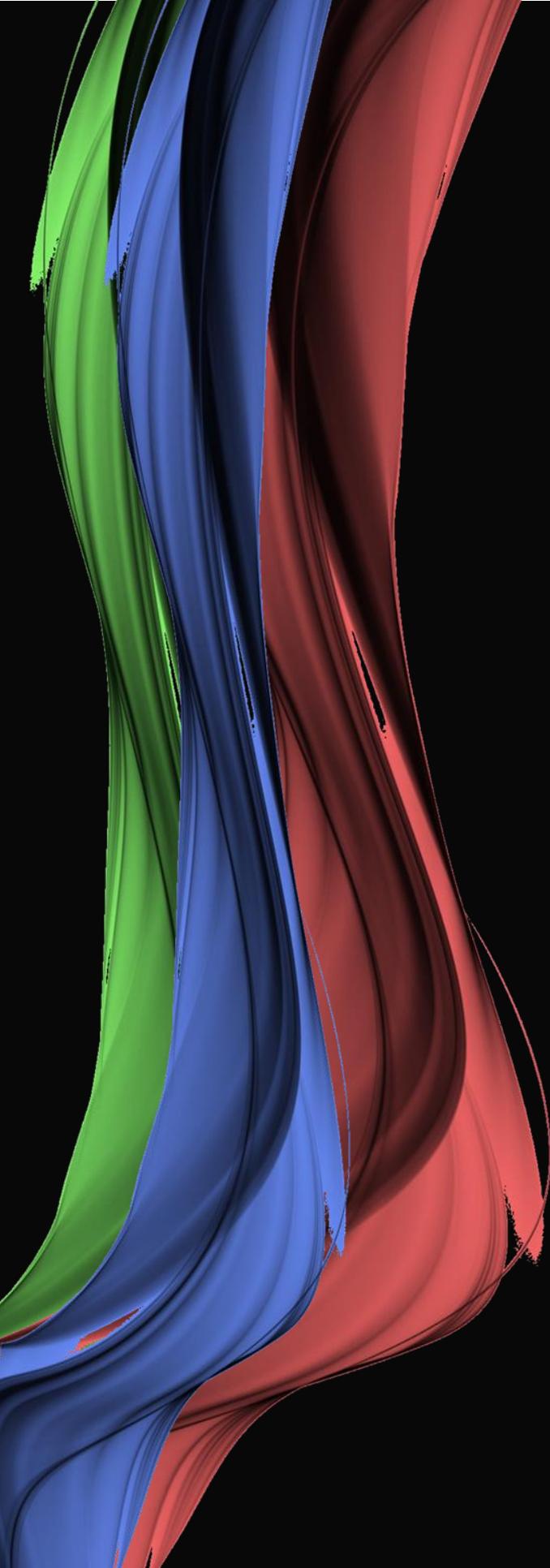




annual report 2012





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vision

To create a premier project management organization with competencies responsive to the delivery of strategic infrastructure projects, always mindful of our stakeholder's 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.

motto

"Partnering to Build Modern Infrastructure"



core values

Our values provide a frame of reference for making decisions. They contribute to the general atmosphere of the Company and then guide us in our work our quest of excellence and our public service. In pursuing its vision, NIDCO embraces the following core 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 and 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

