

**National Infrastructure Development
Company Limited**

**Financial Statements
30 September 2015**

National Infrastructure Development Company Limited

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National Infrastructure Development Company Limited

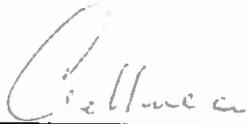
Statement of management's responsibilities

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

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

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

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



Director

January 11, 2017



Director

January 11, 2017

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

Report on the financial statements

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

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

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

Deloitte & Touche
Port of Spain
Trinidad

January 23, 2017



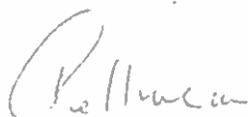
National Infrastructure Development Company Limited

Statement of Financial Position

(Expressed in Trinidad and Tobago dollars)

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

The notes on pages 7 to 39 form an integral part of these financial statements.



Director



Director

National Infrastructure Development Company Limited
Statement of Profit or Loss and Other Comprehensive Income
(Expressed in Trinidad and Tobago dollars)

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

The notes on pages 7 to 39 form an integral part of these financial statements.

National Infrastructure Development Company Limited

Statement of Changes in Equity

(Expressed in Trinidad and Tobago dollars)

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

The notes on pages 7 to 39 form an integral part of these financial statements.

National Infrastructure Development Company Limited

Statement of Cash Flows

(Expressed in Trinidad and Tobago dollars)

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

The notes on pages 7 to 39 form an integral part of these financial statements.

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(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 The Republic of Trinidad and Tobago for its services. The registered office of the Company is #3 Melbourne Street, Port of Spain and is wholly owned by the Government of The Republic of Trinidad and Tobago.

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

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

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

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

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

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

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

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

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

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

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

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

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

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

2.2 New and revised IFRS in issue but not yet effective

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

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

¹ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

⁴ Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

⁵ Effective for annual periods beginning on or after 1 July 2016, with earlier application permitted.

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

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

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

- **IFRS 9 *Financial Instruments***

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

Key requirements of IFRS 9:

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

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

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

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

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

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

Key requirements of IFRS 9 (continued):

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

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

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

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

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

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

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

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

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

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

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

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

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

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

- **IFRS 16 Leases**

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

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

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

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

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

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

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

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

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

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

- a) when the intangible asset is expensed as a measure of revenue; or
- b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

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

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

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

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

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

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

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

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

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

- **Annual Improvements 2012 – 2014**

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

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

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

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

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

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

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

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

- a) clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;
- b) clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;
- c) additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

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

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

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

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

- (i) at cost; or
- (ii) in accordance with IFRS 9 (or IAS 39); or
- (iii) using the equity method.

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

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

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

- a) The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
- b) A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.
- c) When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.
- d) An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

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

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

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

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

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

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

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

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

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

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

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

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies

3.1 Statement of Compliance

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

3.2 Basis of preparation

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

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

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

The principal accounting policies are set out below.

(a) Foreign currency transactions

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

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

The principal accounting policies are set out below.

b) Cash and cash equivalents

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

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

c) Property and equipment

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

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

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

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

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

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

d) Intangible assets

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

e) Derecognition of intangible assets

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

f) Non-current assets held for resale

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

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

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

g) Revenue recognition

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

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

Management fees

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

g) Revenue recognition (continued)

Tender fees

Revenue is recognised upon sale of tender package.

Government grants

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

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

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

- i.) As an operational grant to meet any shortfall created by the excess of operating expenditure over ticketing income; and
- ii.) As a capital grant to meet the total capital costs incurred in the acquisition of capital items, including the cost of borrowing where a loan is secured for their financing.

h) Borrowings

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

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

i) Impairment of tangible and intangible assets other than goodwill

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

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

j) Taxation

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

i) *Current tax*

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

ii) *Deferred tax*

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

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

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

k) Provisions

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

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

k) Provisions (continued)

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

Onerous contracts

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

l) Leases

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

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

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

m) Financial Instruments

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

m) Financial Instruments (continued)

Financial assets

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

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

Trade and other receivables

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

m) Financial Instruments (continued)

Financial liabilities and equity instruments (continued)

Other financial liabilities

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

Trade and other payables

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

(n) Derivative Financial Instruments

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

4. Critical accounting judgements and key sources of estimation uncertainty

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

Key sources of estimation uncertainty

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

Useful lives and residual values of property and equipment

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

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

Key sources of estimation uncertainty (continued)

Deferred taxation assets

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

Contingent liabilities

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

5. Property and equipment

Tangible asset - 2015

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

5. Property and equipment (continued)

Tangible asset - 2014

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

6. Intangible assets - 2015

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

6. Intangible assets – 2014 (continued)

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

7. Security deposits

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

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

8. Cash and cash equivalents

8.a Cash and cash equivalents

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

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

8. Cash and cash equivalents (continued)

8.b Restricted cash

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

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

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

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

10. Trade and other receivables

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

11. Stated capital

Authorised:

