National Information and Communication Technology Company Limited

Financial statements
For the year ended September 30, 2014

Contents

National Information and Communication Technology Company Limited

Statement of management's responsibilities

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. 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.

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

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

Chairman
May 14, 2015

Director
May 14, 2015

Deputy Chief Executive Officer
May 14, 2015

Chief Financial Officer
May 14, 2015

Deloitte.

Deloitte & Touche
54 Ariapita Avenue,
Woodbrook, Port of Spain,
Trinidad, West Indies.
Tel: + 1 868 628 1256
Fax: + 1 868 628 6566
Website: www.deloitte.com

Independent auditor's 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, 2014, and the statement of profit or loss and other comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2014, and financial performance and cash flows for the year then ended in accordance with the IFRS.

Deloitte & Touche
Port of Spain
Trinidad

May 14, 2015 Deloitte & Touche

National Information and Communication Technology Company Limited

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

	Notes	As at September 30, 2014 $	As at September 30, 2013 $ Restated	As at October 1, 2012 $
Assets				
Non-current assets				
Property, plant and equipment	5	5,606,707	5,425,554	4,766,176
Deferred Tax	6	-	-	10,624,484
Total non-current assets		5,606,707	5,425,554	15,390,660
Current assets				
Accounts receivable	7	93,582,964	118,543,903	130,180,300
Government subvention receivable	12	-	16,634,000	7,330,000
Cash and cash equivalents	8	131,624,531	36,225,303	72,383,158
Total current assets		225,207,495	171,403,206	209,893,458
Total assets		**230,814,202**	**176,828,760**	**225,284,118**
Shareholder's equity and liabilities				
Shareholder's equity				
Stated capital	9	5,393,913	5,000,000	5,000,000
Accumulated surplus/(deficit)		78,667,657	6,411,986	(43,096,903)
Total equity		84,061,570	11,411,986	(38,096,903)
Non-current liabilities				
Loans and borrowings	10	24,285,557	32,380,741	48,571,114
Deferred tax	6	455,893	63,555	-
Total non-current liabilities		24,741,450	32,444,296	48,571,114
Current liabilities				
Loans and borrowings	10	8,095,186	16,190,371	16,190,371
Deferred income	13	67,420,845	50,360,836	82,398,473
Taxation payable		26,929,400	2,920,319	61,724
Accounts payable	11	19,565,751	63,500,952	116,159,339
Total current liabilities		122,011,182	132,972,478	214,809,907
Total shareholder's equity and liabilities		**230,814,202**	**176,828,760**	**225,284,118**

The notes on pages 7 to 23 form an integral part of these financial statements.

On May 14, 2015 the Board of Directors of National Information and Communication Technology Company Limited authorised these financial statements for issue.

Jacqueline _____________ Director _____________ Director

National Information and Communication Technology Company Limited

Statement of profit or loss and other comprehensive income
(Expressed in Trinidad and Tobago dollars)

	Notes	Year ended September 30, 2014	Restated 2013
		$	$
Revenue			
Subvention	12	130,400,000	187,300,000
Project management fees		581,196	-
Symposium income		-	1,545,645
Tender Fees		44,488	-
Project grant		11,879,795	2,630,000
Amortisation of deferred income	13	60,778,765	32,037,639
		203,684,244	223,513,284
Operating costs	20	(59,646,995)	(113,405,694)
Operating surplus		144,037,249	110,107,590
Administrative expenses/other income			
Administrative expenses		(47,463,396)	(47,228,454)
Gain on foreign exchange translation		328,786	102,776
Other income		195,241	64,466
Finance cost			
Reimbursement of interest expense		1,335,697	1,722,522
Interest expense		(1,335,697)	(1,722,522)
Interest income		235	8,029
Total		**(46,939,134)**	**(47,053,183)**
Surplus for the year before provision for taxation		97,098,115	63,054,407
Income tax expense	6	(24,842,444)	(13,545,518)
Surplus for the year		**72,255,671**	**49,508,889**
Other comprehensive income		--	--
Total comprehensive income for the year		**72,255,671**	**49,508,889**

The notes on pages 7 to 23 form an integral part of these financial statements.

