

ANNUAL REPORT 2019

Annual Report and Audited Financial Statements for the fiscal year ending 30th September 2019

National Infrastructure Development Company Limited

'The Atrium', 6B Don Miguel Road Extension El Socorro 280603, San Juan Trinidad and Tobago, W.I. Tel: (868) 674-8042; 226-7900

Fax: (868) 638-2715 Website: www.nidco.co.tt

Email: communications@nidco.co.tt





The Atrium 6B Don Miguel Road Extension El Socorro Extension EL SOCORRO 280603 Tel: (868) 674-5593 Fax: (868) 638-2715

LETTER OF TRANSMITTAL

6th May 2024

The Honourable Rohan Sinanan Minister of Works and Transport Ministry of Works and Transport Cnr Richmond and London Streets PORT-OF-SPAIN

Dear Minister Sinanan,

RE: Annual Report and Financial Statements 2019

In accordance with Section 66D of the Constitution of the Republic of Trinidad and Tobago (Act No. 29 of 1999), we enclose herewith the Annual Report of the National Infrastructure Development Company Limited for the year ended September 30, 2019 together with a copy of the Annual Audited Financial Statements, as certified by our Auditors, Pannell Kerr Forster, PKF Chartered Accountants and Business Advisors.

Yours sincerely,

Herbert George Chairman

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NIDCO's Mandate

In 2004, the Government of the Republic of Trinidad and Tobago (GoRTT) noted that -

- 1) The Public Sector Investment Programme (PSIP) 2005 recognized the significant investments being made by Statutory Authorities and State Enterprises in developing the country's capital stock; the projections for the 2005 PSIP included expenditure of \$2.1Bn under the core PSIP and further expenditure of \$7.4Bn under the supplementary PSIP. However, the overall pace of development had not been able to keep abreast of the rate of implementation required for the installation of modern and efficient infrastructure to propel the country's social and economic development.
- 2) In light of the insufficient institutional capacity to provide the much needed infrastructure, different mechanisms were being proposed to assist in accelerating the delivery of same by engaging the private sector in the implementation of Public and Private infrastructure; the financing and implementation of those projects could be outsourced to the private sector under a variety of arrangements to be determined on a case by case basis under an improved policy.

Therefore, the GoRTT agreed to, inter alia –

"...the formation of a State Enterprise to assist those ministries that do not possess the institutional capacity to manage projects, the State Enterprise to have responsibility for the procurement of designs, construction, management and possibly financing of projects".

VISION

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

MISSION

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

VALUES

♦ Accountability and Transparency

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

♦ Safety and the Environment

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

♦ Teamwork

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

♦ Service Excellence

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

♦ Professionalism

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

Corporate Information

DIRECTORS

Mr. Herbert George (Chairman)

Mr. Stephen Gardiner (Deputy Chairman)

Mr. Steve Chadee

Mr. Richard Barry Tom Yew

Ms. Dawne Wynter Mr. Charles Mitchell

Ms. Vernie Shield

CORPORATE SECRETARY

Ms. Vanda Thomas-Lynch

REGISTERED OFFICE

'The Atrium"
6B Don Miguel Road Extension
El Socorro 280603
San Juan
Trinidad, West Indies

Tel: (868) 674-8042 Fax: (868) 638-2715

Website: www.nidco.co.tt

BANKERS

First Citizens Bank Limited

#62 Independence Square

Port-of-Spain

Trinidad, West Indies

Scotiabank Trinidad & Tobago Limited

Scotiabank Service Centre

56-58 Richmond Street

Port-of-Spain

Trinidad, West Indies

AUDITORS

PKF Chartered Accountants and

Business Advisors

111 Eleventh Street

Barataria

Trinidad, West Indies

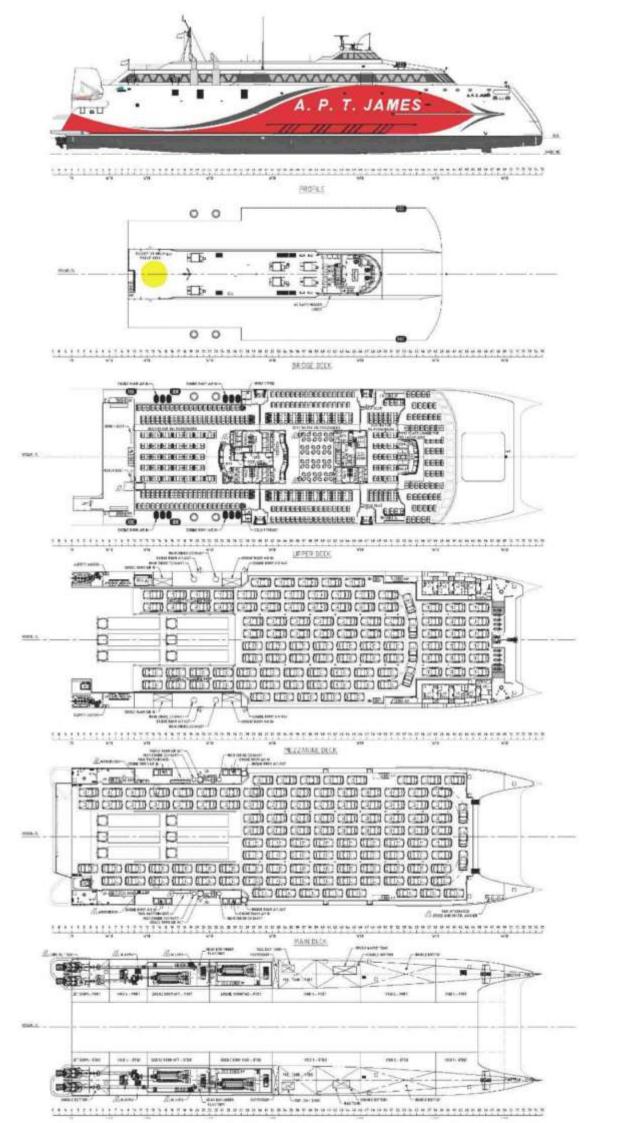


PHOTO:
Drawings of the
100m HSC APT
James – the new
100m inter-island
ferry currently under
construction by
Incat (Australia).
Completion
scheduled for
December 2020.

Chairman's Foreword



On behalf of the Board of Directors of the National Infrastructure Development Company Limited (NIDCO), I am pleased to present the Annual Report and Audited Financial Statements for the fiscal year ending September 30, 2019.

In 2019, the national economy continued to show moderate growth, which began in 2017, after three consecutive years of economic contraction. Recovery was sparked not only by improvements in the energy sector but also by government's spending on infrastructure projects. Fiscal 2019 has therefore been an active and profitable period for NIDCO.

Our portfolio of projects for the period under review included the continuation of resumed works on the Solomon Hochoy Highway Extension to Point Fortin. Good progress has been made using a slew of local contractors to work on discrete work packages drawn from the overall project scope. This has stimulated the industry

through the direct employment of more than 1500 workers along with suppliers of material, equipment and services.

The Curepe Interchange was another project on which work continued apace, with a scheduled completion in 2020. The finished project will facilitate freeway traffic along the Churchill Roosevelt Highway at the intersection, and significantly improve the North-South traffic flow across the CRH.

Also in progress during the period was the upgrade of the ANR Robinson International Airport. This involved upgrading of the existing terminal building and the construction and outfitting of a new building east of the existing facility, along with car parks, aprons and taxiways. Such works have contributed to the expansion in the GDP and to buoyancy within the construction industry.

There was also our management of the renewed fleet of vessels engaged on the inter-island Seabridge. Management was geared at achieving high availability and reliability of the assets, thereby ensuring a high and satisfactory level of sea transportation between the islands. This outcome has been realised and NIDCO through competent service has forged another successful revenue stream.

The foregoing flagship projects were undertaken along with other regular projects such as the Bridge Reconstruction Programme, Landslip Repairs, Coastal Protection and Drainage projects, all contributing to a successful year for NIDCO.

NIDCO continued in 2019 to fulfil its mandate as a dependable executing arm of government for its infrastructure projects. So, given Government's spend on infrastructure for that year, along with the use of its project implementation arm, NIDCO realised a 79% increase on its revenue, a five

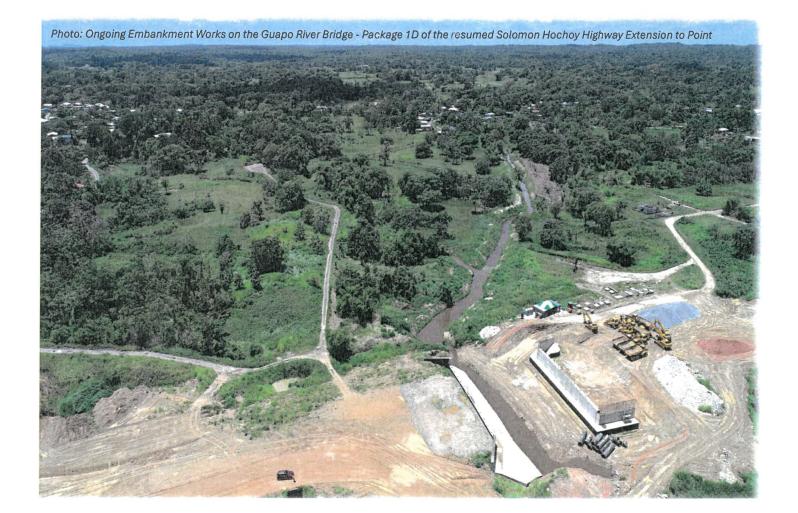
percent reduction in its expense and an overall net profit of \$21 million.

We thank all who contributed to this favourable performance. Special thanks go out to the President, her management team, and to the employees for their dedicated and steadfast service. Undoubtedly, they have embraced the vision and mission, and are continuing to work assiduously to transform NIDCO into a premier project management enterprise. I also extend

sincere appreciation to the Board of Directors for their corporate governance services, their service on Board-appointed committees, and for their involvement, from time to time, in assisting management to solve critical problems that might otherwise stymie project delivery.

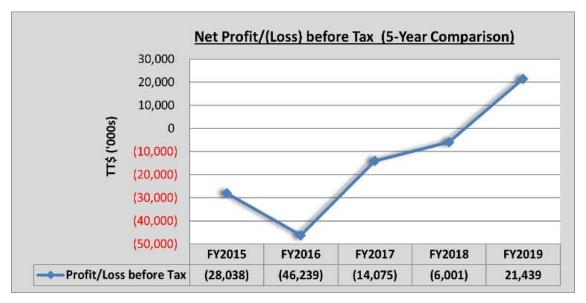
Finally, we look ahead with great expectation that NIDCO will continue to work intentionally to maximize benefits to the state through the timely delivery of projects.

