



REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO FOR THE YEAR ENDED DECEMBER 31, 2007

The accompanying Financial Statements of the Airports Authority of Trinidad and Tobago for the year ended December 31, 2007 has been audited. The Statements comprise a Balance Sheet as at December 31, 2007, a Statement of Income, a Statement of Changes in Equity and a Statement of Cash Flows for the year ended December 31, 2007 and Notes to the Financial Statements numbered 1 to 21.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

3. The Auditor General's responsibility is to express an opinion on these financial statements based on the audit. The audit was carried out in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago and section 20 (1) of the Airports Authority of Trinidad and Tobago Act, Chapter 49:02. The audit was conducted in accordance with International Standards on Auditing which require that ethical requirements be complied with and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

5. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

OPINION

6. In my opinion, the Financial Statements present fairly, the financial position of the Airports Authority of Trinidad and Tobago as at December 31, 2007 and its financial performance and cash flows for the year ended December 31, 2007 in accordance with International Financial Reporting Standards.

SUBMISSION OF REPORT

7. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance in accordance with the provisions of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.

**23rd JUNE, 2016
PORT-OF-SPAIN**



**MAJEED ALI
AUDITOR GENERAL**

SS
20160623

Financial Statements of

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

December 31, 2007

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

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BACKGROUND INFORMATION

The Airports Authority of Trinidad and Tobago is governed by the Laws of the Republic of Trinidad & Tobago – the Airports Authority of Trinidad and Tobago Act Chapter 49:02.

This is an Act to provide for the establishment, incorporation and management of an Airports Authority of Trinidad and Tobago, so as to ensure the provision of efficient, secure and safe aviation services.

The Airports Authority of Trinidad and Tobago is a body corporate whose Board shall be appointed by the Minister from among persons who are suitably qualified in the following disciplines:

- a) engineering;
- b) civil aviation;
- c) law;
- d) accounting and finance;
- e) economics and business management; and
- f) security

The Minister shall appoint the Chairman and the Deputy Chairman of the Board.

The Authority shall cause to be kept proper accounts and records of its transactions and affairs and shall ensure that all payments out of its funds are properly authorized and correctly made and that adequate control is maintained over the incurring of expenditure. The accounts of the Authority shall be kept in accordance with accounting standards established by the Institute of Chartered Accountants of Trinidad and Tobago.

The accounts of the Authority shall be audited annually by the Auditor General, or by a qualified auditor, appointed by the Auditor General. In addition to the annual audit, the Auditor General may at any time audit the accounts and examine the records of financial transactions of the Authority and shall forthwith draw to the attention of the Minister any irregularity disclosed by such audit and examination, which, in the opinion of the Auditor General, is of sufficient importance to be reported to the Minister.

The Authority shall provide the Auditor General or other qualified auditor with all necessary and appropriate facilities for the examination of the accounts and records. The Auditor General or such other qualified auditor may make copies of or take extracts from accounts, books or other financial records of the Authority. The Authority shall, not later than the 30th day of June in each year submit to the Minister a report of its operations during the previous financial year, together with financial statements in respect of that year and the Auditor General's report on those statements.

As soon as practicable after the report and financial statements of the Authority, together with the report of the Auditor General are received by him, the Minister shall cause them to be laid before the Senate and the House of Representatives.

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Balance Sheet


December 31, 2007

	Note	2007 \$'000	2006 \$'000
ASSETS			
Property, plant and equipment	4	1,498,557	1,410,339
Investment property	5	8,196	7,607
Retirement benefit	6 (c)	16,251	11,397
Investment	7	<u>105,809</u>	<u>96,191</u>
Total non-current assets		<u>1,628,813</u>	<u>1,525,534</u>
Inventories		1,575	1,093
Accounts receivable and prepayments	8	93,151	192,433
Restricted cash	9	78,478	78,429
Cash and short-term deposits	10	<u>166,631</u>	<u>120,957</u>
Total current assets		<u>339,835</u>	<u>392,912</u>
Total assets		<u>1,968,648</u>	<u>1,918,446</u>
EQUITY AND LIABILITIES			
Capital fund	11	1,306,740	1,175,574
Revaluation reserve		245,601	245,601
Accumulated deficit		<u>(1,030,313)</u>	<u>(916,343)</u>
Total equity		<u>522,028</u>	<u>504,832</u>
Loans	12	1,113,793	1,094,383
Deferred liability	13	11,000	11,000
Deferred taxation	14	<u>48,401</u>	<u>43,750</u>
Total non-current liabilities		<u>1,173,194</u>	<u>1,149,133</u>
Trade payables		3,423	3,769
Other liabilities and accruals	15	140,820	146,512
Loans	12	<u>129,183</u>	<u>114,200</u>
Total current liabilities		<u>273,426</u>	<u>264,481</u>
Total liabilities		<u>1,446,620</u>	<u>1,413,614</u>
Total equity and liabilities		<u>1,968,648</u>	<u>1,918,446</u>



The accompanying notes form an integral part of these financial statements.

