NIDCO

National Infrastructure Development Company Limited

# ANNUAL REPORT 2016

# NIDCO's Mandate

In 2004, the Government of the Republic of Trinidad and Tobago (GoRTT) noted that -

The Public Sector Investment Programme (PSIP) 2005 recognized the significant investments being made by Statutory Authorities and State Enterprises in developing the country's capital stock; the projections for the 2005 PSIP include expenditure of \$2.1Bn under the core PSIP and further expenditure of \$7.4Bn under the supplementary PSIP. However, the overall pace of development had not been able to keep abreast of the rate of implementation required for the installation of modern and efficient infrastructure to propel the country's social and economic development.

In light of the insufficient institutional capacity to provide the much needed infrastructure, different mechanisms were being proposed to assist in accelerating the delivery of same by engaging the private sector in the implementation of Public and Private infrastructure; the financing and implementation of those projects could be outsourced to the private sector under a variety of arrangements to be determined on a case by case basis under an improved policy.

Therefore, the GoRTT agreed to, inter alia –
"...the formation of a State Enterprise to assist those ministries that do not possess the institutional capacity to manage projects, the State Enterprise to have responsibility for the procurement of designs, construction, management and possibly financing of projects".

# Vision, Mission and Values

**VISION**

To create a premier project management organisation with competencies responsive to the delivery of strategic infrastructure projects, always mindful of our stakeholders' best interest and the impact of our work on the environment.

**MISSION**

To fulfill our role as the leading project executing agency, through a philosophy of managing our business with the highest ethical standards providing optimal quality and value, while acting in a responsible manner with our employees, our stakeholders and environmental policies.

**VALUES**

**ACCOUNTABILITY AND TRANSPARENCY**

We hold ourselves accountable for the diverse roles, obligations and actions to the public we serve, and are committed to manage our operations with openness absolute integrity.

**SAFETY AND ENVIRONMENT**

We are committed to ensuring the safety of our employees, our clients and the public, and the protection of the environment in which we work.

**TEAMWORK**

We are committed to a team work environment where success requires the collective efforts of a diverse coordinated team. Every associate is a valued member and is encouraged to be creative and innovative.

**SERVICE EXCELLENCE**

We strive be the best in quality and in everything we do. We are dedicated to satisfying Clients' needs and honouring commitments that we have made to them.

**PROFESSIONALISM**

We will ensure the most efficient and effective delivery of services by our trained and competent human resources. We continuously seek improvements to our methods and systems through adoption of models of "best practices".

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# Corporate Information

**DIRECTORS**
Mr. Herbert George (Chairman)
Mr. Stephen Gardiner (Deputy Chairman)
Mr. Steve Chadee
Mr. Keith Gellineau
Mr. Richard Barry Tom Yew
Ms. Nirmala Maharaj
Mr. Charles Mitchell
Ms. Vernie Shield
Ms. Cuquie Melville

**CORPORATE SECRETARY**
Ms. Vanda Thomas- Lynch

**REGISTERED OFFICE**
Don Miguel Road Extension
El Socorro
San Juan
Trinidad, West Indies

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Fax: (868) 638-2715
Website: www.nidco.co.tt

**BANKERS**
First Citizens Bank Limited
#62 Independence Square
Port-of-Spain
Trinidad, West Indies

Scotiabank Trinidad & Tobago Limited
Scotiabank Service Centre
56-58 Richmond Street
Port-of-Spain
Trinidad, West Indies

**AUDITORS**
Deloitte & Touche
54 Ariapita Avenue
Woodbrook
Port-of-Spain

# Letter of Transmittal

NIDCO
National Infrastructure Development Company Limited

Don Miguel Road Ext.
San Juan, Trinidad, West Indies
Tel: 638-0493/674-5593
Fax: 638-2715

*"Partnering to Build Modern Infrastructure"*

31st January 2018

The Honourable Rohan Sinanan
Minister of Works and Transport
Ministry of Works and Transport
Cnr Richmond and London Streets
PORT-OF-SPAIN

Dear Minister Sinanan,

**RE: Annual Report and Financial Statements 2016**

In accordance with Section 66D of the Constitution of the Republic of Trinidad and Tobago (Act No. 29 of 1999), I enclose herewith the Annual Report of the National Infrastructure Development Company Limited for the year ended September 30, 2016 together with a copy of the Annual Audited Financial Statements, as certified by the Auditors.

