NIDCO
National Infrastructure Development Company Limited

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

24th January, 2024.

MINISTRY OF FINANCE
02 APR 2024
RECEIVED
INVESTMENTS DIVISION

Mrs. Michelle Durham-Kissoon
Permanent Secretary
Ministry of Finance,
Investment Division,
Independence Square,
Port of Spain.

Dear Mrs. Durham-Kissoon,

Re:National Infrastructure Development Company Limited: Annual Meeting to be held via Resolution of the Shareholders

The captioned matter refers.

I write to inform you that the Board of Directors of the National Infrastructure Development Company Limited agreed to convene an Annual Shareholders Meeting.

However, due to the rise in COVID-19 cases in the country and Public Health Regulations and Directives on reducing the spread of the virus, the Board of Directors of NIDCO is of the view that a physical meeting of the Shareholders is not advisable.

Given the present circumstances, the Board of Directors approved the following:

i. That the 12th Annual Meeting of Shareholders of NIDCO be convened to transact the following ordinary business of the Company:

   a. To receive and accept the Audited Financial Statements of the year ended 30th September, 2019.

   b. To re-appoint the incumbent External Auditors, Panel Kerr Forster.

   c. To re-elect Directors.

ii. That the meeting be convened by the Shareholders in accordance with Section 132 (1) of the Companies Act Chapter 81:01 **which allows for Resolution in writing signed by all Shareholders entitled to vote on that Resolution.**

In this regard, NIDCO hereby requests your attention to same and awaits the signed Resolution of the Shareholders.

Yours respectfully,

Vanda Thomas-Lynch
Corporate Secretary

NIDCO

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
(THE COMPANY)

AGENDA OF THE THIRTEENTH ANNUAL MEETING OF THE NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED HELD VIA RESOLUTION OF THE SHAREHOLDERS

Notice is hereby given that the Thirteenth Annual General Meeting of the National Infrastructure Development Company Limited will be held via a Resolution of the Shareholders for the purpose of transacting the following business.

1. Consideration and adoption of the Audited Financial Statements of the Company for the year ended 30th September, 2019.

2. To re-appoint the incumbent External Auditors, Panel Kerr Forster, and to empower the Directors to determine their remuneration for the ensuing year.

3. Re-election of Directors

4. Any other business.

Vanda Thomas-Lynch
Corporate Secretary
24th January, 2024

PKF
Chartered Accountants
& Business Advisors
PKF LIMITED

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

FINANCIAL STATEMENTS
(Expressed in Trinidad and Tobago dollars)

30 SEPTEMBER 2019

PKF
Chartered Accountants
& Business Advisors
PKF LIMITED

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

INDEX

NIDCO
National Infrastructure Development Company Limited

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

Ref #: FIN/PKF/1038

Re: Statement of Management Responsibilities

Management is responsible for the following:

- preparing and fairly presenting the accompanying financial statements of National Infrastructure Development Company Limited, which comprise the statement of financial position as at 30 September 2019, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies;
- ensuring that the Company keeps proper accounting records;
- selecting appropriate accounting policies and applying them in a consistent manner;
- implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of the Company's operational efficiencies;
- ensuring that the system of internal control operated effectively during the reporting period;
- producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.
Nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

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

Esther Farmer	Ravi Seereeram
President	Manager Finance Corporate Planning & Risk
14th November 2023	14th November 2023

PKF
Chartered Accountants
& Business Advisors
PKF LIMITED

INDEPENDENT AUDITORS' REPORT

The Shareholder
National Infrastructure Development Company Limited

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

Telephone: (868) 235-5063
Address: 111 Eleventh Street, Barataria 250623, Trinidad, West Indies
Mailing Address: PO Box 10205, Eastern Main Road, San Juan

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

PKF
Chartered Accountants
& Business Advisors
PKF LIMITED

INDEPENDENT AUDITORS' REPORT (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PKF

Barataria
TRINIDAD
14 November 2023

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

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

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

H George

Chairman

President

(The accompanying notes are an integral part of these financial statements)