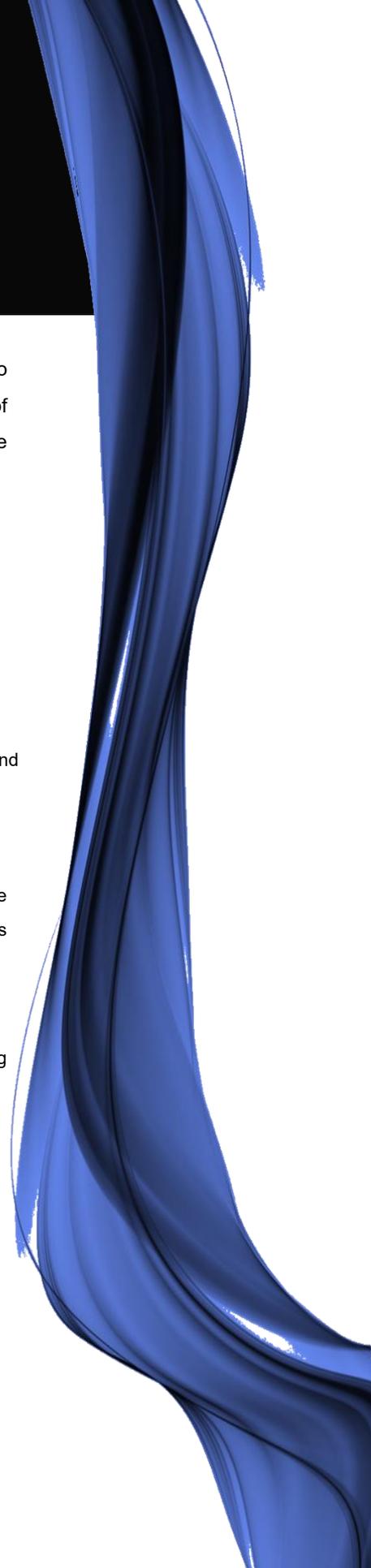
We strive to be the best in quality and in everything we do. We are dedicated to satisfying clients' needs and honouring commitments that we have made to them.

Professionalism

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

Community Development

We are committed to positively impacting our communities through our Community Outreach Programmes throughout Trinidad and Tobago.





corporate profile

The National Infrastructure Development Company (NIDCO) was established in 2005 by the Government of the Republic of Trinidad and Tobago (GORTT), as a Special Purpose State Enterprise under the Companies Act, Chapter 81:01 of the Laws of Trinidad and Tobago.

It was created to increase the rate of implementation of the Government's expanded Public Sector Investment Programme, and to undertake projects in areas critical to the overall national development.

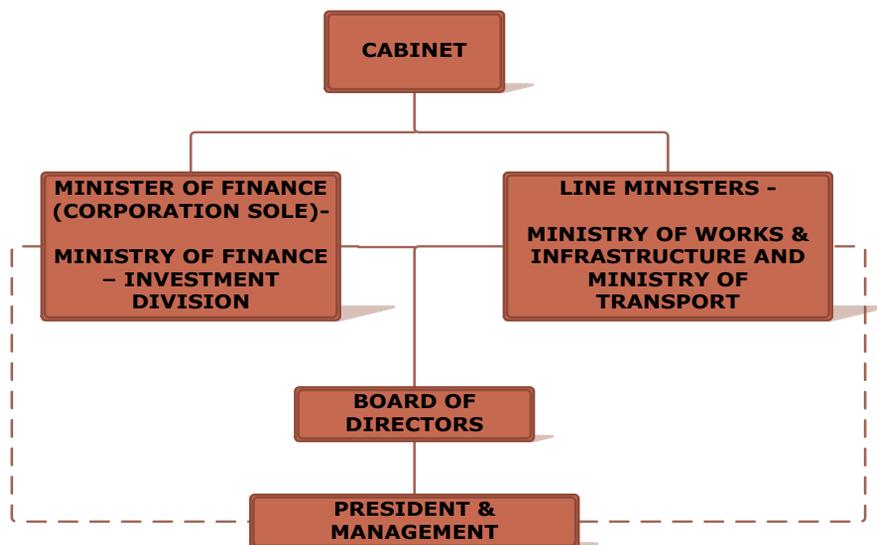
More specifically, NIDCO has been charged with the responsibility for providing project management and construction management services, ensuring that the execution of Government's policy initiatives are done in a manner that is timely, transparent and effective.