Yours sincerely,

Herbert George
Chairman

# Chairman's Foreward

The National Infrastructure Development Company Limited (NIDCO) is one of the most significant agencies in the state sector. The company directly supports Government's economic and social development agenda for the country through the implementation of critical infrastructure projects. As Chairman of the Board of Directors, it is indeed an honour to be afforded the opportunity to ensure that this company successfully delivers its far-reaching mandate to the Government and citizens of Trinidad and Tobago.

Upon assuming office in October 2015, it was immediately clear that this new Board did not have the luxury of a long learning curve. The operational issues and financial state of the Company could best be described as being daunting. Nonetheless, as a Board, we were sufficiently confident that the Company possessed significant capacity and capability to fulfil its mandate to effectively manage and deliver major infrastructural projects over the medium to long-term time horizons. However, it could not be business as usual and this was clearly communicated to management and staff.

The attached Audited Financial Statements for fiscal 2015/16 reflects the criticality of NIDCO's financial state at the end of that year. In 2016, the Company experienced its largest financial loss to-date of TT$46.239M and had accumulated debt in the order of some TT$2.714Bn against assets of TT$2.636Bn. Further, during the year, the Board undertook a review of the company's operations, which revealed that NIDCO was faced with major operational inefficiencies and issues of non-compliance with good governance and prudent management practices. One major issue that received the early attention of the Board was the improper hiring practice that did not seek to align the size of the workforce with its work programme. This one practice caused the annual wage bill for the company to increase from TT$16.3M in September 2010 to TT$38M by the end of September 2015.

The process towards restoring the financial health of the company and transforming it into a valued added service to the Government has begun. The Board has worked with management to create a new trajectory for performance and growth which includes corporate restructuring, redefining the company's business model and pursuing new avenues for expansion of revenue, strengthening our operational efficiency through process improvements and through the introduction of performance and quality standards.

As we approach the new financial year, we look forward to continue working with the Ministry of Works and Transport, and by extension, the Government, NIDCO's management team and other critical stakeholders to resolving the issues compromising the productivity of the company and, building on the positive past achievements, to transform it into a value creation service for the Government.

HGeorge

Herbert George
Chairman of the Board of Directors


SHORE OF PEACE CLIFF STABILISATION WORKS

# President's Report

The financial year 2016 was perhaps the most challenging in the history of the National Infrastructure Development Company and perhaps for the country on a whole. As a country, the fallout from the precipitously low oil and gas prices reverberated across every sector, resulting in a slowdown of economic activity and the adoption of austere fiscal measures by the Government. Continuing from the last fiscal year, Government reduced its expenditure on capital projects, which did not auger well for NIDCO, who relies entirely on management fees earned from project activities to finance its operations. As a result, for the entire year, NIDCO operated in a persistent state of deficit, where our operating overheads outstripped our income by an average of 8.84 :1.

The prevailing macro-economic conditions, however, provided the impetus for a shift in strategic priorities towards (i) the identification of new funding mechanisms to ensure the continuity of project activities and (ii) restoring the financial health of the Company.

**FINANCIAL PERFORMANCE**

For fiscal 2016, the Company recorded a Net Loss before Tax of TT$46.2M (down from -TT$28M in 2015), which reflected the continuing deterioration of our financial position. The further erosion of 2015 results was primarily a result of a major shortfall in Management Fees which, at the end of the year, stood at only TT$6.3M compared to TT$37.2M earned in 2015.

While we recorded a major decline in earnings, there was just an incremental reduction in Operating Expenses from TT$66.1M in 2015 to TT$54.1 in this fiscal year. The pattern of operating expenses outstripping our revenues, reflects the ongoing challenge of ramping up organisational resources in anticipation of forecasted projects that were either stalled during the procurement phase from a lack of project financing or simply did not materialise.

Despite our prevailing declining profitability and the liquidity issues, the Company's asset position has remained fairly strong. Total Assets stood at TT$2.64B at year-end, an upward movement from the TT$2.48B recorded in fiscal 2015.