Herbert George
CHAIRMAN



President's Report

FINANCIAL PERFORMANCE



Amidst the operational challenges and external pressures of fiscal 2019, NIDCO saw a significant rebound in its financial position. The Company recorded a year-end *Profit before Taxes* of \$21.4M – the highest figure in the Company's history. This was attributed primarily to the recommencement of construction works on the Solomon Hochoy Highway Extension (SHHE) project, increased activity on other projects and income generated from the procurement and management of vessels servicing the inter-island sea bridge.

On the *Revenue* side, the recommencement of the SHHE Project was the primary contributor to the significant increase in *Management Fees*. This, combined with the increase in *Construction and Supervision Fees* for the CRHEM project, resulted in an overall increase in Revenue generated of \$125.5Mn which is 16.8% over the previous year.

Total Operating Expenses for 2019 amounted to \$104.06Mn a 9% reduction compared to fiscal 2018 of \$114.12Mn. This reduction was due mainly to the net effect of the following factors:

 NIDCO maintaining judicious management of its operating expenses, which resulted in a reduction of some \$2.3M (or 7%) in General and Administrative Expenses

- Savings of \$12.5Mn materialised from the reversal of penalties and interest arising from compliance with the tax amnesty.
- Loan Interest amounted \$7.04M a reduction of 9% when compared to the previous year.
- Impairment of financial assets provision from the adoption of the International Financial Reporting Standards (IFRS) 9 amounting to an expense of \$2.46Mn.

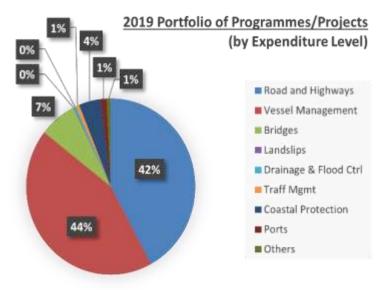
The Company notes with concern the negative *Net Cash Used in Operating Activities* of -\$663.1Mn; increasing from -\$289.2Mn over the previous year. This is a direct result of the increased project expenditure mainly from the SHHE & CRHEM projects. NIDCO continues to grapple with the persistent challenge of cash flow shortage, brought on primarily by the slow receipt of payment from client Ministries. As a result, NIDCO had to employ innovative measures to manage contractor and supplier relationships in order to minimise the ensuing financial exposure to the Company and, by extension, to the Government.

In fiscal 2018, NIDCO also recorded a strong Total Asset base of \$3.3 billon - an increase of \$561.22M (20%) over 2018 figures.

WORK PROGRAMME REVIEW

Over the October 2018 to September 2019 financial year, NIDCO remained firmly committed to further strengthening the Country's economic resilience through the provision of modern, reliable transportation, building and water infrastructure and services.

The composition of our Work Programme (by level of expenditure) over the period included Major Roads and Highways (42%), Vessel Management (43%); Bridges Rehabilitation (7%) and Coastal Protection (4%). A total of TT\$1.359 billion was expended in the execution of these projects throughout Trinidad and in Tobago.



Major developments and noteworthy progress made in implementing our work programme were

Highways and Major Roads Portfolio

1. Solomon Hochoy Highway Extension to Point Fortin

Works on NIDCO's flagship project recommenced in 2017, following the termination of the Brazilian Design-Build contractor in the previous year. Government having expressed its desire to complete this project, directed NIDCO to prioritise the completion of the 30-km northern link of the highway alignment, to enable improved connectivity from Dumfries Road, La Romaine to Dunlop Roundabout, Point Fortin.

This phase of the project has been sub-divided into twelve (12) discrete construction packages, to allow for completion by local contractors.

Packages 2A, 2B and 1A: These packages focused on completing works along the South Trunk Road and were completed and opened to traffic on June 8, 2018. They are currently in the Defects Liability Period of the contract.

Packages 1B and 1D: These packages were awarded to NAMALCO Construction Services Limited in November 2018 and construction works began in January 2019. The scope under these packages involves the completion of four (4)

bridges within a 10-months period, namely - Package 1B - Oropouche River Bridge and Mon Desir Interchange Bridge; and Package 1D - No. 8 Road Bridge and Guapo River Bridge.

As at September 30, 2019 these packages are 61% and 50% completed, respectively.

Package 5A: This package involves the completion of a full upgrade and widening of the South Trunk Road at Mosquito Creek, which is expected to eliminate the perennial flooding problem in that area.

The scope includes ground improvement works to the existing carriageway, roadworks, drainage works, embankment construction, 2.5km of revetment and sea wall construction, demolition and reconstruction of Mosquito Creek Bridge (northbound) installation of road safety devices, lighting, the relocation of major utilities owned by the Water and Sewerage Authority (WASA) and the Trinidad and Tobago Electricity Commission (T&TEC), and construction of a 33m fishing pier close to the Godineau River.

In January 2018 NIDCO invited tenders for this package. The contract was subsequently awarded to JUSAMCO Pavers Limited, who commenced work on 18th July 2018 with an agreed construction duration of two (2) years.

As at 30th September 2019, this package is 49% completed.

Packages 1C and 5B: NIDCO invited tenders for these packages on May 19, 2018. They were subsequently awarded in November 2018 and construction works commenced in January 2019.

Package 1C - was awarded to Junior Sammy Contractors Limited and has a 14-month duration. The scope includes the completion of the St Mary Interchange, Delhi Overpass Bridge and Grants Road Overpass Bridge.

To-date, works on this package are 32% complete.

Package 5B - was awarded to Namalco Construction Services Limited and has a 24-month duration. The scope includes the completion of approximately two (2) km of 4-lane highway between Grants Road and La Brea and two (2) km of connector road towards La Brea Industrial Estate.

To-date works on this package are 35% complete.

The remaining four (4) construction packages have all been tendered, contracts awarded and are awaiting commencement of works. These include-

 i. Package 3A - the scope includes construction of the La Brea Interchange and Southern Main Road (SMR) Overpass Bridge.
 The contract was awarded to Lutchmeesingh Transport Company Limited, with a 14-month duration.

- ii. Package 6C involves the completion of two (2) km of 4-lane highway along the priority link between La Brea Interchange and Southern Main Road (Vance River). This package also includes the completion of a 1.0 km link from Mon Desir back to Fyzabad Road. The contract was awarded to General Earth Movers Limited, with an 18-month duration.
- iii. Package 2C includes completion of 8.0 km of a 4-lane highway from St Mary's Junction to Eccles Trace, the construction of an interchange at Mon Desir, with full connectivity at the Delhi Road overpass. Completion of construction works on this package will ensure the required standard for this stretch of highway is finally achieved. The contract was awarded to Lutchmeesingh Transport Company Limited with a duration of 14 months.
- iv. Package 5D includes completion of 4.5 km of 4-lane highway from Southern Main Road to Dunlop Roundabout. The contract was awarded to Namalco Construction Services Limited for a duration of 18 months.

The revised completion date for the overall project is January 2021.



2. Churchill Roosevelt Highway/Southern Main Road Flyover – "The Curepe Interchange"

The Churchill Roosevelt Highway-CRH/Southern Main Road-SMR Curepe Flyover and Ancillary Works (or "the Curepe Interchange") is the current phase of interchange improvement projects being implemented as part of the larger East-West Corridor Expansion and Improvement Works Programme. This ongoing Programme was initiated to alleviate traffic congestion along the CRH, with the elimination of traffic signals along the corridor and the upgrade of intersections.

Construction works completed to-date include -

- Ramps A and B (in front of KFC)
- Ramps D (northern side) and G (southern side)
- Retaining wall No.5 in the Northeast Quadrant
- Retaining Wall No.8 in the Southeast Quadrant
- Installation of 3rd bore, and culvert extension including headwall at Blackman Ravine
- Median lanes and concrete barriers CRH East
- Abutments and retaining walls at abutments (1, 2, 3 and 4).
- Central Pier pile cap and columns.

Ongoing construction works include -

- Completion of retaining wall no 7
- Completion of Drainage; median lanes and concrete barriers -CRH West
- Embankments
- Completion of a Frontage Road, Valsayn South.

The project experienced minor delays due to the unavailability of steel structures, but it is still on track for completion in the first quarter of fiscal 2020.

3. Churchill Roosevelt Highway Extension to Manzanilla (CRHEM)

CRHEM is envisioned as a key component in Government's plan to provide the necessary infrastructure to stimulate economic growth and urbanisation of the Sangre Grande region. When completed this new freeway will create an alternate to Sangre Grande.

The project will be implemented in three (3) phases:

- i. Phase 1 Cumuto to Toco Main Road
 - a) Phase 1, Design Package 1 Cumuto to Eastern Main Road (EMR)
 - b) Phase 1, Design Package 2 EMR to Toco Main Road
- ii. Phase 2 Toco Main Road to Manzanilla
- iii. Phase 3 Existing CRH to Cumuto.

Construction works under Phase 1, Package 1A and Package 1B (from Cumuto to Guaico) commenced in September 2018 and January 2019, respectively. These work packages are now 40% and 19% completed. Additionally –

- detailed designs for all remaining phases 2 were completed during the year.
- The consultant has completed the data collection for the Environmental Impact Assessment and has commenced preparation of the EIA Report
- Social surveys were undertaken by the Land Acquisition Consultant for Phase 3 as well as for Phase 1 - Packages 2, 3 and 4.

Bridges Rehabilitation Programme

The Bridges Rehabilitation Programme (BRP) is a Government initiative which seeks to identify and reconstruct dilapidated bridges located along the road network across Trinidad. The Programme commenced in 2011 and is expected to be completed in 2020.

Initially, sixty-two (62) bridges were identified for reconstruction on a phased basis. Phase 1 consists of 25 bridges, Phase 2 consists of 12 bridges and the remaining 25 bridges will be carried out under Phase 3 of the BRP. The estimated cost for the implementation of the BRP is approximately TT\$657.9M.

The BRP is one of the programmes that has been adversely affected by the slow payment of contractors.



Phase 1. At the end of fiscal 2018, three (3) of the remaining bridges in Phase 1 were at varying stages of completion. Along the Toco Road, Bridge No. CP8 B1/22 was 28.3% completed, with the contractor preparing for deck pour. The estimated completion date is November 2019. Bridges No. CP24 B1/4 and B3/4, located on Mamoral Road, are 67% completed, with an expected completion date of 10th December 2019.