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

	Notes	For the year ended 30 September 2019 $	2018 $
Projects			
Revenue			
Management fees	21	47,851,524	19,614,435
Construction supervision fees	21	3,573,333	-
Tender fees		1,259,719	876,033
Interest income on deposits		2,606,299	9,937,421
Grant income	21	70,204,332	77,242,747
Other income		-	450,000
		125,495,207	108,120,636
Operating expenses			
General and administrative expenses	24	30,216,725	32,540,621
Depreciation and amortisation		1,001,330	827,323
Other expenses	25	(5,459,543)	20,986,401
Foreign exchange loss/(gains)		5,636,516	(17,475,824)
Loan interest	21	70,204,332	77,242,747
Impairment of financial assets		2,456,824	-
		104,056,184	114,121,268
Net profit/(loss) from projects before taxation		21,439,023	(6,000,632)
Taxation	9b	(519,589)	(348,531)
Net profit/(loss) from projects after taxation		20,919,434	(6,349,163)
Vessels			
Grant income (JDLV and Galleons)		105,451,519	-
Vessels expenses (JDLV and Galleons)		(105,451,519)	-
Profit from vessel operations		-	-
Water Taxi			
Revenue			
Ticketing income		5,549,853	5,836,662
Charter income		206,190	(13,244)
Other income		26,193	171,306
		5,782,236	5,994,724
Operating expenses			
Administrative and other expenses	26	51,167,552	52,489,300
Foreign exchange gain		(25,987)	-
		51,141,565	52,489,300
Loss from operations		(45,359,329)	(46,494,576)
Government grants – operations	21	45,359,329	46,494,576
Profit from water taxi operations		-	-
Amortisation of government capital grants	21	16,182,589	19,465,509
Depreciation and amortisation		(15,955,191)	(16,652,840)
Loan interest		(227,398)	(2,812,669)
		-	-
Total comprehensive income/(loss) for the year		20,919,434	(6,349,163)

(The accompanying notes are an integral part of these financial statements)

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

30 SEPTEMBER 2019

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

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	For the year ended 30 September 2019 $	2018 $
Cash Flows from Operating Activities			
Net profit (loss) before taxation		21,439,023	(6,000,632)
Loss on Water Taxi operations		(45,359,329)	(46,494,576)
Adjustments for non-cash items:			
Foreign exchange loss/(gain)		5,662,503	(17,475,824)
Interest income		(2,607,692)	(9,937,421)
Interest expense		70,431,730	80,055,416
Grant income		(70,431,730)	(80,055,416)
Amortisation of deferred capital grant		(15,955,191)	(16,652,840)
Prior period adjustment		493,307	-
Financing from Government of Trinidad and Tobago - Water Taxi		43,463,990	58,982,686
Gain on sale of asset		(765)	(1,334)
Depreciation – property, plant and equipment		26,784,810	17,298,832
Allowance for impairment – Due from Government of Trinidad and Tobago		2,456,824	-
Amortisation – intangible		126,904	181,331
		36,504,384	(20,099,778)
Change in Due from Government of Trinidad and Tobago net of loans		(742,615,261)	(154,575,050)
Change in trade receivables and other receivables		8,155,076	880,987
Change in security deposit		-	(35,100)
Change in Due to Government of Trinidad and Tobago		140,045,835	(173,724,343)
Change in trade payables and other liabilities		(104,530,984)	58,693,926
		(662,440,950)	(288,859,358)
Taxation paid		(650,104)	(327,553)
Net cash used in Operating Activities		(663,091,054)	(289,186,911)
Cash Flows from Investing Activities:			
Sale proceeds from disposal of property plant and equipment		1,014	1,334
Acquisition – property, plant and equipment		(160,178,331)	(11,954,899)
Interest received		2,607,692	10,928,708
Net cash used in Investing Activities		(157,569,625)	(1,024,857)
Cash Flows Financing Activities:			
Funding from new loans		713,661,568	-
Loans principal repayments		(191,614,089)	(223,411,576)
Loan interest paid		(69,490,183)	(82,248,862)
Loan financing from Government of Trinidad and Tobago		261,104,272	305,660,438
Release of restricted cash		38,190,000	-
Net cash generated from Financing Activities		751,851,568	-
Net change in cash and cash equivalents		(68,809,111)	(290,211,768)
Effects of exchange rate difference on cash and cash equivalents		(5,662,503)	17,455,808
Cash and Cash equivalents, beginning of year	12	556,410,986	829,166,946
Cash and Cash equivalents, end of year		**481,939,372**	**556,410,986**

(The accompanying notes are an integral part of these financial statements)

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

1. Incorporation and Principal Activity

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

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

2. Significant Accounting Policies:

(a) **Basis of financial statement preparation -**

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

Fair value is the price that would be received from sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, NIDCO takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes is determined on this basis.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety. These levels are described below:

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

No account has been taken for the effects of inflation.