Notably, there was an incremental downward movement in "Due from Government of Trinidad and Tobago" from TT$2.082B in 2015 to the current level of TT$2.046B. This is a critical line item that is being closely monitored in our financial stabilisation efforts, as it represents outstanding requests for funds and drawdown approvals from the GORTT for contractor payments and other project-related costs, NIDCO's management fees, and funds to repay outstanding loans that have become due.

**STATUS OF WORK PROGRAMME**

Solomon Hochoy Highway to Point Fortin Project

Construction activity on this flagship project was virtually suspended on all work sites since the demobilisation of the main contractor, Construtora OAS S.A. (OAS) of Brazil, in December 2015. Since its inception, earnings from this project contributed to just under 80% of NIDCO's management fee income. The lack of progress on this project further exacerbated the imbalance between our income and expenditure.

In July 2016, the decision was taken to terminate the contract between NIDCO and OAS. This action followed months of deliberation on the options available to the Government for the continuation of the project.

Following termination of the contractor, NIDCO worked with its local and UK attorneys, to make demands on the contract's Standby Letters of Credit, issued by four (4) international banks. Despite the efforts of OAS to secure an injunction to prevent NIDCO from calling in the Standby Letters of Credit, at the close of the financial year in September 2016, the Company was successful in recovering a total of US$89,100,723M from the SBLCs held in respect to Performance and Retention Bonds. Proceedings have commenced in the Commercial Court in London to recover the remaining sums. We expect the matter to be fully resolved by early 2017.

With OAS' termination, the project will now be completed using local contractors.

**NEW HIGHWAY CONSTRUCTION PROJECTS**

During the year, the Government assigned several new priority infrastructure projects to NIDCO. These included:

• Construction of the Valencia to Toco Highway
• Upgrade of the Moruga Road (from Petit Café Junction to Marac Village)
• Construction of a Fast Ferry Port in Toco
• Development of the Port-of-Spain to Chaguaramas Highway/Causeway.

The assignment of these new projects created a measure of optimism for a near term turnaround in our finances. Resources were therefore mobilised to quickly advance these projects through the procurement stage.

**OTHER PROJECTS**

Due to late payments to contractors, activities on many construction sites under several programmes were either suspended or had slowed significantly. The total amount outstanding to contractors at the end of the year was TT$231.5M.

Despite the non-payment for works already done, several contractors continued to work on the Bridges Rehabilitation Programme, the Landslip Repair Programme, the Coastal Protection Programme, and the THA Bridges Designs.

**WATER TAXI SERVICE**

We take special pride in reporting on the operation of the Water Taxi Service. NIDCO developed and launched the Service in December 2008 utilising three second-hand catamarans, with a combined seating capacity of 447. Today, the Water Taxi Service boasts four 41m high speed catamarans, each with a seating capacity of 405. Since its inception, the Service has transported a total of 3,517,236 passengers with 537,089 passengers using the service in 2016.

The continued growth in ridership is indicative of the high value of the Service to commuters. The Water Taxi is now regarded as a credible alternate transportation mode.

**CORPORATE HIGHLIGHTS**

Enquiries into NIDCO's Operations

In 2016, the Government embarked on a concentrated mission to review the performance of wholly-owned state enterprises. At several intervals throughout the year, NIDCO's financial operations, status of reporting and statutory compliance, and evidence of the company's exercise of its governance responsibilities were examined by various special committees of the Parliament and the Cabinet set up to undertake the review exercises. Appearances were made before the Joint Select Committee for State Enterprises, the Public Accounts Committee, the Standing Finance Committee of the Parliament and the State Enterprises Review Committee.

On each occasion, the critical state of NIDCO's financial position and the strategies being employed to turn the company around were central in the discussions.

**STABILISATION & FINANCIAL RECOVERY INITIATIVES**

Cost Containment / Improved Cash Management.

In an attempt to improve the financial status of the Company and to better manage our cash flow, we implemented several cost containment measures to reduce the size of our overheads:

• Consolidation of office operations with the closure of all satellite offices. Efforts are now underway to further reduce our office rental expense by relocating NIDCO's Head Office to a more affordable facility. A total of TT$117,000 per month was saved through office closures;
• Termination of leases on 25 company vehicles (resulting in savings of approximately TT$200,000 per month);
• Termination of leases for several non-essential office

services (such as plant rental) and office equipment (savings of approximately TT$42,000 per month were realised through this initiative).

