

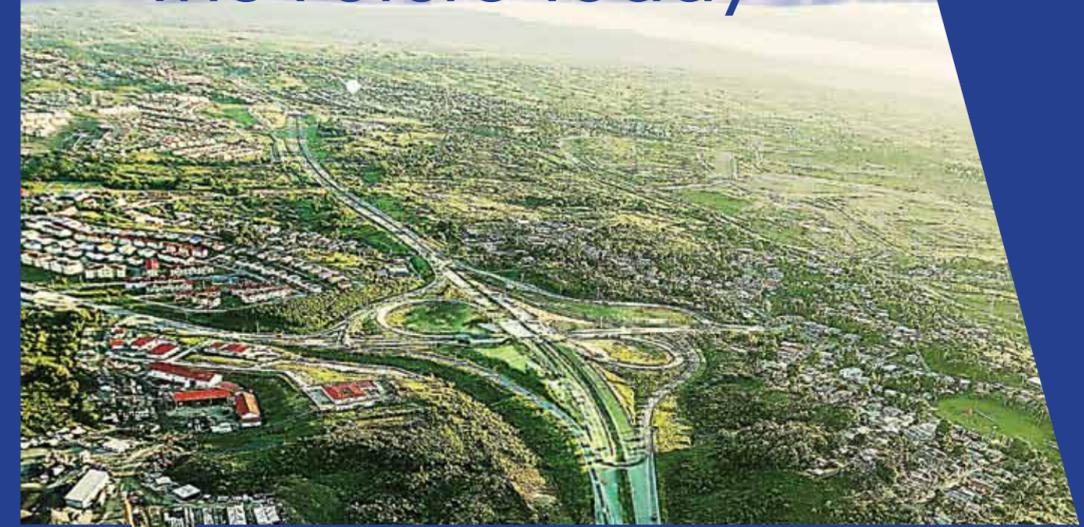


NO. 3 MELBOURNE STREET, PORT-OF-SPAIN
TRINIDAD, WEST INDIES
www.nidco.co.tt



National Infrastructure Development Company Limited

Building The Future Today



ANNUAL REPORT 2013



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National Infrastructure Development Company Limited (NIDCO)
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

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 for 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.

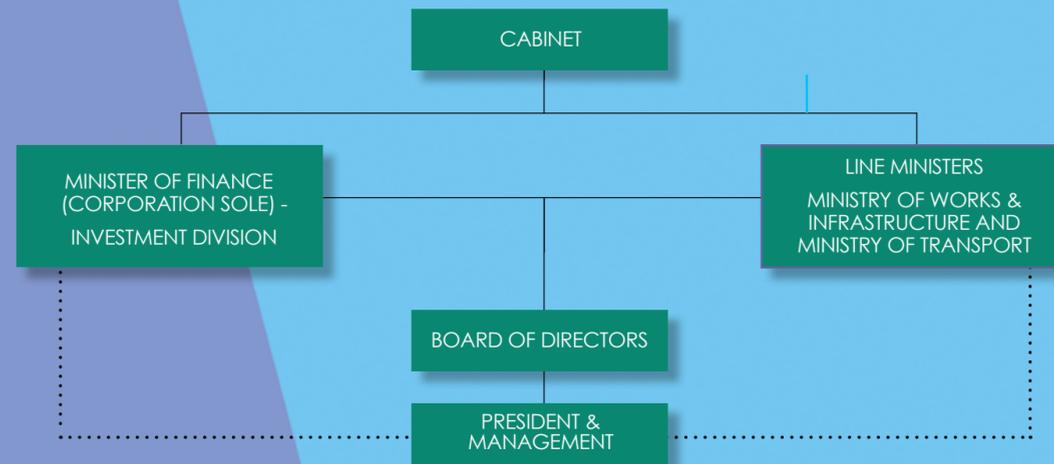
More specifically, NIDCO has been charged with the responsibility for providing project management and construction management services, ensuring that the execution of Government's policy initiatives are done in a manner that is timely, transparent and effective.

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 2013

Krishendath Ramoutar	Chairman
Prof. Winston Suite	Deputy Chairman
Dr. Carson Charles	President
Hollis J. Eversley	Director
Mandavi Tiwary	Director
Rabindra H. Outar	Director
Reneelise Khan	Director
Amrish Maharaj	Director
Peter R. Ramadhar	Director
Ramzan Hosein	Director
David De Souza	Director
Hilda Goodial	Corporate Secretary
Vanda Thomas-Lynch	Assistant Corporate Secretary

REGISTERED OFFICE

No. 3 Melbourne Street, Port of Spain, Trinidad & Tobago, W.I.
Tel: (868)624-5593 | Fax: (868)624-5512 | Website: www.nidco.co.tt

AUDITOR

Deloitte & Touche
54 Ariapita Avenue,
Woodbrook, Port of Spain, Trinidad, W.I.

Board Of Directors



Standing from the left:

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

Sitting from the left:

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

Chairman's Report



**Krishendath Ramoutar –
Chairman**

“Partnering to Build Modern Infrastructure”...The motto of National Infrastructure Development Company limited (NIDCO) soared to new heights during the fiscal year of Two Thousand and Thirteen.

In keeping with this mandate, there is evidence of growth and development throughout the country. Completion of several drainage studies were achieved for the Caroni, Ortoire and South Oropuche River Basins. The National Programme Upgrade of Drainage Channels were successfully completed in several areas such as Carenage, Maraval, Tunapuna, San Juan, Trincity, Guaico, Valencia, Caparo and Guaymare.

Under the Comprehensive Land Transportation Programme, substantive projects involving Bridges Reconstruction and Landslip Repair were completed. NIDCO awarded bridges for reconstruction in St. Joseph, Talparo, Valencia, Toco and Mayaro Guayaguayare Road as part of Phase 1 programme which comprises twenty five (25) bridges. Evaluations continued for landslip repairs in areas such as Saddle Road, Maraval, Arima Blanchisseuse, Moruga Road, Torrib Tabaquite Road, San Francique Road and Western Main Road, Chaguaramas.

