Financial Statements of

National Information and Communication Technology Company Limited

Year ended September 30, 2012

KPMG
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Independent Auditors' Report to the Shareholders of National Information and Communication Technology Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of National Information and Communication Technology Company Limited (the Company), which comprise the statement of financial position as at September 30, 2012, and the statement of comprehensive income, statement of changes in shareholder's equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

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

KPMG

Independent Auditors' Report to the Shareholders of National Information and Communication Technology Company Limited

Report on the Financial Statements (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion we draw attention to Note 12 in the financial statements, which more fully describes the going concern issue. These financial statements have been drawn up on a going concern basis on the expectation that the Company will continue to receive financial support from the Government of the Republic of Trinidad and Tobago.

KPMG

Chartered Accountants

Port of Spain
Trinidad and Tobago, W.I.
August 6, 2013

National Information and Communication Technology Company Limited

Statement of Financial Position

September 30, 2012

	Notes	2012	Restated 2011	Restated 2010
		$	$	$
Assets				
Non-current assets				
Property, plant and equipment	1	4,766,176	2,989,172	3,024,939
Deferred tax	2	10,624,484	10,753,442	-
		15,390,660	13,742,614	3,024,939
Current assets				
Accounts receivable	3	130,180,300	104,569,212	16,762,839
Government subvention receivable		7,330,000	-	-
Other current assets		-	326,496	454,949
Cash on hand and at bank	4	72,383,158	71,860,114	50,919,867
		209,893,458	176,755,822	68,137,655
Total assets		225,284,118	190,498,436	71,162,594
Shareholder's Equity and Liabilities				
Shareholder's equity				
Stated capital	5	5,000,000	5,000,000	5,000,000
Accumulated deficit		(43,096,903)	(32,117,340)	535,087
		(38,096,903)	(27,117,340)	5,535,087
Non-current liabilities				
Deferred tax		-	-	85,080
Loan and borrowings	6	48,571,114	64,761,485	-
		48,571,114	64,761,485	85,080
Current liabilities				
Loans and borrowings	6	16,190,371	16,190,371	-
Deferred subvention	7	-	-	35,145,986
Deferred income	8	64,761,485	80,951,856	-
Taxation payable		61,724	230,413	332,628
Accounts payable	9	133,796,327	55,481,651	30,063,813
		214,809,907	152,854,291	65,542,427
Total shareholders' equity and liabilities		225,284,118	190,498,436	71,162,594

The notes on pages 7 to 22 are an integral part of these financial statements.

On behalf of the Board

Jacqueline ______ **Director**

______ **Director**

National Information and Communication Technology Company Limited

Statement of Comprehensive Income

For the year ended September 30, 2012

	Notes	2012	2011
		$	$
Revenue			
Amortisation of deferred subvention	7	60,908,415	165,145,986
Amortisation of deferred income	8	16,190,371	-
Symposium income		-	2,104,887
Project management fees		3,509,264	6,688,033
		80,608,050	173,938,906
Operating costs		(44,122,488)	(169,414,155)
Operating surplus		36,485,562	4,524,751
Other (expenses) income			
Administrative expenses – (Schedule 1)		(45,544,869)	(47,099,130)
(Loss) gain on foreign exchange translation		(1,947,506)	442,393
Other income (expenses)		17,612	(22,750)
Reimbursement of interest expense	8	2,541,045	-
Interest expense		(2,567,050)	(1,272,985)
Interest income		10,305	73,460
Total other (expenses) income		(47,490,463)	(47,879,012)
Deficit of revenue over expenditure for the year before provision for taxation		(11,004,901)	(43,354,261)
Provision for taxation	2	25,338	10,701,834
Deficit of revenue over expenditure for the year		(10,979,563)	(32,652,427)

The notes on pages 7 to 22 are an integral part of these financial statements.

National Information and Communication Technology Company Limited

Statement of Changes in Shareholder's Equity

For the year ended September 30, 2012

	Note	Stated Capital	Retained Earnings (Accumulated Deficit)	Shareholder's Equity
		$	$	$
Year ended September 30, 2011				
Balance at October 1, 2010		5,000,000	535,087	5,535,087
Deficit of revenue over expenditure for the year		-	(32,652,427)	(32,652,427)
Balance at September 30, 2011		5,000,000	(32,117,340)	(27,117,340)
Year ended September 30, 2012				
Balance at October 1, 2011 as previously stated		5,000,000	(32,125,971)	(27,125,971)
Prior year adjustment	15	-	8,631	8,631
Balance at October 1, 2011 as restated		5,000,000	(32,117,340)	(32,117,340)
Deficit of revenue over expenditure for the year		-	(10,979,563)	(10,979,563)
Balance at September 30, 2012		5,000,000	(43,096,903)	(38,096,903)

The notes on pages 7 to 22 are an integral part of these financial statements.

