

3.3 **Foreign currencies**

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.

3.4 **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.

3. Summary of significant accounting policies (continued)

3.5 Property and equipment

Property and equipment is recorded at cost less accumulated depreciation and impairment.

Cost includes the purchase price of the assets, in addition to any further cost incurred to bring the asset to its present condition and location. Any improvements to assets during that the year that significantly adds to the value or extends the life of the asset will be capitalised as part of the asset cost.

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

Equipment	25%
Furniture and fixtures	10%
Motor Vehicles	25%
Intangible assets	25%
Leasehold Improvements- Projects	10%
Water taxi assets:	
▪ Vessels	10%
▪ Pontoons	10%
▪ Buildings	2%
▪ Leasehold improvements- Water Taxi	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. Any gain or loss arising on the disposal or retirement of an item of property 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.

3.6 Intangible assets

Intangible assets comprise separately identifiable items arising from computer software licenses. Intangible assets are initially recognised at cost. Intangible assets have finite useful lives and 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%.

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.

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

3.7 Non-current assets held for sale

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 sales 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.

3.8 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. The management fees charged is based on a set percentage agreed between the Company and the respective client (Ministry). The percentage varies by project and is communicated by Cabinet Note.

Interest income

Interest income is recognised using the effective interest method in accordance IAS 39.

Construction supervision fees

The Construction Supervision fees charged is based on a set percentage agreed between the Company and the respective client (Ministry of Works and Transport). The percentage varies by project and is communicated by Cabinet Note. The fees are recognised in accordance with the project progress schedule.

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

3.8 **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 as follows:

i) As an operational grant to meet any shortfall created by the excess of operating expenditure over ticketing income for the water taxi; and

ii) As a capital grant to meet the total capital costs incurred in the acquisition of capital items for the water taxi, including the cost of borrowing where a loan is secured for their financing.

iii) As an income grant to offset the interest on loans undertaken to finance infrastructural projects.

Tender fees

Revenue is recognised upon sale of tender package.

Water taxi income

Charter income is recognised at the time the service is rendered and funds are received from the customer.

3.9 **Borrowing cost**

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 or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

The Company's borrowings are wholly for services executed on behalf of the Government of Trinidad and Tobago or provided to the Government of Trinidad and Tobago and therefore does not have temporary investments of specific borrowings.

All borrowing costs are recognised in profit or loss in the period in which they occurred.

3. Summary of significant accounting policies (continued)

3.10 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). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable or consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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, unless the relevant asset is varied at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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

3.11 **Taxation**

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

i) Current tax

The tax receivable or 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. 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 recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 utilized. Such deferred tax assets and liabilities are not recognized 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 realized, 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.

3.12 **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 the effect of the time value of money is material).

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.

3. Summary of significant accounting policies (continued)

3.13 Leases

The Company is a lessee.

Leases of property and equipment where the Company assumes substantially all the benefits and risks of ownership are classified as finance leases. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Company at the fair value at inception of the lease or, if lower, at present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction in the lease obligation so as to achieve a constant rate on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

3.14 Financial instruments

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

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.15 Financial assets

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

The Company's financial assets are categorised as loans and receivables.

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

3.15 **Financial assets (continued)**

Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or whether appropriate, a short period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, due from Government of Trinidad and Tobago, cash and cash equivalents and restricted cash), are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discount is immaterial.

Impairment of financial assets

Financial assets are assessed for impairment indicators at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that as a result of one or more events that has occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it's become probable that the debtor will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

For financial assets carried at amortised costs, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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

3.15 **Financial assets (continued)**

Impairment of financial assets (continued)

The carrying amount of the asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables (including due from Government of Trinidad and Tobago), whether the accruing amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For assets measured carried at amortised costs, 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 of impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual right to receive the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the assets to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum fo the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the bases of relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised In profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part the continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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

3.16 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company 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 assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

The Company's financial liabilities are classified as 'other financial liabilities'. The Company does not have any financial liabilities that are classified 'at FVTPL'.

