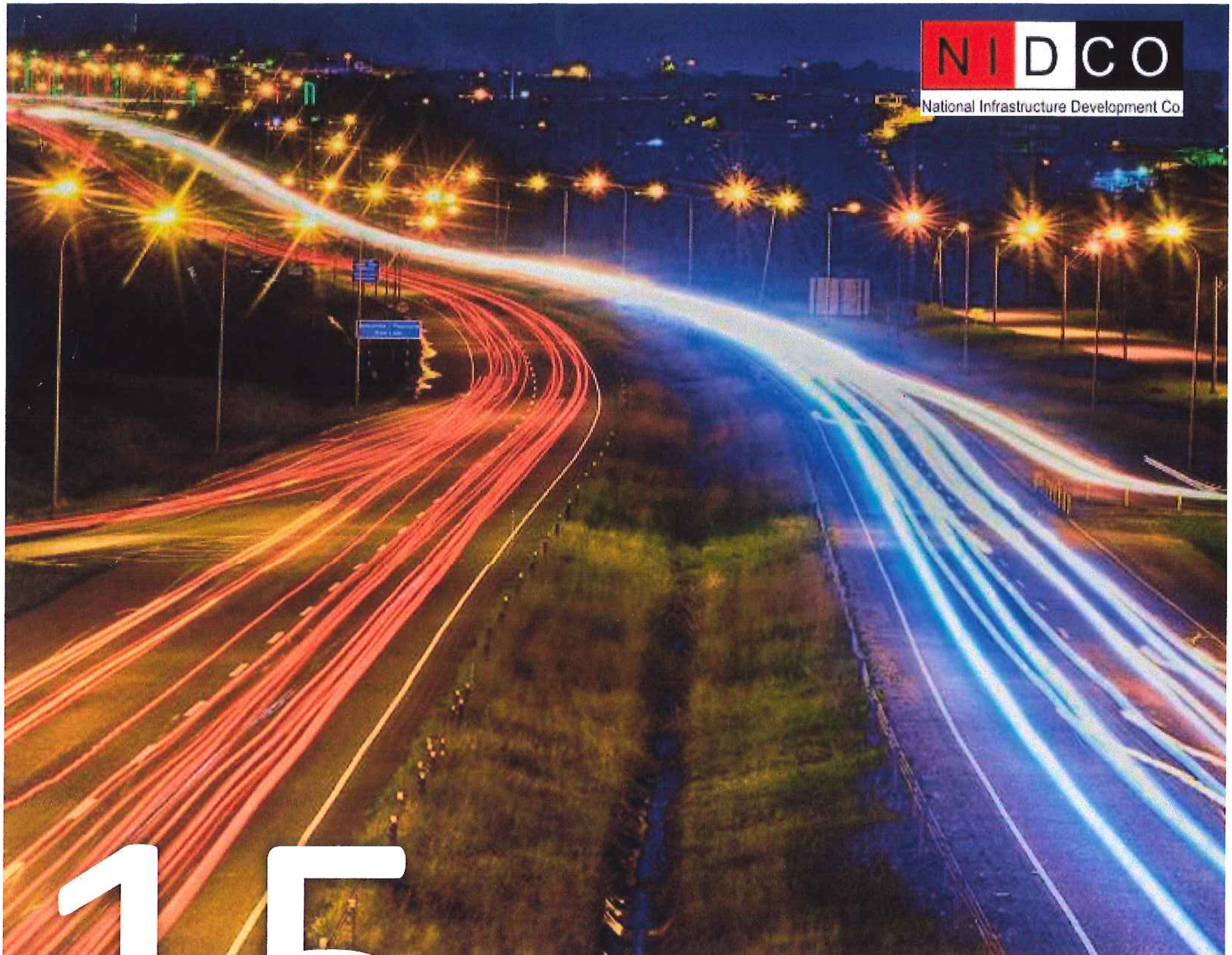

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Annual Report 2015

"Partnering to Build Modern Infrastructure… for 10 years"

Annual Report and Financial Statements for the year ending September 30, 2015

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

NIDCO's Mandate

In accordance with Cabinet Minute No. 3381 of December 2, 2004:

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 include 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 the 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.*

3) *Cabinet AGREED in principle:*

   a) *that the undermentioned seven (7) priority projects be undertaken by way of Public Private Sector participation be embarked upon with despatch:*

      - *Ferry service from Port of Spain to Point Fortin*
      - *San Fernando reclamation/expansion project*
      - *New Port for Port of Spain*
      - *Toco/Tobago Ferry Service*
      - *Chaguaramas Hotel - Macqueripe/Tracking Station, St. Clair*
      - *Correctional Facility (design/ construct/ transfer)*
      - *Construction of the Uriah Butler Interchange*

   b) to 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, Mission and Values

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

Service Excellence

We strive 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".

National Infrastructure Development Company Limited

No. 3 Melbourne Street
Port of Spain, Trinidad, West Indies
Tel: 624-9474/5593
Fax: 624-5512

"Partnering to Build Modern Infrastructure"

31st January 2017

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 2015

In accordance with Section 66D of the Constitution of the Republic of Trinidad and Tobago (Act No. 29 of 1999), I enclose herewith the Annual Report of the National Infrastructure Development Company Limited for the year ended September 30, 2015 together with a copy of the Annual Audited Financial Statements, as certified by the Auditors.

Yours sincerely,

Herbert George
Chairman

Corporate Information

DIRECTORS
(February 2015 to September 2015)

Prof. Winston Suite (Chairman)
Mr. Rabindra H. Outar
Ms. Mandavi Tiwary
Mr. Amrish Maharaj
Mr. Peter Ramadhar
Mr. Ramzan Hosein

DIRECTORS
(December 2012 to December 2014)

Mr. Krishendath Ramoutar (Chairman)
Prof. Winston Suite (Deputy Chairman)
Mr. Hollis J. Eversley
Ms. Mandavi Tiwary
Mr. Rabindra H. Outar
Mr. Ramzan Hosein
Mr. David De Souza
Mr. Peter Ramadhar
Mr. Amrish Maharaj
Ms. Reneelise Khan

CORPORATE SECRETARY

Hilda Goodial (Corporate Secretary)
Vanda Thomas- Lynch (Alternate)

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

Deloitte & Touche
54 Ariapita Avenue
Woodbrook
Port-of-Spain
Trinidad, West Indies

REGISTERED OFFICE

No. 3 Melbourne Street
Port-of-Spain
Trinidad, West Indies

Tel: (868) 624-5593
Fax: (868) 624-5512
Website: www.nidco.co.tt

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Chairman's Foreword

Mr. Herbert George
Chairman of the Board of Directors

On behalf of the newly-appointed Board of Directors, I wish to commend NIDCO on the attainment of its tenth anniversary as a State Enterprise. From inception, NIDCO was charged with responsibility for procurement of designs, construction, management, and possibly financing of Government's infrastructural projects. This financial report for fiscal 2015 provides a snapshot of NIDCO's financial health, ten years on. Additionally, it presents metrics that can be used to conduct an evaluation of the enterprise.

NIDCO continued in 2015 to pursue its vision of becoming the premier project management company in the country, with the requisite competencies to deliver its assigned projects. It either successfully completed or otherwise continued working on projects in drainage, bridge reconstruction, coastal protection, and landslip repairs. All these projects were done whilst working apace on its flagship highway construction project, the Sir Solomon Hochoy Highway Extension to Point Fortin. NIDCO also won, through competitive tendering, a contract for procuring the designs, construction and outfitting of six (6) community-based ICT Access Centres from the Ministry of Science and Technology. This represented a significant and successful departure from NIDCO's customary portfolio, which was hitherto centred on the heavy, civil-type infrastructural projects, as assigned to it by the Line Ministry, Ministry of Works and Transport.

NIDCO has also continued to operate the Water Taxi Service from Port of Spain to San Fernando. Indeed, the Water Taxi Service was awarded the Trinidad and Tobago Diamond Standard certification for excellence in service in January 2015. It also achieved in 2015 its highest ridership (589,892 passengers). This represented a 14.3 percent increase over the previously achieved highest level.

The year 2015 also presented some challenges, which were primarily due to

Government's depleted revenues from oil, as a result of drastically reduced oil prices. As a result, project funding was not as buoyant as it needed to be. There was, therefore, a reduction in performance levels on ongoing projects and new projects were deferred or reprioritised. Correspondingly, there was a drastic reduction in NIDCO's revenue, which is solely dependent on fees obtained from the projects undertaken. The net impact on the enterprise was an overall loss after tax of TT$27.91M for fiscal 2015.

The incurred loss along with the likely continuation of low oil price and Government's revenue has forced a critical review of NIDCO's operations. Ways to reduce operating expenses while maximising revenue must be found and implemented. Pursuant to the latter objective, NIDCO will continue to seek opportunities to diversify its revenue stream by marketing its expertise to government ministries (other than the Line Ministry) that lack the institutional capacity to manage their projects. The Board and Management will resolutely engage the task with the aim of restoring NIDCO's financial sustainability in the shortest time frame.

We believe that NIDCO's competence and experience in the procurement of Government's infrastructural development projects, along with the restoration of its profitability, will augur well for continuity of the enterprise. This is a highly desirable outcome especially when one considers the possible impact that operationalisation of the Public Procurement and Disposal of Public Property Act, 2015 can have on State Enterprises such as NIDCO.

As we move forward pass 2015, our aim will be to maintain NIDCO's relevance in the implementation of Government's projects.

Herbert George
Chairman

Mr. Herbert George was appointed Chairman of the Board of Directors of NIDCO effective October 29, 2015. He succeeded Prof. Winston Suite who served from February 9, 2015 and Mr. Krishendath Ramoutar, who served from December 2012 to December 2014 (the period of this Report).

Board of Directors

Top Row
Ms. Hilda Goodial- Corporate Secretary
Mr . Ramzan Hosein- Director
Mr. Rabindra Outar- Director
Mr. Dave De Souza- Director
Mr. Peter R. Ramadhar- Director
Mr. Amrish Maharaj- Director
Mr. Hollis Eversley- Director
Ms. Vanda Thomas Lynch- Assistant Corporate Secretary

Bottom Row
Ms. Mandavi Tiwary- Director
Dr. Carson Charles- President
Mr. Krishendath Ramoutar- Chairman
Prof. Winston Suite- Deputy Chairman
Ms. Reneelise Khan- Director

President's Report

Fiscal year 2015 was of special significance to NIDCO, as the Company celebrated its tenth year anniversary in January. In its ten years of operation, NIDCO would have assisted the government in fulfilling its policy objectives for social and economic development with the implementation of the country's largest transportation and flood mitigation infrastructure projects, which have led to -

- Reduction in traffic congestion and faster, safer commuting through major highway construction and upgrades;
- Reduction of productivity lost in commuting between the cities of San Fernando and Port-of Spain with the efficient operation of the nation's Water Taxi Service;
- The creation of new access roads for previously inaccessible communities;
- The mitigation of perennial flooding experienced in low-lying areas of the country with the construction of proper drainage and other water management solutions;
- The retention of arable and residential lands, hence reducing the risk of property loss/damage and enabling the continuity of domestic/farming activities;
- The repair of shorelines along Trinidad's northern and southern coasts, which are at risk of being eroded due to changing weather patterns;
- Improvement in the quality of lives of residents in communities that border the major highway construction projects - through job creation, community infrastructure improvements and similar initiatives.