National Information and Communication Technology Company Limited

Statement of Cash Flows

For the year ended September 30, 2012

	2012	2011
	$	$
Cash Flows from Operating Activities		
Deficit of revenue over expenditure for the year before provision for taxation	(11,004,901)	(43,354,261)
Adjustments to reconcile deficit of revenue over expenditure for the year before provision for taxation to net cash used in operating activities:		
Depreciation	1,098,413	716,886
Amortization of deferred subvention	(60,908,415)	(165,145,986)
Amortization of deferred income	(16,190,371)	-
Interest income	(10,305)	(73,460)
Interest expense	2,567,050	1,272,985
Changes in eCal receivable	16,190,371	(80,951,856)
Changes in accounts receivable	(41,801,459)	(6,854,517)
Changes in other current assets	326,496	128,455
Changes in accounts payable	78,314,676	25,417,837
Changes in deferred subvention	-	80,951,856
Interest paid	(2,567,050)	(1,272,985)
Taxation paid	(14,393)	(238,902)
Net cash used in operating activities	(33,999,888)	(189,403,950)
Cash Flows from Investing Activities		
Interest received	10,305	73,460
Purchase of property, plant and equipment	(2,875,417)	(681,119)
Net cash used in investing activities	(2,865,112)	(607,659)
Cash Flows from Financing Activities		
Subventions received	53,578,415	130,000,000
Repayment of loans and borrowings	(16,190,371)	-
Proceeds from loans and borrowings	-	80,951,856
Net cash from financing activities	37,388,044	210,951,856
Increase in cash and cash equivalents for the year	523,044	20,940,247
Cash and cash equivalents at October 1	71,860,114	50,919,867
Cash and cash equivalents at September 30	72,383,158	71,860,114
Analysis of cash and cash equivalents		
Cash on hand and at bank	72,383,158	71,860,114

The notes on pages 7 to 22 are an integral part of these financial statements.

Limitation of liability and principal activity

The National Information and Communication Technology Company Limited (the Company) was incorporated in the Republic of Trinidad and Tobago on July 20th, 2009 and the Board of Directors was appointed on August 27, 2009. The Registered office of the Company is situated at #52 Pembroke Street, Port of Spain.

The principal activity of the organisation involves the provision of Information and Communication Technology services to the Government of the Republic of Trinidad and Tobago (GORTT).

These financial statements were approved for issue by the directors on August 6, 2013.

Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

(b) Basis of preparation

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

(c) Functional and reporting currency

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

(d) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. Information about 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 (e)	-	Property, plant and equipment
Note (f)	-	Accounts receivable

Significant accounting policies

(e) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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 assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The gain or loss on disposal of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognized net within other income/other expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is calculated using the reducing balance basis over the estimated useful lives of each item of property, plant and equipment at the following rates:

ICT Equipment	25%
Furniture and fittings	12.5%
Office equipment	12.5%
Motor vehicles	25%

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

Significant accounting policies (continued)

(f) ***Accounts receivable***

Accounts receivable is stated net of any specific provision established to recognise anticipated losses for bad and doubtful debts. Bad debts are written off during the year in which they are identified.

(g) ***Cash and cash equivalents***

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash at hand and in bank.

(h) ***Accounts payable***

Trade and other payables are stated at cost.

(i) ***Provisions***

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of finance cost is recognsed as finance cost.

(j) ***Revenue recognition***

Unconditional grants related to the ongoing operations of the Company are recognised in the statement of revenue and expenditure as revenue when the grant becomes receivable.

Subventions that compensate the Company for expenses incurred are recognised as revenue in the statement of revenue and expenditure on a systematic basis in the same years in which the expenses are incurred.

Grants that compensate the Company for the cost of an asset are recognised in the statement of revenue and expenditure as revenue on a systematic basis over the life of the asset.

All other revenue is recorded on an accruals basis.

(k) ***Operating leases***

Payments under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives are recognised in the statement of comprehensive income as an integral part of the total lease expense.

Significant accounting policies (continued)

(l) ***Foreign currency transactions***

Transactions in foreign currencies are translated to the respective functional currency of the Company 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 year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. 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.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial liability designated as a hedge of the net investment in a foreign operation.