Subsequent measurement of other financial liabilities

Other financial liabilities (including borrowings, trade payables and accrued expenses and other liabilities) are subsequently measured at amortised cost using the effective interest method.

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 (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or where appropriate) a short period, to the net carrying amount on initial recognition.

The Company does not have any financial guarantee contracts.

Derecognition

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid, and payables is recognised in profit or loss.

3.17 Derivative financial instruments

The Company entered into a derivative financial instrument to manage its exposure to interest rate where floating interest rate for loan taken out with Australia & New Zealand (ANZ) Banking Group was swapped for a fixed rate.

Derivatives are initially recognised at fair value at the date of the derivative contracts are entered into and are subsequently revalued 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.

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

3.18 **Employee benefits**

The Company provides other short-term benefits such as salaries and related allowances as well as a medical plan with a life insurance element that is non-transferable.

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

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

In the application of the Company's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is 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.

4.1 <u>Critical judgements in applying accounting policies</u>

No critical judgements were made in the process of applying the Company's accounting policies.

4.2 <u>Key sources of estimation uncertainty</u>

No key assumptions concerning the future were made, and there were no 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.

5. Property and equipment

	Water Taxi assets	Equipment	Furniture & fixtures	Motor Vehicles	Leasehold Improvements	Total
	$	$	$	$	$	$
Costs						
At 1 October 2017	222,175,484	7,338,697	4,641,573	951,421	1,956,339	237,063,514
Additions	11,656,875	224,134	43,800	-	50,667	11,975,476
Disposals	-	(20,582)	-	-	-	(20,582)
Adjustments	(37,881)	-	-	-	-	(37,881)
At 30 September 2018	233,794,478	7,542,249	4,685,373	951,421	2,007,006	248,980,527
Accumulated depreciation						
At 1 October 2017	38,842,671	7,136,003	3,256,444	336,285	1,004,423	50,575,826
Depreciation charge	16,652,840	169,101	342,636	237,855	101,651	17,504,083
Disposals	-	(20,582)	-	-	-	(20,582)
At 30 September 2018	55,495,511	7,284,522	3,599,080	574,140	1,106,074	68,059,327
Net book value						
At 30 September 2018	**178,298,967**	**257,727**	**1,086,293**	**377,281**	**900,932**	**180,921,200**

	Water Taxi assets	Equipment	Furniture & fixtures	Motor Vehicles	Leasehold Improvements	Total
	$	$	$	$	$	$
Costs						
At 1 October 2016	231,310,504	7,328,681	4,627,006	600,421	13,437,175	257,303,787
Additions	834,590	10,016	14,567	351,000	996,719	2,206,892
Impairment (note 26)	(9,969,610)	-	-	-	-	(9,969,610)
Disposals	-	-	-	-	(12,477,555)	(12,477,555)
At 30 September 2017	222,175,484	7,338,697	4,641,573	951,421	1,956,339	237,063,514
Accumulated depreciation						
At 1 October 2016	43,510,159	6,835,343	2,879,467	98,430	8,173,295	61,496,694
Depreciation charge	13,437,911	300,660	376,977	237,855	551,355	14,904,758
Impairment (note 26)	(18,105,399)	-	-	-	-	(18,105,399)
Disposals	-	-	-	-	(7,720,227)	(7,720,227)
At 30 September 2017	38,842,671	7,136,003	3,256,444	336,285	1,004,423	50,575,826
Net book value						
At 30 September 2017	**183,332,813**	**202,694**	**1,385,129**	**615,136**	**951,916**	**186,487,688**

6. Intangible assets

	Water Taxi computer software	Computer software	Total
	$	$	$
Costs			
At 1 October 2017	18,625,917	5,852,641	24,478,558
Additions	-	17,304	17,304
At 30 September 2018	18,625,917	5,869,945	24,495,862
Accumulated amortisation			
At 1 October 2017	18,625,917	5,487,296	24,113,213
Amortisation	-	181,331	181,331
At 30 September 2018	18,625,917	5,668,627	24,294,544
Net book value			
At 30 September 2018	-	**201,318**	**201,318**