The highlight of the year related to our signature project, the largest ever undertaken in the history of Trinidad and Tobago, the highway to Point Fortin. The first completed segment of the Solomon Hochoy Highway Extension project, from Golconda to Debe, was officially opened to the public on August 30, 2013. While this project is intended to facilitate increased economic activity in the south-western peninsula, NIDCO placed great value on the safe relocation of persons who were residing along the Right of Way. As much as it was possible, families were kept together during the relocation exercise.

I am happy to state that in the main, our projects were generally completed in a timely manner and within budget.

As a good corporate citizen, we continue to make donations directly to various community groups as well as improve the conditions of people's lives through our Community Outreach Programme.

The achievement of our goals and projects was largely due to our collaboration with our key partners and stakeholders, the Ministries, Contractors and NIDCO's team members who went beyond the call of duty.

Results and Performance for Fiscal 2013

Income grew by 16% to TT\$61.1M while Expenditure increased by 24% to TT\$58.8M, thereby realising a Profit Before Tax of TT\$2.2M. Expenses grew at a faster rate than Income as NIDCO sought to position itself for the management of an expanded portfolio of projects with the recruitment of the requisite personnel.

Total Revenue from the operations of the Water Taxi Business Unit grew by 4.9% to TT\$9.2M. Despite this small increase in income, the operational loss was in the region of TT\$30.4M. The Water Taxi Service therefore continues to be funded by the GORTT. New business was generated from employing various charter services to both Chaguaramas and Grenada. The Service continues to be a preferred choice of transportation for persons travelling between San Fernando and Port-of-Spain.

NIDCO continues to position itself as the lead project executing arm of the government of the Republic of Trinidad and Tobago (GORTT). During the fiscal year, the Board of Directors directed its focus on the fulfilment of NIDCO's fundamental mandate - to execute projects with prudent oversight, employment of new engineering methods while being mindful of the impact of our work on the environment. This was the driver behind the development and overseeing of several control systems, risk analyses and compliance with the industry best practices.

I look forward to the commitment of all related parties and thank the Management and Support Staff for their due diligence and adherence to good governance and service to the public at large.

I also thank the members of the Board of Directors and Management for their invaluable contributions which made fiscal 2013 a successful year.

**Krishendath Ramoutar
Chairman**

President's Report



Dr. Carson Charles
President – NIDCO

This year 2013 represented a period of continued growth and performance for the National Infrastructure Development Company Limited.

One of the many objectives of fiscal 2013 National Budget Statement was the stimulation of growth by providing a boost to the construction sector. In order to achieve this thrust, expediting of public infrastructure projects was deemed essential. The agenda included the establishment of agreements between the Government and private sector entities which comprised, contractors, operators and financiers. Under the Ministry of Works and Infrastructure a number of projects aimed at opening up economic space in Trinidad and Tobago were identified. Some of these major projects fell directly under NIDCO's purview. The Audited Financial Statement for fiscal 2013 reflects both the qualitative and quantitative aspects of the financial position and operations of NIDCO. Reflecting this thrust towards project identification and execution in fiscal 2013, annual income increased to \$61Mn, compared to \$52Mn in 2012.

The increased growth of 16% in income was largely eroded however, by increased expenditure on human capital as NIDCO sought to position itself for the management of an expanded portfolio of projects with the recruitment of the requisite professional and technical staff. As a result, profit before tax was \$2.2Mn in 2013 compared to \$5.0Mn in fiscal 2012.

Notwithstanding delays experienced at the macroeconomic level in launching the public private partnership platform, which NIDCO was mandated to utilize in the implementation of several major highway projects, preliminary work was started in preparation for the Northern Valleys (Chaguaramas, Diego Martin and Maraval) project and the San Fernando to Princes Town Highway, among others.

Altogether for fiscal 2013, NIDCO executed projects works to a value of approximately \$1.053Bn in the construction of roads and bridges, in drainage infrastructure, the transport sector and in the delivery of numerous community enhancement projects. In general terms, the year fiscal 2013 was another successful year for NIDCO in terms of financial stability, project delivery and investment in the future.

Key Achievements and Initiatives

EXPANSION AND IMPROVEMENT OF THE HIGHWAY NETWORK

Sir Solomon Hochoy Highway Extension to Point Fortin (SSHHE)

The first major milestone on the SSHHE project was realised in August 2013, with the commissioning of a 4.7km stretch of a 4-lane highway from Golconda to Debe, including an underpass at Papourie Bridge.

This Highway remains central to Government's plans to increase economic activity in the south-western peninsula. Already the project has been fulfilling one major economic benefit, that of creating jobs in the local construction sector. Just over 93% of all labour and materials employed on the project have been sourced locally. Businesses in the area have also begun to take advantage of the opening of Golconda to Debe segment by promoting easier and faster access to their services via the new route.

We anticipate, however, that one of the major significant benefits of this Highway to the national community will be its legacy of knowledge in implementing future large-scale development projects. An important objective of NIDCO's communication strategy over the past year was the development and maintenance of public trust in support of our drive to successfully deliver project outcomes. Through public information initiatives, such as a one-day Open House in Debe and several community dialogue sessions, we were successful in clarifying several community and individual concerns about the project and we received valuable inputs that fed into our value-engineering process.

Land Acquisition Activities

Land acquisition has been a major exercise and the work of the company and the commitment of staff in this regard has been ground-breaking. Approximately 505 parcels and 338 structures have been identified along the optimised alignment for acquisition by the State. To date, some 399 claims for compensation have been submitted by affected persons and out of these 134 have been settled. Compensation has been paid out to the value of \$166,932,505.85 thus far. Two (2) relocation areas are currently being developed to provide accommodation for displaced persons and families.

(Continued)

President's Report *(Continued)*

Legitimate property occupiers are to be relocated to Petite Morne where approximately 180 lots have been allocated for this purpose. These development works are approximately 98% complete.

At the end of fiscal 2013 the Highway was over 24% completed with a total expenditure of TT\$2.32Bn inclusive of a 20% Advance Payment made to the Contractor and which was duly secured by Standby Letters of Credit.