(b) **Functional and reporting currency -**

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

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

2. Significant Accounting Policies (Cont'd):

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

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

(c) **Use of estimates and judgements -**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(d) **New accounting standards and interpretations -**

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

IFRS 15 Revenue from Contracts with Customers

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

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

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

2. Significant Accounting Policies (Cont'd):

(d) New Accounting Standards and Interpretations (cont'd) -

i) **The Company has applied the amendments to the following standards, which became effective during the current financial year (cont'd):**

IFRS 9 Financial Instruments

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

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

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

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

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

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

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. **Significant Accounting Policies (Cont'd):**

(d) New Accounting Standards and Interpretations (cont'd) -

ii) **The Company has not applied the amendments to the following standards which became effective during the current financial year as either they do not apply to its activities or have no material impact on the financial statements:**

IFRS 2	Amendments - Classification and Measurement of Share-based Payment Transactions.
IFRS 4	Amendments - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
IAS 40	Amendments - Transfers of Investment Property
IFRIC 22	Foreign Currency Transactions and Advance Consideration Annual Improvements to IFRSs 2014-2016

iii) **New interpretations and amended/revised standards that are not yet in effect and have not been early-adopted by the company.**

Effective for annual periods beginning on or after 1 January 2019

IFRS 9	Amendments- Prepayment Features with Negative Compensation
IFRS 10 and IAS 28	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture. In December 2015, the IASB deferred the effective date of the amendments until such time it finalizes any amendments that result from its research project on the equity method of accounting.
IFRS 16	Leases - IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.
IAS 19	Plan Amendment, Curtailment or Settlement
IAS 28	Amendments- Long-term Interests in Associates and Joint Ventures
IFRIC 23	Uncertainty over Income Tax Treatments

Annual Improvements to IFRSs 2015-2017

2. **Significant Accounting Policies (Cont'd):**

(d) New Accounting Standards and Interpretations (cont'd) -

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

Effective for annual periods beginning on or after 1 January 2020

Conceptual Framework for Financial Reporting

Effective for annual periods beginning on or after 1 January 2021

IFRS 4 Insurance Contracts - Amendments regarding the interest rate benchmark reform

IFRS 7 Financial Instruments: Disclosures - Amendments regarding additional disclosures arising from interest rate benchmark reform

IFRS 16 Leases - Amendments regarding the interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021).

Effective for annual periods beginning on or after 1 January 2022

IFRS 1 First-time Adoption of Financial Reporting Standards - Amendments regarding subsidiary as first-time adopter

IFRS 3 Business Combinations - Amendments regarding the reference to the conceptual framework

IFRS 9 Financial Instruments - Amendments regarding fees in the 'ten percent' test for derecognition of financial liabilities

IFRS 16 Leases - Amendments regarding the accounting treatment of lease incentives

IFRS 16 Leases - Amendments regarding a lease liability in sale and leaseback transactions

IAS 16 Property, Plant and Equipment - Amendments regarding proceeds before intended use

IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding onerous contracts and cost of fulfilling a contract

IAS 41 Agriculture - Amendments regarding taxation in fair value measurements

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. **Significant Accounting Policies (Cont'd):**

(d) New Accounting Standards and Interpretations (cont'd) -

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

Effective for annual periods beginning on or after 1 January 2023

IFRS 17	Insurance Contracts
IAS 1	Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies
IAS 1	Presentation of Financial Statements - Amendments regarding the classification of liabilities as current and non-current
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates
IAS 12	Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations

Effective for annual periods beginning on or after 1 January 2024

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

2. **Significant Accounting Policies (Cont'd):**

(e) Property, plant and equipment -

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment.