	Water Taxi computer software	Computer software	Total
	$	$	$
Costs			
At 1 October 2016	18,625,917	5,852,641	24,478,558
At 30 September 2017	18,625,917	5,852,641	24,478,558
Accumulated amortisation			
At 1 October 2016	18,616,187	5,247,385	23,863,572
Amortisation	9,730	239,911	249,641
At 30 September 2017	18,625,917	5,487,296	24,113,213
Net book value			
At 30 September 2017	-	**365,345**	**365,345**

7. Security deposits

	2018	2017
	$	$
The Atrium (Don Miguel Ext.)	172,800	172,800
GAL Holdings Limited (Diego Martin)	1,260	1,260
Massy Motors Limited	35,100	-
Samury Limited / Caribbean Medical Solutions Ltd. (Tobago)	10,000	10,000
	219,160	**184,060**

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

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:

	2018	2017
	$	$
Short term deposits	502,392,430	789,130,633
Cash at bank	53,585,842	39,708,766
Mutual funds	408,479	304,766
Cash in hand	24,235	22,781
Total cash and cash equivalents	**556,410,986**	**829,166,946**
Restricted cash (8b)	38,190,000	38,147,820
	594,600,986	**867,314,766**

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. The loan facility was repaid on 21 December 2018 and the security deposit was released to the Company on 23 January 2019.

9. Due from Government of Trinidad and Tobago

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

	2018	2017
	$	$
Project funding, outstanding loan balances and management fees due (Note 19a)		
Long-term – Due from Government	1,252,949,971	1,448,954,848
Current – Due from Government	712,037,298	583,380,198
	1,964,987,269	**2,032,335,046**

10. Trade and other receivables

	2018 $	2017 $
Projects		
Prepayments	79,164	90,496
Other receivables	1,200,484	1,629,015
Value Added Tax refundable	3,298,716	2,555,174
	4,578,364	4,274,685
Water taxi		
Prepayments	734,675	612,651
Other receivables	7,473,686	8,780,376
	12,786,725	**13,667,712**

11. Stated capital

Authorised:
Unlimited number of ordinary shares of no-par value

	2018 $	2017 $
Issued and fully paid:		
10 Ordinary shares of no-par value	**10**	**10**

12. Borrowings

Institution	Project	2018 $	2017 $
i) Citibank – TTD$344.75M	Aranguez overpass	137,900,000	160,883,333
ii) Australia & New Zealand (ANZ) Banking Group – USD$66.5M	Water Taxis	20,484,923	63,154,832
iii) ANSA Merchant Bank – TTD$153.8M	R/ Rail $103.8M and NNHP $50M	9,612,500	28,837,500
iv) RBC – TTD$53M	Nat. Traffic Management System	22,966,666	26,500,000
v) RBC – TTD$1,500M 15 Year Fixed Rate Bond	Sir Solomon Hochoy Highway Extension to Point Fortin	1,230,000,000	1,365,000,000
Total borrowings		**1,420,964,089**	**1,644,375,665**
Current portion		191,614,089	222,592,968
Non-current portion		**1,229,350,000**	**1,421,782,697**

Reconciliation of liabilities arising from financing activities:

	2018 $	2017 $
As at 1 October	1,644,375,665	1,867,850,090
Principal repayments	(223,411,576)	(223,474,425)
As at 30 September	**1,420,964,089**	**1,644,375,665**

12. **Borrowings (continued)**

Summary of borrowing arrangements

Borrowings comprise of several loans from various lending institutions to fund government projects. Borrowings are fully guaranteed by the Government of Trinidad and Tobago.

i) TT$344,750,000 Fixed Rate Bonds 2009-2024

The bond was underwritten by Citicorp Merchant Bank Limited, who is the arranger. The Trustee for the bond is RBTT Trust Limited and First Citizens Trustee Services Limited (FCIS) is the Paying Agent. The Bond was taken to finance the Aranguez / El Socorro overpass. The loan is secured by a letter of comfort from the Government 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 comprised two parts: USD $53.42M provided by Export Financing Facility (EFF) and USD$13.11M provided by Commercial Financing Facility (CFF). 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. The EFF part was for a period of 8 ½ years and repaid on 21 December 2018. The CFF part was for a period of 4 years and was repaid on 17 June 2014.