NIDCO, therefore was mandated to build an organizational structure and an operations framework with appropriate facilities, systems and resources (human, financial and material) so as to be able to respond effectively and positively to the expectations of Government and to the achievement of its own corporate goals and objectives.

In carrying out this mandate, consideration is given to the objectives of improving quality standards and equity of access to facilities and services throughout the country and to fashion and sustain a culture of continuous human and national development.

The GORTT, through the Ministry of Works and Infrastructure (MOWI) and Ministry of Transport, has assigned responsibility to NIDCO to provide procurement, project and construction management services, and general oversight for national infrastructure development programmes, as it relates, to Roads and Bridges, Drainage and Landslips and Transportation, through its current mandate.

corporate information



Board of Directors

For the year ended September 2012

Roshan Baboolal – Chairman

Professor Winston Suite – Deputy Chairman

Hollis J. Eversley – Director

Mandavi Tiwary – Director

Rabindra H. Outar – Director

Hilda Goodial – Corporate Secretary

Vanda Thomas- Lynch – Assistant Corporate Secretary

Registered Office

No. 3 Melbourne Street

Port of Spain

Trinidad and Tobago, W.I.

Tel: (868) 624-5593

Fax: (868) 624-5512

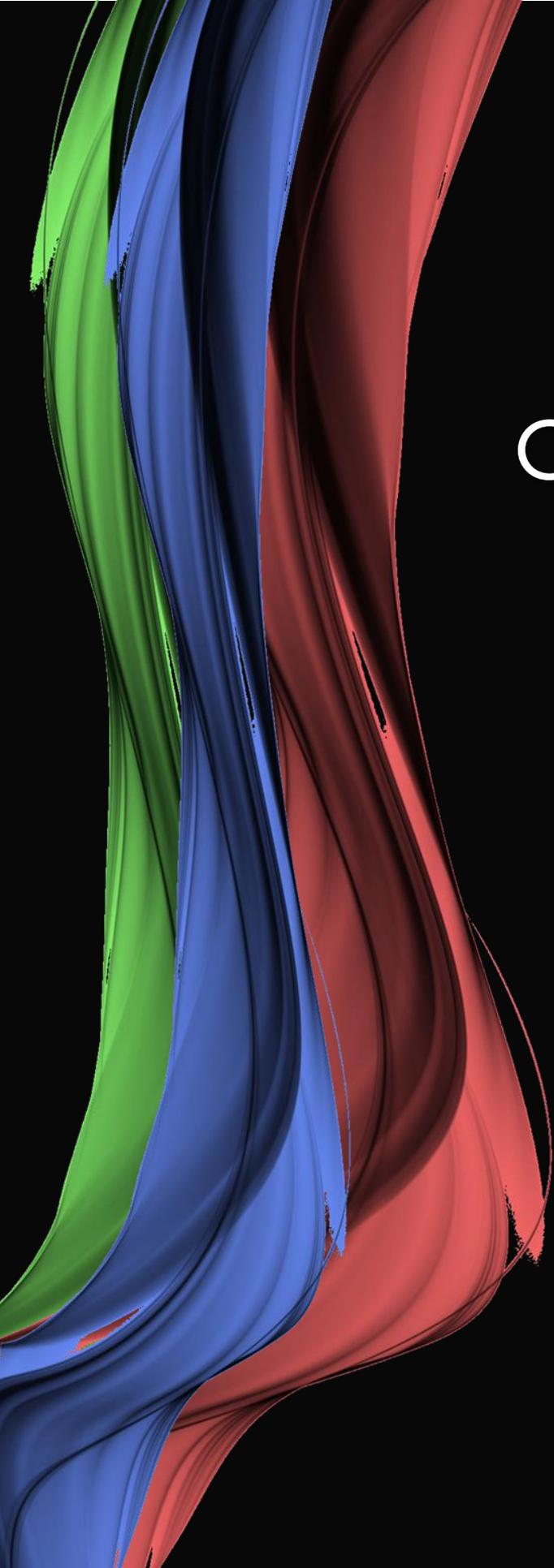
Website: www.nidco.co.tt

Auditor

Deloitte & Touche

Port Of Spain

Trinidad



chairman's
report



chairman's report



National Infrastructure Development Company Limited (NIDCO) delivered better than expected results for fiscal year 2012, despite projections that the construction sector in Trinidad and Tobago would decline in real terms by 2.0%. The results also mirrored a similar pattern for Trinidad's GDP which is expected to return to positive economic growth of 1.2% in 2012 (-2.6% in 2011).