Approved on behalf of the Board on


 _____ Director


 _____ Director

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Statement of Income

December 31, 2007

	Note	2007 \$'000	2006 \$'000
REVENUE			
Operations		174,367	150,168
Government subventions for loan interest repayments		119,261	128,124
Other income		<u>22,243</u>	<u>19,158</u>
		<u>315,871</u>	<u>297,450</u>
EXPENSES			
Employee benefits		78,525	70,509
Operating and other administrative expenses		87,173	50,710
Depreciation		138,536	102,975
Finance expenses		<u>120,370</u>	<u>128,137</u>
		<u>424,604</u>	<u>352,331</u>
Loss for the year before taxation		(108,733)	(54,881)
Taxation	16	<u>(5,237)</u>	<u>572</u>
Loss for the year		<u>(113,970)</u>	<u>(54,309)</u>

The accompanying notes form an integral part of these financial statements.

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Statement of Changes in Equity

December 31, 2007

	Capital Fund \$'000	Revaluation Reserve \$'000	Accumulated Deficit \$'000	Total Equity \$'000
Balance as at December 31, 2005	1,035,346	245,601	(862,034)	418,913
Capital contribution for:				
Loan principal repayment	114,207	-	-	114,207
PSIP Projects	26,021	-	-	26,021
Deficit for the year	-	-	(54,309)	(54,309)
Balance as at December 31, 2006	1,175,574	245,601	(916,343)	504,832
Capital contribution for:				
Loan principal repayment	114,238	-	-	114,238
PSIP Projects	16,928	-	-	16,928
Deficit for the year	-	-	(113,970)	(113,970)
Balance as at December 31, 2007	<u>1,306,740</u>	<u>245,601</u>	<u>(1,030,313)</u>	<u>522,028</u>

The accompanying notes form an integral part of these financial statements.

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Statement of Cash Flows

December 31, 2007

	2007	2006
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year before interest and tax	(108,733)	(54,881)
Adjustments for non-cash items:		
Depreciation	138,536	102,975
Pension expense	359	301
Interest expense	120,370	128,137
Interest income	(16,140)	(15,365)
(Decrease)/increase in provision for bad debts	(42)	(24,613)
Profit before working capital changes	134,350	136,554
Net change in inventories	(482)	(112)
Net change in accounts receivable and prepayments	99,324	(9,815)
Net change in trade payables	(346)	1,314
Net change in other liabilities and accruals	(6,440)	13,435
Cash from operations	226,406	141,376
Taxation paid	(586)	(559)
Pension contributions paid	(5,213)	(3,369)
Interest paid	(119,622)	(129,374)
Net cash flow (used in)/from operating activities	100,985	8,074
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted cash	(49)	(1,217)
Net additions to fixed assets	(227,343)	(30,077)
Interest received	16,140	15,365
Net cash used in investing activities	(211,252)	(15,929)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in investments	(9,618)	(8,745)
Net change in loans	34,393	(114,237)
Net change in capital fund	131,166	140,228
Net cash flow from financing activities	155,941	17,246
Net change in cash and cash equivalents	45,674	9,391
Cash and cash equivalents, beginning of year	120,957	111,566
Cash and cash equivalents, end of year	166,631	120,957
REPRESENTED BY:		
Cash and short-term deposits	166,631	120,957

The accompanying notes form an integral part of these financial statements.

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

1. Reporting entity

The Authority was incorporated in the Republic of Trinidad and Tobago under the Airports Authority Act No. 49 of 1979. By Act No. 26 of 1987, the name of the Authority was changed from Airports Authority to Airports Authority of Trinidad and Tobago. By Act No. 28 of 1993, the role and functions were expanded. The registered office of the Authority is located at North Bank Road, Piarco.

The principal activity of the Authority is to develop and manage the business of the airports of the Republic of Trinidad and Tobago, including the development, maintenance or improvement of their facilities in a cost-effective manner, so as to ensure the availability of efficient, secure and safe aviation services to the public at all times, as well as to ensure commercial viability.

Act No. 28 of 1993 also gave the Authority powers to form and to hold shares in companies and joint ventures “for the purpose of facilitating the proper discharge of its functions”.

The Airports Authority was the collector of departure tax on behalf of the Government. In this respect a stipulated commission was received up to September 27, 2007. With effect from that date a passenger service charge was introduced to replace the departure tax.

2. Basis of preparation

a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). These financial statements were authorized for issue by the Board of Directors.

b. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain categories of property, plant and equipment stated at revalued amounts. The valuation methodology is discussed in note 5.

These financial statements have been prepared on the going concern basis despite the significant accumulated deficit, as it is assumed that the Government of the Republic of Trinidad and Tobago would continue to provide appropriate financial support and guarantees, as required.

c. Functional and presentation currency

These financial statements are presented in Trinidad and Tobago dollars, which is the Authority’s functional currency. All financial information presented in Trinidad and Tobago dollars has been rounded to the nearest thousand.

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

2. Basis of preparation (continued)

d. Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 4 - valuation of property, plant and equipment
- Note 5 - valuation of investment property
- Note 6 - measurement of defined benefit obligations
- Note 14 - utilisation of tax losses
- Note 18 - contingencies

3. Summary of accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Authority.

a. Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Authority at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

3. Summary of accounting policies (continued)

b. Financial instruments

The Authority only has non-derivative financial instruments. Financial instruments comprise investment, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Financial instruments are recognised initially at fair value plus transaction costs. Subsequent to initial recognition financial instruments are measured as described below.