Cost includes the purchase price of the assets, in addition to any further cost incurred to bring the asset to its present condition and location. Any improvements to assets during that the year that significantly add to the value or extend the life of the asset will be capitalised as part of the asset cost.

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

Equipment	-	25%
Furniture and fixtures	-	10%
Motor Vehicles	-	25%
Intangible Asset	-	25%
Vessels	-	5%
Water taxi assets:		
Vessels	-	10%
Pontoons	-	10%
Building	-	2%
Leasehold improvements	-	2%

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

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

Repairs and renovations are normally expensed when incurred. Expenses are added to assets only if the amounts involved are substantial and one or more of the following conditions are satisfied:

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

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

2. Significant Accounting Policies (Cont'd):

(f) Intangible assets -

NIDCO's intangible assets comprise separately identifiable items arising from computer software licenses. Intangible assets are initially recognised at cost. Intangible assets which have finite useful lives and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The rate utilised is 25%.

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

(g) Leases -

The company is a lessee. Leases of property, plant and equipment where the company assumes substantially all the benefits and risks of ownership are classified as finance leases. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets at the fair value at inception of the lease or, if lower, at present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction in the lease obligation, so as to achieve a constant rate on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the company's general policy on borrowing costs.

Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are initially recognised as a liability and credited to the rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

2. Significant Accounting Policies (Cont'd):

(h) Financial instruments -

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

Financial assets

Initial Recognition and Measurement

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

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

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

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

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

Subsequent Measurement

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on a specific date to cash flows that are SPPI on the principal amount outstanding.

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

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30 SEPTEMBER 2019

2. **Significant Accounting Policies (Cont'd):**

(h) **Financial instruments (cont'd) -**

Effective interest rate method

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

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or whether appropriate, a short period, to the net carrying amount on initial recognition.

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

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

Cash and cash equivalents

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

Trade and other receivables and Due from GORTT

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

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

2. Significant Accounting Policies (Cont'd):

(h) Financial instruments (cont'd) -

Impairment

Financial assets are assessed for impairment indicators at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that as a result of one or more events that has occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected.

Objective evidence of impairment could include:

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

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

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

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

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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2. Significant Accounting Policies (Cont'd):

(h) Financial instruments (cont'd) -

Derecognition

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

- The rights to receive cash flows from the asset have expired; or

- The company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay, to a third party under a 'pass-through' arrangement; and either:

  (a) the company has transferred substantially all the risks and rewards of the asset; or
  (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Financial liabilities

Initial recognition and measurement

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

2. **Significant Accounting Policies (Cont'd):**

(h) Financial instruments (cont'd)-

Financial liabilities (cont'd)

Subsequent measurement of other financial liabilities

Other financial liabilities (including borrowings, trade payables and accrued expenses and other liabilities) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or where appropriate, a short period, to the net carrying amount on initial recognition.

The company does not have any financial guarantee contracts.

Derecognition

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

(i) Revenue recognition -

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

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

Management fees

Revenue is recognized at the time that work performed is certified and this is done on an accrual basis. The management fees are based on a set percentage agreed between the company and the respective client (Ministry of Works and Transport). The percentage varies by project and is communicated by Cabinet Note.

Interest income

Interest income is recognised using the effective interest method.

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. Significant Accounting Policies (Cont'd):

(i) Revenue recognition (cont'd) -

Construction supervision fees

The Construction supervision fees are based on a set percentage agreed between the company and the respective client (Ministry of Works and Transport). The percentage varies by project and is communicated by Cabinet Note. The fees are recognised in accordance with the project progress schedule.

Government grants

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

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

The company receives government grants as follows:

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

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

iii) As an income grant to offset the interest on loans undertaken to finance infrastructural projects.

Tender Fees

Revenue is recognised upon sale of tender package.

Water taxi income

Charter income is recognised at the time the service is rendered and funds are received from the customer.

Ticketing income

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

2. **Significant Accounting Policies (Cont'd):**

(i) Borrowing cost -

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

The company's borrowings are wholly for services executed on behalf of, or provided to GORTT, and therefore do not have temporary investments of specific borrowings. All borrowing costs are recognised in profit or loss in the period in which they occurred.