NIDCO's achievement in sustaining some measure of growth is as a result of its continued focus on key areas of operations, its mandate to deliver and the practical governance of its internal resources all geared towards meeting these objectives. During 2012, the substantive projects executed revolved around the Comprehensive Land Transportation Programme (CLTP) and despite setbacks and difficult intervals from several quarters, NIDCO remained driven to ensure compliance with budgetary constraints and targeted dates. The Company successfully met the challenge in 2012 and is poised to continue this pattern in 2013.

This strategy was also employed in other lesser value but equally important projects within NIDCO's portfolio and we continue to work with the respective Ministries and the private sector to ensure that successful outcomes are inevitable in these infrastructural undertakings.

The Water Taxi business segment has reached a degree of maturity in virtually all aspects of operations and now forms an integral part of the nation's transport system. We continue to work towards improving the efficiency of the service and seeking alternative expansive movements within territorial Trinidad and Tobago and in the regional community.

We have bolstered and improved the quality of our staffing resources in order to meet the complexities of 2012 and the challenges for the future. NIDCO, being one of the executing arms of the government recognizes that project management, oversight, provision of technical advice and human capital remains key to the achievement of our goals and objectives. Management acknowledges this and will continue to support the practices and policies of employee development, enhancement and empowerment.

chairman's report

Results and Performance 2012

In the end, the measure of success of our efforts and undertakings are ultimately reflected by the quantitative results presented in these financial statements.

During the year, we saw marginal growth in income generated from NIDCO's management portfolio by approximately 4.5% to TT\$52.5M in 2012 whilst expenditure increased by over 34% from its comparative 2011 base of TT\$35.3M to TT\$47.6M in 2012. This substantial increase reflects the increased cost required to manage the complex portfolio of projects under our conduct and management has deliberately embarked on the expansion of resources to meet these challenges with particular emphasis on staffing resources.

The net results from the operations of the Water Taxi business segment have shown positive growth by a reduction in subsidy requirements of 20% from the 2011 results. We expect to maintain this trend whilst improving the quality of service to the public.

Assets at the end of September 2012 stood at TT\$1.5 billion dollars and for the first time in its history, a positive shareholders equity is visible on the statement of financial position. NIDCO's investment ratios, liquidity and leverage indicators all closed positive and points to a strong opening position in the ensuing financial year.

The current ratio stands at 3:1 in 2012 as compared to 4.1 in 2011 based on an 80% decrease in trade and other receivables and amounts due from the government of Trinidad & Tobago which was collected during the period. NIDCO as a result was able to liquidate 17.44% of its loan liability at the close of 2012 and also stands in a strong cash position. Exposures relating to the holding of hardcore receivables have also been minimized and converted to cash.

NIDCO's cash position stands at \$878.7M in 2012 as compared to \$439.5M in the previous financial year; a 99.9% increase. The maintenance of cash sufficient to cover total current liabilities continues to be key to the company's financial positioning and stands at 2.46:1 in 2012 as compared to 1.40:1 in 2011.

Overall, the total value of contracts under commitment as the statement of financial position date stood at \$4.5B indicative of the confidence government has reposed in the ability of NIDCO and reflects governments commitment to infrastructural overhaul.



chairman's report

The Board and Management are particularly encouraged by these results. They demonstrate NIDCO's prudent management decisions taken throughout the year, the implementation of certain internal control systems, and compliance procedures. Our corporate governance techniques have remained in line with industry best practices and are guided by approved government directives and dictates for the conduct of state-board reporting.