Churchill Roosevelt Highway (CRH)-Uriah Butler Highway (UBH) Improvement

Several persons have described this interchange as a true engineering masterpiece which will provide for the free flow of traffic from south to north and along the east-west corridor with the elimination of traffic lights.

'Package C' represents the last of three phases of this major Highway construction project, which is being undertaken by main contractor Vinci Construction Grand Projets and a consortium of local sub-contractors, (including Junior Sammy, Seereeram Bros. Coosals), at a total cost of TT\$721Mn. It involves the construction of the remaining portions of the interchange, including the realignment of the UBH to the west through the interchange with an overpass over the CRH and the construction of major bridges and ramps. On October 12, 2013, the north and south bound ramps were opened to vehicular traffic. This segment was completed four (4) months ahead of schedule, with the entire phase expected to be completed in February 2014.

Diego Martin Highway Expansion

Construction activity on the expansion of the Diego Martin Highway continues at a steady pace. The project is being carried out in four phases, with Phase 1 previously completed by the Ministry of Works and Infrastructure. The project will realise (i) widening of the south-bound lanes from Morne Coco Road to Western Main Road; (ii) Dualling of northbound lanes from Acton Court to Victoria Gardens; (iii) the construction of a major retaining structure; and (iv) the carrying out of drainage works along the alignment.

Trintoplan Consultants Limited was engaged by NIDCO to conduct the design review and re-design works; while Planning Associates Ltd. is providing project supervision services. The four (4) construction contractors are (1) Junior Sammy Contractors, (2) CAV Construction, (3) Fides Ltd., and (4) Kall Co. Ltd. All construction works on this project are expected to be completed in July 2014 and within the TT\$67Mn budget.

Bridges Reconstruction Programme

This comprehensive programme of reconstructing 26 major bridges throughout Trinidad proceeded to the construction stage in fiscal 2013. Package 19 - Bridge B1/3 Calcutta Road#2: Raghunath Singh & Company Limited. Completion planned for February 2013, which is in accordance with the original contract completion date. Piling contractor (Pres-T-Con) completed piles for the river retaining wall on the 12th July, 2013. The north road retaining wall was started on the 16th July, 2013 and was completed on the 23rd July, 2013. PDA Testing (Compression) and Lateral Testing of test piles were completed on the 11th August, 2013. Piling of the abutment and wing wall commenced on 13th August, 2013. Overall project completion is 27.1%.

LAND RETENTION AND FLOOD ALLEVIATION**Landslip Repair Programme (LRP)**

This Programme remains a major focus and concern for NIDCO as delays in allocation of Government funding placed significant constraints on its implementation over the past year. Under the LRP, some 468 landslips across the country were identified for urgent reconstruction to prevent further and potential damage to roadways and properties. The Programme is planned to be carried out in various phases. Of the 33 landslips identified to be repaired in Phase 1, 24 were tendered in 16 contract packages during the year. The landslips are now in the tender evaluation stage. The remaining nine (9) landslips in Phase 1 are being prepared to be tendered. The estimated cost of the Phase 1 landslips is approximately TT\$180Mn. We look forward to the early release of funding in the new fiscal year in order to move the Programme forward. *(Continued)*

President's Report *(Continued)***Drainage**

Forty-Six (46) drainage contracts (inclusive of small drainage projects) were executed for a total of over TT\$113Mn in contract value. These projects have improved the lives of citizens in communities throughout Trinidad. The majority of these works are scheduled to be completed in the next fiscal year. The "Mausica River Improvements" project was 48% completed with a scheduled end date of September 2014. One Hundred and ninety four metres (194m) of rubble masonry walls were constructed, in addition to 203m of invert paving, 523m of base and 523m of stem.

The "Caparo River Basin Study (Mamoral Dam Project)" was 38% complete. Solution Identification and Impact Assessment Report were submitted and reviewed. A Hydrological Model has been constructed and Stakeholder Workshop was held.

TRANSPORTATION MANAGEMENT**Water Taxi Service**

With an average daily ridership of approximately 1,800 persons, the Water Taxi has quickly become an integral part of the public transportation system. Since its inception in December 2008, the four (4) vessels combined have carried a total of 1,873,722 passengers, between the cities of San Fernando and Port-of-Spain, and since July 2013, between Port of Spain and Chaguaramas.

Operating the Service is necessarily an expensive undertaking, the cost of which cannot be fully recovered through the level of existing tariff, without pricing the service beyond the reach of the average passenger. Since its inception, therefore, the Government has provided an annual subvention to cover the shortfall in earnings. In fiscal 2013, the net results from the WTS operations showed a marginal growth of 3.26% (or TT\$1.03Mn) over fiscal 2012, due largely to Income from charters and strict cost containment measures. We expect to maintain this trend as the Service pursues plans to progressively reduce its subsidy requirements from central government. Part of this thrust is the active pursuit of measures to diversify the revenue base of the Service. In 2013, the WTS successfully operated

a sold-out charter service to Grenada for the second consecutive year. The Service also expanded its local routes with the July 2013 commencement of weekend sailings between Port of Spain and Chaguaramas. It is intended to further expand this new offering with full-week service beginning in the new fiscal year. The Service also realized income through the rental of advertising space on the vessels and in the terminals to companies such as RBC Royal Bank. Looking forward, the outlook for this Service is very positive and exciting.

CORPORATE HIGHLIGHTS**Risk Management**

NIDCO recognises that effective risk management is fundamental in seeking to achieve our strategic and operational objectives.

In March 2013, NIDCO undertook a comprehensive risk assessment of the Solomon Hochoy Highway Extension to Point Fortin Project to examine the project's vulnerability to construction, environmental, financial and reputational risks. With technical support from Marsh Inc., a USA-based Risk Management consortium, NIDCO developed a risk register and mitigation plan to address the key risk areas of land acquisition, project planning and feasibility, and the political environment. Staff from the departments directly involved in the project delivery process worked alongside the team of consultants, ensuring that NIDCO's capacity to conduct risk assessment on future projects was secured.