(j) **Taxation -**

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

i) Current tax
The tax receivable (or currently payable) is based on taxable profit for the year. Taxable profit differs from 'profits before tax' as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are not taxable or deductible. Current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

2. Significant Accounting Policies (Cont'd):

(k) Derivative financial instruments -

The company purchased a derivative financial instrument to manage its exposure to interest rate fluctuations, where the floating interest rate for loan taken out with Australia & New Zealand (ANZ) Banking Group was swapped for a fixed rate.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently revalued to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately, unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

(l) Employee benefits -

The company provides short-term benefits such as salaries and related allowances, as well as a medical plan with a life insurance element that is non-transferable. A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(m) Comparative information -

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

(n) Prior period adjustment -

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

3. **Financial Risk Management:**

Financial risk factors

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

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

Role of the Finance and Risk Committee

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

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

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

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

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

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

3. **Financial Risk Management (Cont'd):**

Financial risk factors (cont'd) -

(a) Credit risk

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

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

	30 September 2019 ($)	30 September 2018 ($)
Other Receivables (**Note 10**)	1,524,694	8,674,170
Due from GORTT (**Note 8**)	2,513,531,617	1,964,987,269
Restricted Cash (**Note 13**)	-	38,190,000
Cash and Cash Equivalents (**Note 12**)	481,939,372	556,410,986
	2,996,995,683	2,568,262,425

(i) The aging of other receivables at year end is:

	Total	**Neither past due nor impaired 31-90 days**	**Past due but not Impaired Over 90 days**
2019	1,524,694	10,467	1,514,227
2018	8,674,170	1,040,442	7,633,728

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

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

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

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

3. Financial Risk Management (Cont'd):

Financial risk factors (cont'd) -

(a) Credit Risk (cont'd)

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

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

(b) **Liquidity risk**

The company manages its liquidity risk by maintaining precise levels of cash to meet its cash obligations as they fall due, utilising cash flow forecasts and other internal monitoring reports.

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

Non-derivative financial liabilities

	Less than One year $	More than One year $
30 September 2019		
Borrowings	221,259,524	1,721,752,044
Trade Payables	266,205,191	-
Accrued Expenses and Other Liabilities	176,192,835	-
Due to GORTT	38,304,000	668,149,642
	701,961,550	2,389,901,686
30 September 2018		
Borrowings	191,614,089	1,229,350,000
Trade Payables	364,370,765	-
Accrued Expenses and Other Liabilities	121,718,813	-
Due to GORTT	38,190,000	728,989,074
	715,893,667	1,958,339,074

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

3. Financial Risk Management (Cont'd):

Financial risk factors (cont'd) -

(c) Market risk

Market risk arises in the normal course of business and encompasses the risk to earnings that arises from changes in foreign exchange rates, interest rates and equity prices. The company does not currently invest in equities.

(d) Foreign currency risk

The company has significant foreign currency risk on transactions that are denominated in a currency other than the Trinidad and Tobago dollar. The currency giving rise to any risk is primarily the United States dollar. The First Citizen Bank of Trinidad and Tobago exchange rate of the United States dollar to the Trinidad and Tobago dollar at year end was 6.6900 (2018: 6.7793). The foreign exchange risk is managed through funding from GORTT based on the timing when foreign liabilities fall due.

Foreign currency exposure

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

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

3. Financial Risk Management (Cont'd):

Financial risk factors (cont'd) -

(d) Foreign currency risk (cont'd)

	TTD ($)	USD ($)	Other Currencies ($)	Total ($)
2018				
Financial Assets				
Cash and cash equivalents	45,767,570	509,691,166	952,250	556,410,986
Restricted cash	-	38,190,000	-	38,190,000
Other receivables	8,674,170	-	-	8,674,170
Due from GORTT	1,964,987,269	-	-	1,964,987,269
Total Financial Assets	2,019,429,009	547,881,166	952,250	2,568,262,425
Financial Liabilities				
Borrowings	1,400,479,166	20,484,923	-	1,420,964,089
Trade payables	234,473,839	128,209,848	1,687,078	364,370,765
Accrued expenses and other liabilities	121,245,894	472,919	-	121,718,813
Due to GORTT	-	767,179,074	-	767,179,074
Total Financial Liabilities	1,756,198,899	916,346,764	1,687,078	2,674,232,741
Exposure	263,230,110	(368,465,598)	(734,828)	(105,970,316)

(e) **Interest rate risk**

The company has exposure to interest rate risk on its borrowings. There is one loan facility which is based on a floating rate arrangement and there is an interest rate swap in place to mitigate against this risk. See **Note 15 vii**. The exposure to fluctuating cash flows as a result the floating interest rate is not material.