**MANPOWER RATIONALIZATION.**

At the beginning of the financial year, NIDCO had a staff complement of 201, resulting in personnel costs trending between 68% and 80% of total expenditure. Management recognised that this situation was not sustainable and decision was taken to proceed with a right-sizing exercise towards creating a practical balance between NIDCO's work load and its workforce.

In January 2016, we completed a preliminary rationalization exercise which resulted in the mapping of all staff against work assignments, qualifications and competence. The Company intends to proceed with a formal restructuring exercise in the new fiscal year, when it is expected that funds will become available.

In the interim, a Board decision was made for the non-renewal of expired employment contracts. As at September 2016, NIDCO's staff complement had been reduced to 163 persons.

**OUTLOOK FOR 2017**

As the financial year drew to a close on 30th September 2016, we noted with cautious optimism the Government's plan for infrastructure investment enunciated by the Honourable Minister of FInance in tabling the National Budget for FY2017. On the one hand, the Budget reflected Government's emphasis on roads and port development with an allocation of $5,022M for capital projects and programmes to be undertaken during the new fiscal year. This augurs well for NIDCO, as included in this allocation was the sum of $373.8M for the continuation of all our major roads, bridges, drainage and land-slips programmes, as well as for the new priority highway projects.

However, the Government's delivery of a deficit budget is also indicative of its continuing challenge of closing the fiscal gap in light of the prevailing slump in energy revenues. We also note that Government's infrastructure financing strategy remains the same, as 90% of the PSIP allocation will be funded through General/Domestic Revenues and only 10% through external loans and grants. These trends provide sufficient stimulus for NIDCO to pursue, with alacrity, measures for financial recovery and stability. Our FY2017 Annual Business Plan will necessarily be focused on strategies aimed at returning the company to a healthy financial position. We will specifically scale up our efforts to diversify our revenue base, strengthen our cost management programme and improve operational efficiency.The prospects for new income being introduced into the company in the new year through the commencement of activities on the new priority projects are also cause for optimism for the near term financial recovery.

I wish therefore to commend the new Board of Directors for their efforts in working with our management team to bring about early changes to our governance structure and operations. I applaud your efforts and do sincerely look forward to working with you in the coming year to bring about more sustainable changes in this great company. Let me take this opportunity to thank the Government for continuing to place its confidence and trust in NIDCO to deliver its priority projects. In particular, I would like to thank our Shareholder, the Minister of Finance; our Line Ministers - past and present, and staff of the Ministry of Works and Transport for their support and guidance throughout the year.

Finally, I wish to specially commend every manager and employee of the company for remaining committed to our mission, despite our many challenges. I look forward to your continued dedication, hard work and ingenuity in the coming year

Steve Garibsingh
President (Ag.)