Our task is not complete, however, nor will NIDCO's Board and Management be satisfied with these results. 2013 will be a year to look forward to; where we shall review the success of our strategies and policies adopted in 2012, as a proving period; to re-assess, fine tune and preempt the challenging circumstances that may impact upon NIDCO's endeavors.

We, the Board, Management and staff, remain committed to ensure NIDCO in partnership with the government of Trinidad and Tobago continues to strive for performance-driven results and adherence to the principle of good governance, oversight, timely delivery of projects and service to the nation.

I wish to thank the members of the Board of Directors for their fearless and valuable contribution in making this year a successful one and to the management and staff, we assure you of our commitment to direct within the pathway for growth now and in the future.

Mr. Roshan Baboolal
Chairman

board of directors



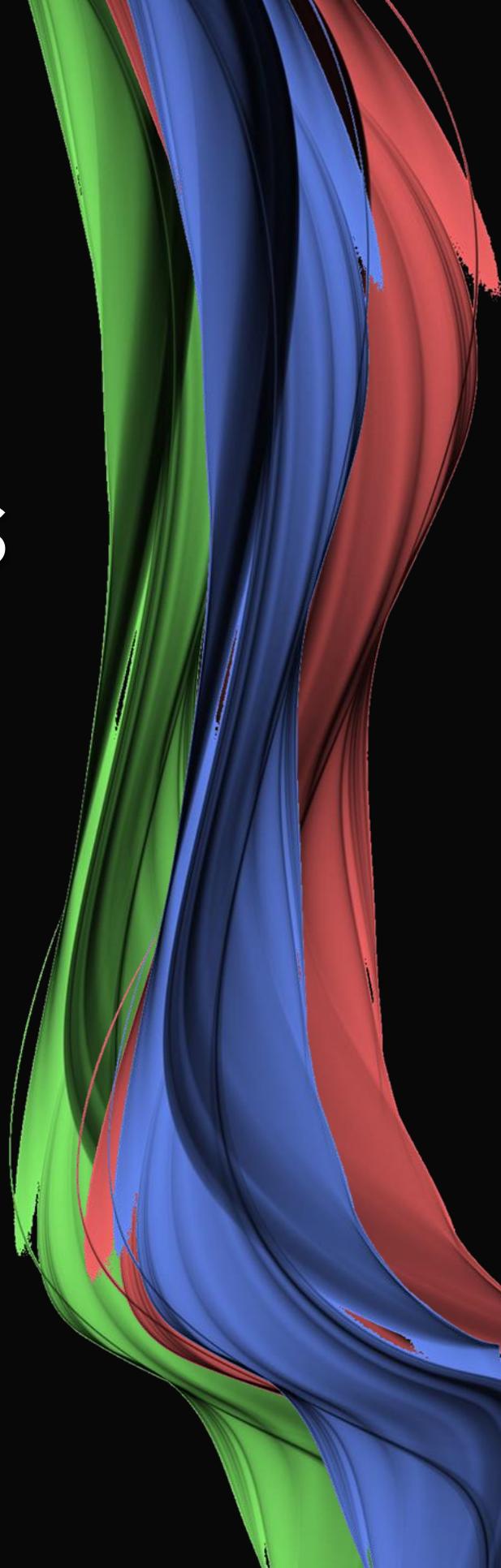
Top Row

Ms. Vanda Thomas Lynch- Assistant
Corporate Secretary
Ms. Mandavi Tiwary- Director
Mr. Hollis Eversley- Director
Ms. Hilda Goodial- Corporate Secretary
Mr. Rabindra Outar- Director