(m) ***Impairment***

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

The recoverable amount of other assets is the greater of their net selling price and value in use. 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Significant accounting policies (continued)

(n) Taxation

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or subsequently enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of 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 subsequently enacted at the reporting date.

Deferred tax asset and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, 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.

(o) IFRS Not Yet Effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2011, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except for IFRS 9, which becomes mandatory for the Company's 2015 financial statements and could change the classification and measurement of financial assets. The Company does not plan to adopt this standard early and the extent of the impact is likely to be insignificant.

1. Property, plant and equipment

	Computer Equipment	Furniture and fittings	Office Equipment	Motor Vehicles	Total
	$	$	$	$	$
Year ended September 30, 2012					
Cost					
Balance at October 1, 2011	845,339	62,554	1,464,724	1,677,433	4,050,050
Additions for the year	1,837,588	-	1,037,829	-	2,875,417
Balance at September 30, 2012	2,682,927	62,554	2,502,553	1,677,433	6,925,467
Accumulated depreciation					
Balance at October 1, 2011	214,669	8,548	264,461	573,200	1,060,878
Charge for the year	447,487	6,212	368,655	276,059	1,098,413
Balance at September 30, 2012	662,156	14,760	633,116	849,259	2,159,291
Net book value					
Balance at September 30, 2012	2,020,771	47,794	1,869,437	828,174	4,766,176
Balance at September 30, 2011	630,670	54,006	1,200,263	1,104,233	2,989,172
Year ended September 30, 2011					
Cost					
Balance at October 1, 2011	552,034	37,970	1,320,290	1,458,637	3,368,931
Additions for the year	293,305	24,584	144,434	218,796	681,119
Balance at September 30, 2011	845,339	62,554	1,464,724	1,677,433	4,050,050
Accumulated depreciation					
Balance at October 1, 2010	57,545	3,174	100,943	182,330	343,992
Charge for the year	157,124	5,374	163,518	390,870	716,886
Balance at September 30, 2011	214,669	8,548	264,461	573,200	1,060,878
Net book value					
Balance at September 30, 2011	630,670	54,006	1,200,263	1,104,233	2,989,172
Balance at October 1, 2010	494,489	34,796	1,219,347	1,276,307	3,024,939

	2012	2011
	$	$
2. Provision for Taxation		
Income tax recognized in profit and loss		
Deferred tax charge (credit)	128,958	(10,838,522)
Over provision of corporation tax from previous years	(230,413)	-
Business levy	19,029	-
Green fund levy	57,088	136,688
	(25,338)	(10,701,834)
Reconciliation of effective tax rate		
Deficit of revenue over expenditure for the year	(10,979,563)	(43,354,261)
Tax at the statutory tax rate – 25%	(2,744,891)	(10,838,565)
Tax effect of income/expenses that are not recognisable/deductible in determining taxable profit	6,385	43
Unrecognised tax losses	2,794,112	-
Over provision of corporation tax from previous years	(230,413)	-
Adjustment to deferred tax	73,352	-
Business levy	19,029	-
Green fund levy	57,088	136,688
	(25,338)	(10,701,834)
Movement in the deferred tax (asset) liability		
Balance at the beginning of the year	(10,753,442)	85,080
Credit to the statement of comprehensive income	128,958	(10,838,522)
Balance at the end of the year	(10,624,484)	(10,753,442)
Composition of deferred tax (asset) liability		
Property, plant and equipment	211,402	77,764
Accumulated tax losses	(10,835,886)	(10,831,206)
	(10,624,484)	(10,753,442)

		2012	2011
		$	$
3.	**Accounts receivable**		
	Trade receivables	21,306,781	7,371,870
	Less provision for bad debts	(170,622)	(170,622)
		21,136,159	7,201,248
	Other receivable - eCal	64,761,485	80,951,856
	Prepayments	29,637,829	1,954,822
	Value added tax recoverable	14,644,827	14,461,286
		130,180,300	104,569,212
4.	**Cash on hand and at bank**		
	Chequing accounts	72,377,158	71,854,114
	Petty cash	6,000	6,000
		72,383,158	71,860,114
5.	**Stated Capital**		
	Authorised capital Unlimited number of common shares on no par value		
	Issued and fully paid capital 5,000,000 common shares of no par value	5,000,000	5,000,000
6.	**Loans and borrowings**		
	Loan from Scotiatrust and Merchant Bank Trinidad and Tobago Limited for $80,951,856, to finance project related expenditure. Interest is charged at a fixed rate of 3.25% per annum and is payable in 10 equal, half-yearly installments, commencing December 6, 2011. The loan is secured by a guarantee from the Government of the Republic of Trinidad and Tobago dated October 1, 2010.	64,761,485	80,951,856
	Less current portion	(16,190,371)	(16,190,371)
	Net long term debt	48,571,114	64,761,485

	2012 $	2011 $
7. Deferred Subvention		
Balance at October 1	-	35,145,986
Subventions received for the year	53,578,415	130,000,000
Subventions receivable	7,330,000	-
Amortization for the year	(60,908,415)	(165,145,986)
Balance at September 30	-	-

Funding for the operations of the Company is provided via Government Subvention.