Phase 2. Seven (7) bridges in this phase were previously completed. The status of the remaining bridges are as follows:

Bridge ID	<u>Progress</u>	Planned Completion
CP26 B1/1 - Manuel Congo Road	95%	30-Sep-19
CP27 B2/10 – Talparo Main Road	48%	Works suspended due to land easement issue
CP28 B2/1 - Cunapo Southern Road	96%	3-Oct-19
CP30 B1/70 – Paria Main Road, Blanchisseuse	99%	4-Oct-19
CP33 B1/35 -Southern Main Road, San Fernando	64%	11-Oct-19
CP 34 B1/11- Cipero Road, San Fernando	89%	1-Oct-19
CP 39 B1/3 - Freeport Mission Road	97%	Suspension notice given by contractor

Phase 3. The bridges in this phase are arranged in two (2) packages - Package 'E' comprising seven (7) bridges and Package 'F' comprising six (6) bridges. By the end of the fiscal year, NIDCO had completed the procurement of Design and Construction Supervision consultancy services. Alpha Engineering and Designs Limited emerged as the preferred bidder for both tenders. The Contract will be awarded upon confirmation of the availability of funds from the Ministry of Works and Transport.

<u>Critical Coastal Protection Programme</u>

The Critical Coastal Protection Programme was established to address coastal erosion, instability, and flooding along the coastline of Trinidad. Since the launch of the Programme in 2014, NIDCO has been mandated to procure consultants and construction services for the implementation of the remediation works. To-date, a total of TT\$144.4M has been expended on these coastline remediation works.

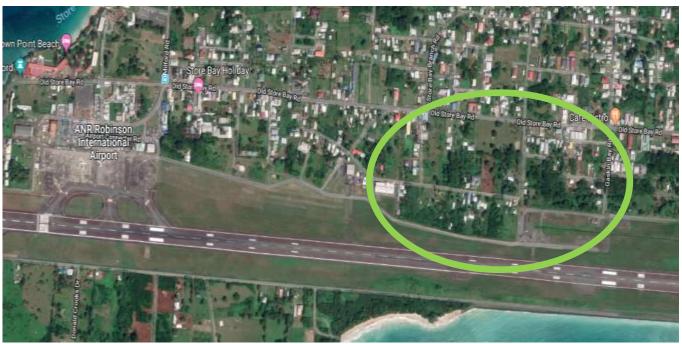
In January 2019, NIDCO engaged Coastal Dynamics Limited to establish the framework for the implementation of a Comprehensive National Coastal Monitoring **Programme** (CNCMP), to support the monitoring of the state of Trinidad and Tobago's coastal areas and to serve as a central repository for coastal data. Todate, the consultant has undertaken a national coastal assessment to obtain a rapid overview of the current coastal situation in the Country and identify the information gap in data being held in governmental agencies and other entities. The consultancy continues into 2020 with the conduct of a comprehensive coastal survey and the planning of an inaugural integrated water resources and coastal symposium.

The Manzanilla Beach has also been identified as being vulnerable to coastal erosion. Smith Warner International Limited was contracted to lead a major shoreline protection program at Manzanilla Beach. The Consultant has conducted coastal analysis and feasibility studies and by year-end had developed a draft Shoreline Management Plan.

Additionally, shoreline stabilisation works continued along five (5) coastal zones in Trinidad:

- Sans Souci (69% completed)
- South Cocos (67% completed)
- Cocos Bay (95% completed)
- Matelot Grande Riviere (100% completed)
- Matelot Grande Riviere-Phase 2 (55% completed).

Port Development Portfolio



Location of New Terminal at the ANR Robinson Int'l Airport

ANR Robinson International Airport (ANRRIA) Improvement

In September 2018, NIDCO was engaged by the Government, through the Ministry of Finance to manage the construction of a new terminal building and associated airside and landside infrastructure at ANRRIA. The project will be implemented in two (2) phases:

- Phase 1 works will include construction of a new terminal building, carpark, airside infrastructure and upgrade to the existing ANR Robinson Airport.
- Phase 2 is the construction of an access road to

the new terminal from the intersection of Shirvan Road and the Claude Noel Highway to the new Terminal Building.

The new structure is being designed as a LEED-certified state-of-the art passenger terminal, for domestic and internal operations and with the capacity for 3 million visitors each year. The building will be located on fifty-three (53) acres of land between Store Bay Local Road and the existing ANRRIA perimeter fence, in the Bon Accord. NIDCO has engaged ACQ and Associates as land acquisition consultants to negotiate and settle with property owners on behalf of the State. This contract is expected to be completed by December 2019.



Building Construction Portfolio

During the financial year, NIDCO continued to pursue its strategy of diversifying its revenue base through new service offerings to other Ministries and Agencies in the state sector. On October 19th NIDCO awarded a 90-day contract to GSAL Designs Limited for the provision of Architectural and Engineering Designs consultancy services for the construction of a new Administrative Complex for the Diego Martin Regional Corporation (DMAC). Located on a greenfield site at the intersection of Western Main Road and the Diego Martin Highway, the new facility will comprise (i) a 34,122 square feet two-storey mixed occupancy commercial building, to house the offices of the Diego Martin Regional Corporation and a commercial branch of First Citizens Bank Limited (FCB); (ii) security

accommodations (incl. a guard booth); (iii) adequate driveways and parking facilities.

The DMAC project was of particular significance as it represented a public-private partnership arrangement between the Government, through the Ministry of Rural Development and Local Government, and First Citizens Bank Limited, who provided part funding for the project.

To-date, in addition to the engagement of the architectural designs consultant, NIDCO has issued tenders for both Construction Supervision Services and Construction services. It is expected that contracts will be awarded for these services early in the 2020 financial year.

MARITIME OPERATIONS

The Inter-Island Sea Bridge

As part of Government's ongoing efforts to strengthen the inter-island sea bridge, in May 2019 NIDCO entered into Charter Party Agreement with Virtu Fast Ferries of Malta for the 12-month lease of the *HSC Jean de la Valette (JDLV)*. The JDLV was introduced as a temporary measure to supplement the existing T&T Spirit and Galleons Passage in servicing the inter-island sea bridge. The vessel will remain in service until the two (2) new passenger ferries, currently under construction, arrive in the Country by the third quarter of fiscal 2020.

NIDCO continues to be responsible for maintenance and management of the Galleons Passage- the 672-seat catamaran that was purchased and commissioned into service in 2018.

The Water Taxi Service

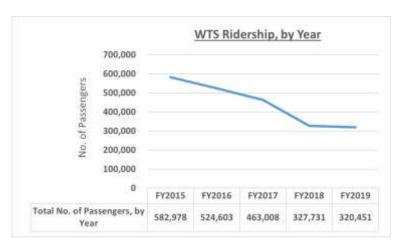
The Water Taxi Service remains a safe, reliable alternative mode of transport between San Fernando and Port-of-Spain. NIDCO has manged the Service since its inception in 2008.

Ridership

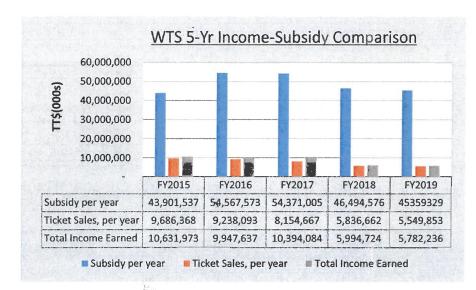
In 2019, the Water Taxi Service served a total of 320,451 passengers, bringing the total passengers served to 4,647,856 since its inception in 2008.

Vessel Performance

The service continues to be challenged with ongoing mechanical issues and long periods of dry docking. Over the course of the year, the Water Taxi Service maintained an average ontime schedule of 95%, despite the availability of two of three vessels in service at any given time.



Financial Performance



In fiscal 2019, the total cost for operating the Service was \$51.17M, a marginal reduction of 3% over the previous year (\$52.49M).

The Operating Costs were offset by (i) income generated from Ticketing Sales and Charters and (ii) Government Subsidy of \$45.4M.

CLOSING STATEMENTS

In reflecting on the challenges overcome and the milestones achieved in the past year, it is evident that our strategic priorities are bearing fruit. Through initiatives aimed at stabilizing our financial position, reengineering management systems, and enhancing corporate governance practices, we are gradually fortifying NIDCO's foundation to embrace the opportunities and withstand the expected challenges of the coming year.

I am particularly heartened by, the growing confidence demonstrated by the Government in NIDCO's ability to deliver on its mandate. With this trust comes a renewed sense of responsibility and determination to continue exceeding expectations

and contributing meaningfully to the development of Trinidad and Tobago's infrastructure landscape.

I extend my heartfelt gratitude to the Board of Directors for their guidance and strategic vision, which have been instrumental in steering NIDCO towards success. Additionally, I would like to acknowledge the invaluable support and collaboration of the Permanent Secretary and other officers of the Ministry of Works and Transport, whose partnership has been integral to the realization of our shared goals. Last but not least, I want to thank my fellow Management Team and Staff of NIDCO – together we will continue to grow and deliver.

Esther Farmer PRESIDENT



Board of Directors

















Executive Management

Esther Farmer

| President

Steve Garibsingh

| Vice President Engineering and Programme Management

Richard Maule

| Vice President, Finance (Ag.)

Maurice Beggs

| Manager, Procurement (Ag.)

Tara John

| Head of Legal Services (Ag.)

Sharon Taylor

| Project Director, Water Taxi Service (up to November 2018)

Christopher Pilgrim

| Manager, Maritime Services (effective December 2018)

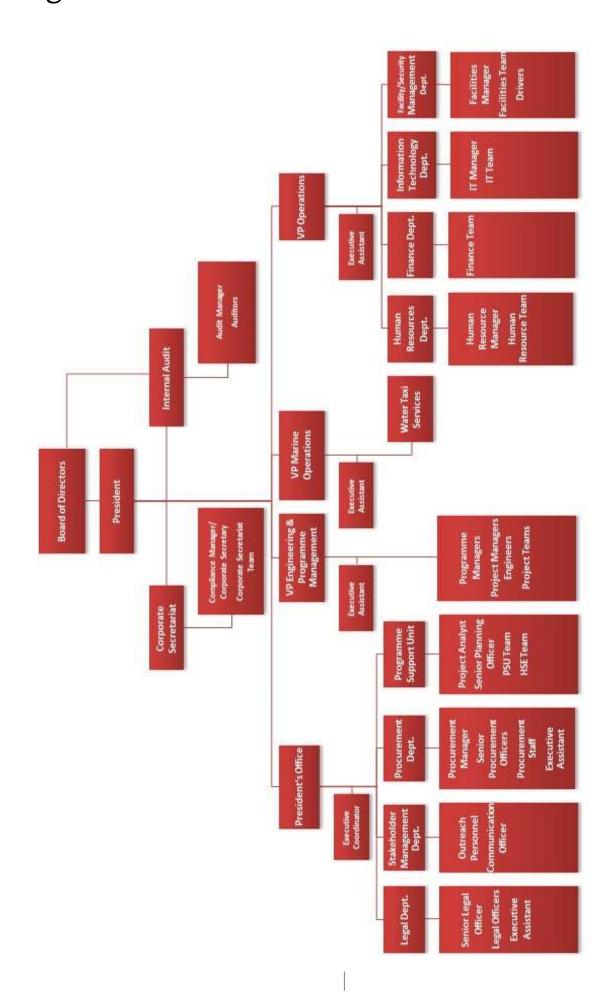
Rachael Phillips

| Manager, Corporate Services

Vanda Thomas-Lynch

| Corporate Secretary & Manager, Compliance and Contracts

Organizational Structure



2019 AUDITED FINANCIAL STATEMENTS



FINANCIAL STATEMENTS (Expressed in Trinidad and Tobago dollars)

30 SEPTEMBER 2019



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Ref #: FIN/PKF/1038

Re: Statement of Management Responsibilities

Management is responsible for the following:

- preparing and fairly presenting the accompanying financial statements of National Infrastructure Development Company Limited, which comprise the statement of financial position as at 30 September 2019, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies;
- 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, including the Companies Act; and
- using reasonable and prudent judgement in the determination of estimates.