Estimation of fair values

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

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

3. **Financial Risk Management (Cont'd):**

Financial risk factors (cont'd) -

(e) **Interest rate risk (cont'd)**

Estimation of fair values (cont'd)

	Carry Value	
	2019	2018
	$	$
Financial Liabilities		
Borrowings	1,943,011,568	1,420,964,089

	Fair Value	
	2019	2018
	($)	($)
Financial Liabilities		
Borrowings	1,943,011,568	1,420,964,089

4. **Critical Accounting Estimates and Judgements:**

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

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

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

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

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

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

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

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

Significant increase of credit risk:

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

Establishing groups of assets with similar credit risk characteristics:

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

Valuation models and assumptions used:

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

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

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

i) Impairment of assets

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

ii) Probability of default (PD)

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

iii) Loss Given Default (LGD)

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

iv) Fair value measurement and valuation process

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

v) Exposure at Default (EAD)

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

vi) Property, plant and equipment

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

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

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5. Property, Plant and Equipment:

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

NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

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

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

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6. Intangible Assets:

	Water Taxi Computer Software $	Computer Software $	Total $
Cost			
Balance, 1 October 2018	18,625,917	5,869,945	24,495,862
Additions	-	5,500	5,500
Balance, 30 September 2019	18,625,917	5,875,445	24,501,362
Accumulated amortisation			
Balance, 1 October 2018	18,625,917	5,668,627	24,294,544
Amortisation	-	126,904	126,904
Balance, 30 September 2019	18,625,917	5,795,531	24,421,448
Net book Value			
Balance, 30 September 2019	-	79,914	79,914
Balance, 30 September 2018	-	201,318	201,318

	Water Taxi Computer Software $	Computer Software $	Total $
Cost			
Balance, 1 October 2017	18,625,917	5,852,641	24,478,558
Additions	-	17,304	17,304
Balance, 30 September 2018	18,625,917	5,869,945	24,495,862
Accumulated amortisation			
Balance, 1 October 2017	18,625,917	5,487,296	24,113,213
Amortisation	-	181,331	181,331
Balance, 30 September 2018	18,625,917	5,668,627	24,294,544
Net book Value			
Balance, 30 September 2018	-	201,318	201,318
Balance, 30 September 2017	-	365,345	365,345

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7. Security Deposits:

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

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

8. Due from Government of Trinidad and Tobago:

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

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

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9. Taxation:

a) **Deferred taxation**

Deferred tax asset of **$1,489,911** arises from the tax written down value of assets and their corresponding accounting book values at the year end. In 2019 corporation tax was 25% on the first **$1 million** and 30% thereafter. In 2018, the corporation tax rate was 30%. The company is entitled to set-off its brought forward tax losses against taxable profits in any year where profits are achieved. The company has not accounted for deferred tax or losses brought forward, as an estimate of future profit cannot be reasonably made at this time. The estimated tax losses carried forward is **$60 million** (2018: **$70 million**).

	30 September 2019 ($)	30 September 2018 ($)
Written down value per accounting records	2,991,744	2,823,550
Tax value of plant and machinery	(8,124,779)	(7,825,667)
Temporary difference	(5,133,035)	(5,002,117)
Deferred tax asset	1,489,911	1,500,636

b) **Taxation charge**

	30 September 2019 ($)	30 September 2018 ($)
Current tax	508,864	249,539
Deferred tax	10,725	98,992
	519,589	348,531
Profit/(loss) before tax	21,439,023	(6,000,632)
Tax calculated @30%/25%	6,381,707	(1,800,190)
Non-deductible expenses	3,236,184	1,968,574
Other timing differences	(121,370)	(55,400)
Exempt income	(884)	(13,992)
Deductible expenses	(229)	-
Green fund and business levy	508,864	249,539
Taxable losses utilised	(9,484,683)	-
Current Tax	519,589	348,531