Bottom Row

Dr. Carson Charles- President
Mr. Roshan Baboolal- Chairman
Prof. Winston Suite- Deputy Chairman

president's report

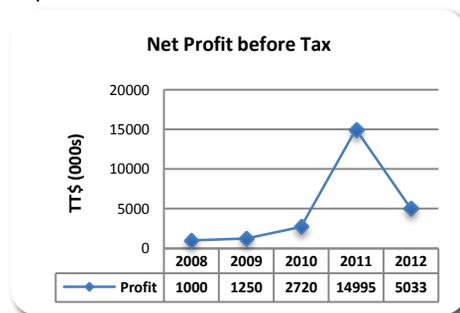


president's report



For the better part of fiscal 2012, domestic economic activity remained sluggish. The Construction Sector, in particular, faced a number of challenges – from inflationary pressures on the price of certain construction materials to several incidents of industrial unrests which further exacerbated price increases and implementation delays. The year ended with the sector recording a decline of an estimated 2%. The sector also suffered from set-backs in the implementation of a number of public sector construction projects.

In the midst of the unfavourable macroeconomic climate of fiscal period October 2011 to September 2012, NIDCO pursued a course of strategic management initiatives to build on the momentum created by the increased construction activity in fiscal 2011. With renewed focus on implementation of our mandates and obtaining best value for money, we embarked on a programme of value engineering to remove certain impediments to construction delays on our flagship project – extension of the San Fernando Highway to Point Fortin. This commitment to creative and proactive management was reflected throughout the organisation and into other projects being undertaken by NIDCO towards fulfilling Government's physical infrastructure development mandate.



The approaches taken evidently enabled NIDCO, as an organisation, to remain resilient in spite of its many challenges. Consequently, at year-end, the Company was moderately successful in financial and operational performance. We recorded a favourable Profit before Tax of TT\$5.03M.

president's report

PROJECT HIGHLIGHTS

Fiscal 2012 saw NIDCO continuing to build upon our core business services, in the areas of

- Project/Programme Management
- Project Development and Construction Management
- Procurement and Contract Management

Roads Expansion Programme

The expansion of the nation's highway network continued to be the primary contributor to NIDCO's overall revenue. In fiscal 2012, we realised an increase of \$6.4M over 2011 in management fees generated from these projects. Total Management Fees for the year stood at \$50M, representing a contribution of 95% to total income earned during the reporting period. Of the Total Management Fees, the major highway projects, i.e. the San Fernando to Point Fortin Highway and the Churchill Roosevelt Highway-Uriah Butler Highway Interchange Project, contributed \$42.5M (or 85%).

Growth in total management fees overall was slow but steady as the Company's single largest project, the extension of the San Fernando Highway to Point Fortin project, was initially delayed by the slow acquisition process. At the end of September 2012, 21% of the construction work on Phase 1 and 38% of the design works were completed. Phase 1 of this project, the largest and most complex highway project to have been attempted in the history of this country, will see the establishing a 4km 4-lane freeway between Golconda and Debe, as well as the construction of several cross roads and an underpass at the Papourie Bridge.

We continued to record successes on the East-West Corridor Transportation Programme, with the practical completion of major sections of Package 'C' of the Churchill Roosevelt Highway/Uriah Butler Highway Interchange Project (CRH/UBH). Construction of a bridge over the CRH in the vicinity of the CRH/UBH intersection has now been 100% completed at a cost of TT\$192.2M. Construction of this aspect of the project was completed a month ahead of schedule. Thanks to our partnership with the contractors and consultants on the project, *Vinci Construction Grands Projets*, this project can be hailed as a model of excellence in construction management – meeting time and cost targets and finishing the project to internationally-accepted quality standards.



president's report

The fiscal year also saw our efforts to improve traffic flow in the North-West region of Trinidad begin to take shape. Under the Diego Martin Highway Expansion Project, the design works for the widening of the Morne Coco Road and design of the drainage package in Phase 3 were completed towards the end of the fiscal year. Substantial completion was also achieved on the design work for Phase 2 – widening of the southbound lanes from Morne Coco Road to Western Main Road; and Phase 4 – dualling of the southbound lanes of the Highway from Acton Court to Victoria Gardens.