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

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

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

Esther Farmer

President

14th November 2023

Ravi Seereeram

Manager Finance Corporate Planning & Risk

14th November 2023



INDEPENDENT AUDITORS' REPORT

The Shareholder National Infrastructure Development Company Limited

Opinion

We have audited the financial statements of National Infrastructure Development Company Limited, which comprise the statement of financial position as at 30 September 2019, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 30 September 2019 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' 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 the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

The Board of Directors is responsible for overseeing the company's financial reporting process.

PKF Limited is a member PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

Telephone:

(868) 235-5063

Address:

111 Eleventh Street, Barataria 250623, Trinidad, West Indies

Mailing Address: PO Box 10205, Eastern Main Road, San Juan

Directors: Renée-Lisa Philip Mark K. Superville JenineFelician-Romain Darcel Corbin



INDEPENDENT AUDITORS' REPORT (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 judgment and maintain professional scepticism 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 auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business
 activities within the company, to express an opinion on the financial statements. We are responsible for the
 direction, supervision and performance of the company audit. We remain solely responsible for our audit
 opinion.

We communicate with the Board of Directors 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.

Barataria TRINIDAD 14 November 2023

STATEMENT OF FINANCIAL POSITION

		30 September		
ASSETS	Notes	<u>2019</u> \$	2018 \$	
Non-Current Assets				
Property, plant and equipment	5	314,308,972	180,921,200	
Intangible assets	6	79,914	201,318	
Security deposits	7	219,160	219,160	
Due from Government of Trinidad and Tobago	8	1,845,474,641	1,252,949,971	
Deferred tax asset	9a	1,489,911	1,500,636	
Total Non-Current Assets		2,161,572,598	1,435,792,285	
Current Assets				
Trade and other receivables	10	4,631,649	12,786,725	
Due from Government of Trinidad and Tobago	8	668,056,976	712,037,298	
Tax refundable	11	1,982,802	1,741,606	
Cash and cash equivalents	12	481,939,372	556,410,986	
Restricted cash	13	-	38,190,000	
Total Current Assets		1,156,610,799	1,321,166,615	
Total Assets		3,318,183,397	2,756,958,900	
EQUITY AND LIABILITIES				
Equity				
Stated capital	14	10	10	
Accumulated deficit		<u>(69,671,805</u>)	(91,084,546)	
Total Equity		(69,671,795)	(91,084,536)	
Non-Current Liabilities				
Government capital grant deferred – vessels		141,223,906		
Borrowings	15	1,721,752,044	1,229,350,000	
Due to Government of Trinidad and Tobago	16	668,149,642	728,989,074	
Deferred government capital grant - Water Taxi	17	138,818,404	139,493,705	
Government capital grant deferred -projects	18	136,708	136,708	
Security deposit		10,000	10,000	
• •				
Total Non-Current Liabilities		2,670,090,704	2,097,979,487	
Current liabilities				
Trade payables	19	266,205,191	364,370,765	
Accrued expenses and other liabilities	20	176,192,835	121,718,813	
Borrowings	15	221,259,524	191,614,089	
Due to Government of Trinidad and Tobago	16	38,304,000	38,190,000	
Deferred government capital grant -Water Taxi	17	8,262,440	15,849,579	
Taxation payables		99,957		
Deferred government operating grant – Water Taxi		7,303,833	18,115,453	
Government capital grant deferred – projects		136,708	205,250	
Total Current Liabilities		717,764,488	750,063,949	
Total Liabilities		3,387,855,192	2,848,043,436	
Total Equity and Liabilities		_3,318,183,397	2,756,958,900	

These financial statements were approved by the Board of Directors and authorised for issue on 14 November 2023 and signed on their

behalf by:

Presid

STATEMENT OF COMPREHENSIVE INCOME

			e year ended September	
	Notes	2019 \$	2018 \$	
<u>Projects</u>		4	Ψ	
Revenue Management fees	21	47,851,524	19,614,435	
Construction supervision fees	21	3,573,333	-	
Tender fees		1,259,719	876,033	
Interest income on deposits		2,606,299	9,937,421	
Grant income	21	70,204,332	77,242,747	
Other income		<u>:=</u> X	450,000	
0 - 4		125,495,207	108,120,636	
Operating expenses General and administrative expenses	24	30,216,725	32,540,621	
Depreciation and amortisation	2-	1,001,330	827,323	
Other expenses	25	(5,459,543)	20,986,401	
Foreign exchange loss/(gains)		5,636,516	(17,475,824)	
Loan interest	21	70,204,332	77,242,747	
Impairment of financial assets		2,456,824		
		104,056,184	114,121,268	
Net profit/(loss) from projects before taxation		21,439,023	(6,000,632)	
Taxation	9b	(519,589)	(348,531)	
Net profit/(loss) from projects after taxation		20.919,434	(6,349,163)	
Vessels				
C. diament (IDLV and Callegra)		105,451,519		
Grant income (JDLV and Galleons) Vessels expenses (JDLV and Galleons)		(105,451,519)		
Profit from vessel operations				
Water Taxi				
Revenue				
Ticketing income		5,549,853	5,836,662	
Charter income		206,190	(13,244)	
Other income		26,193	<u>171,306</u>	
		5,782,236	5,994,724	
Operating expenses	26	51 167 550	52 490 200	
Administrative and other expenses Foreign exchange gain	26	51,167,552 (25,987)	52,489,300	
Foreign exchange gain		(23,761)		
		51,141,565	52,489,300	
Loss from operations		(45,359,329)	(46,494,576)	
Government grants – operations	21	45,359,329	46,494,576	
Profit from water taxi operations				
•			40	
Amortisation of government capital grants	21	16,182,589	19,465,509	
Depreciation and amortisation		(15,955,191) (227,39 <u>8</u>)	(16,652,840) (2,812,669)	
Loan interest		(441,370)	(2,012,009)	
		-		
Total comprehensive income/(loss) for the year		20,919,434	<u>(6,349,163)</u>	
Toma Contint attended to the Contint (1000) tot atte l'ann				

STATEMENT OF CHANGES IN EQUITY

30 SEPTEMBER 2019

	Stated Capital (\$)	Accumulated <u>Deficit</u> (\$)	<u>Total</u> (\$)
Balance, 30 September 2018			
Balance, beginning of the year	10	(84,735,383)	(84,735,373)
Total comprehensive loss for the year		(6,349,163)	(6,349,163)
Balance, end of year	10	(91,084,546)	(91,084,536)
Balance, 30 September 2019			
Balance, beginning of the year	10	(91,084,546)	(91,084,536)
Total comprehensive income for the year	-	20,919,434	20,919,434
Prior period adjustment (Note 2(o))		493,307	493,307
Balance, end of year	10	(69,671,805)	(69,671,795)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

			For the year ended 30 September	
	Notes	2019 \$	2018 \$	
Cash Flows from Operating Activities Net profit (loss) before taxation		21,439,023	(6,000,632)	
Loss on Water Taxi operations		(45,359,329)	(46,494,576)	
Adjustments for non-cash items: Foreign exchange loss/(gain)		5,662,503	(17,475,824)	
Interest income		(2,607,692)	(9,937,421)	
Interest expense		70,431,730	80,055,416	
Grant income		(70,431,730)	(80,055,416)	
Amortisation of deferred capital grant		(15,955,191)	(16,652,840)	
Prior period adjustment		493,307	-	
Financing from Government of Trinidad and Tobago - Water Taxi		43,463,990	58,982,686	
Gain on sale of asset		(765)	(1,334)	
Depreciation – property, plant and equipment		26,784,810	17,298,832	
Allowance for impairment – Due from Government of				
Trinidad and Tobago		2,456,824	-	
Amortisation – intangible		126,904	181,331	
		36,504,384	(20,099,778)	
or it but a control of the control o		(742 615 261)	(154 575 050)	
Change in Due from Government of Trinidad and Tobago net of loans		(742,615,261) 8,155,076	(154,575,050) 880,987	
Change in trade receivables and other receivables		0,133,070	(35,100)	
Change in security deposit		140.045.835	(173,724,343)	
Change in Due to Government of Trinidad and Tobago Change in trade payables and other liabilities		(104,530,984)	58,693,926	
Change in trade payables and other fractitudes		(101,330,701)		
		(662,440,950)	(288,859,358)	
Taxation paid		(650,104)	(327,553)	
		(663,091,054)	(289,186,911)	
Net cash used in Operating Activities		(005,071,054)	(20),100,511)	
Cash Flows from Investing Activities:				
Sale proceeds from disposal of property plant and equipment		1,014	1,334	
Acquisition – property, plant and equipment		(160,178,331)	(11,954,899)	
Interest received		2,607,692	10,928,708	
Net cash used in Investing Activities		(157,569,625)	(1,024,857)	
Net tash used in investing Activities				
Cash Flows Financing Activities:				
Funding from new loans		713,661,568	-	
Loans principal repayments		(191,614,089)	(223,411,576)	
Loan interest paid		(69,490,183)	(82,248,862)	
Loan financing from Government of Trinidad and Tobago		261,104,272	305,660,438	
Release of restricted cash		<u>38,190,000</u>	_	
Net cash generated from Financing Activities		751,851,568		
Mark the state of		(68,809,111)	(200 211 769)	
Net change in cash and cash equivalents		(5,662,503)	(290,211,768) 17,455,808	
Effects of exchange rate difference on cash and cash equivalents	12	556,410,986	829,166,946	
Cash and Cash equivalents, beginning of year	1 4	220,710,200	022,100,270	
Cash and Cash equivalents, end of year		481,939,372	<u>556,410,986</u>	

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

1. Incorporation and Principal Activity

National Infrastructure Development Company Limited ("NIDCO") was incorporated in Trinidad and Tobago on 11 January 2005. Its principal activity is the execution of infrastructure and transportation projects. NIDCO earns a management fee from The Government of the Republic of Trinidad and Tobago ("GORTT") for its services. Its registered office is at The Atrium, Don Miguel Road Extension, San Juan and is wholly owned by GORTT.