Unlimited number of ordinary shares of no par value

	<u>2015</u>	<u>2014</u>
	\$	\$
Issued and fully paid:		
10 Ordinary shares of no par value	<u>10</u>	<u>10</u>

National Infrastructure Development Company Limited

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For the year ended 30 September 2015

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12. Borrowings

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

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

Long-term borrowings

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

i) *Citibank Trinidad and Tobago Limited*

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

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

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

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

National Infrastructure Development Company Limited

Notes to the financial statements

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12. Borrowings (continued)

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

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

iii) *ANSA Merchant Bank Limited*

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

iv) *RBC Merchant Bank (Caribbean) Limited*

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

v) *Scotiabank Trinidad and Tobago Limited*

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

vi) *Citibank Trinidad and Tobago Limited*

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

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

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

National Infrastructure Development Company Limited

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13. Trade payables

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

14. Accrued expenses and other liabilities

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

15. Taxation

a) *Deferred tax (asset) / liability*

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

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

b) *Taxation credit/(charge)*

	<u>2015</u>	<u>2014</u>
	\$	\$
Current tax	(54,097)	(359,741)
Deferred tax	<u>180,448</u>	<u>866,510</u>
Total tax expense	<u>126,351</u>	<u>506,769</u>

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

(Expressed in Trinidad and Tobago dollars)

15. Taxation (continued)

b) Taxation (charge)/credit (continued)

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

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

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

c) Tax refundable

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

16. Deferred capital grant shortfall

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

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

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17. Deferred Income

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

	<u>2015</u>	<u>2014</u>
	\$	\$
Water Taxi Service Agreement	-	30,096
Management fees	-	3,366,664
	<u>-</u>	<u>3,396,760</u>

18. Deferred government capital grants water taxi

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

19. Related party transactions

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

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

a) Government of The Republic of Trinidad and Tobago

	<u>2015</u>	<u>2014</u>
	\$	\$
Management fees earned	<u>37,231,847</u>	<u>57,283,929</u>
Financing for projects (Note 9)	<u>2,082,457,535</u>	<u>593,051,962</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.

	<u>2015</u>	<u>2014</u>
	\$	\$
Short term benefits	4,197,000	4,197,000
Post-employment benefits	622,800	622,800
	<u>4,819,800</u>	<u>4,819,800</u>

National Infrastructure Development Company Limited

Notes to the financial statements
For the year ended 30 September 2015
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20. Commitments and contingencies

a) Capital commitments

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

b) Contingencies

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

Unfair dismissal

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

Damages for breach of contract

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

21. Lease commitments – NIDCO

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

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

22. General and administrative expenses-NIDCO

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

National Infrastructure Development Company Limited

Notes to the financial statements

For the year ended 30 September 2015

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23. Other expenses-NIDCO

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

24. Administrative and other expenses

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

25. Impairment

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

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Notes to the financial statements

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26. Financial instruments

Fair values

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

Short term financial assets and liabilities

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

Credit risk

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

27. Capital management

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

28. Financial risk management objectives and policies

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

Role of the Board

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

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

Role of Internal Audit

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

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Notes to the financial statements

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(Expressed in Trinidad and Tobago dollars)

28. Financial risk management objectives and policies (continued)

Role of the Finance and Risk Committee

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

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

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

Credit risk

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

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

Credit risk

The ageing of trade receivables at year end was:

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

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

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28. Financial risk management objectives and policies (continued)

Liquidity risk

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

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

	<u>Less than One year</u>	<u>More than One year</u>
	\$	\$
30 September 2015		
Borrowings	1,602,977,287	362,088,431
Accounts Payable	279,359,312	33,442,461
	<u>1,882,336,599</u>	<u>395,530,892</u>
	<u>Less than One year</u>	<u>More than One year</u>
	\$	\$
30 September 2014		
Borrowings	131,578,546	447,568,113
Accounts Payable	191,511,675	33,868,759
	<u>323,090,221</u>	<u>481,436,872</u>

Market risk

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

Foreign currency risk

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

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

At 30 September 2015: TT\$ 6.3725

At 30 September 2014: TT\$ 6.3733

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28. Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk

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

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

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

Estimation of Fair values

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed upon between knowledgeable and willing parties who are under no compulsion to act and is best evidenced by a quoted market price if one exists. The estimated fair value of the Company's financial instruments is based on the market prices and valuation methodologies.

29. Events after the reporting date

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

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

Going concern

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

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

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

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