10. Trade and Other Receivables:

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

11. Tax Refundable:

	30 September 2019 ($)	30 September 2018 ($)
Business levy	91,030	(134,724)
Green fund levy	17,862	2,420
Corporation tax	1,873,910	1,873,910
	1,982,802	1,741,606

12. Cash and Cash Equivalents:

Cash and cash equivalents consist of cash in hand and cash balances with banks. Cash and cash equivalents included in the Statement of Cash Flows comprise the following:

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

13. Restricted Cash:

This represents the TTD equivalent of **USD$5.7M** plus interest for collateral posting of NIDCO's aggregate exposure under the hedging agreement with ANZ Banking Group. Interest is earned at the existing bank rates and transferred to NIDCO's US Dollar account monthly. The loan facility was repaid on 21 December 2018 and the security deposit was released to the company on 23 January 2019.

14. Stated Capital:

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

15. Borrowings:

Institution	Project	30 September 2019 ($)	2018 ($)
i) Citibank – TTD $344.75M	Aranguez overpass	114,916,667	137,900,000
ii) ANZ Banking Group – USD$66.5M	Water Taxis	-	20,484,923
iii) ANSA Merchant Bank - TTD$153.8M	R/Rail $103.8M and NNHP $50M	-	9,612,500
iv) RBC – TTD$53M	National Traffic Management System	19,433,333	22,966,666
v) RBC – TTD$1,500M 15 Year Fixed Rate Bond	Sir Solomon Hochoy Highway Extension to Point Fortin Project	1,095,000,000	1,230,000,000
vi) ANSA Merchant Bank – TT$500M	Sir Solomon Hochoy Highway Extension to Point Fortin Project	500,000,000	-
vii) FCB US$61.5m	Purchase of Two Catamaran Ferries to service inter island sea bridge	213,661,568	-
Total borrowings		1,943,011,568	1,420,964,089
Current portion		221,259,524	191,614,089
Non-current portion		1,721,752,044	1,229,350,000

15. Borrowings (Cont'd):

Reconciliation of liabilities arising from financing activities:

	30 September 2019 ($)	30 September 2018 ($)
As at 1 October	1,420,964,089	1,644,375,665
New Loans	713,661,568	-
Principal repayments	(191,614,089)	(223,411,576)
As at 30 September	1,943,011,568	1,420,964,089

Summary of borrowing arrangements

Borrowings comprise of several loans from various lending institutions to fund government projects. Borrowings are fully guaranteed by the Government of Trinidad and Tobago.

i) TT$344,750,000 Fixed Rate Bonds 2009-2024

The bond was underwritten by Citicorp Merchant Bank Limited, who is the arranger. The Trustee for the bond is RBTT Trust Limited and First Citizens Trustee Services Limited (FCIS) is the Paying Agent. The Bond was taken to finance the Aranguez / El Socorro overpass. The loan is secured by a letter of comfort from the Government of Trinidad and Tobago. It carries a fixed rate of interest 6.7% per annum and is repayable semi-annually over 15 years from the date of issue. The loan was issued on 27 August 2009.

ii) ANZ Banking Group

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

The loan comprised two parts: **USD$53.42M** provided by Export Financing Facility (EFF) and **USD$13.11M** provided by Central Finance Facility (CFF). The loan carries interest rates of EFF at LIBOR plus a margin of 1.4% per annum and CFF at LIBOR plus a margin of 2.15% per annum. A hedging arrangement was reached with ANZ Banking Group, whereby the above fluctuating interest rates were swapped for a fixed rate of EFF at 5.39% per annum and CFF at 5.12% per annum. Both loans are repayable at semi-annual intervals. The EFF facet was for a period of 8 ½ years and repaid on 21 December 2018. The CFF facet was for a period of 4 years and was repaid on 17 June 2014.