The success of this first initiative reinforced our belief, that for risk management to be successful, Management must develop a culture and behaviour within the organisation that ensures that the management of risk is clearly driven by business strategy and objectives. Plans are therefore being made to implement an enterprise-wide risk management system as part of definite actions to institutionalise risk management in our governance and operating framework.

Corporate Social Responsibility

NIDCO places the highest priority on "the human element" in all our endeavours. The very nature of

(Continued)

President's Report *(Continued)*

our work supports improvement in the social and economic conditions of the people of Trinidad and Tobago.

For fiscal 2013, through our Community Outreach Programme, we were able to complete several small drainage works in areas along the alignment of the Sir Solomon Hochoy Highway Extension to Point Fortin Project. These included Ramjattan Trace, Tulsa Branch Trace #4, Railway Line Road, Bheemul Trace, and Solmed Drive. We also completed the paving of the Point Fortin RC School grounds, as well as the construction of a car park for Sanderson Heritage Park.

Throughout the year, NIDCO placed equal importance on improving the quality of life of our own human resource which is our most valuable asset. Several internal social responsibility initiatives were implemented which included –

- recognising twenty-seven (27) employees on their 5th Anniversary with NIDCO and the Water Taxi Service;
- celebrating the value of our Administrative Professionals during Administrative Professionals' Week;
- hosting an Employee Well-Being Day symbolic of NIDCO's commitment to promoting the holistic development of our staff;
- hosting of our annual Staff Christmas Party; and
- supporting Team NIDCO's participation in the MOWI's Sports Day. Here I would like to take the opportunity to specially applaud the efforts of our Football team which took 1st place in the competition that saw the involvement of all the departments and agencies aligned to the Ministry of Works and Infrastructure.

OUTLOOK FOR 2014: Growth through Innovation NIDCO will continue to move forward with optimism in 2014 and beyond. The organisation's resilience

and focus on improving the delivery of our mandates resulted in our favourable performance in 2013. I therefore have every confidence that as we continue to build on the many lessons learned in the delivery of our mega projects, and as we harness our innovative resources, NIDCO will improve its state of readiness for the projected expansion of Governments' investment in physical and social infrastructure development.

The national budget for fiscal 2014 made provision for several new highway projects in support of Government's initiative to open up economic spaces across the country. We, therefore, anticipate the early approval of such projects as the design and construction of the overpass at the intersection of the Churchill Roosevelt Highway and Southern Main Road as well as the construction of the Highway from San Fernando to Princes Town.

In anticipation of an expanded programme of works, we will be pursuing a programme of structural changes and measures to improve operational efficiency. One such action, will be the testing and implementing an Enterprise Wide Resource Planning, (ERP) system using the System Application and Products (SAP) Model to better align our procurement, project management, and financial operations.

ACKNOWLEDGEMENTS

I would first like to extend my appreciation to our valued shareholders and other stakeholders for their continued support and confidence in NIDCO. My sincerest gratitude also to NIDCO's Board of Directors, our Management Team and all employees for their dedication to duty, resourcefulness and commitment to delivering value to our clients. We look forward to a very bright future together.

Dr. Carson Charles
President



Building A Nation



Churchill Roosevelt Highway, UriahButler Highway Interchange – Package C Opening



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

Building Communities



Community Consultations for the SSHHE Project



BEFORE



AFTER

Paving of Mosque Compound, Bamboo No. 2



Community PlayPark in Abdool Village, Debe



Residents Viewing Relocation Site

Independence Day
Fashion Show



Building An Institution

MOWI Sports and Family Day



Divali Celebration





Annual Christmas Celebration



Children's Christmas Celebration and Mother's Day Gathering



Independent Auditors Report

**National Infrastructure
Development Company Limited**

**Financial Statements
30th September, 2013**

National Infrastructure Development Company Limited

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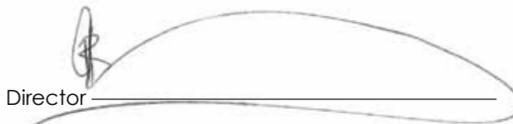
National Infrastructure Development Company Limited
Statement of Management's responsibilities

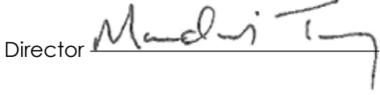
It is the responsibility of management to prepare financial statements for each financial year which present fairly, in all material respects, the state of affairs of the company as at the end of the financial year and of the operating results of the company for the year. It is also management's responsibility 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 for Small and Medium-sized Entities (IFRS for SMEs). 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 judgments and estimates, in conformity with IFRS for SMEs. 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
04 December 2014


Director
04 December 2014



**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 2013, 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 for Small and Medium-sized Entities (IFRS for SMEs) 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 2013, and financial performance and cash flows for the year then ended in accordance with IFRS for SMEs.

Deloitte & Touche
Port of Spain
Trinidad
04 December 2014

National Infrastructure Development Company Limited

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

	Notes	As at September 30,	
		2013	2012
		\$	\$
ASSETS			
Non-current assets			
Property and equipment			
Tangible	4(a)	385,183,467	431,459,476
Intangible	4(b)	1,134,663	1,629,909
Security deposit	5	1,354,828	1,353,828
Deferred tax	14(a)	-	245,203
Deferred capital grant shortfall	15	30,834,609	-
Total non-current assets		418,507,567	434,688,416
Current assets			
Trade and other receivables	8	5,993,324	2,182,138
Due from Government of Trinidad and Tobago	7	616,616,423	150,615,410
Tax refundable	14(c)	694,216	1,441,968
Cash and cash equivalents	6	266,743,150	878,701,714
Restricted cash	6	36,591,150	36,584,025
Total current assets		926,638,263	1,069,525,255
Total assets		1,345,145,830	1,504,213,671
EQUITY AND LIABILITIES			
Equity			
Stated capital	9	10	10
Accumulated deficit/surplus		(4,163,900)	(5,905,882)
Net equity		(4,163,890)	(5,905,872)
Non-current liabilities			
Borrowings - Long term portfolio of loans	10	574,457,293	760,423,414
Capital deferred grants water taxi	17	381,703,539	390,639,883
Deferred tax liability	14 (a)	112,110	-
Deferred capital grant surplus		-	1,269,526
Total non-current liabilities		956,272,942	1,152,332,823
Current Liabilities			
Bank overdraft	11	-	448,305
Trade payables	12	183,523,824	126,091,799
Accrued expenses and other liabilities	13	10,156,852	18,389,158
Borrowings - Short term portion of loan	10	195,319,693	212,857,458
Deferred Income	16	4,036,409	-
Total current liabilities		393,036,778	357,786,720
Total liabilities		1,349,309,720	1,510,119,543
Total equity and liabilities		1,345,145,830	1,504,213,671