Cash and cash equivalents comprise cash balances and call deposits.

If the Authority has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses.

Other financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses.

c. Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured initially at cost less accumulated depreciation and accumulated impairment losses. Certain categories of property, plant and equipment are stated at valuation, based on valuations performed in 1993 (see note 4).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets are recognised in profit or loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in statement of income. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

3. Summary of accounting policies (continued)

c. *Property, plant and equipment* (continued)

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Authority and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of income as incurred.

Depreciation

Depreciation is recognised in the statement of income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land and construction-in-progress are not depreciated.

The depreciation rates are as follows:

• Buildings	5%
• Car parks	20%
• Roads	7%
• Fencing	10%
• Runways, aprons and pavements	4%
• Plant, machinery and specialty equipment	11% - 25%
• Office furniture, fixtures and computer equipment	15% - 25%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

d. *Investment property*

With effect from January 1, 2007, the Authority adopted International Accounting Standard (IAS) 40: Investment Property. In accordance with the standard, land and buildings held for rental purposes have been classified as investment property in these financial statements.

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business or used in the production or supply of goods or services for administrative purposes. Investment property is measured at cost. Buildings are depreciated on a straight line basis at a rate of 5% per annum. Land is not depreciated.

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

3. Summary of accounting policies (continued)

e. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the average cost, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

f. Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Financial assets are tested for impairment on an individual basis.

All impairment losses are recognised in the statement of income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

Non-financial assets

The carrying amounts of the Authority's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). An impairment loss is recognised if the carrying amount of the cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of income.

g. Employee benefits

The Authority operates a defined benefit plan, the assets of which are held in separate trustee-administered funds. The pension plan is funded by payments from employees and by the Authority, taking account of the recommendations of independent qualified Actuaries.

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

3. Summary of accounting policies (continued)

g. Employee benefits (continued)

The Authority's net obligation in respect of the defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on the Government of the Trinidad and Tobago bonds that have maturity dates approximating the terms of the Authority's obligations and that are denominated in the same currency in which the benefits are expected to be paid. A full valuation is performed every three years by a qualified Actuary using the projected unit credit method. In the intervening period the Actuary extrapolates the calculation to the end of each reporting period. The last full valuation of the plan was conducted as at December 31, 2005. When the calculation results in a benefit to the Authority, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in the statement of income on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the statement of income.

The Authority recognises when they fall outside a corridor equal to 10% of the larger of the value of the plan's assets and the value of the plan's liabilities. These gains and losses are recognised over the average remaining working lives of employees. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of income over the employees' expected average remaining working lives.

h. Revenue

Aerodrome

Revenue generated from passenger and aircraft movements are recognized in the statement of income when the service is rendered.

Non-aerodrome

Revenue from investment property is recognized in the statement of income on a straight-line basis over the term of the lease.

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

3. Summary of accounting policies (continued)

h. Revenue (continued)

Commissions

When the Authority acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Authority.

i. Government contributions

Government contributions in respect of capital projects are recognized when received and are accumulated in the capital fund in equity. Government contributions that are provided to the Authority to repay interest on loans are recognized on an accrual basis. The portion related to principal is accumulated in the capital fund and that related to interest is recognized in the statement of income.

j. Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in the statement of income using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in the statement of income using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

k. Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset since they relate to income taxes levied by the single local tax authority.

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

3. Summary of accounting policies (continued)

k. Income tax (continued)

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised

l. New standards and interpretation not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2007, and have not been applied in preparing these financial statements:

- IFRS 8 *Operating Segments* supersedes IAS14 Segment Reporting. This standard becomes mandatory for the Authority's 2010 financial statements and requires extensive quantitative disclosures pertaining to the performance and management of business segments as internally identified and managed. It is not expected to have any impact on the financial statements.
- IFRIC 11 *Group and Treasury Share Transactions* addresses the treatment of equity based payment arrangements involving the equity of the parent. This interpretation becomes mandatory for the Authority's 2008 financial statements, it is not expected to have any impact on the financial statements.
- IFRIC 12 *Service Concession Arrangements* addresses the accounting requirements for public-to-private service concession arrangements in private sector entities. IFRIC 12 will become mandatory for the Authority's 2008 financial statements and is not expected to have any impact on the financial statements.
- IFRIC 13 *Customer Loyalty Programmes* addresses the accounting for such customer loyalty award credits by the grantor, including credit card providers. IFRIC 13 does not deal with customer loyalty programmes that grant customers financial assets (e.g. cash vouchers) or incentives granted outside a sales transaction. IFRIC 13 will become mandatory for the Authority's 2009's financial statements and is not expected to have any impact on the financial statements.