NIDCO enters into various contracts with third parties for the execution of Governmental infrastructural projects. All contract costs incurred in relation to these contracts are recoverable from GORTT, together with the management fees.

2. Significant Accounting Policies:

(a) Basis of financial statement preparation -

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations issued and adopted by the International Accounting Standards Board. These financial statements are stated on the historical cost basis except for certain elements which are stated at fair value.

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, NIDCO 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 is determined on this basis.

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. These levels are described below:

- 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.

No account has been taken for the effects of inflation.

(b) Functional and reporting currency -

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. Significant Accounting Policies (Cont'd):

(b) Functional and Reporting Currency (cont'd) -

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

(c) Use of estimates and judgements -

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those 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.

(d) New accounting standards and interpretations -

i) The company has applied the amendments to the following standards, which became effective during the current financial year:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 replaces all previous revenue requirements in IFRS and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards. This standard provides a single, principles-based, five-step model to be applied to all contracts with customers. The Standard requires the company to recognize revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. It also provides a model for the recognition and measurement of gains and losses on disposals of non-financial assets, including property, plant and equipment and tangible assets.

The five-step model in IFRS 15 is as follows:

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

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. Significant Accounting Policies (Cont'd):

- (d) New Accounting Standards and Interpretations (cont'd)
 - i) The Company has applied the amendments to the following standards, which became effective during the current financial year (cont'd):

IFRS 9 Financial Instruments

Effective for annual periods on or after 1 January 2018, IFRS 9 replaces IAS 39.

IFRS 9 requires financial assets to be classified into three measurement categories: those measured at (i) fair value through profit or loss (FVTPL), (ii) fair value through other comprehensive income (FVOCI) and (iii) amortized cost. Classification is made on the basis of the financial instruments contractual cash flows and the entity's business model under which the financials instruments are held. IFRS 9 eliminates the previous IAS 39 categories of (i) held to maturity, (ii) loans and (iii) available for sale.

For financial liabilities, the standard remains the same as it was under IAS 39.

With the adoption of IFRS 9, the impairment requirements are based on an 'expected credit loss' (ECL) model replacing the IAS 39 'incurred loss' model. IFRS 9 requires the company to record an allowance for (i) all debt instruments accounted for at amortized cost or at FVOCI, (ii) loan commitments and (iii) financial guarantee contracts. This allowance is based on a twelve-month ECL, as long as there is no significant deterioration in credit risk since initial recognition.

As a result of the adoption of IFRS 9, NIDCO adopted amendments to IAS 1 - Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line in the Statement of Comprehensive Income. Previously, the company's approach was to include impairment in general administrative expenses. Additionally, NIDCO adopted amendments to IFRS 7 - Financial Instruments: Disclosures.

NIDCO has not restated comparative information for 2018 in the scope of IFRS 9. The comparative information is reported under IAS 39 and is not comparable to the information presented for 2018.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. Significant Accounting Policies (Cont'd):

- (d) New Accounting Standards and Interpretations (cont'd)
 - ii) The Company has not applied the amendments to the following standards which became effective during the current financial year as either they do not apply to its activities or have no material impact on the financial statements:
 - IFRS 2 Amendments Classification and Measurement of Share-based Payment Transactions.
 - IFRS 4 Amendments Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
 - IAS 40 Amendments Transfers of Investment Property
 - IFRIC 22 Foreign Currency Transactions and Advance Consideration Annual Improvements to IFRSs 2014-2016
 - iii) New interpretations and amended/revised standards that are not yet in effect and have not been early-adopted by the company.

Effective for annual periods beginning on or after 1 January 2019

- IFRS 9 Amendments- Prepayment Features with Negative Compensation
- IFRS 10 Sale of Contribution of Assets between an Investor and its Associate or Joint
- and IAS 28 Venture. In December 2015, the IASB deferred the effective date of the amendments until such time it finalizes any amendments that result from its research project on the equity method of accounting:
- 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.
- IAS 19 Plan Amendment, Curtailment or Settlement
- IAS 28 Amendments- Long-term Interests in Associates and Joint Ventures
- IFRIC 23 Uncertainty over Income Tax Treatments

Annual Improvements to IFRSs 2015-2017

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. Significant Accounting Policies (Cont'd):

- (d) New Accounting Standards and Interpretations (cont'd)
 - iii) New interpretation and amended/revised standards that are not yet in effect and have not been early adopted by the company (cont'd):

Effective for annual periods beginning on or after 1 January 2020

Conceptual Framework for Financial Reporting

Effective for annual periods beginning on or after 1 January 2021

- IFRS 4 Insurance Contracts Amendments regarding the interest rate benchmark reform
- IFRS 7 Financial Instruments: Disclosures Amendments regarding additional disclosures arising from interest rate benchmark reform
- IFRS 16 Leases Amendments regarding the interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021).

Effective for annual periods beginning on or after 1 January 2022

- IFRS 1 First-time Adoption of Financial Reporting Standards Amendments regarding subsidiary as first-time adopter
- IFRS 3 Business Combinations Amendments regarding the reference to the conceptual framework
- IFRS 9 Financial Instruments Amendments regarding fees in the 'ten percent' test for derecognition of financial liabilities
- IFRS 16 Leases Amendments regarding the accounting treatment of lease incentives
- IFRS 16 Leases Amendments regarding a lease liability in sale and leaseback transactions
- IAS 16 Property, Plant and Equipment Amendments regarding proceeds before intended use
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets Amendments regarding onerous contracts and cost of fulfilling a contract
- IAS 41 Agriculture Amendments regarding taxation in fair value measurements

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. Significant Accounting Policies (Cont'd):

- (d) New Accounting Standards and Interpretations (cont'd)
 - iii) New interpretation and amended/revised standards that are not yet in effect and have not been early adopted by the company (cont'd):

Effective for annual periods beginning on or after 1 January 2023

IFRS 17	Insurance	Contracts
---------	-----------	-----------

- IAS 1 Presentation of Financial Statements Amendments regarding the disclosure of accounting policies
- IAS 1 Presentation of Financial Statements Amendments regarding the classification of liabilities as current and non-current
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors Amendments regarding the definition of accounting estimates
- IAS 12 Income Taxes Amendments regarding deferred tax on leases and decommissioning obligations

Effective for annual periods beginning on or after 1 January 2024

- IAS 16 Leases Amendments clarifies how a seller-lessee subsequently measure sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as sale
- IAS 1 Presentation of Financial Statements Amendments regarding non-current liabilities with covenants

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. Significant Accounting Policies (Cont'd):

(e) Property, plant and equipment -

Property, plant and equipment are 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 add to the value or extend 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	3	10%
Motor Vehicles	-	25%
Intangible Asset	-	25%
Vessels	-	5%
Water taxi assets:		
Vessels	-	10%
Pontoons	-	10%
Building	*	2%
Leasehold improvements	-	2%

Depreciation for the JDLV ramps is recognised over an 18-month period.

Assets under finance leases are depreciated over their expected useful lives on the same basis as company-owned assets. However, when there is no reasonable certainty that ownership will be obtained at 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 when incurred. Expenses are added to assets only if the amounts involved are substantial and one or more of the following conditions are satisfied:

- 1. the original useful life of the relevant asset is prolonged;
- 2. its production capacity is increased;
- 3. the quality of its output is enhanced materially; or
- 4. production costs are reduced considerably.

An item of property, plant 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, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. Significant Accounting Policies (Cont'd):

(f) Intangible assets -

NIDCO's intangible assets comprise separately identifiable items arising from computer software licenses. Intangible assets are initially recognised at cost. Intangible assets which 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.

(g) Leases -

The company is a lessee. Leases of property, plant 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 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 initially recognised as a liability and credited to the 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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. Significant Accounting Policies (Cont'd):

(h) Financial instruments -

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial Recognition and Measurement

Financial assets are classified at initial recognition as either (i) financial assets subsequently measured at amortised cost, (ii) fair value through other comprehensive income ("FVTOCI"), or (iii) fair value through profit or loss ("FVTPL").

The classification of the financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

NIDCO's business model for managing financial assets details how it manages its financial assets in order to generate cash flows., as well as the nature of cash flows, whether from the collecting contractual cash flows, the selling of financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Subsequent Measurement

The company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on a specific date to cash flows that are SPPI on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. Significant Accounting Policies (Cont'd):

(h) Financial instruments (cont'd) -

Effective interest rate method

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognised, modified or impaired.

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 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 instrument, or whether appropriate, a short period, to the net carrying amount on initial recognition.

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

The company's financial assets at amortised cost include cash and cash equivalents, trade and other receivables and due from GORTT.

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.

Trade and other receivables and Due from GORTT

Trade receivables and due from GORTT are measured at initial recognition at the undiscounted invoice price, and are subsequently measured at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of Comprehensive Income when there is objective evidence that the asset is impaired. The allowance is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. Significant Accounting Policies (Cont'd):

(h) Financial instruments (cont'd) -

Impairment

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;
- breach of contract, such as a default or delinquency in interest or principal payments;
- it becomes probable that the debtor will enter bankruptcy or financial reorganization;
- the disappearance of an active market for the financial asset because of financial difficulties.

In accordance with the accounting policy for impairment of financial assets, the company recognises an allowance for ECLs for customer and due to GORTT. IFRS 9 requires an impairment provision to be recognised on origination of a customer advance, based on its ECL. The company has taken the simplification available under IFRS 9 paragraph 5.5.15, which allows the loss amount in relation to a trade receivable to be measured at initial recognition and throughout its life at an amount equal to its lifetime ECL. This simplification is permitted where there is either no significant financing component or where there is a significant financing component but the directors make an accounting policy choice to adopt the simplification. Adoption of this approach means that Significant Increase in Credit Risk (SICR) and Date of Initial Recognition (DOIR) concepts are not applicable to the company's ECL calculations. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Impairment charges in respect of trade receivables are recognised a separate line item called 'impairment'.

Delinquency is defined as being in arrears, and credit impairment is defined as a receivable in default i.e., the point at which the debt is passed to the Credit Department. Delinquency and default are relevant for the estimation of ECL, which segments the customers' indebtedness into bands rated 'very low risk', 'low risk', 'medium risk' and 'high risk'.

Financial assets are written off when there is no reasonable expectation of recovery, such as when a customer fails to engage in a repayment plan. If recoveries are subsequently made after receivables have been written off, they are recognised in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. Significant Accounting Policies (Cont'd):

(h) Financial instruments (cont'd) -

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company's separate statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay, to a third party under a 'pass-through' arrangement; and either:
 - (a) the company has transferred substantially all the risks and rewards of the asset; or
 - (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the company also recognises an associate liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to pay.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value, net of directly attributable transaction costs. The company's financial liabilities include trade payables, accrued expenses and other liabilities, borrowings and amounts due to GORTT.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. Significant Accounting Policies (Cont'd):

(h) Financial instruments (cont'd)-

Financial liabilities (cont'd)

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

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification, this is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Comprehensive Income.