Recognition of the Company's milestone achievement was, however, overshadowed by a challenging financial year which truly tested the mettle of this young company. The effect of the downturn in the domestic economy took hold from the first quarter of the fiscal year. As crude oil prices continued to trend downwards, from a high of US$107.45 in June 2014 to US$45.74 per barrel in September 2015[1], Government's fiscal space

[1] West Texas Intermediate (WTI or NYMEX) crude oil prices per barrel. Source: http://www.macrotrends.net/1369/crude-oil-price-history-chart.

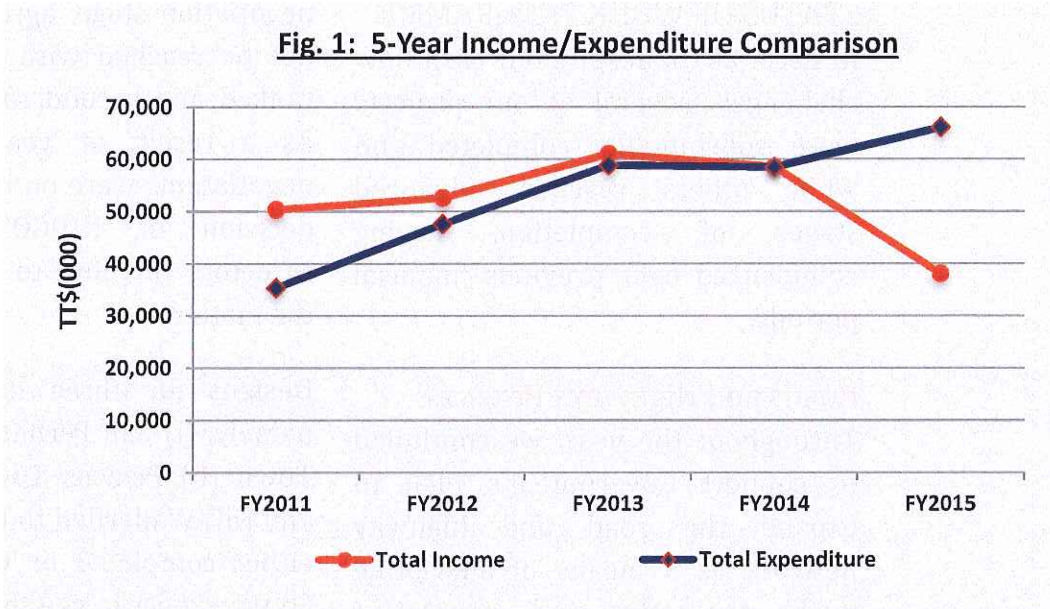
contracted even further, and resulted in the reprioritisation of public expenditure away from capital projects and a call from the Government for public entities to reduce their expenditure. The lack of available funds to finance capital projects did not auger well for NIDCO whose operations are financed entirely from management fees earned on project activity.

The prevailing macro-economic conditions provided the impetus for a shift in strategic priorities towards (i) the identification of new funding mechanisms to ensure the continuity of project activities and (ii) restoring the financial health of the Company. In December 2014, by way of an arrangement between the Ministry of Finance and Economy and the Royal Bank Canada Trinidad and Tobago Limited, NIDCO received a TT$1.5B bridging facility to finance construction works on our flagship project - the Solomon Hochoy Highway Extension to Point Fortin - to the end of the financial year. Further attempts were made to boost our revenue position with the implementation of a revenue diversification strategy centred on establishing stronger partnerships with other public sector agencies and the Tobago House of Assembly (THA). Two of the more significant results of these efforts were (1) the signing of a new Memorandum of Understanding with the THA for the reconstruction of three bridges along Milford Road; and (2) the award of a consultancy contract by the Ministry of Public Administration for the construction of six ICT-access centres in several communities in central and south Trinidad. This latter project was significant, as it represented the first time that NIDCO was awarded a project through a public tendering process.

Despite our efforts to stabilise the Company's finances, however, the results recorded were well below budget expectations

FINANCIAL PERFORMANCE

For fiscal 2015, the Company reported a *Net Loss before Tax* of TT$28.04M compared to a modest profit of TT$58K in fiscal 2014. The erosion of 2014 results was primarily a result of a major shortfall in Management Fees which, at the end of the year, stood at TT$37.23M compared to TT$57.28M received in 2014.



While we recorded a major decline in earnings, there was a non-compensating increase in *Operating Expenses* of approximately TT$7.65M (or 13%) over the corresponding period in the previous year. This increase is attributed to the expansion of our staff complement, increased staff benefits, increased costs for public relations, repairs and maintenance and a major write-off of Management Fees of TT$4.56M from the previous year. The pattern of operating expenses outstripping our revenues, as illustrated in Fig. 1, reflects the ongoing challenge of ramping up organisational resources in anticipation of forecasted projects that were either stalled during the procurement phase from a lack of project financing or simply did not materialise.

Total Assets stood at TT$2.48B at year-end, reflecting an increase of TT$1.3B (or 114%) from its comparative 2014 position. This movement can be attributed mainly to the net result of an increase in amounts due from Government of TT$1.5B for the repayment of the Bridge Loan facility together with decreases in *Cash and Cash Equivalents* and *Property Plant and Equipment* of TT$46M and TT$125M respectively.

At the end of the financial year, *Net Cash Generated from Operating Activities* stood at negative TT$1.3B against a positive balance of TT$117.06M in September 2014. This, again, was reflective of the movement in *Due from Government* of TT$1.5B and an increase in *Trade Payables* of TT$39M. *Cash and Cash Equivalents* also decreased by 25% from TT$185.05M in 2014 to TT$139.18M as at September 2015. This was due to the utilization of available *Cash-at-Bank* in the absence of cash inflows from the Ministry of Works and Infrastructure.

STATUS OF WORK PROGRAMME

In fiscal 2015, despite our cash flow challenges, several of our projects were substantially completed and while others reached advanced stages of completion, having commenced over previous financial periods.

Roads and Highways Projects

Throughout the year, we continued to support Government's plan to expand the road and highway network as a means of alleviating traffic congestion and stimulating economic activity in specific economic zones across the country. The most notable achievement in this area of activity was the opening of several key segments on the San Fernando to Point Fortin Highway project. A total of 10 km of 4-lane roadway, 4 km of 2-lane roadway and 8 km of ramps and frontage roads have been opened to the public to-date. This included-

- the Golconda Interchange (2km) opened in October 2014;
- St. Mary's Junction to Grants Road (7.5km) opened in April 2015; and
- Debe Interchange to Gandhi Village (2.7km) opened in August 2015.

We also issued a tender for a design-build firm to construct an overpass at the Southern Main Road- Churchill Roosevelt Highway Intersection, in continuation of the East-West Corridor Transportation Project. However, during the tender negotiation stage, agreements could not be reached with both the first ranked and second ranked bidders. As a result, at year-end, tender negotiations were on hold pending a decision of NIDCO's Board of Directors on how to proceed with the matter.

Designs for three new highways, namely, (i) San Fernando to Princes Town (ii) Princes Town to Mayaro and (iii) Wallerfied to Manzanilla are either completed or well-advanced. So we expect to see the Government continuing a robust road expansion programme in the coming years.

Bridges and Landslips Projects

In fiscal 2015, we completed construction on eight of twenty-five bridges under the Bridges Reconstruction Programme at a cost of TT$119M. We carried out landslip stabilisation works on eight landslips across the country, as works continue on the remaining 15 under the Landslips Programme.

Water Taxi Service

We take special pride in reporting on the operation of the Water Taxi Service. NIDCO developed and launched the Service in December 2008 utilising three second-hand catamarans, with a combined seating capacity of 447. Today, the Water Taxi Service boasts four 41m high speed catamarans, each with a seating capacity of 405. As of September 2015, the Service has transported a total of 2,975,488 passengers; with FY2015 recording its highest ridership in any one year of 589,892 passengers.

The continued growth in ridership is indicative of the high value of the Service to commuters. The Water Taxi is now regarded as a credible alternate transportation mode. In January 2015, the Service was one of ten public services that received the Diamond Standard Certification – a recognition given by the Ministry of Public Administration to public services that meet certain international standards for customer service delivery.

CORPORATE HIGHLIGHTS

The Company commenced the process towards development of its new strategic plan in May 2015. The new five-year plan (2016-2020) will seek to reposition NIDCO as an enduring, resourceful and value-added service for the Government of Trinidad and Tobago. Within a changing economic and political landscape, the Plan will chart a clear path to ensuring NIDCO's long-term financial viability, thereby reducing its vulnerability to financial shocks. It will also prioritise the building of our technical capacity to better plan and manage projects, as well as seek to strengthen our corporate governance framework.

OUTLOOK FOR 2016

We view the current financial challenges as temporary, given Government's enduring commitment to stimulating economic productivity through modernisation of the country's transportation and civil infrastructure.

The coming year will no doubt bring further difficulties as the Government implements tighter fiscal measures and economic diversification strategies to contain the effects of the recession. However, NIDCO has a good track record for satisfactorily delivering quality projects, under challenging circumstances. We will forge ahead with our plans to re-shape our business model to ensure our operations remain viable; we will use the lessons learnt through our collective experiences to improve our project delivery results to ensure that every project is delivered on time, on budget, at the desired quality.

Let me take this opportunity to thank the Government for continuing to place its confidence and trust in NIDCO to deliver its priority projects. I would also like to thank our Shareholder, the Minister of Finance; our Line Ministers - past and present, and staff of the Ministry of Works for their support and guidance throughout the year.

To our Board of Directors, both past and newly-appointed, I extend to you my sincerest gratitude for your commitment to seeing NIDCO realise its full potential of becoming the 'premier project management agency in Trinidad and Tobago'. Finally, I wish to specially commend every manager and employee of the company for remaining committed to our mission, despite our many challenges. I look forward to your continued dedication, hard work and ingenuity in the coming year.

Steve Garibsingh
President (Ag.)

[Mr. Steve Garibsingh was appointed to act as President of NIDCO on December 29, 2015. He succeeded Dr. Carson Charles who served as President from June 2010 to December 2015].