*iii) **TT$153,800,000** Government Guaranteed (Fixed Rate) Bonds 2010-2018*

This represents a long-term fixed rate non-callable bond for **TTD$153.8M** from ANSA Merchant Bank Limited to finance the Rapid Rail Project and National Network of Highways Project (NNHP) with a coupon rate of 5.85%. The loan was for a period of 8 years and was repaid on 21 December 2018.

15. Borrowings (Cont'd):

iv) RBC Merchant Bank (Caribbean) Limited

The company obtain a loan from RBC Merchant Bank (Caribbean) Limited on 10 December 2009 to finance the National Traffic Management System (NTMS). The loan amount of **TT$53M** is for a period of 15 years, with a fixed interest rate of 7.9% per annum and is repayable via semi-annual payments. The loan is secured by a letter of comfort from the Ministry of Finance.

v) Syndicate Loan RBC Royal Bank (Trinidad and Tobago) Limited

In December 2014, the company obtained a **TT$1.5B** loan from RBC Royal Bank (Trinidad and Tobago) Limited and Scotiabank of Trinidad and Tobago Limited to finance outstanding obligations on the Sir Solomon Hochoy Highway Extension to Point Fortin Project. The amount was originally negotiated as a Bridging facility and subsequently converted to a **TT$1.5B** fixed rate bond effective June 2016. It carries an interest rate of 4.9% per annum and is repayable semi-annually over 15 years. This facility is backed by GORTT via a letter of guarantee.

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

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

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

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

16. Due to Government of Trinidad and Tobago:

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

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

i) Funds from settlement of standby letter for credit:

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

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

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

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

ii) Funds received for security deposit

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

17. Deferred Government Capital Grant – Water Taxi:

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

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

18. Government Capital Grant Deferred – Projects:

This represents GORTT's interest in the provision of four (4) vehicles transferred to NIDCO by the Organisation of American States (OAS), pursuant to the contractual arrangement and related conditions of the contract with the principal contractor engaged for construction of the Sir Solomon Hochoy Highway Extension to Point Fortin Project.

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19. Trade Payables:

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

20. Accrued Expenses and Other Liabilities:

	30 September 2019 ($)	30 September 2018 ($)
Projects		
Accrued liabilities	146,617,461	88,424,932
Accrued Interest	21,135,278	20,428,695
Other payables	444,867	414,666
	168,197,606	109,268,293
Water Taxi		
Accrued liabilities	7,995,229	11,158,993
Accrued Interest	-	1,291,527
	176,192,835	**121,718,813**

21. **Related Party Transactions and Balances:**

The company is wholly owned by GORTT.

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

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

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

(c) Compensation of key management personnel

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

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

22. Commitments and Contingencies:

a) ***Capital commitments***

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

b) ***Contingencies***

The company was engaged in several legal proceedings arising from the normal course of business. Based on the facts currently available to the company, the outcome of these matters would not have a material and/or adverse effect on the position of the company with the exception of the following matter.

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

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

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

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23. Lease Commitments:

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

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

24. General and Administrative Expenses – Projects:

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

25. Other Expenses - Projects:

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

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26. Administrative and Other Expenses – Water Taxi:

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

27. Capital Risk Management:

The company has no formal documented policy regarding capital management, as the company's projects are funded via direct funding from the Infrastructure Development Fund and open market loans backed by GORTT. The company earns a management fee from GORTT for its services. Notwithstanding these receipts, every effort is made to ensure there is value for money for all services rendered and, effective management of assets and liabilities.

28. Events After the Reporting Date:

Loans entered into after fiscal year end 2019

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

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

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

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

Major Assets Purchase after fiscal year end 2019

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

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

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

All loan facilities are fully guaranteed by the Government of Trinidad and Tobago Limited.

Covid-19 has impacted the operations of the Water Taxi and the Sea-bridge, as the number of passengers and sailings had been reduced. These services, however, remain under the categorisation of essential services and operations continue at a reduced capacity.

The restrictions placed by GORTT impacted the construction, sector as operations on the respective sites were halted in order to comply with the Public Health Ordinance. Despite the restrictions and some temporarily delayed operations, the company anticipates that as restrictions ease, the planned works will resume at the respective sites. Due to the timing of contractor billings, delays will be experienced in the receipt of contractor invoices for works completed. The billings to client Ministries will also be affected, thereby impacting the management fee income earned.