National Information and Communication Technology Company Limited

Statement of changes in shareholder equity
(Expressed in Trinidad and Tobago dollars)

	Note	Stated capital $	Accumulated surplus $ Restated	Shareholder's equity $ Restated
Year ended September 30, 2014				
Balance at October 1, 2013		5,000,000	6,411,986	11,411,986
Vested assets	3	393,913	-	393,913
Total comprehensive income for the year		-	72,255,671	72,255,671
Balance at September 30, 2014		**5,393,913**	**78,667,657**	**84,061,570**
Year ended September 30, 2013				
Balance at October 1, 2012 (as previously reported)		5,000,000	(43,096,903)	(38,096,903)
The effect of prior year adjustment		--	6,721,085	6,721,085
Balance restated at October 1, 2012	19	5,000,000	(36,375,818)	(31,375,818)
Total comprehensive income for the year		-	42,787,804	42,787,804
Balance at September 30, 2013 as restated		**5,000,000**	**6,411,986**	**11,411,986**

The notes on pages 7 to 23 form an integral part of these financial statements.

National Information and Communication Technology Company Limited

Statement of Cash Flows
(Expressed in Trinidad and Tobago dollars)

	Year ended September 30, 2014	2013
	$	$
Cash flows from operating activities		
Surplus of revenue over expenditure for the year before provision for taxation	97,098,115	63,054,407
Adjustments for:		
Depreciation	1,306,645	1,091,303
Loss on sale of asset	8,918	10,320
Subvention income	(130,400,000)	(177,996,000)
Deferred income	17,060,010	(32,037,639)
Interest income	(235)	(8,029)
Interest expense	1,335,697	1,722,522
Interest paid	(1,335,697)	(1,722,522)
Loss before changes in operating assets/liabilities	(14,926,547)	(145,885,638)
(Increase)/decrease in operating assets:		
Decrease in receivable	41,594,940	1,931,183
Increase/(decrease) in operating liabilities:		
Decrease in accounts payable	(43,936,955)	(52,257,171)
Taxation recovered/(paid) net	(439,273)	1,113
Net cash used in operating activities	(17,707,836)	(196,210,513)
Cash flows from investing activities		
Interest received	235	8,029
Purchase of property, plant and equipment	(1,117,289)	(1,770,690)
Sale of property, plant and equipment	14,487	9,690
Net cash used in investing activities	(1,102,567)	(1,752,971)
Cash flows from financing activities		
Subventions received	130,400,000	177,996,000
Principal payments on loans and borrowings	(16,190,370)	(16,190,371)
Net cash from financing activities	114,209,630	161,805,629
Increase/(decrease) in cash and cash equivalents	95,399,228	(36,157,855)
Cash and cash equivalents at beginning of year	36,225,303	72,383,158
Cash and cash equivalents at end of year	**131,624,531**	**36,225,303**

The notes on pages 7 to 23 form an integral part of these financial statements.

1. **Incorporation and principal activity**

The National Information and Communication Technology Company Limited (the Company) was incorporated in the Republic of Trinidad and Tobago on July 20, 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 is the execution and administration of enterprise wide Information and Communication Technology (ICT) Strategies and Programmes for Ministry Departments, Division and Agencies to ensure more effective alignment, coordination, integration, consistency, security, interoperability and cost effectiveness across government for ICT related projects and initiatives.

These financial statements were approved for issue by the Directors on May 14, 2015.

2. **Adoption of new and revised International Financial Reporting Standards (IFRS)**

Standards and Interpretations adopted with no effect on financial statements

During the period a number of new and revised IFRSs and IFRIC Interpretations have been issued, however, these standards/interpretations do not impact the amounts reported in these financial statements:

- IAS 1, Presentation of Financial Statements. Clarification of the requirements for comparative information (annual periods beginning on or after January 1, 2013).

Standards and Interpretations in issue not yet adopted

- IFRS 7, Financial Instruments: Disclosures. Amended the disclosure requirements in IFRS 7 (annual periods beginning on or after January 1, 2013 and its interim periods within those periods).
- IFRS 9, Financial Instruments. Recognition and measurement (annual periods beginning on or after January 1, 2018).
- IFRS 10, Consolidated Financial Statements (annual periods beginning on or after January 1, 2013).
- IFRS 11, Joint Arrangements (annual periods beginning on or after January 1, 2013).
- IFRS 12, Disclosure in Interests in Other Entities (annual periods beginning on or after January 1, 2013).
- IFRS 13, Fair Value Measurement (annual periods beginning on or after January 1, 2013).
- IAS 19, Employee Benefits. Amended standard resulting from the post-employment benefits and termination benefits project (annual periods beginning on or after January 1, 2013).
- IAS 27, Consolidated and Separate Financial Statements. Re-issued as IAS 27 separate financial statements (as amended in 2011), (annual periods beginning on or after January 1, 2013).
- IAS 28, Investments in Associates. Re-issued as IAS 28 Investments in Associates and Joint Ventures (as amended in 2011), (annual periods beginning on or after January 1, 2013).
- IAS 32, Financial Instruments: Presentation. Offsetting financial assets and financial liabilities (annual periods beginning on or after January 1, 2014).
- IAS 32, Financial Instruments Presentation. Tax effect of distribution to holders of equity instruments (annual periods beginning on or after January 1, 2013).