Executive Management

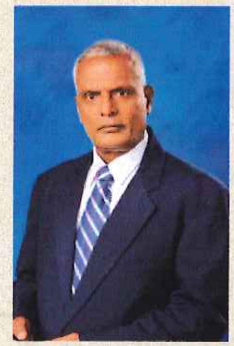
Dr. Carson Charles
President

Ms. Hilda Goodial
Vice President-Procurement & Contracts Management

Mr. Steve Garibsingh
Vice President- Engineering & Programme Management

Ms. Sharon Taylor
Project Director, Water Taxi Service

Mr. Roger Joseph
Vice President, Corporate Services



Mr. Dinanath Ramkissoon
Vice President, Legal Services

Ms. Charlear Straker
Vice President (Ag.), Finance

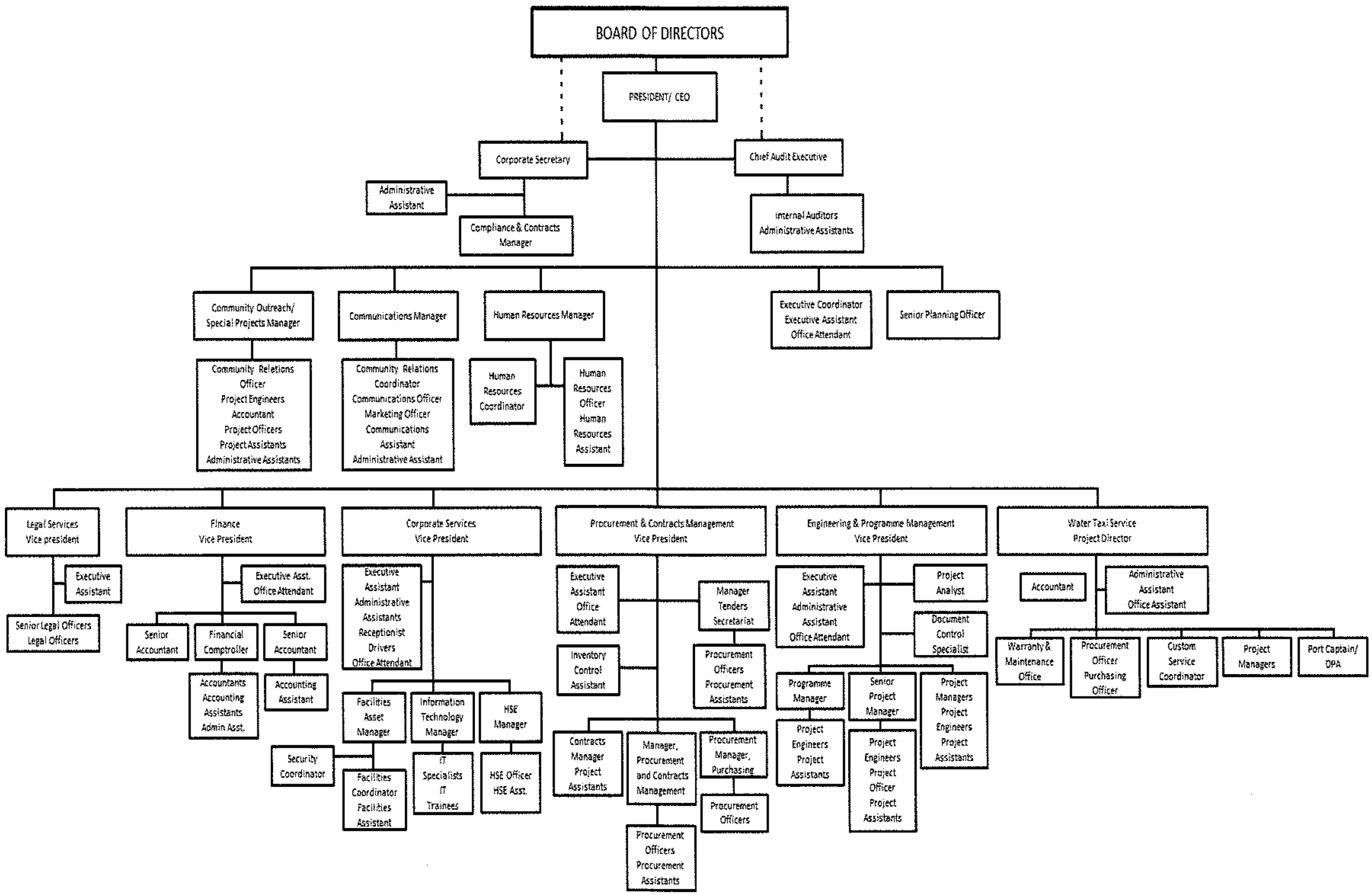
Ms. Rachael Phillips
Project Director, Community Outreach

Ms. Adanna Jones
Human Resource Manager

Mr. Sookram Harrinarine
Audit Manager

Ms. Vanda Thomas-Lynch
Compliance & Contracts Manager

Organisational Chart



2015 PROGRAMME/PROJECT ACHIEVEMENTS

In fiscal 2015 NIDCO continued its infrastructure improvement activities in the areas of Highways, Drainage Control and Flood Mitigation, Coastal Protection, Bridges Rehabilitation, Landslip Repairs and Transportation Management.

PROGRAMME AREA 1: HIGHWAYS CONSTRUCTION & EXPANSION

1. SOLOMON HOCHOY HIGHWAY EXTENSION TO POINT FORTIN

Completed Golconda Interchange, opened in October 2014, providing 2km of roadway.

The Solomon Hochoy Highway Extension Project (SHHEP), which runs from San Fernando to Point Fortin, is the largest infrastructural project that has ever been undertaken in Trinidad and Tobago. It comprises approximately 47km of four-lane highway and 2.5km of two-lane highway, designed to international freeway standards.

The main objectives of this project is to provide highway network improvements to the southwest of San Fernando and to improve accessibility to the towns of Debe, Penal, Siparia, Fyzabad, La Brea, St. Mary's and Point Fortin.

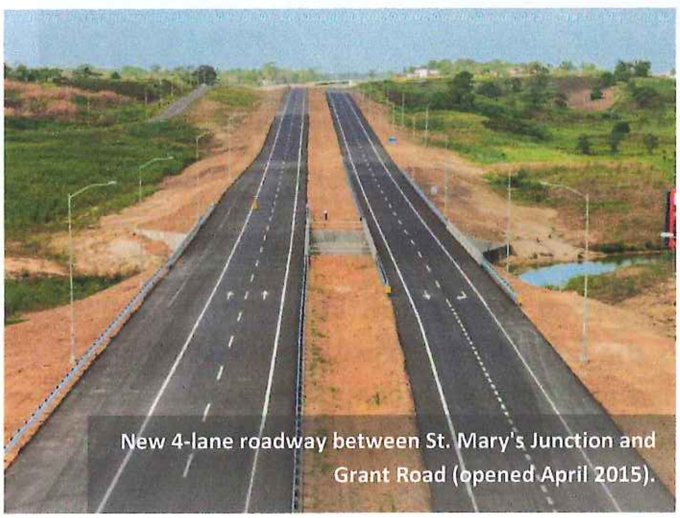
Up to December 2015, the project was being implemented under a Design-Build contract with the Brazilian firm, Construtora OAS, with a budget of $7.5B (of which TT$5.2B represented the Design-Build contract).

As at September 2015, a total of TT$5.1B has been expended on this design-build project, with an estimated 43% construction completion.

MILESTONE ACHIEVEMENTS

Some of the major milestones and achievements to-date include:

- Commissioning of 4.7km of roadway from Golconda to Debe in August 2013.
- The opening of the Golconda Interchange in October 2014.
- The opening of two (2) roundabouts at the Debe Interchange in March 2015.
- The opening of Dumfries to Paria Suites segment (2 southbound lanes) in March 2015.
- The opening of the full section between St. Mary's Junction and Mon Desir and two (2) lanes between Mon Desir and Grants Road in April 2015.
- The opening of the Debe to Gandhi Village segment in August 2015.
- Eight (8) bridges have been completed, namely -
  - Alley's Creek Bridge
  - Berridge Trace Bridge
  - Debe Gas Corridor Bridge
  - Debe Interchange Bridge
  - Golconda Interchange Bridge
  - Papourie Road Bridge
  - Silver Stream Bridge
  - Tarouba Bridge


New 4-lane roadway between St. Mary's Junction and Grant Road (opened April 2015).


Completed roundabout section at Gandhi Village

The opening of key segments of the Highway provided immediate benefits and traffic relief to commuters travelling in the south-western region of the country. Commuters have reported that travel time between Golconda and Debe has been reduced from 30 minutes to 5 minutes with the opening of this stretch. With the opening of the Debe Interchange, the public can now travel on a freeway from Golconda directly into Gandhi Village and onto Penal, bypassing the usually congested Debe junction.

Land Acquisition **-** The project has had significant land acquisition requirements. To date, a total of 462 properties have been acquired and settled. Additionally, 755 persons have made claims for crop destruction. Of these, 286 persons have been compensated, while valuations and discussions on the remaining claims are ongoing.

Project Impediments. Implementation of this project has been inundated with technical, social and political challenges, almost since its inception. The project attracted significant public attention during the year from ongoing protests mounted by community activists, against the construction of certain segments of the Highway and for compensation for loss of property. On several occasions, these protests led to work stoppages and increased costs from contractor claims. Several strategies were devised to manage these community actions including –

1) the establishment of community outreach centres in two locations along the right of way which provided project information, mobilised community working groups to address issues, and similar stakeholder engagement activities;
2) with the support of a professional media and communications strategist, Inglefield/Ogilvy and Mather Caribbean, implementation of a major public information and outreach strategy under the theme ***"where we build, we leave a legacy"***. The initiative was successful in raising public awareness and support for the Highway project with the creation and sharing of factual and timely project information.

2. PORT-OF-SPAIN EAST/WEST CORRIDOR TRANSPORTATION PROJECT

Under the Port-of-Spain East/West Corridor Transportation Project, preparation of Design-Build tender documents for construction of an ***overpass at Southern Main Road and Churchill Roosevelt Highway intersection*** (Package 'D') was completed.

NIDCO invited tenders for a design-build contractor for the overpass. However, by the end of the reporting period, NIDCO was unable to reach agreement with the top ranked bidder.

NTMS Spot Speed Enforcement: Camera and flash installation in El Socorro.

Under the ***National Traffic Management System Project (NTMS)***, NIDCO continued to administer its contractual obligations in respect of the running of the NTMC Operations Support Centre. The NTMS support pilot programme came to an official end in November 2014 but this was extended to April 2015 at a cost of TT$0.75M. In August 2015, NIDCO awarded a contract to IBI in the sum of TT$13.4M for expansion of the NTMS Deployment from the CRH Interchange to Piarco and from Mt. Hope to Couva. This initiative will see the installation of additional CCTV cameras, VMS signs and upgrade of traffic control devices at intersections, all in an effort to modernize traffic management in the country. Other aspects of the NTMS such as Red Light Enforcement and Spot Speed Enforcement also continued in fiscal 2015.