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

3. Summary of accounting policies (continued)

1. New standards and interpretation not yet adopted

- IFRIC 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* addresses when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of IAS 19; how a Minimum Funding Requirement might affect the availability of reductions in future contributions; and when a Minimum Funding Requirement might give rise to a liability. IFRIC 14 will become mandatory for the Authority's 2008 financial statements and is not expected to have any impact on the financial statements.
- Amendments to IAS 32 *Financial Instruments: Presentation and IAS 1, Presentation of Financial Statements* is effective for annual periods beginning on or after January 1, 2009. The amendments allow certain instruments that would normally be classified as liabilities to be classified as equity if certain conditions are met. Where such instruments are reclassified, the entity is required to disclose the amount, the timing and the reason for the reclassification. The amendments are not expected to have a material impact on the Authority's financial statements.
- Amendment to IFRS 2 *Share-based Payment -- Vesting Conditions and Cancellations* is effective for annual periods beginning on or after January 1, 2009. Under the amendment, non-vesting conditions are taken into account in measuring the grant date fair value of the share-based payment and there is no true-up for differences between expected and actual outcomes. The amendments are not expected to have a material impact on the Authority's financial statements.
- IAS 23 (Amendment), *Borrowing Costs* (effective from January 1, 2009). The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing cost will be removed. The amendment is not expected to have a material impact on the Authority's financial statements.

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

4. Property, plant and equipment

	Land \$'000	Buildings \$'000	Car parks \$'000	Roads \$'000	Fencing \$'000	Runways Aprons and Pavements \$'000	Plant & Machinery and Specialty Equipment \$'000	Office, Furniture, Fixtures and Computer Equipment \$'000	Construction in Progress \$'000	Total \$'000
Cost / Valuation										
Balance as at January 1, 2007	242,100	825,672	8,712	38,748	1,363	691,040	280,151	23,260	114,284	2,225,330
Additions	-	104,500	-	-	-	-	1,826	4,062	116,955	227,343
Balance as at December 31, 2007	242,100	930,172	8,712	38,748	1,363	691,040	281,977	27,322	231,239	2,452,673
Accumulated Depreciation										
Balance as at January 1, 2007	-	295,506	4,545	16,882	1,363	293,983	189,013	14,288	-	815,580
Charge	-	72,583	199	2,607	-	27,827	32,656	2,664	-	138,536
Balance as at December 31, 2007	-	368,089	4,744	19,489	1,363	321,810	221,669	16,952	-	954,116
Net Book Value										
Balance as at December 31, 2007	242,100	562,083	3,968	19,259	-	369,230	60,308	10,370	231,239	1,498,557
Balance as at December 31, 2006	242,689	530,166	4,167	21,866	-	397,057	91,138	8,972	114,284	1,410,339

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

4. Property, plant and equipment (continued)

Lands at valuation

Lands at Piarco International Airport totalling 719.4859 hectares with a value of \$28 million have been vested in the Authority by the State between 1989 and 1993.

Lands at Crown Point International Airport, amounting to 95.5265 hectares, are to be vested in the Authority. These lands are stated at an October 1993 Directors' Valuation at \$167,039,460 which represents 90% of an independent engineer's valuation.

Buildings at valuation

The value placed on buildings and other improvement works at Piarco International Airport, except the Administration Building, are based on a valuation dated October 26, 1993 using the depreciated replacement cost basis performed by the Commissioner of Valuations of Trinidad and Tobago. Subsequent additions are stated at cost.

Buildings and improvements at Crown Point International Airport are to be vested in the Authority. With the exception of the Passenger Terminal Building which is valued at cost, these buildings are stated at an October 1993 Directors' valuation of \$82,706,307 which represents 90% of an independent engineer's valuation. Subsequent additions are stated at cost.

Buildings at cost

The construction and commissioning of the North Terminal Building was completed in June 2001 at a cost of \$822.8 million which is stated at cost.

5. Investment property

	2007	2006
	\$'000	\$'000
Cost		
Balance at January 1, 2006	7,607	7,607
Balance at December 31, 2007	8,196	7,607
Net Book Value	8,196	7,607

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

6. Retirement benefit

	2007	2006
	\$'000	\$'000
a. Change in defined benefit obligations		
Defined benefit obligations at start	55,048	58,955
Service cost	3,764	3,352
Interest cost	4,773	4,535
Members' contributions	1,785	1,216
Actuarial loss/(gain)	4,826	(11,875)
Benefits paid	(1,021)	(883)
Expenses paid	(353)	(252)
Defined benefit obligation at end	68,822	55,048
b. Change in plan assets		
Plan assets at start of year	78,632	79,467
Expected return on plan assets	8,126	7,304
Actuarial loss	(4,008)	(11,589)
Company contributions	4,977	3,369
Members' contributions	1,785	1,216
Benefits paid	(1,021)	(883)
Expenses paid	(353)	(252)
Plan assets at end of year	88,138	78,632
c. Items for inclusion in balance sheet		
Defined benefit obligation	68,822	55,048
Fair value of assets	(88,138)	(78,632)
	(19,316)	(23,584)
Unrecognised gain	3,065	12,187
Net IAS 19 defined benefit asset	(16,251)	(11,397)
d. Items for inclusion in revenue accounts		
Current service cost	3,764	3,352
Interest on defined benefit obligation	4,773	4,535
Expected return on Plan assets	(8,126)	(7,304)
Amortised net gain	(288)	(282)
Net pension cost	123	301