2. **Adoption of new and revised International Financial Reporting Standards (IFRS) (continued)**

Standards and Interpretations in issue not yet adopted (continued)

- IAS 36, Impairment of Assets. Reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed (annual periods beginning on or after January 1, 2014).
- Investment entities. Applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 27(annual periods beginning on or after January 1, 2014).
- IAS 19, Amendments to Defined benefit plans: Employee contributions (annual periods beginning on or after July 1, 2014).

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

3. **Summary of 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 under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical estimates. It also required Management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

c. **Functional and reporting currency**

The financial statements of the Company are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the results and financial position of the Company are expressed in Trinidad and Tobago dollars, which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

d. **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.

3. **Summary of significant accounting policies (continued)**

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

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 of 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

e. **Financial Assets**

Classification:

The Company classifies its financial assets in the following categories, at fair value through profit and loss, loans & receivables, held to maturity, and available for sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Recognition:

Financial assets are initially recognised at fair value plus transactions costs except for financial assets at fair value through profit and loss, which are recognized at fair value. Transaction costs for financial assets at fair value through profit and loss are recognised immediately as expenses. Regular purchases and sales of financial assets are recognised on the trade date – date on which the Company commits to purchase or sell the asset.

Measurement:

Financial Assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit and loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit and loss are recognised immediately as expenses.

3. Summary of significant accounting policies (continued)

f. Accounts receivable

Accounts receivable are amounts due from customers for services performed in the ordinary course of business and are stated at cost 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. Accounts Receivables are recognised are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

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. Share capital

The Share Capital consists entirely of the capital investment by the Government of the Republic of Trinidad and Tobago for which consideration of $5 million was paid and this is classified as equity.

During the year, there was a transfer of capital investment in accordance with Cabinet Minute Note No. 957 dated April 23, 2009 of vested assets. The company recognised the transfer of two motor vehicles for use in the operations of the Company. The amount of this capital investment is based on the fair value of the vehicles as valued by an external independent valuator at the date of transfer.

i. Borrowing Costs

Borrowing costs are recognised in profit and loss in the period in the period in which they are incurred.

j. Accounts payable

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are recognised initially at fair value and subsequently measured at amortised cost. Accounts payable are classified as current liabilities if payment is due within one year or less.

k. 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 recognised as finance cost.

l. Revenue recognition

Unconditional grants related to the on-going operations of the Company are recognised when the amount can be reliably measured; when it is probable that future economic benefits will flow to the Company.

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

3. **Summary of significant accounting policies (continued)**

l. **Revenue recognition (continued)**

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

All other revenue is recorded on an accruals basis.

Subvention Revenue
Grants from the Government of Republic of Trinidad and Tobago to fund the operations of the Company and GORTT ICT-wide projects.

Project Income
This income pertains to project management fees and consulting fees for ICT procurement and project management consultations performed by iGovTT for GORTT and state entities.

Other Income
Income from various sources; ICT Symposium, Interest Income, Tender Fees, and other sources of income.

m. **Operating leases**

The leases entered into by the Company which do not transfer substantially all the risk and benefits of ownership are classified as operating leases. The total payments made under operating leases are charged to other operating expenses in income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place

n. **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 profit or loss.

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.

3. **Summary of significant accounting policies (continued)**

o. **Taxation**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss 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. **Comparative information**

Where necessary comparative figures have been adjusted to conform to changes in presentation in the current year. These changes have no effect on the profit after tax of the Company for the previous year.

p. **Borrowings**

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

q. **Government subvention**

Grants from the Government of the Republic of Trinidad and Tobago are recognised at their fair value where there is a reasonable assurance that the grant will be received and the NICTCL will comply with all the attached conditions. Grants that contain no vesting conditions are recognized immediately in the income statement.

Grants related to recurrent costs are deferred in liabilities and recognised in the statement of income over the period necessary to match them with the costs they are intended to compensate.