iii) TT$153,800,000 Government Guaranteed (Fixed Rate) Bonds 2010-2018

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%. The loan was for a period of 8 years and was repaid on 21 December 2018.

iv) RBC Merchant Bank (Caribbean) Limited

The Company obtain a from RBC Merchant Bank (Caribbean) Limited on 10 December 2009 to finance the National Traffic Management System (NTMS). The loan amount of TT$53M is for a period of 15 years, with a fixed interest rate of 7.9% per annum and is repayable via semi-annual payments. The loan is secured by a letter of comfort from the Ministry of Finance.

v) Syndicate Loan RBC Royal Bank (Trinidad and Tobago) Limited

In December 2014, the Company obtained a loan from RBC Royal Bank (Trinidad and Tobago) Limited and Scotiabank of 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 4.9% per annum and is repayable over 15 years semi-annually. This facility is backed by the Government of Trinidad and Tobago via a letter of guarantee.

13. Trade payables

	2018 $	2017 $
Projects		
Payable to contractors	275,485,058	255,974,173
Retention due to contractors	69,864,682	58,372,749
	345,349,740	314,346,922
Water taxi		
Payable to contractors	18,959,993	19,149,397
Retention due to contractors	61,032	61,032
	364,370,765	**333,557,351**

14. Accrued expenses and other liabilities

	2018 $	2017 $
Projects		
Accrued liabilities	88,424,932	65,674,659
Accrued Interest	20,428,695	22,049,326
Other payables	414,666	430,000
	109,268,293	88,153,985
Water taxi		
Accrued liabilities	11,158,993	6,013,420
Accrued Interest	1,291,527	1,874,602
	121,718,813	**96,042,007**

15. Taxation

a) Deferred tax asset

Deferred tax asset of $1,500,636 arises from the tax written down value of assets and their corresponding accounting book values as at 30 September 2018. The applicable rate of corporation tax is 30%. The Company is entitled to set-off its brought forward tax losses against taxable profits in any year where profits are achieved. The Company has not accounted for deferred tax or losses brought forward as an estimate of future profit cannot be reasonably made at this time. The estimated tax losses carried forward is $72 million (2017: $82 million).

	2018 $	2017 $
Written down value per accounting values	2,823,550	3,520,219
Tax value of plant and machinery	(7,825,667)	(8,852,307)
Temporary difference	(5,002,117)	(5,332,088)
Deferred tax asset	**1,500,636**	**1,599,627**

15. Taxation (continued)

	2018 $	2017 $
b) Taxation charge/(credit)		
Current tax	249,539	378,201
Deferred tax	98,992	(600,169)
Total tax expenses	**348,531**	**(221,968)**

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

	2018	2017
Loss before tax	**(6,000,632)**	**(7,069,271)**
Tax calculated @ 30%/25%	(1,800,190)	(1,767,318)
Non-deductible expenses	1,968,574	1,404,969
Other timing differences	(55,400)	(195,916)
Exempt Income	(13,992)	(36,589)
Deductible expenses	-	(5,315)
Green fund and business levy	249,539	378,201
Current Tax	**348,531**	**(221,968)**

In 2018 corporation tax was 30%, in 2017 the Corporation Tax was 25% on the first $1 million and 30% thereafter.

c) *Tax refundable*

	2018	2017
Business levy refundable	(134,724)	63,007
Green fund levy refundable	2,420	41,583
Corporation tax refundable	1,873,910	1,559,001
	1,741,606	**1,663,591**

16. Deferred government capital grant – Water Taxi

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.