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

6. Retirement benefit (continued)

	2007 \$'000	2006 \$'000
<i>e. Reconciliation of opening and closing balance sheet entries</i>		
Opening defined benefit (asset)	(11,397)	(8,329)
Net pension cost	123	301
Company contributions paid	<u>(4,977)</u>	<u>(3,369)</u>
Closing defined benefit liability	<u>(16,251)</u>	<u>(11,397)</u>
<i>f. Actual return on plan assets</i>		
Expected return on plan assets	8,126	7,304
Actuarial loss on plan assets	<u>(4,008)</u>	<u>(11,589)</u>
Actual return on plan assets	<u>4,118</u>	<u>(4,285)</u>
<i>g. Experience history</i>		
Defined benefit obligation	68,822	55,048
Fair value of Plan assets	<u>(88,138)</u>	<u>(78,632)</u>
(Surplus)	(19,316)	(23,584)
Experience adjustment of Plan liabilities	4,826	(2,101)
Experience adjustment on Plan assets	(4,008)	(11,589)
<i>h. Expected Company Contributions in 2008</i>	5,305	3,783
<i>i. Summary of principal assumptions as at December 31, 2007</i>		
Discount rate	8.75%	8.75%
Salary increases	7.25%	7.25%
Expected return on assets	10.00%	10.00%

Expected rate of return on assets set by reference to estimated long-term returns on the Plan's strategic asset allocation. Allowance is made for some excess performance from the Plan's equity portfolio.

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

6. Retirement benefit (continued)

j. Asset allocation as at December 31, 2007

Equity securities	31.6%	36.0%
Debt securities	42.0%	45.8%
Other	26.4%	18.2%
Total	<u>100.0%</u>	<u>100.0%</u>

The Plan does not directly hold any assets of the Authority.

7. Investment

	2007	2006
	\$'000	\$'000
Sinking fund – carrying value	<u>105,809</u>	<u>96,191</u>

In December 1998, the Authority established a sinking fund with Citicorp Trinidad and Tobago Limited to settle the long-term liability as set out in note 12. The sinking fund is for a period of 20 years commencing in 1998 and carries interest at a rate of 10% per annum.

The fair value of this investment cannot be determined because the instrument is not traded and there are no similar instruments from which an appropriate discount rate can be derived for the purpose of discounting the cash flows associated with the instrument.

8. Accounts receivable and prepayments

	2007	2006
	\$'000	\$'000
Trade debtors	78,413	88,747
Less: provision for bad and doubtful debts	<u>(24,775)</u>	<u>(24,818)</u>
	53,638	63,929
Other debtors	4	630
Prepayments	2,780	2,969
Staff accounts	3,363	3,011
Accrued income	24,421	13,070
Value Added Tax	<u>8,945</u>	<u>108,824</u>
	<u>93,151</u>	<u>192,433</u>

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

8. Accounts receivable and prepayments (continued)

Subventions accrued

The Government of the Republic of Trinidad and Tobago provided subventions for interest payments on loans guaranteed by the government. Subventions accrued represent interest accrued for the period between the last interest payment date to year end for loans guaranteed except those loans where interest is to be capitalised with the principal.

9. Restricted cash

	2007	2006
	\$'000	\$'000
First Citizens Bank Limited	28,414	29,843
Central Bank of Trinidad and Tobago	50,064	48,586
	<u>78,478</u>	<u>78,429</u>

Proceeds from the loan with Trinidad and Tobago Unit Trust Corporation have been deposited with the Central Bank of Trinidad and Tobago. Drawdowns from the Central Bank of Trinidad and Tobago are deposited with the First Citizens Bank Limited (Project Management Account). Funds from these two accounts are used to finance the construction of the New Terminal Building at the Piarco International Airport.

10. Cash and short-term deposits

	2007	2006
	\$'000	\$'000
Cash on hand and at bank	113,819	49,845
Short-term deposits	52,812	71,112
	<u>166,631</u>	<u>120,957</u>

11. Capital fund

	2007	2006
	\$'000	\$'000
The capital fund comprises the following:		
Initial fund	177	177
Gifts	350	350
Contributions for capital expenditure	833,867	702,701
Net value of land and buildings vested in 1993	472,346	472,346
	<u>1,306,740</u>	<u>1,175,574</u>

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

12. Loans

	2007	2006
	\$'000	\$'000
Citibank (Trinidad and Tobago) Limited	300,000	300,000
Republic Finance and Merchant Bank Limited	240,000	260,000
Republic Finance and Merchant Bank Limited		
Fixed rate bond A (2000 - 2010)	52,060	69,414
Fixed rate bond B (2000 - 2015)	90,208	101,484
Fixed rate bond C (2000 – (2020)	77,059	82,987
Private Export Funding Corporation	57,823	74,474
Trinidad and Tobago Unit Trust Corporation (2001 – 2021)	92,703	99,324
RBTT Merchant Bank Limited	23,600	47,200
First Citizens Bank Limited	160,833	173,700
RBTT Merchant Bank Limited	148,690	-
	1,242,976	1,208,583
Less: Current portion	<u>(129,183)</u>	<u>(114,200)</u>
Non-current portion	<u>1,113,793</u>	<u>1,094,383</u>

The loans from Citibank (Trinidad and Tobago) Limited and Republic Finance and Merchant Bank Limited were obtained for the financing of the construction of the New Terminal Building at the Piarco International Airport. Details of these and other borrowings are as follows:

Citibank (Trinidad and Tobago) Limited

The long-term debt represents the proceeds of a bond issue in favour of the Authority by Citibank (Trinidad and Tobago) Limited on December 8, 1998. Interest at 11.5% per annum is payable semi-annually in arrears. The principal will be liquidated by a bullet payment in 20 years.