(i) 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 (i) the amount can be reliably measured, (ii) it is probable that future economic benefits will flow to the entity and (iii) any other specific criteria have been met for each of the company's activities.

Management fees

Revenue is recognized at the time that work performed is certified and this is done on an accrual basis. The management fees are 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.

Interest income

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. Significant Accounting Policies (Cont'd):

(i) Revenue recognition (cont'd) -

Construction supervision fees

The Construction supervision fees are 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.

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 Comprehensive Income 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, which has as its primary condition, 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;
- 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; and
- 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.

Ticketing income

Ticketing income represents revenue received from the sale of tickets for the Water Taxi service. Income is recognised at the time of sale of tickets.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. Significant Accounting Policies (Cont'd):

(i) 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, or provided to GORTT, and therefore do not have temporary investments of specific borrowings. All borrowing costs are recognised in profit or loss in the period in which they occurred.

(j) 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 Comprehensive Income 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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. Significant Accounting Policies (Cont'd):

(k) Derivative financial instruments -

The company purchased a derivative financial instrument to manage its exposure to interest rate fluctuations, where the 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 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.

(I) Employee benefits -

The company provides 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.

(m) Comparative information -

Where necessary comparative data has been adjusted to conform with changes in presentation in the current year.

(n) Prior period adjustment -

This prior period adjustment related to salaries that were previously expensed by NIDCO in the 2012 period. However, since the expense related directly a project, a claim for reimbursement was submitted to the Ministry.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

3. Financial Risk Management:

Financial risk factors

The company's activities expose it to currency risk, interest rate risk, liquidity risk, credit risk, operational risk, compliance risk and reputation risk.

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 policies and procedures on an ongoing basis, in light of economic and business conditions and, where needed, make recommendations for Board approval.

Categories of financial instruments the company currently holds are as follows:

	30 September	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
Financial assets at amortised cost:		
Loans and Receivables:		
Other receivables (Note 10)	1,524,694	8,674,170
Due from GORTT (Note 8)	2,513,531,617	1,964,987,269
Cash and Cash Equivalents (Note 12)	481,939,372	556,410,986
Restricted Cash (Note 13)		38,190,000
	2,996,995,683	2,568,262,425
Financial liabilities at amortised cost:		
Trade Payables (Note 19)	266,205,191	364,370,765
Accrued Expenses and Other Liabilities (Note 20)	176,192,835	121,718,813
Due to GORTT (Note 16)	706,453,642	767,179,074
Borrowings (Note 15)	1,943,011,568	1,420,964,089
	3,091,863,236	2,674,232,741

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

- Credit risk
- Liquidity risk
- Market risk
- Foreign currency risk
- Interest risk

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

3. Financial Risk Management (Cont'd):

Financial risk factors (cont'd) -

(a) Credit risk

Financial instruments that potentially subject the company to credit risk include trade debtors. These are due primarily from GORTT. 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 is:

		30 September	
		<u>2019</u> (\$)	<u>2018</u> (\$)
Other Receivables (Note 10) Due from GORTT (Note 8) Restricted Cash (Note 13) Cash and Cash Equivalents (Note 12)		1,524,694 2,513,531,617 481,939,372	8,674,170 1,964,987,269 38,190,000 556,410,986
		2,996,995,683	<u>2,568,262,425</u>
(i) The aging of other receivables at	year end is:		
	Total	Neither past due nor impaired 31-90 days	Past due but not Impaired Over 90 days
2019 2018	1,524,694 8,674,170	10,467 1,040,442	1,514,227 7,633,728

Impairment losses of \$NIL were recorded with respect to other receivables in 2019 (2018: \$1,263,677).

The recoverable amount over 90 days of \$1.5m (2018: \$7.6m) comprises primarily the following:

\$1.5m is recoverable from the Port Authority which was settled in 2022. **\$7.5M** relating to Chaguaramas Development Authority was written off in the current period.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

3. Financial Risk Management (Cont'd):

Financial risk factors (cont'd) -

(a) Credit Risk (cont'd)

(ii) The aging of Due from GORTT at the year is:

	Total	Neither past due nor impaired	Past due but not impaired
2019	2,513,531,617	1,964,146,846	549,384,771
2018	1,964,987,269	1,633,441,549	331,545,720

(b) 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 2019		
Borrowings	221,259,524	1,721,752,044
Trade Payables	266,205,191	-
Accrued Expenses and Other Liabilities	176,192,835	-
Due to GORTT	38,304,000	668,149,642
	701,961,550	_2,389,901,686
30 September 2018		
Borrowings	191,614,089	1,229,350,000
Trade Payables	364,370,765	=
Accrued Expenses and Other Liabilities	121,718,813	8
Due to GORTT	38,190,000	728,989,074
	715,893,667	1,958,339,074

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

3. Financial Risk Management (Cont'd):

Financial risk factors (cont'd) -

(c) 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.

(d) 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 of Trinidad and Tobago exchange rate of the United States dollar to the Trinidad and Tobago dollar at year end was 6.6900 (2018: 6.7793). The foreign exchange risk is managed through funding from GORTT based on the timing when foreign liabilities fall due.

Foreign currency exposure

	<u>TTD</u> (\$)	<u>USD</u> (\$)	Other <u>Currencies</u> (\$)	Total (\$)
2019				
Financial Assets Cash and cash equivalents Other receivables Due from GORTT Total Financial Assets	426,160,515 1,524,694 2,513,531,617 2,941,216,826	55,207,097	571,760 571,760	481,939,372 1,524,694 2,513,531,617 2,996,995,683
Y77 Y 5. 1. 21542				
Financial Liabilities				
Borrowings Trade payables Accrued expenses and other liabilities	1,729,350,000 230,350,674 166,890,400	213,661,568 11,238,930 9,164,313	24,615,587 138,122	1,943,011,568 266,205,191 176,192,835
Due to GORTT Total Financial Liabilities	2,126,591,074	706,453,642 940,518,453	24,753,709	<u>706,453,642</u> <u>3,091,863,236</u>
Exposure	<u>814,625,752</u>	(885,311,356)	(24,181,949)	<u>(94,867,553</u>)

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

3. Financial Risk Management (Cont'd):

Financial risk factors (cont'd) -

(d) Foreign currency risk (cont'd)

	<u>TTD</u> (\$)	<u>USD</u> (\$)	Other Currencies (\$)	Total (\$)
2018				
Financial Assets Cash and cash equivalents Restricted cash Other receivables Due from GORTT	45,767,570 8,674,170 1,964,987,269	509,691,166 38,190,000	952,250 - - - -	556,410,986 38,190,000 8,674,170 1,964,987,269
Total Financial Assets	2,019,429,009	547,881,166	952,250	2,568,262,425
Financial Liabilities				
Borrowings Trade payables Accrued expenses and other	1,400,479,166 234,473,839	20,484,923 128,209,848	1,687,078	1,420,964,089 364,370,765 121,718,813
liabilities Due to GORTT	121,245,894	472,919 767,179,074		767,179,074
Total Financial Liabilities Exposure	1,756,198,899 263,230,110	916,346,764	1,687,078 (734,828)	

(e) 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. See **Note 15 vii**. The exposure to fluctuating cash flows as a result the floating interest rate is not material.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

3. Financial Risk Management (Cont'd):

Financial risk factors (cont'd) -

Interest rate risk (cont'd) (e)

Estimation of fair values (cont'd)		
	Carry Val	ue
	<u>2019</u>	<u>2018</u>
	\$	\$
Financial Liabilities		
Borrowings	<u>1,943,011,568</u>	<u>1,420,964,089</u>
	Fair V	/alue
	<u> 2019</u>	<u>2018</u>
	(\$)	(\$)
Financial Liabilities		
Borrowings	<u>1,943,011,568</u>	<u>1,420,964,089</u>

Critical Accounting Estimates and Judgements: 4.

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make judgements, estimates and assumptions in the process of applying the company's accounting policies.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future and actual results could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Changes in accounting estimates are recognised in the Statement of Comprehensive Income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

The critical judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements, are as follows:

- i. Which depreciation method is used for fixed assets.
- Business model assessment. ii.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

4. Critical Accounting Estimates and Judgements (Cont'd):

The company reassess its business models each reporting period to determine whether they continue to be appropriate and if there needs to be a prospective change to the classification of financial assets. This assessment includes judgement regarding:

- how the performance of the assets is evaluated and measured; and
- the risks that affect the performance of the assets and how these risks are managed.

Significant increase of credit risk:

The company computes twelve-month ECL for Stage 1 assets and lifetime ECL for Stage 2 and Stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Assessing whether there has been a significant increase in credit risk requires judgement, taking into account reasonable and supportable forward-looking information.

Establishing groups of assets with similar credit risk characteristics:

When ECL is measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The company monitors the appropriateness of the credit risk characteristics on an ongoing basis. Judgement is required in determining whether and when to move assets between portfolios.

Valuation models and assumptions used:

The company uses various valuation models and assumptions in measuring the fair value of financial assets, as well as in estimating ECL. Judgement is applied in identifying the most appropriate valuation model for each type of asset, as well as in determining the assumptions to be used for each model.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

4. Critical Accounting Estimates and Judgements (Cont'd):

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date (requiring management's most difficult, subjective or complex judgements) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

i) Impairment of assets

Management assesses at each reporting date, whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount, and there is objective evidence of impairment. Recoverable amount is the present value of future cash flows. Allowances are made for the excess of the carrying value over its recoverable amount.

ii) Probability of default (PD)

PD is an estimate of the likelihood of default over a given period of time, the calculation of which includes historical data, assumption and expectations of future conditions. PD constitutes a key input in measuring ECL.

iii) Loss Given Default (LGD)

LGD is an estimate of the percentage loss arising on default, and is based on the difference between the contractual cash flows due and those that the company would reasonably expect to receive, taking into account cash flows from collateral. It requires forecasting the future valuation of collateral taking into account sale discounts, the time and cost associated with realising collateral and seniority of claim. LGD is a key input in measuring ECL.

iv) Fair value measurement and valuation process

In estimating the fair value of a financial asset or a liability, the company uses market-observable data to the extent that it is available. Where Level 1 inputs are not available, the company uses valuation models to determine the fair value of its financial instruments.

v) Exposure at Default (EAD)

EAD is an estimate of the total loss incurred upon default, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest. EAD is a key input in measuring ECL.

vi) Property, plant and equipment

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of these assets.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