	2018 $	2017 $ Restated
At beginning of the year	168,678,760	180,248,309
Claims for capital expenditure	4,373,492	834,591
Amortisation of capital grant income	(19,465,509)	(11,140,539)
Loan interest and other entries	1,756,541	(1,263,601)
At end of year	**155,343,284**	**168,678,760**
Current	15,849,579	13,335,474
Non-current	139,493,705	155,343,286
	155,343,284	**168,678,760**

17. Due to Government of Trinidad and Tobago

	2018	2017
	$	$ Restated
i) Funds received from termination of contract	728,989,074	902,755,597
ii) Funds received for security deposit	38,190,000	38,147,820
	767,179,074	**940,903,417**
Current	38,190,000	38,147,820
Non-current	728,989,074	902,755,597
	767,179,074	**940,903,417**

i) Funds from settlement of standby letter for credit:

	2018	2017
	$	$ Restated
Balance at 1 October	902,755,597	292,702,694
Funds received	-	631,149,754
Offset against due from Government of Trinidad and Tobago	(173,150,656)	(21,096,851)
Foreign exchange translation	(615,867)	-
Balance at 30 September	**728,989,074**	**902,755,597**

The Company entered into a contract with Construtora OAS Ltd, 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.

On 6 July 2016, the Company terminated the contract pursuant to Clause 15.2(b) of the contract citing that Constructora 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 (FIDIC) rules the Company exercised its right to call in the securities, and during fiscal 2016 and 2017 and a total value of US$ 140.2 million (2016: US$47.7 million, 2017: US$92.5 million) was received which is due to the Government of Trinidad and Tobago.

ii) Funds received for security deposit

Funds provided by the Government of Trinidad and Tobago (GORTT) which was placed on security deposit (Note 8b) for loan taken with Australia and New Zealand Banking Group (ANZ) (Note 12 ii). The loan was repaid on 21 December 2018 and the security deposit was released to the Company on 23 January 2019. Funds were not repaid to GORTT and the Company has not received permission from GORTT to offset the funds against receivables due from GORTT.

18. **Government capital grant deferred - Projects**

This represents Government's interest in the provision of four (4) vehicles transferred by OAS to 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.

19. **Related party transactions and balances**

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

The following data constitutes the total amount of material transactions and balances with related parties for the years ended 30 September 2018 and 2017:

a) *Government of Trinidad and Tobago*

	2018	2017
	$	$
Transactions:		
Projects		
Management fees	19,614,435	15,725,959
Construction supervision fees	-	3,573,333
Grant Income (to facilitate payment of loan interest)	77,242,747	86,115,090
Water Taxi		
Government grants - operations	46,494,576	54,371,005
Amortisation of Government Capital Grants	19,465,509	11,140,539
Balances:		
Due from Government of Trinidad and Tobago (Note 9)	1,964,987,269	2,032,335,046
Due to Government of Trinidad and Tobago (Note 17)	767,179,074	940,903,417
Deferred government capital grant – Water Taxi (Note 16)	155,343,284	168,678,760
Government capital grant deferred – Projects (Note 18)	341,958	547,208
Deferred Government operating grant - Water Taxi	18,115,453	4,238,800

b) *Related government own entities*

	2018	2017
	$	$
Transactions:		
Water Taxi		
Other receivables – Port Authority of Trinidad and Tobago – provision for doubtful debts (within administrative and other expense, office and expenses – Note 24)	(1,263,677)	-
Balances:		
Water Taxi		
Other receivables – Chaguaramas Development Company (Notes 10 and 26)	7,585,014	7,585,014
Other receivables – Port Authority of Trinidad and Tobago (Note10)	-	1,348,421

19. Related party transactions and balances (continued)

c) *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.

	2018	2017
	$	$
Directors' fees	616,000	687,500
Short term benefits	2,430,000	2,430,000
Employment benefits	406,800	406,800
	3,452,800	**3,524,300**

20. Commitments and contingencies

a) *Capital commitments*

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

b) *Contingencies*

The Company was engaged in several legal proceedings arising from the normal course of business. Based on the facts currently available to the Company, the outcome of these matters would not have a material, adverse effect on the position of the Company.