The bond is secured by the sinking fund (see note 7) and a guarantee by the Government of the Republic of Trinidad and Tobago.

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

12. Loans (continued)

Republic Finance and Merchant Bank Limited

Loan

This long-term debt represents the proceeds of a loan in favour of the Authority by Republic Finance and Merchant Bank Limited (lender) dated December 17, 1999.

Interest is fixed at 11.5% per annum payable semi-annually in arrears. The principal amount is repayable by thirty equal semi-annual instalments of \$10,000,000 which commenced on June 17, 2005 with the final instalment on December 17, 2019. The Government of the Republic of Trinidad and Tobago guarantees the loan.

Bond

This long term debt represents the proceeds of a three series bond issue in favour of the Authority by Republic Finance and Merchant Bank Limited dated October 18, 2000. The Government of the Republic of Trinidad and Tobago guarantees the bond.

Bond A – Interest is fixed at a rate of 12% and is payable semi-annually in arrears. The principal amount, which is repayable by eighteen equal semi-annual instalments, commenced on May 13, 2002 and will end on November 13, 2010. Interest accruing during the moratorium period of the first eighteen months will be capitalised and thereafter will be paid semi-annually in arrears.

Bond B – Interest is fixed at a rate of 12.15% and is payable semi-annually in arrears. The principal amount, which is repayable by twenty-eight equal semi-annual instalments, commenced on May 20, 2002 and will end on November 20, 2015. Interest accruing during the moratorium period of the first eighteen months will be capitalised and thereafter will be paid semi-annually in arrears.

Bond C - Interest is fixed at a rate of 12.25% and is payable semi-annually in arrears. The principal amount, which is repayable by thirty-eight equal semi-annual instalments commenced on June 4, 2002 and will end on December 4, 2020. Interest accruing during the moratorium period of the first eighteen months will be capitalised and thereafter will be paid semi-annually in arrears.

Private Export Funding Corporation

This long-term debt represents the proceeds of an export financing credit in favour of the Authority by Dresdner Bank Lateinamerika AG dated July 27, 2000, which was subsequently sold to the Private Export Funding Corporation (PEFCO) in November 2003, for the purchase and installation of equipment for the New Terminal Building and the payment of the related exposure fee to Eximbank for the guarantee of payment to the supplier.

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

12. Loans (continued)

Private Export Funding Corporation (continued)

Interest, which is calculated at LIBOR plus 0.75% and is payable semi-annually, commenced November 20, 2000. The principal amount, which is repayable in 20 equal semi-annual installments commenced in November 2001. The loan is guaranteed by the Government of the Republic of Trinidad and Tobago.

Trinidad and Tobago Unit Trust Corporation

This long-term debt represents the proceeds of a bond in favour of the Authority by the Trinidad and Tobago Unit Trust Corporation.

Interest, which is fixed at a rate of 9.8% per annum and is payable semi-annually, commenced on December 7, 2002. The principal amount of the bond, which shall be repaid by thirty-nine equal semi-annual instalments, commenced December 7, 2002. The bond is guaranteed by the Government of the Republic of Trinidad and Tobago.

RBTT Merchant Bank Limited

This long-term debt represents proceeds of a loan in favour of the Authority by RBTT Merchant Bank Limited dated July 25, 2003 to finance the Crown Point Expansion Project and to settle outstanding obligations.

Interest is fixed at 5.45% per annum payable semi-annually in arrears. The principal amount that is repayable by ten (10) equal payments of \$11.8 million payable semi-annually commencing six months after the disbursement date for a period of five (5) years. This loan is guaranteed by the Government of the Republic of Trinidad and Tobago.

First Citizens Bank Limited

This long-term debt represents a loan granted by First Citizens Bank Limited in the amount of \$193 million to refinance an existing Bond. Interest is fixed at a rate of 5.75% per annum and is payable semi-annually, commenced July 25, 2005. The principal amount, which is repayable in 30 equal semi-annually instalments commenced 25 July 2005. The loan is guaranteed by the Government of Trinidad and Tobago.

RBTT Merchant Bank Limited

The long-term debt represents a loan granted by RBTT Merchant Bank Limited in the amount of US\$23.0 million to finance the Piarco International Airport Runway 10-28 Improvement Works 2005.

Interest is fixed at a rate of 5.90% per annum and is payable semi-annually commencing March 28, 2008. The principal amount is repayable in twenty (20) equal semi-annual installments commencing March 28, 2008. This loan is guaranteed by the Government of the Republic of Trinidad and Tobago.