Design and tender documents for construction of a ***Walkover at Cipriani College/Bamboo*** were completed by consultants BBFL at a cost of TT$0.324M. Prior to construction, NIDCO held public consultations with stakeholders. In May 2015 the first consultation was held with Bamboo Settlement residents and a second consultation was held with Campus Students of Cipriani College in June 2015. In was anticipated that NIDCO would then proceed to invite tenders for construction of overpass some time thereafter.

PROGRAMME AREA 2: DRAINAGE CONTROL & FLOOD MITIGATION

Flooding of the country's infrastructure has been a perennial problem, leading to substantial losses of property, agricultural assets and human health. During the period, NIDCO continued to roll-out it drainage control and flood mitigation component, under several programmes.

1. FLOOD MITIGATION AND CONTROL PROGRAMME

During the period September 2014 to September 2015, a total of thirty-three (33) projects were executed by NIDCO across the country at a total contract amount of **TT$95,154,142.06**. The projects included the construction of approximately 2,200m of reinforced concrete retaining walls, 110m of gabion basket retaining walls and 1,300m of open box drain. The amount of **TT$86,568,675.02** was certified for payment for works completed during the fiscal period. A total twenty-nine (29) projects were successfully completed and are within the defects liability period. Four (4) projects were awarded for contract in May 2015, two (2) of which are on-going at the end of this period.

2. COMPREHENSIVE DRAINAGE DEVELOPMENT STUDIES

In fiscal 2015 an allocation of TT$12M was made for the completion of the Caparo River Basin Study and commencement of the South Oropouche River Basin Study.

Caparo River Basin Study

In late 2012, NIDCO awarded a contract to Royal Haskoning to conduct a Feasibility Study and prepare Conceptual Designs for the Caparo River Basin - Flood Mitigation & Water Supply project. The study commenced in April 2013 and the final report was submitted in January 2014. The Ravine Sable/Mamoral Reservoir project was the outcome of the study. Detailed designs for the flood mitigation components were done.

Accomplishments

- In respect of the Mamoral Dam component, Royal Haskoning completed the works and submitted final Tender Documents and Drawings for the Weir, in/outlet and spillway.
- In respect of the final designs for the Water Treatment Plant, the consultant, General Design and Process Engineering, completed its report and drawings, which were reviewed by key stakeholders (NIDCO, the Drainage Division, WASA, Haskoning).

South Oropouche River Basin Study

In January 2015, NIDCO awarded a contract to Royal Haskoning DHV in the sum of TT$19.7M to conduct the Feasibility Study and Detailed Designs for the South Oropouche River Basin. An Advance Payment of TT$1,120M was made. The study was expected to have been completed by May 2015 however the start of the project was shifted to the beginning of the new fiscal year.

3. NATIONAL PROGRAMME FOR UPGRADE OF DRAINAGE CHANNELS

An allocation of TT$65M was made in the 2015 National Budget for completion of several major drainage improvement works. The following was achieved in terms of physical progress:

Coromata River Improvement Works (Phase I and II)

Phase I. A contract was awarded in May 2012 to Lutchmeesingh's Transport Contractors Ltd. in the sum of TT$12,418,395. Works commenced in November 2012 and by December 2014 the contractor had constructed 336-no. of piles, 500m of base and 500m of stem. The original scope of works has been completed.

Phase II. In August 2012 LMCS Ltd commenced works on the construction of a 500m of retaining wall, with a budget of TT$12,375,000. To-date, the contractor has constructed approximately 328 no. of piles, 487m of base and 487m of stem.

Mausica River Improvement Works

In January 2013, a contract was awarded to Kall Co. Ltd. in the sum of TT$24,339,150 for construction of 1,300m of reinforced concrete wall and 395m of paving and 212m of rubble masonry walls along the Mausica River. To-date, the contractor has constructed approximately 218m of rubble masonry walls. Also completed was 392m of invert paving. Final 70m of R.C. base and stem have been constructed (exclusive of backfilling).

Arima River Improvement Works

In March 2015, a contract in the sum of TT$6,479,077 was awarded to Carl Company Ltd. for the construction of 490m of reinforced concrete wall on the Arima River, that is, 90m of R.C. wall along Riverside Road, Torrecilla Avenue, Bye-pass Road, Arima and 400m of R.C. wall from the Eastern Main Road, Arima going downstream to Fidlers Dream. To-date, approximately 200m of wall base has been completed and reinforcement for wall stem is being prepared. Works on this project have been delayed due to heavy rainfall in early August 2015 causing the collapse of a section of the embankment.

Miss Gutter Ravine Improvement Works

In March 2015, NIDCO awarded a contract in the sum of TT$5,320,700 to Chan and Owen Equipment Service Company Ltd. for the construction of 365m of Rubble Masonry Wall and 175m of Reinforced Concrete wall on the Miss Gutter Ravine. To-date, approximately 100m of Reinforced Concrete wall stem and invert have been constructed. Earthen backfill, inclusive of geo-textile and granular material, has been placed for the constructed 100m of R.C. wall.

4. PORT OF SPAIN FLOOD ALLEVIATION PROGRAMME (IDB)

In December 2013, the GORTT received a loan of US$120M from the Inter-American Development Bank (IDB) to implement the Flood Alleviation and Drainage Programme for the city of Port-of-Spain. The main objective of this programme is to minimize the impacts from the lack of, or insufficient, urban drainage infrastructure in critical areas in Port-of-Spain, by improving catchment management (through the implementation of drainage infrastructure). The programme will be implemented in eight (8) packages and will be led by the Drainage Division of the Ministry of Environment & Water Resources (MEWR), who will act as the Programme Executing Unit.

Accomplishments

During this financial year, the major activities under this programme were:

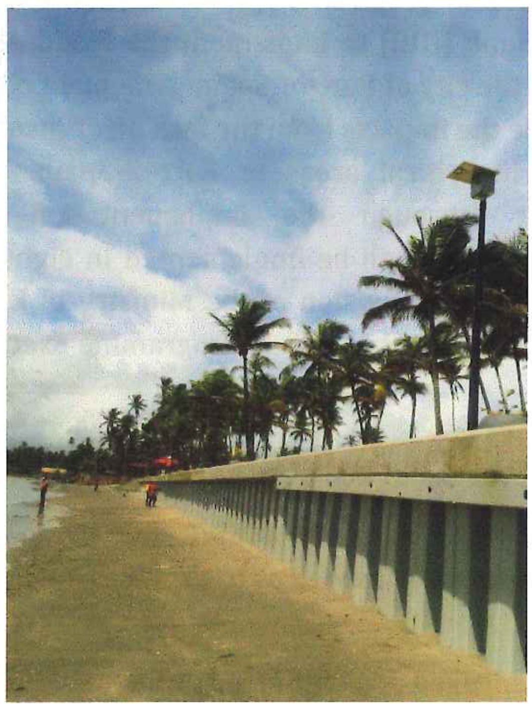
- NIDCO signed an MOU with the MEWR for the procurement of consultants and contractors as well as to provide project management services.
- WSP Limited was engaged at a cost of **TT$1,597,305.64** to undertake design works in respect of the construction of concrete drains for Packages 1 and 5 at South Quay, Independence Square North. The consultants have submitted their designs to the PEU for approval. This work is 60% complete.

PROGRAMME AREA 3: COASTAL PROTECTION

In 2013 an 'Assessment of the State of the Coastline and Coastal Infrastructure' was undertaken. Subsequently, a plan of priority works was formulated by the Coastal Protection Unit of the MOWT to address the most critical cases of coastal erosion. Prioritisation of projects was based on several factors including erosion rates, threat to communities and infrastructure, natural disasters, and fragile ecosystems. Accordingly, NIDCO was then mandated to procure consultant and construction services to implement of the following critical coastal protection works.

Shore of Peace Coastal Cliff Stabilisation Works

The Shore of Peace coastal area has been plagued with problems of cliff instability causing landslides that threatened the crematorium and nearby road infrastructure. NIDCO engaged the services of Haskoning Caribbean Ltd. as site supervision consultants, at a cost of $5.1 million and Trinidad Contractors Ltd. for construction services, at a cost of $41.8 million. By September 2015 works on this project was approx. 60% complete, representing construction of about 60m of retaining wall and 500m of rock armour.



Manzanilla Beach Facility Stabilisation Works

Previous attempts to protect this sea front area had failed. As a result, in March 2015 work commenced on the construction of 252m of coastal defence using vinyl sheet piles, the first of its kind to be implemented in the country, with concrete capping/boardwalk, at a cost of $10.6 million. By September 2015, all works were complete by contractor Zeeton Contractors Ltd. The eastern Boardwalk was opened to the public in July 2015 and handed over to the Tourism Development Company (TDC).

North Cocos Bay Shoreline Stabilisation Works

North Cocos Bay suffered heavy wave action that eroded the berm and threatened this beach front community and coastal roads. This inundation became a major threat to fishing activities which is the main livelihood of the village. To remediate this eminent threat, NIDCO awarded a contract to RJB Building and Civil Engineering Contractors Ltd. in the sum of $10.58 million for construction of coastal defence using a vinyl sheet pile seawall with rock toe protection; construction of a slipway, berthing and landing shed and upgrade of the drainage and roadway to support the fishing community. By the end of the reporting period 145m of sea defence wall was constructed.

Matelot Shoreline Stabilisation Works (Phase 1)

In the North-eastern part of the country, Matelot has been affected by coastal cliff slumping that has caused severe damage to the coastal road infrastructure. In March 2015, NIDCO procured the services of Royal Haskoning Caribbean Ltd. to conduct a feasibility study and prepare detailed designs to reduce the frequency and severity of coastal erosion and inundation, at a cost of $6.4M. By September 2015, the study was approximately 70% complete. The Inception Report and the Solution Identification and Impact Assessment Report have been submitted.

PROGRAMME AREA 4: BRIDGES RECONSTRUCTION PROGRAMME

NIDCO was mandated to procure design and construction services for reconstruction of twenty-five (25) priority bridges throughout Trinidad under Phase 1 of the programme. In fiscal 2015 eight (8) bridges were completed. These were Calcutta Road Couva, Valencia Main Road, Talparo Main Road, Toco Main Road, Eastern Main Road (EMR) St. Joseph, Mayaro, Guayaguayare Road, EMR Guapo and Cedar Hill Road Claxton Bay.

During the reporting period work continued on seventeen (17) including Naparima Mayaro Road Poole, Cumuto Tumpuna Road, Sisters Road, Southern Main Road Cedros, Coblentz Road, Papourie Road Debe, Torrib Tabaquite Road and Mamoral Road.

In August 2015, NIDCO awarded a contract each to Beston Consulting and Alpha Engineering Ltd. respectively for design of thirteen (13) bridges under Phase 2 of the Programme. Services commenced in September 2015 and are expected to be completed in eight (8) months.

Overall costs under the Bridges Reconstruction Programme were TT$119M in fiscal 2015.