21. Lease commitments

Operating lease rental expense for motor vehicles, copiers, premises and other services totalled $2,719,573 for the year ended 30 September 2018 (2017 - $5,018,303) for combined operations. Future minimum rentals payable under non-cancellable leases are as follows:

	2018	2017
	$	$
Not later than one year	2,536,552	2,738,785
Later than one year, not later than five years	2,040,710	3,733,400
Later than 5 years	3,875,830	4,145,732
	8,453,092	**10,617,917**

22. General and administrative expenses - Projects

	2018	2017
	$	$
Staff costs	28,404,423	30,132,735
Rental	2,450,417	4,007,506
Legal, professional and consultancy fees	1,030,761	1,445,856
Directors' fees	655,020	720,393
	32,540,621	**36,306,490**

23. Other expenses - Projects

	2018	2017
	$	$
Management Fee reversals/write off	236,624	-
Utilities	1,644,568	2,378,037
Repairs & maintenance	320,838	271,843
Public relations	(2,959)	104,465
Print reproduction and stationery	241,594	236,978
Office and other expenses	18,547,070	1,265,522
Gain on Disposal of Leasehold at Melbourne Street	(1,334)	3,332,328
	20,986,401	**7,589,173**

24. Administrative and other expenses

	2018	2017
	$	$
Water taxi		
Staff costs	19,135,073	20,000,302
Rental	1,111,759	1,010,797
Legal, professional and consultancy fees	2,048,919	2,156,264
	22,295,751	23,167,363
Utilities	1,623,302	1,604,100
Repairs & maintenance	2,509,907	955,274
Repairs & maintenance vessels	15,844,658	31,436,259
Public relations	53,592	101,592
Print reproduction and stationery	144,811	315,966
Office and other expenses	3,007,685	491,194
Fuel expenses	7,009,594	6,693,341
	52,489,300	**64,765,089**

25. Capital risk 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 Trinidad & Tobago. The Company earns a management fee from the Government for its services. Notwithstanding these receipts, every effort is made to ensure value for money for all services rendered and, effective management of its assets and liabilities.

26. 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 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.

Categories of financial instruments

The Company currently holds financial instruments as follows:

	2018	2017
	$	$
Financial assets at amortised cost:		
Loans and Receivables:		
Other receivables (Note 10)	8,674,170	10,409,391
Due from Government of Trinidad and Tobago (Note 9)	1,964,987,269	2,032,335,046
Cash and cash equivalents (Note 8.a)	556,410,986	829,166,946
Restricted Cash (Note 8.a)	38,190,000	38,147,820
	2,568,262,425	**2,910,059,203**
Financial liabilities at amortised cost:		
Trade payables (Note 13)	364,370,765	333,557,351
Accrued expenses and other liabilities (Note 14)	121,718,813	96,042,007
Due to Government of Trinidad and Tobago (Note 17)	767,179,074	940,903,417
Borrowings (Note 12)	1,420,934,089	1,644,375,665
	2,674,202,741	**3,014,878,440**

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

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

26. **Financial risk management objectives and policies (continued)**

Credit risk

Financial instruments that potentially subject the Company to credit risk include trade debtors. These are due primarily from the Government 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.

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 exposure to credit risk at year end was:

	2018	2017
	$	$
Other receivables	8,674,170	10,409,391
Due from Government of Trinidad and Tobago	1,964,987,269	2,032,335,046
Restricted cash	38,190,000	38,147,820
Cash and cash equivalents	556,410,986	829,166,946
	2,568,262,425	**2,910,059,203**

a) The aging of other receivables at year end was:

	Total	Neither past due nor impaired	Past due but not impaired	
			31-90 days	Over 90 days
	$	$	$	$
2018	8,674,170	1,040,442	-	7,633,728
2017	10,409,391	1,468,973	-	8,940,418

Impairment losses of $1,263,677 were recorded with respect to other receivables in 2018 (2017: NIL).

The recoverable amount over 90 days of $7.6m comprised mainly of the following:

A $7.5m recoverable from the Chaguaramas Development Authority despite the contract being completed in 2014.

b) The aging of Due from Government of Trinidad and Tobago at the year was:

	Total	Neither past due nor impaired	Past due but not impaired
	$	$	$
2018	1,964,987,269	1,633,441,549	331,545,720
2017	2,032,335,046	1,794,861,591	237,473,455

26. 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 utilising cash flow forecasts and other internal monitoring reports.