5. Property, Plant and Equipment:

Cost/Valuation	Water Taxi \$	Equipment \$	Furniture & Fixtures \$	Motor <u>Vehicles</u> \$	Leasehold Improvement \$	JDLV Ramps	Galleons Passage \$	Total \$
Balance, 1 October 2018 Additions Disposals	233,794,478 7,692,751	7,542,249 1,477,231 (20,289)	4,685,373 3,250	951,421	2,007,006 25,752	16,405,268	134,568,579	248,980,527 160,172,831 (20,289)
Balance, 30 September 2019	241,487,229	8,999,191	4,688,623	951,421	2,032,758	16,405,268	134,568,579	409,133,069
Accumulated Depreciation								
Balance, 1 October 2018 Depreciation Charge Disposals	55,495,511 15,955,192	7,284,522 399,937 (20,040)	3,599,080 336,072	574,140 237,855	1,106,074 105,812	2,734,211	7,015,731	68,059,327 26,784,810 (20,040)
Balance, 30 September 2019	71,450,703	7,664,419	3,935,152	811,995	1,211,886	2,734,211	7,015,731	94,824,097
Net Book Value								
Balance, 30 September 2019	<u>170,036,526</u>	1,334,772	<u>753,471</u>	139,426	820,872	13,671,057	127,552,848	314,308,972
Balance, 30 September 2018	<u>178,298,967</u>	257,727	1,086,293	<u>377,281</u>	900,932			180,921,200

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

5. Property, Plant and Equipment (Cont'd):

	<u>Water Taxi</u> \$	Equipment	Furniture & <u>Fixtures</u> \$	Motor <u>Vehicles</u> \$	Leasehold Improvement	Total
Cost/Valuation	Ψ	Ψ	Ψ	Ψ	Ψ	Ψ
Balance, 1 October 2017 Additions Disposals Adjustments	222,175,484 11,656,875 - (37,881)	7,338,697 224,134 (20,582)	4,641,573 43,800 -	951,421	1,956,339 50,667	237,063,514 11,975,476 (20,582) (37,881)
Balance, 30 September 2018	233,794,478	7,542,249	4,685,373	951,421	2,007,006	248,980,527
Accumulated Depreciation						
Balance, 1 October 2017 Depreciation Charge Disposals	38,842,671 16,652,840	7,136,003 169,101 (20,582)	3,256,444 342,636	336,285 237,855	1,004,423 101,651	50,575,826 17,504,083 (20,582)
Balance, 30 September 2018	55,495,511	7,284,522	3,599,080	574,140	1,106,074	68,059,327
Net Book Value						
Balance, 30 September 2018	<u>178,298,967</u>	<u>257,727</u>	1,086,293	377,281	900,932	180,921,200
Balance, 30 September 2017	183,332,813	202,694	1,385,129	615,136	951,916	186,487,688

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

6. Intangible Assets:

	Water Taxi Computer <u>Software</u> \$	Computer Software \$	Total \$
Cost Balance, 1 October 2018 Additions	18,625,917	5,869,945 5,500	24,495,862 5,500
Balance, 30 September 2019	18,625,917	5,875,445	24,501,362
Accumulated amortisation Balance, 1 October 2018 Amortisation	18,625,917	5,668,627 126,904	24,294,544 126,904
Balance, 30 September 2019	18,625,917	5,795,531	24,421,448
Net book Value Balance, 30 September 2019		79,914	79,914
Balance, 30 September 2018		201,318	201,318
	Water Taxi Computer <u>Software</u> \$	Computer Software \$	Total \$
Cost Balance, 1 October 2017 Additions	Computer <u>Software</u>	Software	
Balance, 1 October 2017	Computer Software \$ 18,625,917	Software \$ 5,852,641	\$ 24,478,558
Balance, 1 October 2017 Additions	Computer Software \$ 18,625,917	Software \$ 5,852,641 17,304	\$ 24,478,558 17,304
Balance, 1 October 2017 Additions Balance, 30 September 2018 Accumulated amortisation Balance, 1 October 2017	Computer Software \$ 18,625,917	5,852,641 17,304 5,869,945	\$ 24,478,558 17,304 24,495,862 24,113,213
Balance, 1 October 2017 Additions Balance, 30 September 2018 Accumulated amortisation Balance, 1 October 2017 Amortisation	Computer Software \$ 18,625,917	5,852,641 17,304 5,869,945 5,487,296 181,331	\$ 24,478,558 17,304 24,495,862 24,113,213 181,331

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

7. Security Deposits:

	30 September	
	<u>2019</u> (\$)	<u>2018</u> (\$)
The Atrium (Don Miguel Ext.)	172,800	172,800
GAL Holdings Limited (Diego Martin)	1,260	1,260
Massy Motors Limited	35,100	35,100
Samury Limited/Caribbean Medical Solutions Limited (Tobago)	10,000	10,000
	<u>219,160</u>	<u>219,160</u>

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

8. <u>Due from Government of Trinidad and Tobago</u>:

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

	30 September	
	<u>2019</u>	<u>2018</u>
Project funding, outstanding loan balances and management fees due	(\$)	(\$)
Due from GORTT - Non-current	1,845,474,641	1,252,949,971
Due from GORTT - Current Allowance for impairment	670,513,800 (2,456,824)	712,037,298
	668,056,976	712,037,298
	2,513,531,617	1,964,987,269
Allowance for impairment –		
Balance, brought forward Allowance for impairment	2,456,824	5
Balance carried forward	2,456,824	

NOTES TO THE FINANCIAL STATEMENTS

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9. <u>Taxation</u>:

a) Deferred taxation

Deferred tax asset of \$1,489,911 arises from the tax written down value of assets and their corresponding accounting book values at the year end. In 2019 corporation tax was 25% on the first \$1 million and 30% thereafter. In 2018, the corporation tax rate was 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 \$60 million (2018: \$70 million).

		30 September	
		<u>2019</u>	<u>2018</u>
		(\$)	(\$)
	Written down value per accounting records	2,991,744	2,823,550
	Tax value of plant and machinery	(8,124,779)	(7,825,667)
	Temporary difference	(5,133,035)	(5,002,117)
	Deferred tax asset	1,489,911	1,500,636
b)	Taxation charge		
		30 Septe	
		<u>2019</u>	<u>2018</u>
		(\$)	(\$)
	Current tax	508,864	249,539
	Deferred tax	10,725	98,992
		519,589	348,531
	Profit/(loss) before tax	21,439,023	(6,000,632)
	Tax calculated @30%/25%	6,381,707	(1,800,190)
	Non-deductible expenses	3,236,184	1,968,574
	Other timing differences	(121,370)	(55,400)
	Exempt income	(884)	(13,992)
	Deductible expenses	(229)	
	Green fund and business levy	508,864	249,539
	Taxable losses utilised	(9,484,683)	-
	Current Tax	519,589	348,531

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

10. Trade and Other Receivables:

	30 September	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
Projects		
Prepayments	108,822	79,164
Other receivables	24,319	1,200,484
Value Added Tax refundable	2,605,738	3,298,716
	2,738,879	4,578,364
Water Taxi		
Prepayments	392,394	734,675
Other receivables	1,500,376	7,473,686
	<u>4,631,649</u>	12,786,725

11. Tax Refundable:

Tax Actundate.	30 Sep	otember
	<u>2019</u> (\$)	<u>2018</u> (\$)
Business levy Green fund levy Corporation tax	91,030 17,862 	(134,724) 2,420 1,873,910
	1,982,802	1,741,606

12. 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:

	30 September	
	<u> 2019</u>	<u>2018</u>
	(\$)	(\$)
Short term deposits	64,957,247	502,392,430
Cash at bank	416,897,630	53,585,842
Mutual funds	51,495	408,479
Cash in hand	33,000	24,235
	481,939,372	556,410,986

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

13. Restricted Cash:

This represents the TTD equivalent of USD\$5.7M plus interest for collateral posting of NIDCO's aggregate exposure under the hedging agreement with ANZ Banking Group. 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.

14. Stated Capital:

	<u>2019</u> \$	2018 \$
Authorised: Unlimited number of ordinary shares of no-par value		
Issued and fully paid: 10 Ordinary shares of no-par value	10	10

15. Borrowings:

		3	0 September
Institution	<u>Project</u>	<u>2019</u> (\$)	<u>2018</u> (\$)
i) Citibank – TTD \$344.75M	Aranguez overpass	114,916,667	137,900,000
ii) ANZ Banking Group – USD\$66.5M	Water Taxis	-	20,484,923
iii) ANSA Merchant Bank - TTD\$153.8M	R/Rail \$103.8M and NNHP \$50M	-	9,612,500
iv) RBC – TTD\$53M	National Traffic Management System	19,433,333	22,966,666
v) RBC - TTD\$1,500M 15 Year Fixed Rate Bond	Sir Solomon Hochoy Highway Extension to Point Fortin Project	1,095,000,000	1,230,000,000
vi) ANSA Merchant Bank – TT\$500M	Sir Solomon Hochoy Highway Extension to Point Fortin Project	500,000,000	-
vii) FCB US\$61.5m	Purchase of Two Catamaran Ferries to service inter island sea bridge	213,661,568	:
Total borrowings		1,943,011,568	1,420,964,089
Current portion		221,259,524	191,614,089
Non-current portion		1,721,752,044	1,229,350,000

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

15. Borrowings (Cont'd):

Reconciliation of liabilities arising from financing activities:

_	30 September	
	<u>2019</u> (\$)	<u>2018</u> (\$)
As at 1 October New Loans Principal repayments	1,420,964,089 713,661,568 (191,614,089)	1,644,375,665
As at 30 September	1,943,011,568	1,420,964,089

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) ANZ Banking Group

The company entered into a loan financing agreement in the amount of US\$66.53M with ANZ Banking Group 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 Central Finance 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 Banking Group, 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 facet was for a period of 8 ½ years and repaid on 21 December 2018. The CFF facet 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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

15. Borrowings (Cont'd):

iv) RBC Merchant Bank (Caribbean) Limited

The company obtain a loan 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 **TT\$1.5B** loan from RBC Royal Bank (Trinidad and Tobago) Limited and Scotiabank of Trinidad and Tobago Limited 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\$1.5B** fixed rate bond effective June 2016. It carries an interest rate of 4.9% per annum and is repayable semi-annually over 15 years. This facility is backed by GORTT via a letter of guarantee.

vi) TT\$500,000,000 ANSA Merchant Bank Limited

On 4th September 2019, the company obtained a **TT\$500M** loan from ANSA Merchant Bank Limited to finance the Sir Solomon Hochoy Highway Extension to Point Fortin Project. It carries a fixed rate of interest of 4.78% per annum and is repayable over 9 years from the date of issue. The full principal is payable with the last instalment.

vii) US\$61,500,000 First Citizens Bank Limited

On 9 July 2019, the company obtained a USD\$61.5M loan from First Citizens Bank Limited to partially finance the purchase of two (2) Catamaran Ferries for the Inter-Island Sea Bridge. It carries a variable rate of interest of LIBOR plus 2.5%, subject to six (6) month resets. It is repayable over 7 years from the date of issue.