PROGRAMME AREA 5: LANDSLIP REPAIR PROGRAMME

In fiscal 2015, construction activities continued on twenty-eight (28) landslips throughout Trinidad under Phase 1 of the Landslip Repair Programme. A total of eight (8) landslips were completed bringing much relief to users of roads in the following areas: Mayo, Bonne Aventure; Southern Main Road, North Coast; St. Croix; and Moruga.

Works are in progress on the remaining twenty (20) landslips.

NIDCO also invited tenders for design of 60 landslips under Phase 2 of the Programme. Evaluation of the technical proposals received was concluded by year-end. However, evaluation of the financial proposals was put on hold pending confirmation from the Ministry of Works on the direction of the Programme.

PROGRAMME AREA 6: TRAFFIC MANAGEMENT PROGRAMME

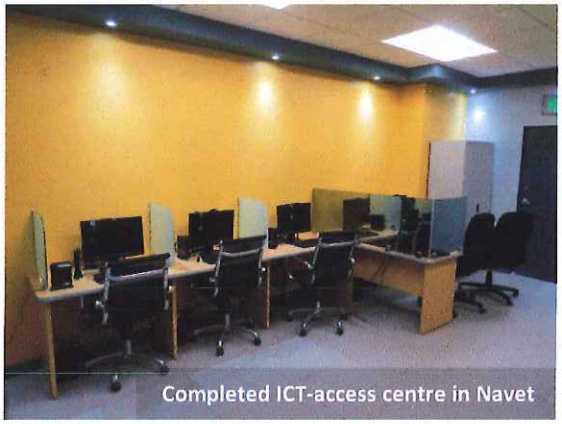
Continuous improvement of traffic management resulted in a programme of works that would replace permanent pavement markings and supply and install raised Retro-Reflective Road Studs as required on selected roadways. The thermoplastic pavement markings works under this project comprised all lines, symbols, and words applied to the road. Accordingly, in March 2015, NIDCO awarded the following three (3) contracts:

- CP 4: Audrey Jeffers Highway – Ana Street to Cocorite Fishing Centre, to LF Systems Ltd., at a cost of $1.087 million;
- CP6: Eastern Main Road – La Plaisance POS to Byatt Street Petit Bourg, to Unisure Ltd., at a cost of $1.557 million; and
- CP7: Eastern Main Road – Byatt Street to Macoya Junction, to Unisure Ltd., at a cost of $1.372 million.

By the end of the reporting period, some 31.4 kilometres of roadway saw improved pavement markings and installation of raised roads studs.

STAR-TT COMMUNITY-BASED ICT-ACCESS CENTRES

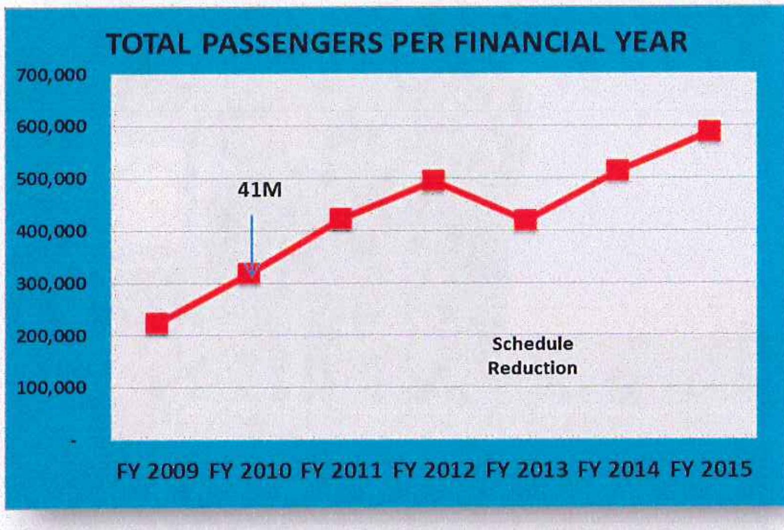
For the first time in its history, NIDCO responded to a Request for Proposal for construction services. The company was successful in its bid and entered into a contract with the Ministry of Science and Technology to provide "Specialist Procurement, Project and Contract Management Services" to implement Phase II of the Star.tt Community-Based ICT Access Centre Initiative. The project will see NIDCO procuring and supervising consultants and construction contractors to construct and outfit six (6) centres initially, with the prospect of constructing thirty (30) more in under-served/rural communities.


Completed ICT-access centre in Navet


WiFi patio ready for use at Sisters Road

These Centres will provide communities with free access to Wi-Fi services, Internet services and IT training. The contract commenced on May 26, 2015 with a budget of approximately TT$24M.

As at September 2015, four (4) centres were substantially completed and handed over to the clients. These centres were located in Barrackpore, Navet, Sisters Road and Waterloo.



RIDERSHIP

At the close of FY2015, the Water Taxi Service, now in its eighth year of operation, has moved a grand total of 2,975,488 passengers since inception in December 2008.

The Service saw continued growth in ridership in FY2015, recording an average monthly ridership of approximately 49,000 passengers, with a high of 64,000 in March 2015. The Service also recorded its highest ridership figure within any fiscal year with 589,892 passengers, surpassing the previous highest achieved in FY2014 of 516,071 passengers.

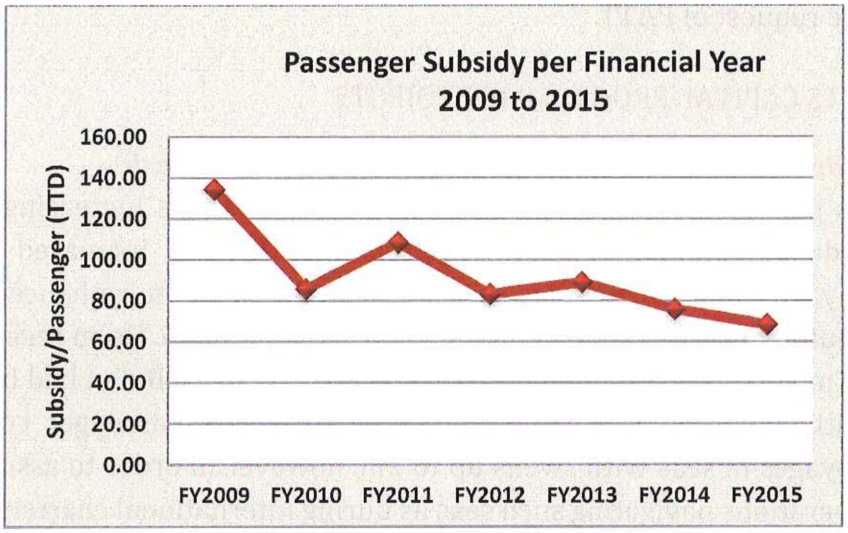
WTS RECEIVES DIAMOND STANDARD CERTIFICATION

In June 2013, the Water Taxi Service was selected by the Ministry of Public Administration (MPA) to participate in an initiative known as the Trinidad and Tobago Diamond Standard Certification Programme. The MPA defined this programme as a Citizen Service Certification Programme which provides national certification to Ministries, Departments and Agencies within the Trinidad and Tobago Public Service. The programme seeks to encourage, recognise and reward improvements in the quality of service delivery within the Public Service.

WTS staff proudly displaying the certificate and trophy after the Award Ceremony. From left to right: Patricia Martin, CSR Supervisor (POS); Joseph Kaczmarek, Customer Service Coordinator; Aviance Mejias-Mahatoo, Senior Customer Service Supervisor; and Adanna Jones, Human Resource Manager.

On Wednesday, January 21, 2015, the Water Taxi Service was one of the first recipients of the Trinidad and Tobago Diamond Standard, and though it took almost two years, the road to achieving Diamond Standard certification was a pleasurable one for the Water Taxi Service. In June 2013, a unit was established to oversee the project, and the Water Taxi Service entered into the program with a high level of commitment towards coordinating all efforts to improve service delivery in various aspects of the operation, and to ensure that all criteria were fulfilled in order to gain Diamond Standard certification. In March 2014, the application was completed and the Service was ready to be formally assessed by a team designated by the MPA. The assessment, which took place in April 2014, included inspection of the Water Taxi terminals and vessels, as well as interviews with both Water Taxi staff and customers. In January 2015, having successfully completed all assessment and screening, the Service was formally awarded Diamond Certification for excellence in service.

STRATEGIES TO INCREASE SUBSIDY LEVELS



The continued increase in ridership has augured favourably for the Service in terms of decreasing the subsidy levels. In FY2015, the Service realized an all-time low in per capita subsidy levels of $68.21 per passenger.

Over FY2015 the Service continued to focus on the development of alternative revenue streams to reduce subsidy requirements, including the leasing of berthing facilities at its Port of Spain terminal, car park sales at its San Fernando terminal and the private charter of the Water Taxi vessels for domestic and regional sailings.

Grenada Spice Mas Charter - August 2015

For the fourth year running, the Water Taxi Service successfully operated a Chartered Service to Grenada for client IMG Entertainment Company Ltd. The service comprised a sailing to Grenada on Friday, August 7, 2015 with return on Thursday, August 13, 2015. The trip was also noteworthy as the service was operated using the HSC Trini Flash, a vessel which saw its first voyage since it was outfitted with a T-Foil system in April 2015. All previous three (3) charters to Grenada had been operated utilizing the HSC Paria Bullet. Approximately 283 passengers made the outbound journey, while 265 made the return. The charterer had been allotted a total of 303 seats.

Tobago Sailings – Sea Bridge Assistance

The Water Taxi Service continued to support the Port Authority of Trinidad and Tobago (PATT) on the inter-island sea bridge during periods of high demand or vessel availability issues with the inter-island ferries. In this regard, between August 29th and 31st the Service operated return trips between Port-of-Spain and Tobago for the Great Race weekend in Tobago, at the request of PATT.

WTS CAPITAL PROGRAMME PROJECTS

Ride Control System (T-Foil) Installation (HSC Trini Flash)

As part of the Water Taxi Service's thrust towards increasing revenue and reducing annual subsidy requirements through increased international voyages and charters, i.e. to Venezuela, Grenada, etc. enhanced ride control equipment was installed on a second vessel in 2015. Upon receipt of the new 41m vessels in September 2010 only the HSC Paria Bullet had been equipped with enhanced ride control (T-foils) to enable passenger comfort during voyages in seas with swells up to 2m, however in order to assure security of operations navigating such seas as during international charters as well as on the local sea bridge, a second vessel was equipped with T-foils to provide redundancy within the fleet.

The vessel's manufacturer, Austal Ships Pty, was engaged to design, fabricate and install the Ride Control (T-Foil) system on the HSC Trini Flash. The project commenced in October 2014 with fabrication of the T-foil in the United Kingdom and arrangement of the hydraulic pack in Australia. The two components were imported into Trinidad with installation achieved in May 2015 at the InterIsle dock yard. Successful sea trials were completed in June 2015.