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

Non-derivative financial liabilities

	Less than One year $	More than One year $
30 September 2018		
Borrowings	262,771,519	1,519,392,263
Trade payables	364,370,765	-
Accrued expenses and other liabilities	121,718,813	-
Due to Government of Trinidad and Tobago	38,190,000	728,989,074
	787,051,097	**2,248,381,337**
30 September 2017		
Borrowings	306,905,796	1,782,163,062
Trade payables	333,557,351	-
Accrued expenses and other liabilities	96,042,007	-
Due to Government of Trinidad and Tobago	38,147,820	902,755,597
	774,652,974	**2,684,918,659**

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. The Company does not currently invest in equities.

Foreign currency risk

The Company has significant foreign currency risk on transactions 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 First Citizen Bank exchange rate of the United States dollar to the Trinidad and Tobago dollar at year end 6.7793 (2017: 6.7793). The foreign exchange risk is managed through funding from the Government of Trinidad and Tobago based on the timing of when foreign liabilities fall due.

26. Financial risk management objectives and policies (continued)

Foreign currency risk (continued)

Foreign Currency Exposure Note

	TTD $	USD $	Other Currencies $	Total $
2018				
Financial Assets				
Cash and cash equivalents	45,767,570	509,691,166	952,250	556,410,986
Restricted cash	-	38,190,000	-	38,190,000
Other Receivables	8,674,170	-	-	8,674,170
Due from Government	1,964,987,269	-	-	1,964,987,269
Total financial assets	**2,019,429,009**	**547,881,166**	**952,250**	**2,568,262,425**
Financial Liabilities				
Borrowings	1,400,479,166	20,484,923	-	1,420,964,089
Trade Payables	234,473,839	128,209,848	1,687,078	364,370,765
Accrued Liabilities	121,245,894	472,919	-	121,718,813
Due to Government	-	767,179,074	-	767,179,074
Total financial liabilities	**1,756,198,899**	**916,346,764**	**1,687,078**	**2,674,232,741**
Exposure	**263,230,110**	**(368,465,598)**	**(734,828)**	**(105,970,316)**
2017				
Financial Assets				
Cash and cash equivalents	39,185,819	788,562,667	1,418,460	829,166,946
Restricted Cash	-	38,147,820	-	38,147,820
Other Receivables	8,940,507	1,468,884	-	10,409,391
Due from Government	2,032,335,046	-	-	2,032,335,046
Total financial assets	**2,080,461,372**	**828,179,371**	**1,418,460**	**2,910,059,203**
Financial Liabilities				
Borrowings	1,581,220,833	63,154,832	-	1,644,375,665
Trade Payables	302,320,965	29,767,323	1,469,062	333,557,350
Accrued Liabilities	94,923,163	1,118,844	-	96,042,007
Due to Government	-	940,903,417	-	940,903,417
Total financial liabilities	**1,978,464,961**	**1,034,944,416**	**1,469,062**	**3,014,878,439**
Exposure	**101,996,411**	**(206,765,045)**	**(50,602)**	**(104,819,236)**

Interest rate risk

The Company has exposure to interest rate risk on its borrowings. There is one loan facility which is based on a floating rate arrangement and there is an interest rate swap in place to mitigate against this risk (Note 12 ii). The exposure to fluctuating cash flows as a result the floating interest rate is not material.

26. Financial risk management objectives and policies (continued)

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.

	Carry Value		Fair Value	
	2018	2017	2018	2017
	$	$	$	$
Financial Liabilities				
Borrowings	1,420,964,089	1,644,375,665	1,426,956,237	1,648,454,266

27. Events after the reporting date

The Company assumed responsibility for the operations and maintenance of the vessels used for the Inter Island Seabridge in October 2018.

In July 2019, the Company entered into financing arrangements to fund the purchase of 2 High Speed Vessels to support the Inter Island Seabridge. This facility is with First Citizens Bank Limited, in the amount US$61.5M Loan.

The Company also arranged financing from Ansa Merchant Bank Limited at a value of TT$500M, in September 2019, to facilitate works on the San Fernando to Point Fortin Highway extension.