The Company received subventions for recurrent expenditure in the sum of $53,578,415 (2011: $130,000,000) for the year ended September 30, 2012. No subventions were received during the year that was related to property, plant and equipment.

	2012 $	2011 $
8. Deferred Income		
Balance at October 1	80,951,856	-
Deferred income receivable from the Ministry of Education	-	80,951,856
Amortization for the year	(16,190,371)	-
Balance at September 30	64,761,485	80,951,856

A loan from Scotiatrust and Merchant Bank Trinidad and Tobago Limited for $80,951,856 was taken to finance a project in 2011. This loan is secured by a guarantee from the Government of the Republic of Trinidad and Tobago dated October 1, 2010.

Consequently, the Ministry of Education is required to fund the repayment of the loan. The Company received $18,731,416 from the Ministry of Education for the year ended September 30, 2012, inclusive of $2,541,045, received as a reimbursement for the related interest expense on the loan.

	2012	2011
	$	$

9. Accounts payable

	2012 $	2011 $
Trade payables	74,431,714	24,606,034
Advance payments	17,636,990	20,752,452
Other payables	25,422,750	-
Accrued liabilities	16,304,873	10,123,165
	133,796,327	55,481,651

10. Operating leases

Leases as lessee

Non cancellable operating lease rentals are payable as follows:

	2012 $	2011 $
Less than one year	488,324	792,976
Between one and five years	1,304,917	1,977,625
	1,793,241	2,770,601

During the year, $994,328 (2011: $899,236) was recognised as an expense in the statement of comprehensive income in respect of operating leases.

11. Related parties

Key management personnel

Key management personnel receive compensation in the form of short-term, employee benefits and post-employment benefits.

Key management personnel received compensation of $6,644,538 (2011: $7,938,499) for the year. Total remuneration is included in salaries and wages.

12. Going Concern

The Company's total liabilities exceeded its total assets by $38,096,903 at the reporting date.

Without continued financial support from the GORTT, there is substantial doubt that the Company will be able to continue as a going concern.

13. Financial instruments

A financial instrument is any contract that gives rise to both a financial asset and a financial liability or equity instrument of another enterprise. For the purpose of these financial statements, financial assets have been determined to include accounts receivable, prepayments and cash. Financial liabilities have been determined to include long-term debt, accounts payable and interest payable.

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

- Credit risk
- Liquidity risk
- Market risk

Derivative financial instruments are not presently used to reduce exposure to fluctuations in these risks.

Credit risk

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

	2012	2011
	$	$
Trade receivables	21,136,159	7,201,248
Cash	72,383,158	71,854,114
	93,519,317	79,055,362

The aging of trade receivables at year end was:

Current	21,032,376	6,984,422
31- 90 days	41,227	32,135
Over 91 days	233,178	355,313
	21,306,781	7,371,870

No impairment losses were recorded with respect to trade receivables for the year (2011 : $170,622).

13. Financial instruments (continued)

Liquidity risk

The Company manages its liquidity risk by maintaining cash to meet its cash obligations as they fall due. Further, the Company also maintains flexibility through established credit facilities with its Bankers.

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

	Carrying Amount	Contractual cash flows	Less than one year	More than one year
	$	$	$	$
September 30, 2012				
Loans and borrowings	64,761,485	64,761,485	16,190,371	48,571,114
Accounts payable	133,796,327	133,796,327	126,404,933	7,391,394
	198,557,812	198,557,812	142,595,304	55,962,508
September 30, 2011				
Loans and borrowings	80,951,856	80,951,856	16,190,371	64,761,485
Accrued liabilities	55,481,651	55,481,651	55,481,651	-
	136,433,507	136,433,507	71,672,022	64,761,485

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.

(a) *Foreign currency risk*

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

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

At September 30, 2012: TT$6.44
At September 30, 2011: TT$6.30

13. Financial instruments (continued)

Market risk (continued)

(a) Foreign currency risk (continued)

Sensitivity analysis:

The Company has not performed a sensitivity analysis on the effect of a strengthening of the Trinidad and Tobago dollar against the United States dollar at year end, because there was not a significant exposure.