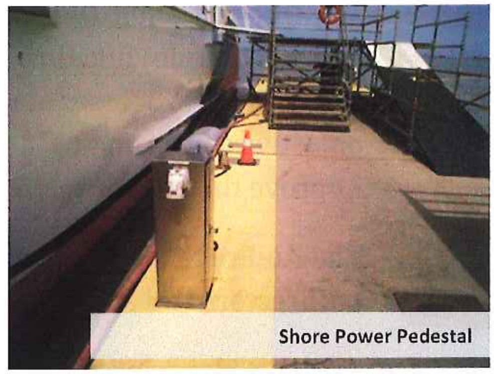
Hull of the HSC Trini Flash

T-foil component

Shore Power Infrastructure Upgrade Project (San Fernando Terminal)

Further to the receipt of the 41m vessels, these vessels were previously operated under generator power while at berth overnight in San Fernando. In 2015 however the old shore power infrastructure which supplied the retired fleet of vessels, was upgraded to enable all four 41m vessels to be taken off generator power and placed on to shore power while at berth in San Fernando. This project accordingly improved both the lifespan of the on-board generators as well as enabled the relocation of the old shore power unit to provide backup power to Port of Spain.


San Fernando Terminal Gangway/Pontoons


Shore Power Pedestal

Pontoon Anchoring System Upgrade Project (Port of Spain Terminal)


OTSL's barge alongside the pontoons


Pontoon anchor raised

The Port-of-Spain Terminal berthing infrastructure comprises two floating pontoons, and in FY2015 an upgrade of the pontoon's anchoring system was undertaken to address critical deficiencies and thus assure safety within the operation. The project commenced in April 2015 with successful handover of the pontoons in June 2015.

During the pontoon downtime, berthing of the Water Taxi was conducted alongside the quay wall with passengers safely embarking/disembarking from the Waterfront walkway.

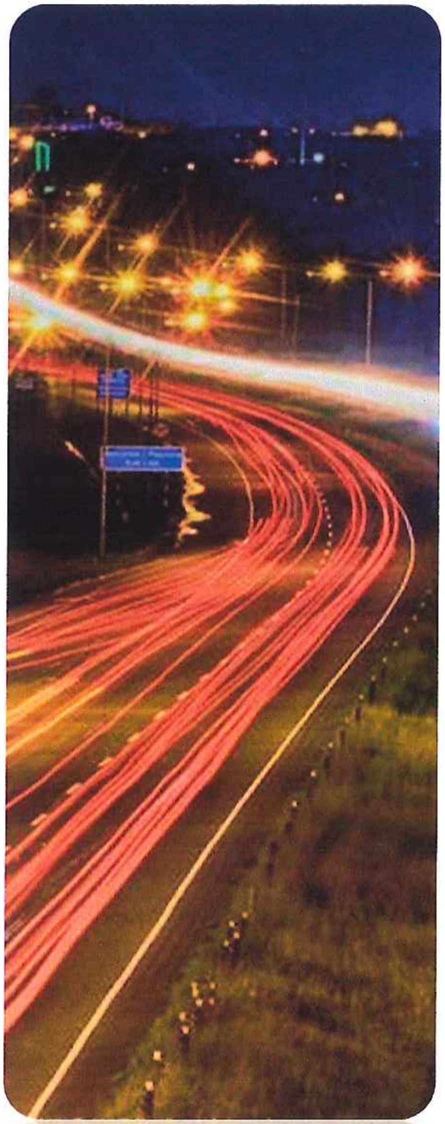
Internal Audit

The Internal Audit Department (IAD) is an independent, objective assurance and consulting function established to add value and improve NIDCO's operations, processes and controls. The IAD helps NIDCO accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of internal control and governance processes.

The Audit Manager reports functionally to the Audit Committee of the Board of Directors and administratively to NIDCO's President.

An audit plan is prepared at the start of each financial year listing the audit to be conducted in that year based on the IAD's assessment of risk. In addition the Board of Directors and Management may request that the IAD conducts investigations and consulting assignments from time to time. The audit plan is adjusted as required to accommodate these requests.

For the financial year 2015 the IAD proposed to conduct a total of twelve (12) audit assignments covering areas of Finance, Procurement, Community Outreach, Engineering, Water Taxi and Corporate Services. In that year, six (6) assignments were completed covering the areas of Procurement, Finance, Community Outreach, Water Taxi and Engineering. In addition, the IAD completed three (3) assignments requested by the Chairman of the Board and another three (3) assignments requested by Management. Due to staff limitations, the other six (6) assignments were deferred to the following year.



Independent Auditors' Report

National Infrastructure Development Company Limited

Financial Statements
30 September 2015

Contents

National Infrastructure Development Company Limited

Statement of management's responsibilities

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

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

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

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

Director	Director
January 11, 2017	January 11, 2017

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

Report on the financial statements

We have audited the accompanying financial statements of National Infrastructure Development Company Limited (the 'Company'), which comprise the statement of financial position as at 30 September 2015, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 30 September 2015, and financial performance and cash flows for the year then ended in accordance with IFRS.

Deloitte & Touche
Port of Spain
Trinidad

January 11, 2017 ______________________________

National Infrastructure Development Company Limited

Statement of Financial Position
(Expressed in Trinidad and Tobago dollars)

	Notes	As at 30 September 2015 $	2014 $
ASSETS			
Non-current assets			
Property and equipment	5	213,989,123	339,343,337
Intangible assets	6	571,390	854,702
Security deposits	7	1,030,748	1,030,748
Deferred tax asset	15(a)	934,848	754,400
Deferred capital grant shortfall	16	32,727,799	33,090,426
Total non-current assets		249,253,908	375,073,613
Current assets			
Trade and other receivables	10	10,532,545	8,926,901
Due from Government of Trinidad and Tobago	9	2,082,457,535	593,051,962
Tax refundable	15(c)	1,605,009	447,132
Cash and cash equivalents	8(a)	102,861,591	148,808,941
Restricted cash	8(b)	36,323,250	36,242,310
Total current assets		2,233,779,930	787,477,246
Total assets		**2,483,033,838**	**1,162,550,859**
EQUITY AND LIABILITIES			
Shareholder's Equity			
Share capital	11	10	10
Accumulated deficit		(31,509,542)	(3,597,773)
Net shareholder's equity		(31,509,532)	(3,597,763)
Non-current liabilities			
Borrowings	12	362,088,431	447,568,113
Deferred government capital grant water taxi	18	222,401,074	342,736,268
Security deposit – Lessee		10,000	10,000
Total non-current liabilities		584,499,505	790,314,381
Current Liabilities			
Trade payables	13	312,801,773	225,380,434
Accrued expenses and other liabilities	14	14,264,805	15,478,501
Borrowings	12	1,602,977,287	131,578,546
Deferred income	17	-	3,396,760
Total current liabilities		1,930,043,865	375,834,241
Total liabilities		2,514,543,370	1,166,148,622
Total equity and liabilities		**2,483,033,838**	**1,162,550,859**

The notes on pages 7 to 40 form an integral part of these financial statements.

On January 11, 2017, the Board of Directors of National Infrastructure Development Company Limited authorised these financial statements for issue.

Director

Director

National Infrastructure Development Company Limited

Statement of Profit or Loss and Other Comprehensive Income
(Expressed in Trinidad and Tobago dollars)

	Notes	Year ended 30 September 2015	2014
		$	$
NIDCO			
Revenue			
Management fees		37,231,847	57,283,929
Tender fees		280,500	402,500
Interest income		502,571	653,795
Other income		47,107	163,260
		38,062,025	58,503,484
Operating expenses			
Administrative expenses	22	48,378,375	46,334,409
Depreciation and amortisation		3,462,676	3,727,321
Other expenses	23	14,259,094	8,383,646
		66,100,145	58,445,376
(Loss)/profit for the year before taxation		(28,038,120)	58,108
Taxation credit	15(b)	126,351	506,769
(Loss)/profit for the year after tax		(27,911,769)	564,877
Water Taxi			
Revenue			
Ticketing income		9,686,368	8,676,602
Charter income		733,988	9,549,459
Other income		211,617	1,767,968
		10,631,973	19,994,029
Operating expenses			
Administrative expenses	24	54,533,510	50,956,292
Loss from operations (Net)		(43,901,537)	(30,962,263)
Government grants - operations		43,901,537	30,962,263
Surplus for the year from operations		-	-
Government capital grants		133,811,177	58,176,659
Depreciation		(45,785,210)	(45,885,917)
Impairment	25	(78,466,425)	-
Loan interest		(9,559,542)	(12,290,742)
Surplus on capital grants		-	-
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		**(27,911,769)**	**564,877**

The notes on pages 7 to 40 form an integral part of these financial statements.

National Infrastructure Development Company Limited

Statement of Changes in Equity
(Expressed in Trinidad and Tobago dollars)

	Share capital	Accumulated deficit	Total
	$	$	$
Year ended 30 September 2015			
Balance at beginning of the year	10	(3,597,773)	(3,597,763)
Total comprehensive loss	-	(27,911,769)	(27,911,769)
Balance at end of year	**10**	**(31,509,542)**	**(31,509,532)**
Year ended 30 September 2014			
Balance at beginning of the year	10	(4,163,900)	(4,163,890)
Total comprehensive income	-	564,877	564,877
Reversal of provision made in a prior year	-	1,250	1,250
Balance at end of year	**10**	**(3,597,773)**	**(3,597,763)**

The notes on pages 7 to 40 form an integral part of these financial statements.

National Infrastructure Development Company Limited

Statement of Cash Flows

(Expressed in Trinidad and Tobago dollars)

	Notes	Year ended 30 September 2015	2014
		$	$
Cash flows from operating activities:			
(Loss)/profit before taxation		(28,038,120)	58,108
Adjustments for items not requiring an outlay of funds:			
Reversal of provision made in prior year		-	1,250
Impairment		78,466,426	-
Transfer		2,855,603	-
Depreciation – property and equipment	5	48,699,596	49,146,696
Amortisation - intangible	6	548,290	466,542
Operating profit before changes in working capital:		102,531,795	49,672,596
(Increase)/decrease in due from Government of Trinidad and Tobago		(1,489,405,573)	23,564,461
Increase in trade receivables and prepayments		(1,605,644)	(2,933,577)
Decrease in deferred income		(3,396,760)	(639,649)
Security deposit		-	334,080
Increase in trade payables and other liabilities		86,207,643	47,178,259
Net cash (used in)/generated from operations		(1,305,668,539)	117,176,170
Taxation paid		(1,211,975)	(112,656)
Net cash (used in)/generated from operating activities		(1,306,880,514)	117,063,514
Cash flows from investing activities:			
Acquisition - property and equipment	5	(4,667,410)	(3,306,566)
Acquisition - intangible assets	6	(264,978)	(186,581)
Net cash used in investing activities		(4,932,388)	(3,493,147)
Cash flows from financing activities:			
Loans advances/repayments		1,385,919,059	(190,630,327)
Financing from GORTT – Water Taxi		(120,335,194)	(38,967,271)
Movement in deferred capital grant deficit		362,627	(2,255,818)
Net cash generated from/(used in) financing activities		1,265,946,492	(231,853,416)
Decrease in cash and cash equivalents		(45,866,410)	(118,283,049)
Cash and cash equivalents at beginning of year		185,051,251	303,334,300
Cash and cash equivalents at end of year	8	**139,184,841**	**185,051,251**

The notes on pages 7 to 40 form an integral part of these financial statements.