16. Due to Government of Trinidad and Tobago:

	30 September	
	<u>2019</u>	<u>2018</u>
	<u>2019</u> (\$)	(\$)
i) Funds received from termination of contract	668,149,642	728,989,074
ii) Funds received for security deposit	38,304,000	38,190,000
	706,453,642	767,179,074
Not later than one year	38,304,000	38,190,000
More than one year	668,149,642	728,989,074
	706,453,642	<u>767,179,074</u>

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

16. Due to Government of Trinidad and Tobago (Cont'd):

i) Funds from settlement of standby letter for credit:

	30 September	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
Balance, 1 October	728,989,074	902,755,597
Offset against due from GORTT	(61,399,797)	(173,150,656)
Foreign exchange translation	560,365	(615,867)
Balance, 30 September	668,149,642	728,989,074

In July 2011, NIDCO entered into a contract with Construtora OAS Ltd, now Construtora OAS S.A. ("Construtora") to carry out the design and construction works for the National Network of Highways Project (the Sir Solomon Hochoy Highway Extension to Point Fortin Project) Package 3 for the sum of **TTD\$4,999,993,000** (vat inclusive) together with certain provisional sums.

On 6 July 2016, NIDCO terminated the contract pursuant to Clause 15.2(b), citing that Construtora abandoned the works, having plainly demonstrated the intention not to continue performance of its obligations under the contract.

Pursuant to NIDCO's issuance of its termination notice and in accordance with the International Federation of Consulting Engineers (FIDIC) rules, the company exercised its right to call in the securities. During fiscal 2016 and 2017, a total value of US\$140.2M (2016: US\$47.7M, 2017: US\$92.5M), which was due to GORTT, was received.

ii) Funds received for security deposit

Funds provided by GORTT were placed on security deposit (Note 13) for the loan taken with ANZ Banking Group (Note 15 ii). The loan was repaid on 21 December 2018 and the security deposit was released to NIDCO on 23 January 2019. The funds were not repaid to GORTT and NIDCO received permission in April 2021 to utilise the funds for the provision of ship management services for the interisland sea bridge vessels.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

17. 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.

	30 September	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
Beginning of the year	155,343,284	168,678,760
Claims for capital expenditure	7,692,752	4,373,492
Amortisation of capital grant income	(16,182,589)	(19,465,509)
Loan interest and other entries	227,397	1,756,541
End of year	147,080,844	<u>155,343,284</u>
Current	8,262,440	15,849,579
Non-current	138,818,404	139,493,705
	147,080,844	155,343,284

18. Government Capital Grant Deferred - Projects:

This represents GORTT's interest in the provision of four (4) vehicles transferred to NIDCO by the Organisation of American States (OAS), 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 to Point Fortin Project.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

19.	Trade	Payables:
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	30 September	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
Projects		
Payable to contractors	187,553,028	275,485,058
Retention due to contractors	65,627,707	69,864,682
	253,180,735	345,349,740
Water Taxi		
Payable to contractors	12,963,424	18,959,993
Retention due to contractors	61,032	61,032
	266,205,191	364,370,765

20. Accrued Expenses and Other Liabilities:

cerueu Expenses and Other Engontaes.	30 Septe	30 September	
	<u>2019</u> (\$)	<u>2018</u> (\$)	
Projects Accrued liabilities	146,617,461	88,424,932	
Accrued Interest Other payables	21,135,278 444,867	20,428,695 414,666	
777 / FT *	168,197,606	109,268,293	
Water Taxi Accrued liabilities Accrued Interest	7,995,229	11,158,993 1,291,527	
	<u>176,192,835</u>	121,718,813	

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

21. Related Party Transactions and Balances:

The company is wholly owned by GORTT.

The following data constitutes the total amount of material transactions and balances with related parties for the years ended 30 September 2019 and 2018.in under the categorisation of essential services and operations continue at a reduced capacity.

		30 September	
		2019	2018
		(\$)	(\$)
(a)	GORTT	***	、
(66)			
	Projects Transactions:		
	Management fees	47,851,524	19,614,435
	Construction supervisor fees	3,573,333	_
	Grant Income (to facilitate payment of loan interest)	70,204,332	77,242,747
	Water Taxi Transactions:		
	Government grants – operations	45,359,329	46,494,576
	Amortisation of Government Capital Grants	16,182,589	19,465,509
	Balances:		
	Due from GORTT (Note 8)	2,513,531,617	1,964,987,269
	Due to GORTT (Note 16)	706,453,642	767,179,074
	Deferred Government Capital Grant - Water Taxi (Note 17)	147,080,844	155,343,284
	Deferred Government Capital Grant - Projects	273,416	341,958
	Deferred Government Operating Grant - Water Taxi	7,303,833	18,115,453
(b)	Related Government own entities		
(0)	Related Government own entities		
	Water Taxi Transactions: Other receivables – Port Authority of Trinidad and		
	Tobago –provision for doubtful debts (within administrative and other expense, office and expenses	-	(1,263,677)
	Balances:		
	Other receivables – Chaguaramas Development Company	-	7,585,014
	Other receivables – Port Authority of Trinidad and Tobago	1,500,375	12
	•		

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

21. Related Party Transactions and Balances (Cont'd):

(c) Compensation of key management personnel

Key management personnel are those persons who have authority and responsibility for planning, directing and controlling the activities of the company.

	30 September	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
Directors' fee	567,667	616,000
Short term benefits	2,169,476	2,430,000
Employment benefits	240,000	406,800
	<u>2,977,143</u>	3,452,800

22. Commitments and Contingencies:

a) Capital commitments

There were no capital commitments relating to property, plant 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 and/or adverse effect on the position of the company with the exception of the following matter.

A partial final award dated April 2022 from The London Court of International Arbitration (LCIA Tribunal) assessed payment due to Construtora OAS S.A (OAS) by NIDCO in the sum of US\$126,365,899, with damages on the Advance Payment Bond, costs and interests to be assessed. This decision was challenged in the Local Courts and in December 2022 and the High Court ruled that the Tribunal's partial award be set aside and the issues identified in the judgment be remitted to the Tribunal for reconsideration. OAS is currently appealing this decision and the parties are awaiting Notice of a Case Management Conference at the local Court of Appeal for further filing directions.

In case of a judgement against NIDCO it will be unlikely that the GoRTT will not provide the requisite funding.

Management has appropriately accrued for costs associated with judgements against it for all other legal matters.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

23. <u>Lease Commitments</u>:

Operating lease rental expense for premises totalled \$2,604,770 for the year ended 30 September 2019 (2018 - \$2,719,573) for combined operations. Future minimum rentals payable under non-cancellable leases are as follows:

	30 September	
	<u> 2019</u>	<u>2018</u>
	(\$)	(\$)
Not later than one year	2,343,502	2,536,552
Later than one year, not later than five years	9,643,910	2,040,710
Later than 5 years	3,605,928	3,875,830
	15,593,340	8,453,092

24. General and Administrative Expenses – Projects:

	30 September	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
Staff costs	25,819,677	28,404,423
Rental	2,273,484	2,450,417
Legal, professional and consultancy fees	1,362,726	1,030,761
Directors' fee	612,217	655,020
Bad debt - Write offs	<u> 148,621</u>	
	30,216,725	32,540,621

25. Other Expenses - Projects:

	30 September	
	<u>2019</u>	2018
	(\$)	(\$)
Management fee reversals	9,320	236,624
Utilities	1,228,981	1,644,568
Repairs & maintenance	352,676	320,838
Public relations	139,680	(2,959)
Print reproduction and stationery	461,898	241,594
Office and other expenses	(10,702,374)	18,547,070
Gain on disposal	(765)	(1,334)
Project expenses	3,051,041	
	(5,459,543)	20,986,401

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

26. Administrative and Other Expenses – Water Taxi:

	30 September	
	<u> 2019</u>	<u>2018</u>
	(\$)	(\$)
Staff costs	15,676,632	19,135,073
Rental	1,246,195	1,111,759
Legal, professional and consultancy fees	1,822,482	2,048,919
Bad debt - Write offs	7,559,941	
	26,305,250	22,295,751
Utilities	1,513,906	1,623,302
Repairs & maintenance	240,582	2,509,907
Repairs & maintenance vessels	17,330,071	15,844,658
Public relations	(5,749)	53,592
Print, reproduction and stationery	159,364	144,811
Office and other expenses	(202,067)	3,007,685
Fuel expenses	<u>5,826,195</u>	7,009,594
	51,167,552	52,489,300

27. 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 GORTT. The company earns a management fee from GORTT for its services. Notwithstanding these receipts, every effort is made to ensure there is value for money for all services rendered and, effective management of assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

28. Events After the Reporting Date:

Loans entered into after fiscal year end 2019

In January 2020, NIDCO entered into a TTD\$75M 5-year loan from Scotiabank Trinidad and Tobago Limited to finance the Construction of the San Fernando Magistrates Court. It carries a fixed rate of interest of 3.65% per annum and is repayable over 5 years from the date of issue.

In January 2020, NIDCO entered into a TTD\$300M 5-year loan of from Scotiabank Trinidad and Tobago Limited to finance the Construction of a new Terminal Building and Associated works at ANR Robinson International Airport (ANRRIA). It carries a fixed rate of interest of 3.80% per annum and is repayable over 5 years from the date of issue.

In January 2020, NIDCO entered into a **TTD110M** 6-month loan of from First Citizens Bank Limited to finance the Construction of a new Terminal Building and Associated works at ANR Robinson International Airport (ANRRIA). It carries a fixed rate of interest of 2% per annum and is repayable 6 months from the date of issue.

In December 2022, NIDCO entered into a **TTD\$230.9M** 8-year loan of from NCB Merchant Bank (Trinidad and Tobago) Limited to finance Sir Solomon Hochoy Highway Extension to Point Fortin Project (SSHHEPF). It carries a rate of interest of 4.49% per annum and is repayable over 8 years for the date of issue.

Major Assets Purchase after fiscal year end 2019

In January 2021, NIDCO capitalised the APT James vessel at a value of \$495M.

In May 2021, NIDCO capitalised the Buccoo Reef vessel at a value of \$515M.

The purchase of the vessels were financed by a US\$61.5M loan and funding from the allocations from the Infrastructure Development Fund.

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 sailings had been reduced. These services, however, remain under the categorisation of essential services and operations continue at a reduced capacity.

The restrictions placed by GORTT 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 that as restrictions ease, the planned works will resume at the respective sites. Due to the timing of contractor billings, delays will be experienced in the receipt of contractor invoices for works completed. The billings to client Ministries will also be affected, thereby impacting the management fee income earned.