Transportation Management

In reviewing the performance of the Water Taxi Service, we are happy to report that the Service closed the year in good financial standing, having received a revised government subsidy of TT\$45M to cover FY2012 recurrent expenditure. The service also received a \$40M subsidy allocation for FY2013 – the highest approval received to-date, reflecting government's continued commitment to supporting this alternative mode of transport between San Fernando and Port-of-Spain. Over the period, the Water Taxi Service maintained a daily average ridership of 2,015 passengers. This compared favourably with a daily ridership of 1,406 and 1,688 in 2010 and 2011 respectively, despite a reduction in daily sailings from 16 to 8 during the final quarter of FY2012 (i.e. July 2012 -September 2012).

At the end of fiscal year 2012, the Service closed with a total ridership of 493,700 passengers. This number, however, represents a 62% average utilisation of the vessels' combined capacity. Plans are therefore, ongoing to increase the efficiency of the Service and reduce the level of government subvention. The Water Taxi continues to market its service for private charters and discussions are at an advanced stage with the Chaguaramas Development Authority and Atlantic LNG for expansion of routes between POS and Chaguaramas and between POS and Point Fortin.

Bridges Rehabilitation Programme

In 2012 contracts were awarded to BBFL Caribbean Limited and Trintoplan Consultants Limited for the preparation of designs and tender documents for twenty-six (26) dilapidated bridges across Trinidad that have been identified for reconstruction. The Programme will proceed to the next stage of procuring contractors in the upcoming 2013/2014 period.

Drainage and Landslips Projects

NIDCO expended TT\$64,685,612 to repair drains in communities across Trinidad. A total of 50 projects are to be executed for the year under the National Programme for the Upgrade of Drainage Channel. Sixteen (16) of these projects were completed at the end of this fiscal year and 34 more are ongoing.

president's report

CORPORATE HIGHLIGHTS

Corporate Social Responsibility



At NIDCO, the fulfilment of our role as a good corporate citizen has been fully integrated into our business operations. In 2011, a **Community Outreach Department** was established. Our comprehensive community outreach programme aims to significantly enhance the quality of life of people in communities impacted by our construction activities. The three (3) components of the programme are (i) Highway Connectivity Improvement; (ii) Community Social and Economic Support; and (iii) Community Infrastructure Enhancement Services. In 2012, a Community Outreach Centre was set up in Debe for residents of communities along the alignment of the San Fernando to Point Fortin Highway Extension Project. Already the Centre has been providing significant support to residents seeking information on the project and on the land acquisition process, as well as those seeking psychological support from our on-site Psychologist. In other areas, the Programme has successfully completed its first play park in Abdool Village, Debe as well as several other community improvement projects.

HUMAN CAPITAL

Recruitment

NIDCO maintains a human resource strategy that promotes the recruitment, development and retention of the best skills to deliver our strategic outcomes, particularly in the area of quality project implementation. In anticipation for increased construction activity in 2012 and towards improving our organisational efficiency, we implemented an accelerated programme of recruitment over the fiscal period.

Consequently, our staff complement now stands at 206; an overall net increase of 24 over the comparative period fiscal 2011.

Training and Development

Over the period October 2011 to September 2012, forty-two (42) employees participated in learning and development activities within the Company.



president's report

Employee Health and Wellness

NIDCO, as a caring employer, continued to roll out our programmes and initiatives that foster healthy lifestyles, social integration and interaction among our staff. In August 2012, for example, we hosted an *Employee Well-Being Day*. This activity included the provision of medical services and free health screening, by the North-West Regional Health Authority, as well as two (2) outreach sessions by Petrotrin's Employee Assistance Programme.