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

13. Deferred liability

This relates to the Government of the Republic of Trinidad and Tobago Northern Area of Aerodrome property.

14. Deferred taxation

	2007 \$'000	2006 \$'000
Taxation losses	(194,406)	(170,366)
Taxation losses impaired	194,406	170,366
	-	-
Deferred tax liability:		
Employee benefits	4,063	2,849
Fixed assets	44,749	40,901
Other items	(411)	-
	<u>48,401</u>	<u>43,750</u>

15. Other liabilities and accruals

	2007 \$'000	2006 \$'000
Departure tax collected due to the Government	44,763	52,858
Accrued backpay and vacation pay	7,370	8,106
Other accruals	88,359	85,352
ICAO funds	328	196
	<u>140,820</u>	<u>146,512</u>

16. Taxation

	2007 \$'000	2006 \$'000
Current year's tax expense		
Green fund levy	196	-
Business levy	390	(559)
Deferred taxation	4,651	1,131
	<u>5,237</u>	<u>572</u>

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

16. Taxation (continued)

	2007 \$'000	2006 \$'000
Reconciliation of tax expense at statutory rate to actual tax expense		
Loss for the year before taxation	(108,733)	(54,881)
Tax rate at 25%	(27,183)	(13,720)
Permanent difference relating to assets which do not attract wear and tear	8,096	7,588
Expenses not deductible	(302)	819
Tax on exempt income	-	(9,093)
Current year tax losses for which no deferred assets was recognised	24,040	12,548
Business levy	390	559
Green Fund Levy	196	
Other	-	727
	<u>5,237</u>	<u>(572)</u>

17. Related parties

The Authority has a related party relationship with its executive officers and board members. In addition to their salaries, the Authority also provides non-cash benefits to executive officers and contributions to a post-employment defined plan on their behalf. The key management personnel compensations are as follows:

	2007 \$'000	2006 \$'000
Short-term employee benefits	5,073	4,721
Post-employments benefit	95	72
	<u>5,168</u>	<u>4,793</u>

Total remuneration is included in employee benefit expenses.

Directors' fees	<u>231</u>	<u>81</u>
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AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

18. Contingencies

Litigation

At December 31, 2007 there were a number of pending claims against the Authority. No provision has been made in these financial statements for these claims as in the opinion of management it is unlikely that any significant losses may arise.

19. Financial risk management

Overview

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

- Credit risk
- Liquidity risk
- Market risk.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Authority's financial performance. Derivative financial instruments are not presently used to reduce exposure to fluctuations in these risks. Management is responsible for risk management. Transactions in financial instruments have resulted in the Authority assuming the financial risks are described in the following paragraphs.

a. Credit risk

Credit risk is the risk of financial loss to the Authority if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Authority's receivables from customers.

The Authority's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Authority's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. Approximately 30 percent of the Authority's revenue is attributable to sales transactions with a single customer. However, geographically there is no concentration of credit risk.

More than 80 percent of the Authority's customers have been transacting with the Authority for over 20 years.

The Authority establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The allowance is related to specific loss from individually significant exposures.

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

19. Financial risk management (continued)

b. Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Authority's reputation.

All of the Authority's borrowings are guaranteed by the Government of Trinidad and Tobago and, the Authority is provided with a subvention to service the debts. In addition, the Authority has established a sinking fund with a financial institution in order to hedge its obligations related to one loan (see note 7).

The Authority ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

c. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Authority's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i. Currency risk

The Authority is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than its functional currency. The currency in which these transactions primarily are denominated is USD. The USD exchange rate has remained relatively stable over the past four years. As such, no sensitivity analysis was done as the exposure is not considered to be significant.

Concentration of assets and liabilities

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

19. Financial risk management (continued)

c. Market risk (continued)

i. Currency risk (continued)

The Authority has the following significant currency positions:

	2007			Total
	TT	US	Other	
Assets				
Property plant and equipment	1,498,557	-	-	1,498,557
Investment property	8,196	-	-	8,196
Retirement benefit	16,251	-	-	16,251
Investment	105,809	-	-	105,809
Inventories	1,575	-	-	1,575
Accounts receivable and prepayments	39,513	53,638	-	93,151
Restricted cash	78,199	279	-	78,478
Cash and short-term deposit	102,838	63,793	-	166,631
	<u>1,850,938</u>	<u>117,710</u>	<u>-</u>	<u>1,968,648</u>
Liabilities				
Loans	1,036,463	206,513	-	1,242,976
Deferred liability	11,000	-	-	11,000
Deferred taxation	48,401	-	-	48,401
Trade payables	3,423	-	-	3,423
Other liabilities and accruals	138,025	2,795	-	140,820
	<u>1,237,312</u>	<u>209,308</u>	<u>-</u>	<u>1,446,620</u>
Net balance	<u>613,626</u>	<u>(91,598)</u>	<u>-</u>	<u>522,028</u>

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

19. Financial risk management (continued)

c. Market risk (continued)

i. Currency risk (continued)