(b) Interest rate risk

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

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

	2012	2011
	$	$
Fixed rate instruments		
Financial assets	72,377,158	71,854,114
Financial liabilities	(64,761,485)	(80,951,856)
Net exposure	7,615,673	(9,097,742)

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.

14. Capital management

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

15. Prior year adjustment

The prior year adjustment relates to the correction of an error in the treatment of a prepayment in 2010, and for 2011, the correction of trade and other receivables, the creation of deferred income, the reclassification of Symposium Income from Workshop and Seminar expense and the creation of a provision for bad debts.

The correction of these prior period errors was applied retrospectively.

Year ended September 30, 2010

The balances of prepayments and deferred subvention as at October 1, 2010 were restated. There was no effect on the statement of comprehensive income for the year ended June 30, 2010. The effect on the statement of financial position is summarised as follows:

	Balance as at October 1, 2010		
	As previously stated	Prior year Adjustment	As restated
	$	$	$
Prepayments	-	9,414,688	9,414,688
Deferred subvention	(25,731,298)	(9,414,688)	(35,145,986)

Year ended September 30, 2011

The balances of trade receivables, provision for bad debts, other receivable – eCal, deferred income and retained earnings at October 1, 2011 were restated. This resulted in a credit of $8,631 to the statement of comprehensive income for the year ended September 30, 2011. The effect on the statement of financial position is summarised as follows:

	Balance as at October 1, 2011		
	As previously stated	Prior year Adjustment	As restated
	$	$	$
Trade receivables	7,192,617	179,253	7,371,870
Provision for bad debts	-	(170,622)	(170,622)
Other receivable - eCal	-	80,951,856	80,951,856
Deferred income	-	(80,951,856)	(80,951,856)
Retained earnings	32,125,971	(8,631)	32,117,340

15. Prior year adjustment (continued)

Year ended September 30, 2011 (continued)

The effect on the statement of comprehensive income is summarised as follows:

	Balance as at October 1, 2011		
	As previously stated	Prior year Adjustment	As restated
	$	$	$
Amortisation of deferred income	(155,731,298)	(9,414,688)	(165,145,986)
Symposium income	-	(2,104,887)	(2,104,887)
Operating expenses	159,999,467	9,414,688	169,414,155
Administrative expenses	45,002,874	2,096,256	47,099,130

National Information and Communication Technology Company Limited

Schedule 1

Schedule of Administrative Expenses

For the year ended September 30, 2012

	Note	2012	2011
		$	$
Advertising and promotions		990,890	395,061
Audit fees		153,463	50,000
Bad debts		-	170,622
Bank charges		20,653	11,553
Board expenses		214,287	-
Building Maintenance		301,403	449,329
Depreciation		1,098,412	716,886
Director Expenses		735,439	732,608
Donations		23,100	6,000
Electricity		290,402	205,558
Equipment Repairs & Maintenance		109,346	72,811
Functions		229,612	144,594
Freight and delivery		19,427	-
Insurance		184,323	68,081
Janitorial		781,973	717,255
Laundry Expense		31,765	19,852
Legal Fees		81,040	316,670
Meals and Entertainment		9,765	11,218
Meeting expenses		173,574	130,686
Membership and subscriptions		30,501	57,274
Miscellaneous expenses		11,333	37,812
Motor vehicles		38,841	112,964
National insurance		1,031,809	1,104,631
Office expenses		357,045	403,448
Penalties and interest		-	119,273
Postage		16,224	833,810
Printing and stationery		216,192	395,015
Professional Fees		1,174,832	417,813
Publications Expense		29,517	19,410
Publicity & Promotion Expense		682,940	621,940
Recruitment Expense		128,842	174,004
Rent Expense	10	994,328	899,236
Salaries and wages		28,725,427	31,067,632
Security		1,983,548	1,776,342
Specialised ICT Equipment		45,272	7,516
Staff & Organization Development		652,985	136,550
Stamp Duty on Loan		-	161,954
Software		336,306	35,913
Telecommunication Fees / Licenses		13,060	4,995
Telephone		922,279	1,450,146
Training		218,851	194,803
Travel – foreign		757,018	601,383
Travel – local		140,605	187,053
Transportation & Storage Exp		122,130	51,752
Utilities		35,005	38,078
Workshops & Seminars Expense		1,431,105	1,969,599
		45,544,869	47,099,130