4. Critical accounting estimates and judgments in applying accounting policies

Use of estimates and judgments

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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 judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Income taxes

Estimates are required in determining the charge for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due.

Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax liabilities in the period in which such determination is made. The organisation believes that where the final outcome on the judgement areas of expected cash flows differ by 10% from management estimates the organisation will need to:

- Increase the income tax liability and deferred tax liability if unfavourable
- Decrease the income tax liability and deferred tax liability if favourable

Provisions

The recognition of provisions involves assumptions about the probability, amount and timing of an outflow of resources embodying economic benefits. A provision is recognised to the extent that an outflow of resources embodying economic benefits is probable and a reliable estimate can be made.

Contingent liabilities

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

Revenue

The organisation recognises revenue when the amount of revenue can be reliably measured and when it is probable that future economic benefit will flow to the organisation. Where the funding or income earned differs by 10% of management estimates the amount of revenue recognised in the year would be:

- Increased by the proportionate amount of the estimate increase or
- Decreased by the proportionate amount of the estimate decrease

5. Property, plant and equipment

Year ended September 30, 2014	Computer equipment	Furniture & fittings	Office equipment	Motor vehicles	Total
Cost	$	$	$	$	$
Balance at October 1, 2013	4,253,506	71,690	2,661,827	1,677,434	8,664,457
Additions for the year	841,014	64,740	211,535	393,914	1,511,203
Disposals for the year	(37,406)	-	-	-	(37,406)
Balance at September 30, 2014	5,057,114	136,430	2,873,362	2,071,348	10,138,254
Accumulated depreciation					
Balance at October 1, 2013	1,299,321	19,794	863,486	1,056,302	3,238,903
Charge for the year	831,699	7,560	238,244	229,142	1,306,645
Disposal	(14,001)	-	-	-	(14,001)
Balance at September 30, 2014	2,117,019	27,354	1,101,730	1,285,444	4,531,547
Net book value					
Balance at September 30, 2014	**2,940,095**	**109,076**	**1,771,633**	**785,904**	**5,606,707**
Balance at September 30, 2013	**2,954,185**	**51,896**	**1,798,341**	**621,132**	**5,425,554**

Year ended September 30, 2013	Computer equipment	Furniture & fittings	Office equipment	Motor vehicles	Total
Cost	$	$	$	$	$
Balance at October 1, 2012	2,682,927	62,554	2,502,553	1,677,434	6,925,468
Reclassification	-	(5,273)	5,273	-	-
Additions for the year	1,602,279	14,409	154,001	-	1,770,689
Disposals for the year	(31,700)	-	-	-	(31,700)
Balance at September 30, 2013	4,253,506	71,690	2,661,827	1,667,434	8,664,457
Accumulated depreciation					
Balance at October 1, 2012	662,156	14,760	633,116	849,259	2,159,291
Reclassification		(962)	962	-	-
Charge for the period	648,856	5,996	229,408	207,043	1,091,303
Disposal	(11,691)	-	-	-	(11,691)
Balance at September 30, 2013	1,299,321	19,794	863,486	1,051,302	3,238,903
Net book value					
Balance at September 30, 2013	**2,954,185**	**51,896**	**1,798,341**	**621,132**	**5,425,554**
Balance at September 30, 2012	**2,020,771**	**47,794**	**1,869,437**	**828,174**	**4,766,176**

The National Information and Communication Technology Company Limited is benefiting from the use of the property it occupies, however the value of said property has not been included in the property plant and equipment value since the transfer of title of the property from Ministry of Public Administration (MPA) instructed by Cabinet Note Minute 957 dated April 23, 2009 has not been finalised. During the year two motor vehicles were transferred for use in the company's operations from MPA and recognised at a fair value of $393,914.

6. Provision for taxation

	2014	2013
	$	$ Restated
Income tax recognised in profit and loss		
Deferred tax charge	392,338	10,688,039
Corporation tax	23,837,113	(5,902)
Business levy	408,662	415,348
Green fund levy	204,331	207,674
Balance as previously reported	24,842,444	11,305,159
Adjustment	--	2,240,359
Balance as restated	**24,842,444**	**13,545,518**
Reconciliation of effective tax rate		
Surplus of revenue over expenditure for the year	97,098,115	63,054,407
Tax at the applicable tax rate – 25%	24,274,529	15,763,602
Tax effect of income/expenses that are not recognisable/deductible in determining taxable profit	(51,579)	(34,757)
Over provision of corporation tax from previous years	--	(2,806,349)
Adjustment to deferred tax	6,501	
Business levy	408,662	415,348
Green fund levy	204,331	207,674
	24,842,444	13,545,518
Expense as restated	**24,842,444**	**13,545,518**
Movement in the deferred tax (asset)/liability		
Balance at the beginning of the year	63,555	(10,624,484)
Charge to the statement of profit or loss	392,338	10,688,039
Balance at the end of the year	**455,893**	**63,555**
Composition of deferred tax (asset)/liability		
Property, plant and equipment	455,893	363,343
Accumulated tax losses	--	(299,788)
	455,893	**63,555**