	2006			Total
	TT	US	Other	
Assets				
Property plant and equipment	1,410,339	-	-	1,410,339
Investment property	7,607	-	-	7,607
Retirement benefit	11,397	-	-	11,397
Investment	96,191	-	-	96,191
Inventories	1,093	-	-	1,093
Accounts receivable and prepayments	128,327	64,106	-	192,433
Restricted cash	78,155	274	-	78,429
Cash and short-term deposit	87,051	33,906	-	120,957
	<u>1,820,160</u>	<u>98,286</u>	<u>-</u>	<u>1,918,446</u>
Liabilities				
Loans	1,134,109	74,474	-	1,208,583
Deferred liability	11,000	-	-	11,000
Deferred taxation	43,750	-	-	43,750
Trade payables	3,769	-	-	3,769
Other liabilities and accruals	146,512	-	-	146,512
	<u>1,339,140</u>	<u>74,474</u>	<u>-</u>	<u>1,413,614</u>
Net balance	<u>481,020</u>	<u>23,812</u>	<u>-</u>	<u>504,832</u>

ii. Interest rate risk

The Authority obtains a subvention from the Government of Trinidad and Tobago to service its interest obligations related to its borrowings. In addition, the Authority has established a sinking fund with a financial institution in order to hedge its obligations related to one loan (see note 12). The exposure related to interest rate risk is mitigated by the subvention that it receives. As such no sensitivity analysis was done as the exposure is not considered to be significant.

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

19. Financial risk management (continued)

c. Market risk (continued)

ii. Interest rate risk (continued)

Balance Sheet as at December 31, 2007

	Due Demand	Due in one year	Due in two to five years	Over Five years	Non-interest bearing	Total
Assets						
Property, plant and equipment	-	-	-	-	1,498,557	1,498,557
Investment property	-	-	-	-	8,196	8,196
Retirement benefit	-	-	-	-	16,251	16,251
Investment	-	-	-	105,809	-	105,809
Inventories	-	-	-	-	1,575	1,575
Accounts receivable and prepayments	-	-	-	-	93,151	93,151
Restricted cash	78,478	-	-	-	-	78,478
Cash and short-term Deposits	166,631	-	-	-	-	166,631
Total assets	245,109	-	-	105,809	1,617,730	1,968,648
Liabilities and Shareholders' equity						
Equity	-	-	-	-	522,028	522,028
Loans	-	129,183	396,752	717,041	-	1,242,976
Deferred liability	-	-	-	-	11,000	11,000
Deferred taxation	-	-	-	-	48,401	48,401
Trade payables	-	-	-	-	3,423	3,423
Other liabilities and accruals	-	-	-	-	140,820	140,820
Total liabilities	-	129,183	396,752	717,041	725,672	1,968,648
Net Gap	245,109	(129,183)	(396,752)	(611,232)	892,058	-
Cumulative Gap	245,109	115,926	(280,826)	(892,058)	-	-

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

19. Financial risk management (continued)

c. Market risk (continued)

ii. Interest rate risk (continued)

Balance Sheet as at December 31, 2006

	Due Demand	Due in one year	Due in two to five years	Over Five years	Non-interest bearing	Total
Assets						
Property, plant and equipment	-	-	-	-	1,410,339	1,410,339
Investment property	-	-	-	-	7,607	7,607
Retirement benefit	-	-	-	-	11,397	11,397
Investment	-	-	-	96,191	-	96,191
Inventories	-	-	-	-	1,093	1,093
Accounts receivable and prepayments	-	-	-	-	192,433	192,433
Restricted cash	78,429	-	-	-	-	78,429
Cash and short-term Deposits	120,957	-	-	-	-	120,957
Total assets	199,386	-	-	96,191	1,622,869	1,918,446
Liabilities and Shareholders' equity						
Equity	-	-	-	-	504,832	504,832
Loans	-	114,200	337,304	757,079	-	1,208,583
Deferred liability	-	-	-	-	11,000	11,000
Deferred taxation	-	-	-	-	43,750	43,750
Trade payables	-	-	-	-	3,769	3,769
Other liabilities and accruals	-	-	-	-	146,512	146,512
Total liabilities	-	114,200	337,304	757,079	709,863	1,918,446
Net Gap	199,386	(114,200)	(337,304)	(660,888)	913,006	-
Cumulative Gap	199,386	85,185	(252,118)	(913,000)	-	-

d. Capital management

The Authority is not subject to externally imposed capital requirements. Notwithstanding, this management's policy is to maintain a strong capital base so as to sustain future development of the business. Government guarantees and support are secured to maintain investor and creditor confidence.

AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

December 31, 2007

20. Capital commitments

Contracts approved and committed and not expended amounted to approximately \$50.8 million at December 31, 2007.

21. Commission of enquiry

In April 2002, the Government of the Republic of Trinidad and Tobago established a Commission of Enquiry into the "Piarco Airport Development Project". The terms of reference of the Commission were to enquire into the Piarco Airport Development Project and to make such observations and recommendations arising out of its deliberations as the Commission may deem appropriate.

The Commission of Enquiry came to an end on July 4, 2003 but the final report has not been made public.

No provision has been made in these financial statements in respect of any adjustments which may arise as a result of the recommendations of the Commission.