1. **Incorporation and principal activity**

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

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

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

2.1 **Amendments to IFRS and new interpretations that are mandatorily effective for the current year**

In the current year, the Company has applied a number of IFRS amendments issued by the International Accounting Standards Board ('IASB') that are mandatorily effective.

- **Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities***

  These amendments have been applied retrospectively. The application of these amendments has no material impact on the disclosures or the amounts recognised in the Company's financial statements.

- **Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets**

  These amendments have been applied retrospectively. The application of these amendments has no material impact on the disclosures or the amounts recognised in the Company's financial statements.

- **Annual Improvements to IFRS 2010-2012**

  The Annual Improvements to IFRS 2010-2012 include a number of amendments to various IFRS, which are summarised below.

  The amendments to IFRS 2, (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition'. The amendments to IFRS 2 are effective for share-based payments transaction for which the grant date is on or after 1 July 2014.

  The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit or loss. The amendments to IFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

  The amendments to IFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

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

2.1 **Amendments to IFRS and new interpretations that are mandatorily effective for the current year (continued)**

- **Annual Improvements to IFRS 2010-2012 (continued)**

The amendments to the basis for conclusions of IFRS 13 clarify that the issue of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for the accumulated depreciation/ amortization when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/ amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The application of these amendments has no material impact on the disclosures in the Company's financial statements.

- **Annual Improvements to IFRS 2011-2013**

The Annual Improvements to IFRS 2011-2013 include a number of amendments to various IFRS, which are summarised below.

IFRS 1 — Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only).

The amendments to IFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to IFRS 13 clarify the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

The amendments to IAS 40 clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

a) the property meets the definition of investment property in terms of IAS 40; and
b) the transaction meets the definition of a business combination under IFRS 3.

The application of these amendments has no material impact on the disclosures in the Company's financial statements.

IAS 40 — Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

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

2.2 New and revised IFRS in issue but not yet effective

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

• IFRS 9	Financial instruments[3]
• IFRS 14	Regulatory Deferral Accounts[1]
• IFRS 15	Revenue from Contracts with Customers[2]
• IFRS 16	Leases[4]
• Amendments to IFRS 11	Accounting for Acquisitions of Interest in Joint Operations[1]
• Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortization[1]
• Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[1]
• Amendments to IFRS 10 and IAS 28	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture[1]
• Amendments to IFRS	Annual Improvements to IFRS 2012-2014[5]
• Amendments to IAS 1	Disclosure Initiative[1]
• Amendments to IAS 27	Equity Method in Separate Financial Statements[1]
• Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[1]
• Amendments to IFRS 12	Recognition of Deferred Tax Assets Unrealised Losses[2]
• Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses)[2]
• Amendments to IAS 7	Disclosure initiative[2]

[1] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
[3] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[4] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
[5] Effective for annual periods beginning on or after 1 July 2016, with earlier application permitted.

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

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

- **IFRS 9 *Financial Instruments***

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

  Key requirements of IFRS 9:

  All recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of the subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

  With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

  In relation to the impairment of financial assets, IFRS 9 requires an expected loss model, as opposed to an incurred loss model under IAS 39. The expected loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

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

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

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

  Key requirements of IFRS 9 (continued):

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

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

- **IFRS 14 *Revenue from Contracts with Customers***

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

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

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

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

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

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

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

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

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

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

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

- **IFRS 16 *Leases***

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

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

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

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

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

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

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

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

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

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

  a) when the intangible asset is expensed as a measure of revenue; or

  b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

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

- **Amendments to IAS 16 and IAS 41** ***Agriculture: Bearer Plants***

  The amendments to IAS 16 and IAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

  The directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 41 will not have an impact on the Company's financial statements as the Company is not engaged in agricultural activities.

- **Amendments to IFRS 10 and IAS 28:** ***Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

  The amendments to IFRS 19 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit of loss only to the extent of the unrelated inventors' interest in that associate or joint venture. Similarly, gains and losses resulting from the measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interest in the new associate or joint venture.

  The amendments should be applied prospectively to transactions occurring in annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Company's financial statements.

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

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

- **Annual Improvements 2012 – 2014**

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

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

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

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

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

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

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

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

a) clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;

b) clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;

c) additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

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

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

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

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

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

  (i) at cost; or

  (ii) in accordance with IFRS 9 (or IAS 39); or

  (iii) using the equity method.

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

- **Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception***

  Amendments were made to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures (2011) to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

  a) The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.

  b) A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.

  c) When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.

  d) An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

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

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

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

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

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

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

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

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

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

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

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

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

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

3. Summary of significant accounting policies

3.1 Statement of Compliance

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

3.2 Basis of preparation

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

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

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

The principal accounting policies are set out below.

(a) **Foreign currency transactions**

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

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

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

The principal accounting policies are set out below.

b) **Cash and cash equivalents**

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

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

c) **Property and equipment**

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

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

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

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

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

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

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

d) **Intangible assets**

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

e) **Derecognition of intangible assets**

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

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

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

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

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

g) **Revenue recognition**

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

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

Management fees

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

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

g) **Revenue recognition (continued)**

Tender fees

Revenue is recognised upon sale of tender package.

Government grants

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

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

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

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

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

h) **Borrowings**

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

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

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

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

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

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

j) **Taxation**

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

i) *Current tax*

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

ii) *Deferred tax*

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

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

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

k) **Provisions**

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

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

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

k) **Provisions (continued)**

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

Onerous contracts

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

l) **Leases**

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

The interest element of the finance charge is charged to the statement of profit or loss over the lease period.

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

m) **Financial Instruments**

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

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

m) **Financial Instruments (continued)**

Financial assets

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

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

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of loss is recognised in the statement of profit or loss within 'operating expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'operating expenses' in the statement of profit or loss. Other receivables are measured at cost less any impairment.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

m) **Financial Instruments (continued)**

Financial liabilities and equity instruments (continued)

Other financial liabilities

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

Trade and other payables

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

(n) **Derivative Financial Instruments**

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

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

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

Key sources of estimation uncertainty

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

Useful lives and residual values of property and equipment

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

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

Key sources of estimation uncertainty (continued)

Deferred taxation assets

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

Contingent liabilities

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

5. Property and equipment

Tangible asset - 2015

	Water taxi assets	Equipment	Furniture & fixtures	Leasehold improvements	Total
Costs	$	$	$	$	$
At 1 October 2014	519,348,555	7,134,933	4,568,215	13,146,838	544,198,541
Additions	4,169,791	148,491	58,791	290,337	4,667,410
Transfer	(2,855,603)	-	-	-	(2,855,603)
Impairment (refer to note 25)	(289,409,930)	-	-	-	(289,409,930)
Disposals	(63,439)	-	-	-	(63,439)
At 30 September 2015	231,189,374	7,283,424	4,627,006	13,437,175	256,536,979
Accumulated depreciation					
At 1 October 2014	192,220,158	4,923,903	2,017,310	5,693,833	204,855,204
Depreciation charge	45,713,433	1,267,155	455,266	1,263,742	48,699,596
Impairment (refer to note 25)	(210,943,505)	-	-	-	(210,943,505)
Disposals	(63,439)	-	-	-	(63,439)
At September 30, 2015	26,926,647	6,191,058	2,472,576	6,957,575	42,547,856
Net book value					
At 30 September 2015	**204,262,727**	**1,092,366**	**2,154,430**	**6,479,600**	**213,989,123**

5. **Property and equipment (continued)**

Tangible asset - 2014

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

6. **Intangible assets - 2015**

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

6. Intangible assets – 2014 (continued)

	Water taxi computer software	Computer software	Total
Costs	$	$	$
At 1 October 2013	18,625,917	5,041,506	23,667,423
Additions	-	186,581	186,581
At 30 September 2014	18,625,917	5,228,087	23,854,004
Accumulated amortisation			
At 1 October 2013	18,518,132	4,014,628	22,532,760
Amortisation charge	15,664	450,878	466,542
At 30 September 2014	18,533,796	4,465,506	22,999,302
Net book value			
At 30 September 2014	**92,121**	**762,581**	**854,702**

7. Security deposits

	2015	2014
	$	$
Caribbean Sales Agency (Port of Spain)	919,468	919,468
The Capildeo Company Limited (Port of Spain)	70,000	70,000
GAL Holdings Limited (Diego Martin)	1,260	1,260
Basdeo Jaggernauth and Dyanand Jaggernauth (Debe)	20,020	20,020
Samury Limited / Caribbean Medical Solutions Ltd. (Tobago)	20,000	20,000
	1,030,748	**1,030,748**

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

8. Cash and cash equivalents

8.a Cash and cash equivalents

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

	2015	2014
	$	$
Cash at bank	102,836,923	148,785,509
Cash in hand	24,668	23,432
	102,861,591	148,808,941
Restricted cash (8.b)	36,323,250	36,242,310
	139,184,841	**185,051,251**

8. **Cash and cash equivalents (continued)**

8.b **Restricted cash**

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

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

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

	2015	2014
	$	$
Project funding, outstanding loan balances and management fees due (Note 19)	**2,082,457,535**	**593,051,962**

10. **Trade and other receivables**

	2015	2014
NIDCO	$	$
Prepayments	665,643	440,638
Other receivables	296,194	328,264
Value Added Tax refundable	1,929,598	-
	2,891,435	768,902
Water Taxi		
Prepayments	152,806	471,459
Other receivables	7,488,304	7,686,540
	10,532,545	**8,926,901**

11. **Stated capital**

Authorised:

Unlimited number of ordinary shares of no par value

	2015	2014
Issued and fully paid:	$	$
10 Ordinary shares of no par value	**10**	**10**

12. Borrowings

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

Institution	Project	2015	2014
		$	$
i) Citibank – TTD$344.75M	Aranguez overpass	208,169,658	230,584,336
ii) Australia & New Zealand (ANZ) Banking Group – USD$66.5M	Water Taxis	142,630,286	182,973,162
iii) ANSA Merchant Bank – TTD$153M	R/ Rail $103M and NNHP $50M	68,415,244	87,968,399
iv) RBC – TTD$53M	Nat. Traffic Management System	34,375,310	37,996,887
v) Scotiabank - USD$9.462M	Nat. Network of Highways Programme	-	6,026,702
vi) Citibank - USD$52M	Rapid Rail Project	-	33,597,173
vii) RBC – TTD$1,500M Bridge Loan	Sir Solomon Hochoy Highway Extension to Point Fortin	1,511,475,220	-
Total borrowings		1,965,065,718	579,146,659
Less current portion of borrowings		(1,602,977,287)	(131,578,546)
Non-current borrowings		**362,088,431**	**447,568,113**

Long-term borrowings

Borrowings comprise of several loans from various lending institutions to fund government projects. These are all guaranteed by the Government of the Republic of Trinidad and Tobago. Details of borrowings are as follows:

i) *Citibank Trinidad and Tobago Limited*

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

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

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

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

12. **Borrowings (continued)**

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

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

iii) *ANSA Merchant Bank Limited*

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

iv) *RBC Merchant Bank (Caribbean) Limited*

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

v) *Scotiabank Trinidad and Tobago Limited*

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

vi) *Citibank Trinidad and Tobago Limited*

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

vii) *RBC Royal Bank (Trinidad and Tobago) Limited*

The Company obtained a Bridge Loan facility , effective 24 December 2014, repayable in 1 year in the amount of TTD1.5BN from *RBC Royal Bank (Trinidad and Tobago) Limited* to be replaced by a 15 year fixed rate bond. This facility was used to finance the continuing project works on the Sir Solomon Highway Extension to Point Fortin Project The facility is secured by a letter of guarantee from the Ministry of Finance and the Economy. It carries a fixed rate of interest of 0.99% per annum.