7. Accounts receivable

	2014	2013
	$	$
Trade receivables, gross	9,368,804	13,884,506
Provision for bad debts	(573,181)	(882,461)
Trade receivables, net	8,795,623	13,002,045
e-Cal loan receivable	32,380,742	48,571,114
e-Cal interest receivable	-	401,218
Receivable from MST (GovNeTT)	7,798,582	7,798,582
Other receivable	1,995,708	-
Prepayments	1,157,337	176,471
Deferred expenses	34,861,150	33,149,505
VAT recoverable (net)	6,593,822	15,444,968
	93,582,964	**118,543,903**

Fair value in the accounts receivable is the same as disclosed above.

8. Cash and cash equivalents

	2014	2013
	$	$
Cash at bank	131,618,531	36,219,303
Cash on hand	6,000	6,000
	131,624,531	**36,225,303**

9. Share capital

Authorised capital
Unlimited number of common shares on no par value

	2014	2013
Issued and fully paid capital		
5,000,000 common shares of no par value	5,000,000	5,000,000
Vested assets	393,913	--
	5,393,913	**5,000,000**

10. Loan and borrowings

	2014	2013
Current loan	8,095,186	16,190,371
Non-current loan	24,285,557	32,380,741
	32,380,743	**48,571,112**

This represents the balance on 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 GORTT dated October 1, 2010.
Fair value in loan and borrowings is the same as disclosed above.

11. Accounts payable

	2014 $	2013 $
Trade payables	6,841,968	52,072,816
Accrued liabilities	5,218,053	5,286,140
Accrued loan interest	269,437	401,217
Other payables	7,236,293	5,740,779
Balance at September 30	**19,565,751**	**63,500,952**

12. Government subvention

	2014 $	2013 $
Balance at October 1	-	-
Subventions received during the year	130,400,000	170,666,000
Subventions receivable	-	16,634,000
Recognised during the year	(130,400,000)	(187,300,000)
Balance at September 30	-	-

Funding for the operations of the Company is provided via Government subvention. During the year the Company received subventions for recurrent expenditure in the sum of $130,400,000 for the year ended September 30, 2014 (2013: $170,666,000). No subventions were received during the year for property, plant and equipment.

For the year ended September 30· 2013 the amount allocated to the Company by Government was $187,300,000 but as at September 30, 2013 the Company received $170,666,000 and there was a receivable for $16,634,000 as reflected in the Statement of Financial Position. For the year ended September 30, 2014 the full amount allocated was received.

13. Deferred income

	2014 $	2013 $ Restated
Balance at October 1 **"advance payments"**	10,751,166	17,636,990
Amortisation during the year **"advance payments"**	(7,205,811)	(6,885,824)
Balance at September 30 **"advance payments"**	3,545,355	10,751,166
Balance at October 1 **eCal loan**	48,571,114	64,761,485
Amortisation during the year **eCal loan**	(16,190,371)	(16,190,371)
Balance at September 30 **eCal loan**	32,380,743	48,571,114
Balance at October 1 **Microsoft agreement**	(8,961,444)	-
Advances Received	77,838,774	-
Amortisation during the year **Microsoft agreement**	(37,382,583)	-
Balance at September 30 **Microsoft agreement**	31,494,747	-
Total as previously reported	67,420,845	59,322,280
Adjustment	--	(8,961,444)
Total as restated	**67,420,845**	**50,360,836**
Deferred income recognised in profit or loss		
Advance payments	7,205,811	6,885,824
eCal loan	16,190,371	16,190,371
Microsoft agreement	37,382,58	--
	60,778,765	**32,037,639**

A loan was taken from Scotia trust and Merchant bank Limited for $80,951,856 to finance a project in 2011. This loan is secured by a guarantee from the GORTT dated October 1, 2010.