On 04 December 2014, the Board of Directors of National Infrastructure Development Company Limited authorized 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 September 30,	
		2013	2012
		\$	\$
NIDCO			
Revenue			
Management fees		52,672,715	49,990,770
Tender fees		566,125	260,180
Interest income		4,708,595	1,353,204
Other income		3,065,149	992,063
		<u>61,012,584</u>	<u>52,596,217</u>
Operating expenses			
Administrative expenses	22	47,634,577	38,294,909
Depreciation and amortization		3,611,300	2,835,996
Other expenses	23	7,588,841	6,432,799
		<u>58,834,718</u>	<u>47,563,704</u>
Profit for the year before taxation		2,177,866	5,032,513
Taxation charge	14(b)	1,248,649	1,370,700
Profit for the year after tax		<u>929,217</u>	<u>3,661,813</u>
Water Taxi			
Revenue			
Ticketing income		6,610,688	7,586,242
Charter income		2,056,561	-
Other income		593,983	1,240,512
		<u>9,261,232</u>	<u>8,826,754</u>
Operating expenses			
Administrative expenses	24	39,650,539	40,242,746
Loss from operations (Net)		(30,389,307)	(31,415,992)
Government grants - operations		30,389,307	31,415,992
Surplus /(deficit) for the year from operations		-	-
Government capital grant receipts		63,779,466	74,489,392
Depreciation		46,458,476	48,452,348
Loan interest		17,320,990	26,037,044
Surplus /(deficit) on capital grants		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		<u>929,217</u>	<u>3,661,813</u>

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 2013			
Balance at beginning of the year	10	(5,905,882)	(5,905,872)
Total comprehensive income	-	929,217	929,217
Reversal of provision made in a prior year	-	812,765	812,765
Balance at end of year	10	(4,163,900)	(4,163,890)
Year ended 30 September 2012			
Balance at beginning of the year	10	(9,567,695)	(9,567,685)
Total Comprehensive Income	-	3,661,813	3,661,813
Balance at end of year	10	(5,905,882)	(5,905,872)

National Infrastructure Development Company Limited
Statement of Cash flows

(Expressed in Trinidad & Tobago dollars)

	Year ended September 30,	
	2013	2012
	\$	\$
Cash flows from operating activities		
Profit before taxation	2,177,866	5,032,513
Adjustments for items not requiring an outlay of funds:		
Write back of provision for ERP Systems Ltd.	812,765	-
Prior year adjustment for surplus on capital grant	(1,269,526)	-
Depreciation	50,069,775	51,288,344
Operating profit before changes in working capital	51,790,880	56,320,857
(Increase)/decrease in due from Government of Trinidad and Tobago	(466,001,013)	649,942,659
(Increase)/decrease in receivables and prepayments	(3,811,186)	5,228,357
Increase in deferred income	4,036,409	-
Increase in accrued loan interest	53,853,261	68,888,719
Increase/(decrease) in trade payables and other liabilities	49,199,719	(9,458,021)
Net cash generated from operations	(310,931,930)	770,922,571
Taxation paid	(143,585)	(1,900,652)
Net cash (utilized)/generated by operating activities	(311,075,515)	769,021,919
Investing activities		
Acquisition of property, plant and equipment	(3,298,520)	(17,074,044)
Payment for security deposit	(1,000)	(64,262)
Net cash used in investing activities	(3,299,520)	(17,138,306)
Financing activities		
Loans repayments	(257,357,146)	(274,454,654)
Financing received from GORTT – Water Taxi	(8,936,344)	(38,907,663)
Increase in deferred capital grant deficit	(30,834,609)	1,330,720
Net cash used in financing activities	(297,128,099)	(312,031,597)
(Decrease)/Increase in cash and cash equivalents	(611,503,134)	439,852,016
Cash and cash equivalents at beginning of year	914,837,434	474,985,418
Cash and cash equivalents at end of year	303,334,300	914,837,434
Analysis of cash and cash equivalents at end of the year		
Bank overdraft	-	(448,305)
Cash at bank and in hand	266,743,150	878,701,714
Restricted cash	36,591,150	36,584,025
	303,334,300	914,837,434

National Infrastructure Development Company Limited

Notes to the financial statements for the year ended 30 September 2013

(Expressed in Trinidad and Tobago dollars)

1. Incorporation and principal activity

National Infrastructure Development Company Limited ("the company") was incorporated in the Republic of Trinidad and Tobago on 11 January 2005. Its principal activity is the execution of infrastructure and transportation projects. The company earns a management fee from The Government of 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 (GORTT).

The company enters into various contracts with third parties for the execution of projects. All costs incurred in relation to these contracts are recoverable from The Government of The Republic of Trinidad and Tobago.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the company have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs). They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Areas involving a higher degree of judgment due to their complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in note 3.

The company's operations are heavily dependent on management fees, grants and financing guarantees from the GORTT. These financial statements have been prepared on a going concern basis on the assumption that funding in the form of management fees and grants will be made available to the company by GORTT and the company will continue to receive adequate funds to finance losses and future operations.

a) Foreign currency transactions

Items included in the financial statements of the company are measured using the currency that best reflects the economic substance of the underlying events and the circumstances relevant to the company ("the functional currency"). These financial statements are presented in Trinidad and Tobago dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

b) 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.