FINANCIAL HIGHLIGHTS

Financial year 2012 was both profitable and challenging. The Company posted a *Net Profit after Tax* of \$5.0M compared to \$11.5M in 2011. This decline was due mainly to an increase in human resources and training and development in anticipation of planned projects and construction activities. These activities were re-scheduled for implementation in 2013 and 2014.

We also recorded an increase in *Operating Expenditure* of approximately 34.6% over the previous year. This upward movement was due primarily to increases in depreciation of assets and, as previously mentioned, increased costs attributed to the expansion of our staff base and payment of gratuity.

Total Assets stood at TT\$1.5B at year-end, reflecting a decline of TT\$248.5M (or -14%) from its comparative 2011 position. This downward movement can be attributed mainly to a significant reduction in amounts due from Government of TT\$650M and carrying values of *Property, Plant & Equipment*, despite a noticeable increase in cash balances.

NIDCO's *Cash and Cash Equivalents* reflected movement from TT\$439.5M in 2011 to TT\$878.7M as at September 2012, a major increase of almost 100% (99.99%). This resulted from management's decision to increase NIDCO's liquidity in order to position itself to negotiate more favourable financing facilities.

2013 OUTLOOK

I share the Government's cautious optimism that the economy will rebound in 2013; a major assumption being that the Public Sector Investment Programme is implemented as anticipated. We also foresee the Government implementing fiscal measures to maintain a healthy public debt ratio. This will undoubtedly have implications on the funding of our capital programmes.

president's report



We will therefore, stay the course towards securing NIDCO's financial sustainability while fulfilling our project delivery mandates. As a strategic necessity, concrete steps will be taken towards identifying alternate sources to fund our programmes. This will include conducting feasibility studies in the use of Public-Private Partnership to implement some of the projects identified under the National Network of Highways Programme. At the project level, we will seek to introduce incentives and other measures to increase the rate at which sites are handed over to the contractor on the San Fernando to Point Fortin Highway Project.

Further, we look forward to creating new revenue streams to boost income from Management Fees. Accordingly, resources will be dedicated to exploring new routes and revenue generating initiatives for the Water Taxi Service.

There will also be renewed emphasis on strengthening our internal control systems, maximising our human and physical resources and reducing our exposure to macroeconomics and operational risks. One contributory initiative will be the commissioning of a comprehensive risk assessment of our major projects and the implementation of an Enterprise-wide Risk Management System.

Acknowledgements

Let me take this opportunity to thank the Government for the confidence they continue to place in NIDCO to implement infrastructure projects of the highest national development value. I would also like to thank our shareholder, the Corporation Sole, represented by the Minister of Finance; our Line Ministers, past and present, and staff of the Ministry of Works and Infrastructure for their support and guidance throughout this year.

To the Board of Directors, I would like to express my sincere appreciation for the professional and selfless service rendered by each Board Member - individually and collectively.

I would also like to specially commend the Management and Staff of NIDCO for remaining committed to our mission, despite many challenges. I look forward for our combined efforts in 2013 towards attaining our mantra of becoming *"the standard by which other state agencies are measured"*.

Dr. Carson Charles
President

partnering to build an institution



Spiritual Baptist/Shouter Liberation Day Celebrations- **March**
Diwali Programme- **November**
Eid Ul Fitr Celebration- **August**

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50th Year of Independence
Celebration- August

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Carnival Celebration- February

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Father's Day Celebration- **June**
Opening of Health and Fitness Club- **January**
"Bring your Kids to Work" Day- **July**

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Procurement & Contracts Management Development Programme
Training Workshop - **September**

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March Past and Football
Tournament at the
Ministry of Works & Infrastructure's
Sports and Family Day- **May**

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Churchill Roosevelt Highway/ Uriah Butler Highway Interchange Package C

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Construction of the Golconda to Debe Segment of the Solomon Hochoy Highway Extension to Point Fortin Project



independent
auditors report