Consequently, the Ministry of Education is required to fund the repayment of the loan. The company received $17,657,848 from the Ministry of Education for the year ended September 30, 2014 (2013: $18,191,344). This included $1,467,477 (2013: $2,000,972) received as a reimbursement for the related interest expense on the loan.

14. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2014 $	2013 $
Less than one year	517,152	517,152
Between one and five years	848,952	848,952
	1,366,104	**1,366,104**

During the year $573,181 (2013: $882,461) was recognized as an expense in the statement of profit or loss in respect of operating leases.

15. **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 $7,188,324 (2013: $6,815,631) for the year. Total remuneration is included in salaries and wages.

Class	2014 $	2013 $
Directors	693,000	734,053
Executive Management	6,495,324	6,081,578
Total	**7,188,324**	**6,815,631**

16. **Capital management**

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

17. **Risk management**

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

Risk management structure

The Company is in the initial stages of setting up a risk management structure which is proposed to assign responsibilities to the following as outlined in the State Enterprises Performance Monitoring Manual:

Role of the Board

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

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

Role of Internal Audit

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

17. Risk management (continued)

Role of the Finance and Risk Committee

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

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

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

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:

	2014	2013
	$	$
Trade receivables	8,795,623	13,002,045
Cash	131,624,531	36,225,303
Loan receivable	32,380,742	48,571,114
Balance at September 30	**172,800,896**	**97,798,462**

Credit risk

The ageing of trade receivables at year end was:

	2014	2013
	$	$
Current	6,106,244	2,106,916
1-30 days due	206,841	768,583
31-90 days due	1,800,031	144,814
Over 90 days due	1,255,688	10,864,193
Balance at September 30	**9,368,804**	**13,884,506**

Impairment losses of $402,560 (net) were recorded with respect to trade receivables in 2014 (2013: $711,840).

17. **Risk management (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, 2014				
Loans and Borrowings	32,380,743	33,715,942	17,124,353	16,591,589
Accounts payable	19,565,751	19,569,556	19,569,556	-
	51,946,494	**53,285,498**	**36,693,909**	**16,591,589**
September 30, 2013				
Loans and Borrowings	48,571,112	51,373,921	17,657,848	33,716,073
Accounts payable	63,500,952	63,500,952	63,500,952	-
	112,072,064	**114,874,873**	**81,158,800**	**33,716,073**

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 year end was as follows:

At September 30, 2014: TT$6.37
At September 30, 2013: TT$6.29

Sensitivity analysis:

The Company considered currency risk to be insignificant and accordingly 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.

17. **Risk management (continued)**

(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:

	2014 $	2013 $
Fixed rate instruments		
Financial assets	131,624,531	36,225,303
Financial liabilities	(32,380,743)	(48,571,114)
Net exposure	**99,243,788**	**(12,345,811)**

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.

18. **Going concern**

The Company's total assets exceeded its total liabilities by $84,061,570 at the reporting date. At September 30, 2013 total assets had exceeded total liabilities by $11,411,986.

Without the continued support of the GORTT through subventions, the Company may not be able to continue as a going concern. However there is no evidence to suggest that this support will be withheld.

19. **Prior year adjustment**

The prior year adjustment relates to the amortisation of deferred income to match project expense in connection with the Microsoft Enterprise Agreement for the period July 2013 to September 2013. Funding for this expense was received on January 16, 2014 and should have been recognised in the financials ending September 30, 2013. The effect on the financial statements is summarized as follows:

	Balance as at October 1, 2013		
	As previously stated **$**	**Prior year adjustment** **$**	**As restated** **$**
(a) Statement of proift/(loss) and other comprehensive income			
Amortisation of deferred income	23,076,195	8,961,444	32,037,639
Retained earnings	(309,099)	6,721,085	6,411,986
(b) Statement of financial position			
Provision for taxation	11,305,159	2,240,359	13,545,518
Deferred income	59,322,280	(8,961,444)	50,360,836
Taxation payable	(679,960)	(2,240,359)	(2,920,319)

20. Operating costs

Operating costs are comprised of the expenses incurred by the Company in engaging service providers with respect to the physical infrastructure, software and maintenance services associated with the provision of ICT services to GORTT for the following projects: - Govnett II, Single Electronic Window (SEW), Star.tt, Portal, Microsoft and Others.

	2014	2013
	$	$
Project inflows	64,137,250	-
Project outflows	(59,646,995)	(113,405,694)
Net operating costs	**4,490,255**	**(113,405,694)**

21. Events after the reporting date

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