National Infrastructure Development Company Limited
Notes to the financial statements for the year ended 30 September 2013
 (Expressed in Trinidad and Tobago dollars)

2. Summary of significant accounting policies (continued)

b) Cash equivalents (continued)

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

c) **Property, plant and equipment**

Property, plant 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.

Property, plant and equipment are depreciated 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%

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.

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.

The carrying amount of property, plant and equipment is reviewed whenever events or changes in circumstances indicate that impairment may have occurred.

d) **Intangible assets**

Intangible assets acquired separately are reported at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight line basis utilising rates, which are sufficient to write off the assets over their estimated useful lives. The estimated useful life and amortisation method are reviewed annually, with the effect of any changes in estimate being accounted for on a prospective basis. The rate utilised is 25%.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the statement of profit or loss in the period in which it is incurred.

National Infrastructure Development Company Limited
Notes to the financial statements for the year ended 30 September 2013
 (Expressed in Trinidad and Tobago dollars)

2. Summary of significant accounting policies (continued)

d) **Intangible assets (continued)**

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

e) **Income and expenditure**

Income and expenditure transactions are accounted for on the accrual basis.

f) **Revenue recognition**

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

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

Management fees

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

Tender fees

Revenue is recognised upon sale of tender package.

Interest income

Revenue is recognised as interest accrues.

Government grants

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.

These are recognised in the statement of profit or loss.

g) **Borrowings**

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 recognized on the basis of the effective interest rate method and is included in finance costs.

National Infrastructure Development Company Limited
Notes to the financial statements for the year ended 30 September 2013
 (Expressed in Trinidad and Tobago dollars)

2. Summary of significant accounting policies (Continued)

h) Impairment of tangible and intangible assets

At the end of each reporting period, the entity 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.

Computer software is capitalized at cost. These costs are amortized on a straight-line basis over a four (4) year period.

i) 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 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 in full, using the liability method 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.

National Infrastructure Development Company Limited
Notes to the financial statements for the year ended 30 September 2013
 (Expressed in Trinidad and Tobago dollars)

2. Summary of significant accounting policies (Continued)

j) Provisions

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

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

When 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.

k) Leases

Leases of property, plant 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. The property, plant and equipment acquired under finance leasing contracts is depreciated over the useful life of the asset.

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.

l) 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.

m) 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.

National Infrastructure Development Company Limited
Notes to the financial statements for the year ended 30 September 2013
 (Expressed in Trinidad and Tobago dollars)

2. Summary of significant accounting policies (Continued)

n) Trade and other receivables

Trade receivables are recognised initially at fair value. 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 income 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 income. Other receivables are measured at cost less any impairment.

o) Comparatives

Where necessary, comparative figures are adjusted to conform to changes in presentation in the current year.

3. Critical judgments and the use of estimates

The preparation of financial statements in conformity with IFRS for SMEs requires management to make critical judgments 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, which requires the use of estimates, include:

Useful lives and residual values of property, plant 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.

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.

National Infrastructure Development Company Limited
Notes to the financial statements for the year ended 30 September 2013
 (Expressed in Trinidad and Tobago dollars)

4. Property, plant and equipment

(a) Tangible asset

	Water taxi assets	Equipment	Furniture & fixtures	Leasehold improvements	Total
	\$	\$	\$	\$	\$
Costs					
At 1 October 2012	515,403,160	5,537,647	4,120,708	12,883,224	537,944,739
Additions	1,307,566	953,073	422,983	263,614	2,947,236
At 30 September 2013	<u>516,710,726</u>	<u>6,490,720</u>	<u>4,543,691</u>	<u>13,146,838</u>	<u>540,891,975</u>
Accumulated depreciation					
At 1 October 2012	100,318,664	2,273,595	1,122,162	2,770,842	106,485,263
Depreciation charge	46,031,241	1,280,401	439,092	1,472,511	49,223,245
At September 30, 2013	<u>146,349,905</u>	<u>3,553,996</u>	<u>1,561,254</u>	<u>4,243,353</u>	<u>155,708,508</u>
Net book value					
At 30 September 2013	<u>370,360,821</u>	<u>2,936,724</u>	<u>2,982,437</u>	<u>8,903,485</u>	<u>385,183,467</u>
At 30 September 2012	<u>415,084,496</u>	<u>3,264,052</u>	<u>2,998,546</u>	<u>10,112,382</u>	<u>431,459,476</u>

(b) Intangible asset

	Water taxi assets	Computer software	Total
	\$	\$	\$
Costs			
At 1 October 2012	18,583,457	4,732,682	23,316,139
Additions	42,460	308,824	351,284
At 30 September 2013	<u>18,625,917</u>	<u>5,041,506</u>	<u>23,667,423</u>
Accumulated depreciation			
At 1 October 2012	18,090,898	3,595,332	21,686,230
Depreciation charge	427,234	419,296	846,530
At 30 September 2013	<u>18,518,132</u>	<u>4,014,628</u>	<u>22,532,760</u>
Net book value			
At 30 September 2013	<u>107,785</u>	<u>1,026,878</u>	<u>1,134,663</u>
At 30 September 2012	<u>492,559</u>	<u>1,137,350</u>	<u>1,629,909</u>

National Infrastructure Development Company Limited
Notes to the financial statements for the year ended 30 September 2013
(Expressed in Trinidad and Tobago dollars)

5. **Security deposit**

	2013	2012
	\$	\$
Caribbean Sales Agency (Melbourne street)	919,468	919,468
N.J. Nahous Limited (Alexandra St Clair)	334,080	334,080
Capildeo House	70,000	70,000
GAL Holdings	1,260	1,260
Debe office	20,020	20,020
Tobago office	10,000	-
	<u>1,354,828</u>	<u>1,344,828</u>
Water Taxi		
Mahendra Persad-Singh	-	9,000
	-	9,000
	<u>1,354,828</u>	<u>1,353,828</u>

This represents the deposit required in respect of the commercial property leases.