13. Trade payables

	2015	2014
NIDCO	$	$
Payable to contractors	257,573,391	189,800,488
Retention due to contractors	46,570,971	26,142,197
	304,144,362	215,942,685
Water taxi		
Payable to contractors	8,596,379	6,635,884
Retention due to contractors	61,032	2,801,865
	312,801,773	**225,380,434**

14. Accrued expenses and other liabilities

	2015	2014
	$	$
NIDCO		
Accrued liabilities	9,066,334	7,805,183
VAT payable	-	1,520,165
Performance bonds	327,054	800,000
	9,393,388	10,125,348
Water taxi		
Accrued liabilities	4,871,417	5,353,153
	14,264,805	**15,478,501**

15. Taxation

a) *Deferred tax (asset) / liability*

Deferred tax asset of $ 934,848 arises from the tax written down value of assets and their accounting book values as at 30 September 2015. The current rate of corporation tax is 25%.

	2015	2014
	$	$
Written down value per accounting values	10,277,441	12,977,521
Tax value of plant and machinery	(14,016,831)	(15,995,117)
Temporary difference	(3,739,390)	(3,017,596)
Deferred tax asset at 25%	**934,848**	**754,400**

b) *Taxation credit/(charge)*

	2015	2014
	$	$
Current tax	(54,097)	(359,741)
Deferred tax	180,448	866,510
Total tax expense	**126,351**	**506,769**

15. **Taxation (continued)**

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

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

	2015	2014
	$	$
(Loss)/profit before tax	(28,038,120)	58,108
Corporation taxes charge calculated at statutory rates	-	(14,527)
Business and green fund levies	(94,037)	(77,844)
Lost benefit from non-taxable deductions	(314,907)	(267,370)
Prior years adjustment of corporation tax	354,847	-
Deferred tax	180,448	866,510
Total expense	**126,351**	**506,769**

The current rate of corporation tax is 25%, (2014: 25%). The Company is entitled to set-off its brought forward tax losses against taxable profits. All tax losses have been utilised in prior years.

c) *Tax refundable*

	2015	2014
	$	$
Business levy refundable	226,174	122,791
Green fund levy refundable	51,731	20,215
Corporation tax refundable	1,327,104	304,126
	1,605,009	**447,132**

16. **Deferred capital grant shortfall**

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

The amount of $32,727,799, (2014: $33,090,426) represents the total amount to date by which depreciation charges and loan interest costs are in excess of the total capital receipts accounted for as at 30 September 2015 regarding capital acquisition in accordance with Accounting for Government Grants and Disclosure of Government Assistance. The amount will be fully consumed over the remaining useful life of the assets.

17. Deferred Income

There was no deferred income for fiscal 2015 for utilisation in the next financial year. Deferred income from fiscal 2014 was consumed in 2015.

	2015	2014
	$	$
Water Taxi Service Agreement	-	30,096
Management fees	-	3,366,664
	-	**3,396,760**

18. Deferred government capital grants water taxi

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

19. Related party transactions

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

The following table provides the total amount of material transactions which have been entered into with related parties for the years ended 30 September 2015 and 2014:

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

	2015	2014
	$	$
Management fees earned	**37,231,847**	**57,283,929**
Financing for projects (Note 9)	**2,082,457,535**	**593,051,962**

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

b) *Compensation of key management personnel*

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

	2015	2014
	$	$
Short term benefits	4,197,000	4,197,000
Post-employment benefits	622,800	622,800
	4,819,800	**4,819,800**

20. Commitments and contingencies

a) *Capital commitments*

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

b) *Contingencies*

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

Unfair dismissal

There is a claim for unfair dismissal by a former individual who provided services to NIDCO. The Registration, Recognition and Certification Board was not satisfied that this individual was a person falling within Section 2(3) (e) of the Industrial Relations Act. At the most recent court hearing, the individual is asking for the sum of $1,342,362.00 exclusive of interest. It is possible a payment may have to be made but the amount is not determinable at this time.

Damages for breach of contract

As a matter of disclosure, there is an ongoing matter with a contractor with respect to a declaration by same that the Invitation to Tender (ITT) issued on July 2013 constitutes a binding contractual document between the Claimant and the Defendant. Thus far, both parties are expected to file and serve their replies by a specified date.

21. Lease commitments – NIDCO

Operating lease rental expense for motor vehicles, copiers, premises and services totalled $9,580,007 for the year ended 30 September 2015 (2014 - $11,138,827) for combined operations. Future minimum rentals payable under non-cancellable leases are as follows:

	2015	2014
	$	$
Not later than one year	2,746,049	7,389,151
Later than one year, not later than five years	634,440	3,218,429
	3,380,489	**10,607,580**

22. General and administrative expenses-NIDCO

	2015	2014
	$	$
Staff costs	38,012,770	36,123,939
Rental	8,553,758	8,277,054
Legal, professional and consultancy fees	1,225,453	1,145,083
Directors' fees	586,394	788,333
	48,378,375	**46,334,409**

23. Other expenses-NIDCO

	2015	2014
	$	$
Management Fee write off	4,565,270	-
Utilities	3,756,653	3,378,619
Repairs & maintenance	1,336,377	864,574
Public relations	2,693,654	1,653,848
Print reproduction and stationery	510,249	628,763
Office and other expenses	1,396,891	1,857,842
	14,259,094	**8,383,646**

24. Administrative and other expenses

	2015	2014
	$	$
Water taxi		
Staff costs	21,337,106	20,684,917
Rental	1,026,249	2,861,773
Legal, professional and consultancy fees	3,210,637	3,405,723
	25,573,992	26,952,413
Utilities	5,028,039	5,397,106
Repairs & maintenance	1,166,092	1,356,089
Repairs & maintenance vessels	15,761,556	9,568,637
Public relations	285,884	395,431
Print reproduction and stationery	249,355	270,656
Office and other expenses	1,082,993	1,292,596
Fuel expenses	5,385,599	5,723,364
	54,533,510	**50,956,292**

25. Impairment

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

26. **Financial instruments**

Fair values

The aggregate fair values of financial assets and liabilities in the statement of financial position at 30 September 2015 and 2014 are disclosed hereunder.

Short term financial assets and liabilities

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

Credit risk

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

27. **Capital management**

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

28. **Financial risk management objectives and policies**

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

Role of the Board

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

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

Role of Internal Audit

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

28. Financial risk management objectives and policies (continued)

Role of the Finance and Risk Committee

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

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

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

Credit risk

Management monitors exposure to credit risk on an on-going basis. The maximum exposure to credit risk is represented by the carrying amount of the financial asset in the statement of financial position. The maximum exposure to credit risk at year end was:

	2015 $	2014 $
Trade and other receivables	10,784,787	9,049,956
Restricted cash	36,323,250	36,242,310
Security deposit	1,030,748	1,030,748
Cash and cash equivalents	102,861,591	148,808,941
	151,000,376	**195,131,955**

Credit risk

The ageing of trade receivables at year end was:

	2015 $	2014 $
Current:		
1-30 days due	-	943,830
31-90 days due	1,929,598	1,348,944
Over 90 days due	8,036,740	5,722,029
Balance at September 30	**9,966,338**	**8,014,803**

Impairment losses of NIL were recorded with respect to trade receivables in 2015 (2014: NIL).

28. Financial risk management objectives and policies (continued)

Liquidity risk

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

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

	Less than One year	More than One year
	$	$
30 September 2015		
Borrowings	1,602,977,287	362,088,431
Accounts Payable	279,359,312	33,442,461
	1,882,336,599	**395,530,892**

	Less than One year	More than One year
	$	$
30 September 2014		
Borrowings	131,578,546	447,568,113
Accounts Payable	191,511,675	33,868,759
	323,090,221	**481,436,872**

Market risk

Market risk arises in the normal course of business and encompasses the risk to earnings that arises from changes in foreign exchange rates, interest rates and equity prices.

Foreign currency risk

The Company does not incur significant foreign currency risk on purchases that are denominated in a currency other than the Trinidad and Tobago dollar. The currency giving rise to any risk is primarily the United States dollar.

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

At 30 September 2015: TT$ 6.3725

At 30 September 2014: TT$ 6.3733

28. Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk

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

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

	2015	2014
	$	$
Fixed rate instruments		
Financial assets		
Cash and cash equivalents	102,861,591	148,808,941
Restricted cash	36,323,250	36,242,310
	139,184,841	185,051,251
Financial liabilities		
Borrowings	1,965,065,718	579,146,659
Net exposure	**(1,825,880,877)**	**(394,095,408)**

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.

29. Events after the reporting date

No significant events occurred after the reporting date of 30 September 2016 affecting the financial performance, position or changes therein for the reporting period presented in these annual financial statements.

Matter worthy of disclosure after 30 September 2015 but before December 2016 is as follows:

Going concern

When assessing the going concern assumption, management takes into account all available information at the end of the reporting period to the date the financial statements are signed.

In fiscal 2015, a loss of $27.9 million was incurred. This was mainly due to deterioration in management fees as a result of a severe decline in construction activity. This trend continued into fiscal 2016 fuelling an escalation of the company's debt to contractors and suppliers as liquidity deteriorated on account of the decline in management fees.

In June 2016 NIDCO entered into an arrangement with RBC (Merchant) Limited with respect to a 15 year Fixed Rate Bond. This bond is fully guaranteed by the Government as are all other loans obtained by the company and, all of the company's loans are fully serviced to date.

Notwithstanding the losses sustained in the last two years, the Government has given its undertaking to provide NIDCO with all the financial support to fulfil its financial and legal obligations as it is fully aware of the company's situation.