Facilities were also arranged with Scotiabank Trinidad and Tobago Limited in the amounts of TT$75Mn (to support the design and construction of the San Fernando Magistrate's Court) and TT$300Mn (to facilitate land acquisition for the ANR Robinson International Airport).

All loan facilities are fully guaranteed by the Government of Trinidad and Tobago Limited.

Covid-19 has impacted the operations of the Water Taxi and the Sea-bridge as the number of passengers and the number of sailings has been reduced. These services however remain under the categorisation of essential services and operations continue at a reduced capacity.

The restrictions placed by the Government of Trinidad and Tobago has also impacted the construction sector as operations on the respective sites were halted in order to comply with the Public Health Ordinance. Despite, the restrictions and some temporarily delayed operations, the Company anticipates as the restrictions ease the planned works will continue at the respective sites. Due to the timing of contractor billings, delays will be experienced in the receipt of contractor invoices for works completed and the billings back to client Ministries will be affected, there will be some impact to the management fee income earned.

28. Restatements

The financial statements were restated to account for grant income and the corresponding loan interest expense, foreign exchanges gains and to reclassify accounts as a result if incorrect application of IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance and IAS 39 – Financial Instruments: Recognition and Measurement. The impact of the restatements are as follows:

Financial Statement Line Item	Previously Reported	Restatements (IAS 20)	Restatements (IAS 39)	Reclassification (Note 29)	Restated
	$	$	$	$	$
Statement of profit or loss and other comprehensive income:					
Grant income	-	86,115,090	-	-	86,115,090
Loan interest	-	-	(86,115,090)	-	(86,115,090)
Foreign exchange (losses) / gains	(187,600)	-	7,005,606	-	6,818,006
Statement of financial position:					
Assets					
Deferred capital grant shortfall	20,824,368	(20,824,368)	-	-	-
Liabilities					
Deferred government capital grant – Water Taxi (non-current)	189,503,128	(20,824,368)	-	(13,335,474)	155,343,286
Deferred government capital grant – Water Taxi (current)	-	-	-	13,335,474	13,335,474
Demand on Contract Securities	909,761,203	-	(7,005,606)	(902,755,597)	-
Due to Government of Trinidad and Tobago	-	-	-	902,755,597	902,755,597

29. Reclassifications

Material reclassification of balances were done to comparative to reflect changes made in the current year as follows:

Financial Statement Line Item	Previously Reported	Reclassification (Non-current and Current)	Reclassification (Financial Statement Line Item)	Restatement (Note 28)	Reclassified
	$	$	$	$	$
Non-current Assets					
Due from Government of Trinidad and Tobago	-	1,448,954,848	-	-	1,448,954,848
Current Assets					
Due from Government of Trinidad and Tobago	1,989,946,426	(1,448,954,848)	42,386,620	-	583,380,198
Non-current Liabilities					
Demand on contract securities	909,761,203	-	(909,761,203)	-	-
Due to Government of Trinidad and Tobago	-	-	909,761,203	(7,005,606)	902,755,597

29. Reclassifications (continued)

Financial Statement Line Item	Previously Reported	Reclassification (Non-current and Current)	Reclassification (Financial Statement Line Item)	Restatement (Note 28)	Reclassified
	$	$	$	$	$
Non-current Liabilities (continued)					
Deferred Government capital grant - Water Taxi	189,503,128	(13,335,474)	-	(20,824,368)	155,343,286
Government capital grant deferred Projects	547,208	(205,250)	-	-	341,958
Current Liabilities					
Accrued expenses and other liabilities	72,118,079	-	23,923,928	-	96,042,007
Borrowings	246,516,896	-	(23,923,928)	-	222,592,968
Due to Government of Trinidad and Tobago	-	-	38,147,820	-	38,147,820
Deferred Government capital grant - Water Taxi	-	13,335,474	-	-	13,335,474
Deferred Government operating grant - Water Taxi	-	-	4,238,800	-	4,238,800
Governmental capital grant deferred - Projects	-	205,250	-	-	205,250