6. **Cash and cash equivalents**

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

	2013	2012
	\$	\$
Cash at bank	266,716,650	878,679,714
Cash in hand	26,500	22,000
	<u>266,743,150</u>	<u>878,701,714</u>

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.

7. **Due from Government of The Republic of Trinidad and Tobago**

This amount represents outstanding request for funds from the GORTT for payment of costs and expenses related to projects assigned to the company and management fees.

	2013	2012
	\$	\$
Project expenses, outstanding loan balances and management fees due	<u>616,616,423</u>	<u>150,615,410</u>

National Infrastructure Development Company Limited
Notes to the financial statements for the year ended 30 September 2013
(Expressed in Trinidad and Tobago dollars)

8. **Trade and other receivables**

	2013	2012
	\$	\$
Prepayments	364,294	213,769
Other receivables	309,242	712,241
VAT refundable	3,376,525	-
	<u>4,050,061</u>	<u>926,010</u>
Water Taxi		
Prepayments	1,470,794	1,256,128
Other receivables	472,469	-
	<u>5,993,324</u>	<u>2,182,138</u>

9. **Stated capital**

Authorised:

Unlimited number of ordinary shares of no par value.

	2013	2012
	\$	\$
Issued and fully paid:		
10 Ordinary shares of no par value	<u>10</u>	<u>10</u>

10. **Borrowings**

These represent loans obtained from both local and international financial institutions. These loans were obtained to fund various government projects. The loans are fully backed by the GORTT.

Institution	Project	2013	2012
		\$	\$
Scotiabank - USD\$12M	Water taxi	-	15,440,491
Citibank- TTD\$344.75M	Aranguez overpass	253,612,077	276,667,721
Australia & New Zealand (ANZ) Banking Group USD\$66.5M	Water taxi	247,144,523	309,104,799
ANSA Merchant Bank -TTD\$153M	R/ Rail \$103M and NNHP \$50M	107,516,960	127,059,719
RBC - TTD\$53M	Nat. Traffic Management System	41,615,639	45,234,390
Scotiabank - USD\$9.462M	Nat. Network of Highways Programme	18,254,498	30,417,921
Citibank - USD\$52M	Rapid rail	<u>101,633,289</u>	<u>169,355,831</u>
Total borrowings		769,776,986	973,280,872
Less current portion of borrowings		(195,319,693)	(212,857,458)
Non-current borrowings		<u>574,457,293</u>	<u>760,423,414</u>

National Infrastructure Development Company Limited
Notes to the financial statements for the year ended 30 September 2013
(Expressed in Trinidad and Tobago dollars)

10. Borrowings (Continued)

Long-term borrowings

Borrowings comprise of seven (7) loans from lending institutions to fund government projects. These are all guaranteed by the GORTT. They are as follows:

i.) Scotiabank of Trinidad & Tobago Limited

This represents a five year loan of USD\$12M from Scotiabank Trinidad & Tobago Limited to finance the purchase of four sea vessels with an interest rate of LIBOR plus margin of 166 basis points per annum repayable semi-annually on or before 26 August 2013. The loan is secured by a letter of comfort from the GORTT stating that a guarantee in the amount of USD\$12 million from GORTT will be provided. As at September 2013, this loan has been fully repaid.

ii.) Citibank Trinidad and Tobago Limited

The company obtained a 15 year loan of TTD\$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 GORTT 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 date of issue. The loan was issued on 27 August 2009.

iii.) Australia and New Zealand (ANZ) Banking Group

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

The loan comprises two parts: USD53.421M provided by Export Financing Facility (EFF) and USD\$13.109M provided by Commercial Financing Facility (CFF) both of which are guaranteed by the GORTT.

The loan carries interest rates of EFF – LIBOR plus a margin of 1.4% per annum and CFF at LIBOR plus margin 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 @ 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 the other part Export Financing Facility (EFF).

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 ended 16 December 2018.

v.) RBC Merchant Bank (Caribbean) Limited

The company entered into a 15 year loan of TTD\$53M from RBC Merchant Bank Caribbean 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 GORTT. 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.

National Infrastructure Development Company Limited
Notes to the financial statements For the year ended 30 September 2013
(Expressed in Trinidad and Tobago dollars)

10. Borrowings (Continued)

vi.) 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 of 4.85% per annum repayable on or before 17 March 2015. This loan is secured by a letter of comfort from the GORTT stating that a guarantee in the amount of USD\$9.462M from GORTT will be provided.

vii.) 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 GORTT 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.

11. Bank overdraft

	2013	2012
	\$	\$

First Citizens Bank Limited	-	<u>448,305</u>
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12. Trade and other payables

	2013	2012
	\$	\$

Payable to contractors	155,920,638	107,732,125
Retention due to contractors	17,891,494	7,920,308
	<u>173,812,132</u>	<u>115,652,433</u>

Water taxi

Payable to contractors	6,077,217	6,632,191
Retention due to contractors	3,634,475	3,807,175
	<u>183,523,824</u>	<u>126,091,799</u>

13. Accrued expenses and other liabilities

	\$	\$
	2013	2012

Accrued liabilities	6,661,914	6,911,558
VAT payable	-	5,973,661
Performance bonds	623,758	898,758
	<u>7,285,672</u>	<u>13,783,977</u>

Water taxi

Accrued liabilities	2,871,180	4,605,181
	<u>10,156,852</u>	<u>18,389,158</u>

National Infrastructure Development Company Limited
Notes to the financial statements for the year ended 30 September 2013
 (Expressed in Trinidad and Tobago dollars)

14. Taxation

a) Deferred tax liability

Deferred tax liability of \$112,110 arises from the tax written down value of assets and their accounting book values as at 30 September 2013. The current rate of corporation tax is 25%.

	2013	2012
	\$	\$
Written down value per accounting values	15,849,526	17,512,331
Tax value of plant and machinery	15,401,085	16,531,519
Temporary difference	<u>448,441</u>	<u>980,812</u>
Deferred tax at 25%	<u>112,110</u>	<u>245,203</u>

b) Income taxes

	2013	2012
	\$	\$
Current tax	891,336	1,310,407
Deferred tax	357,313	60,293
Total tax expense	<u>1,248,649</u>	<u>1,370,700</u>

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

Profit before tax	<u>2,177,866</u>	<u>5,032,513</u>
Income taxes charge calculated at statutory rates	544,466	1,258,128
Business and green fund levies	154,653	61,423
Lost benefit from non-taxable deductions	192,217	(9,144)
Deferred tax	357,313	60,293
Total expense	<u>1,248,649</u>	<u>1,370,700</u>

The current rate of corporation tax is 25%. (2012 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

	2013	2012
	\$	\$
Business levy refundable	56,471	56,471
Green fund levy refundable	51,723	63,291
Corporation tax refundable	<u>586,022</u>	<u>1,322,206</u>
	<u>694,216</u>	<u>1,441,968</u>

d) Tax losses

The company does not have any tax losses at the end of 2013 to utilise against current year profits or to carry forward.

National Infrastructure Development Company Limited
Notes to the financial statements for the year ended 30 September 2013
 (Expressed in Trinidad and Tobago dollars)

15. Deferred capital grant shortfall

In 2009 NIDCO 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 \$30,834,609 represents to date the total amount by which depreciation charges and loan interest costs are in excess of the total capital receipts accounted for as at 30 September 2013 regarding capital acquisition in accordance with Accounting for Government Grants and Disclosure of Government Assistance of the IFRS for SMEs.

16. Deferred Income

This represents income to be earned the next financial year from:

- a) A Water Taxi Service Agreement
- b) Management fees

17. Capital deferred grants water taxi

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

18. Related party transactions

The company is wholly owned by the GORTT.

The following table provides the total amount of material transactions which have been entered into with related parties for the years ended 30 September 2013 and 2012:

a) Government of The Republic of Trinidad and Tobago

	2013	2012
	\$	\$
Management fees earned	<u>52,672,715</u>	<u>49,990,770</u>
Financing for projects	<u>616,616,423</u>	<u>150,615,410</u>

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

b) Compensation of key management personnel

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

	2013	2012
	\$	\$
Short term benefits	3,717,000	3,717,000
Post-employment benefits	<u>540,000</u>	<u>540,000</u>
	<u>4,257,000</u>	<u>4,257,000</u>

National Infrastructure Development Company Limited
Notes to the financial statements for the year ended 30 September 2013
(Expressed in Trinidad and Tobago dollars)

19. Commitments and contingencies

a) Capital commitments

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

b) Other commitments

In carrying out its activities as stated in Note 1, the company has entered into several contracts with various contractors for which commitments existed at the year end. These contractual commitments amounted to \$4,169.70 million at 30 September 2013 (2012:\$4,519.14 million).

c) Contingencies

At the end of its financial year the company was engaged in several legal proceedings arising from the normal course of business. No provisions have been made for 2013 (2012:\$0.50m). As a matter of disclosure, there is a pending matter for a former employee for the estimated amount of \$224,632.54. The Judge held that the claimant was wrongfully dismissed and subsequently an appeal was filed and was served on the respondent/claimant.

20. Lease commitments – NIDCO

Rental expense for motor vehicles, copiers, premises and services totalled \$8,445,427 for the year ended 30 September 2013 (2012 - \$8,029,581).

	2013 \$	2012 \$
Not later than one year	8,604,057	7,200,316
Later than one year and no later than five years	9,624,620	4,317,213
Later than five years	-	-

21. Financial instruments

a) Fair values

The aggregate fair values of financial assets and liabilities in the balance sheet at 30 September 2013 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.

b) Credit risk

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

National Infrastructure Development Company Limited
Notes to the financial statements for the year ended 30 September 2013
(Expressed in Trinidad and Tobago dollars)

22. Selling, general and administrative expenses-NIDCO

	2013 \$	2012 \$
Staff costs	37,502,767	28,275,119
Rental	7,740,924	6,836,346
Legal, professional and consultancy fees	1,905,405	2,702,594
Directors fees	485,481	480,850
	<u>47,634,577</u>	<u>38,294,909</u>

23. Other expenses-NIDCO

	2013 \$	2012 \$
Utilities	3,328,274	2,628,439
Repairs & maintenance	861,817	643,145
Public relations	1,433,197	1,794,955
Print reproduction and stationery	608,013	386,333
Office and other expenses	1,357,540	979,927
	<u>7,588,841</u>	<u>6,432,799</u>

24. Administrative and other expenses

	2013 \$	2012 \$
Water taxi		
Staff costs	16,894,177	16,106,076
Rental	704,503	1,193,235
Legal, professional and consultancy fees	3,149,390	3,105,555
	<u>20,748,070</u>	<u>20,404,866</u>
Utilities	5,434,761	5,341,915
Repairs & maintenance	1,070,647	848,698
Repairs & maintenance vessels	7,026,235	5,693,761
Public relations	438,001	159,347
Print reproduction and stationery	227,801	281,630
Office and other expenses	925,495	763,254
Fuel expenses	3,779,529	6,749,275
	<u>39,650,539</u>	<u>40,242,746</u>

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National Infrastructure Development Company Limited
Notes to the financial statements for the year ended 30 September 2013
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NOTES**25. Application of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors**

It was discovered that earnings of 2010 and 2011 were overstated in the amount of \$6,976,059 which had a corresponding effect on other balances in the statement of financial position.

In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the overstatement was corrected from the earliest comparative information as presented using retrospective restatement.

The amount of the correction in each year for each line item affected and the value of the correction at the beginning of the earliest prior period presented are as follows:

	2011	2010
	\$	\$
Due from Government of Trinidad & Tobago	6,846,999	4,103,450
Retained earnings	6,846,999	129,060
VAT	-	74,795
Deferred Government Capital Grant WT	-	3,899,594

26. Events after the reporting date

No significant events occurred after the reporting date of December 2014 affecting the financial performance, position or changes therein for the reporting period presented in these annual financial statements.