# Board of Directors

Mr. Herbert George
Chairman

Mr. Stephen Gardiner
Deputy Chairman

Mr. Richard Barry Tom Yew
Director

Ms. Vernie Shield
Director

Ms. Nirmala Maharaj
Director

Mr. Steve Chadee
Director

Mr. Keith Gellineau
Director

Mr. Charles Mitchell
Director

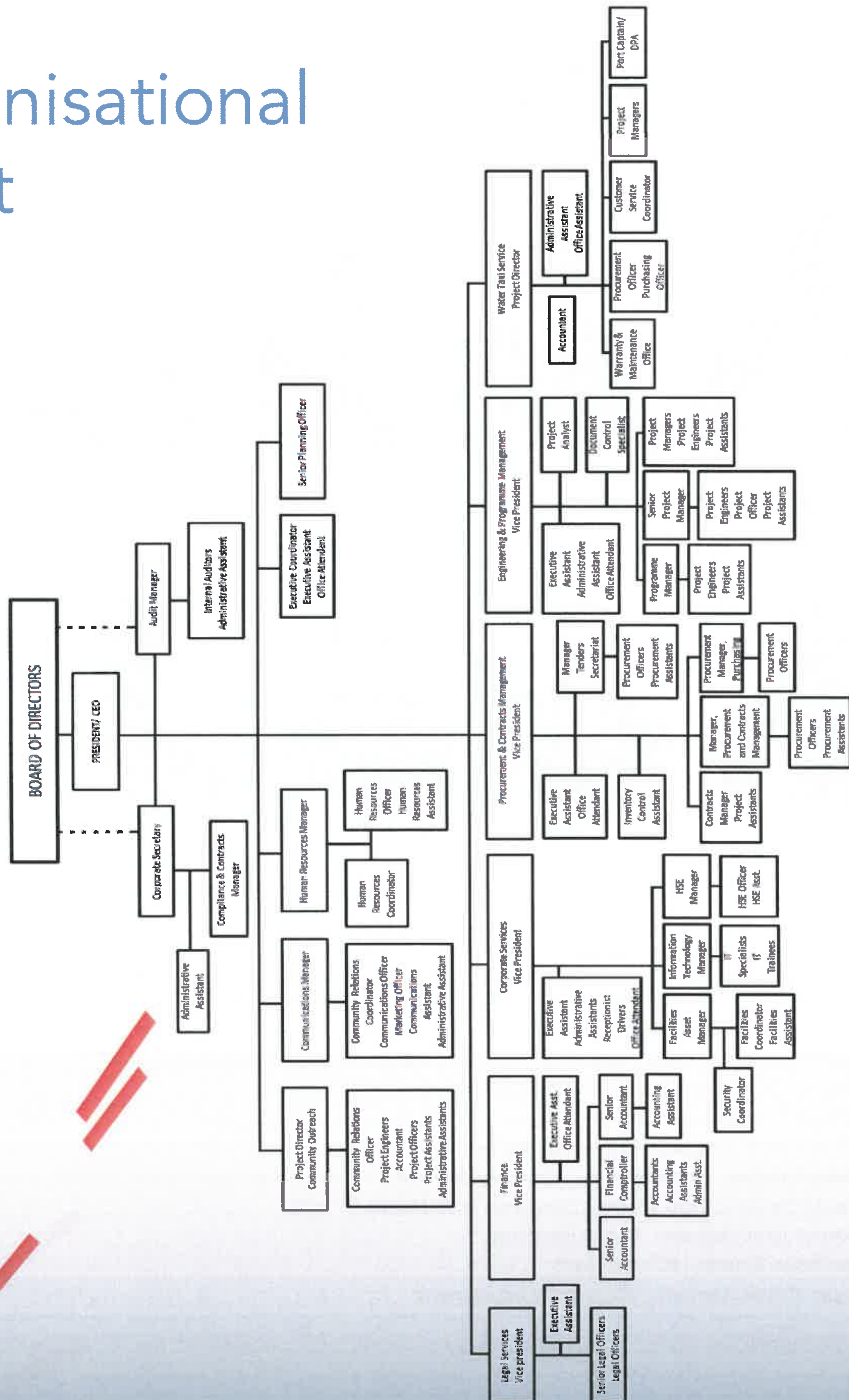
Ms. Cuquie Melville
Director

Ms. Vanda Thomas-Lynch
Corporate Secretary

# Executive Management

Mr. Steve Garibsingh | President (A.g.) / Vice President - Engineering and Programme Management
Mr. Dinanath Ramkissoon | Vice President - Legal Services
Ms. Charlear Straker | Vice President - Finance
Ms. Sharon Taylor | Project Director - Water Taxi Service
Ms. Rachael Phillips | Project Director - Community Outreach
Ms. Vanda Thomas | Lynch - Manager Compliance and Contracts
Ms. Adanna Jones | Manager - Human Resources
Mr. Harrinarine Sookram | Manager- Audit
Ms. Ingrid Ishmael | Manager - Corporate Communications

# Organisational Chart



# 2016 Programme/Project Achievements

**NEW PRIORITY PROJECTS to 2020**

In fiscal 2016 NIDCO received the mandate to undertake several new infrastructure projects that were identified by the Government as being critical to its plans to stimulate and diversify economic activity in every region of the country. These new priority projects were:-

**Construction of a Fast Ferry Port in Toco.**

This project involves the construction of a new fast ferry port in Toco to provide a faster alternative sea route to and from Tobago from the north east coast of Trinidad. The port will be a multi-purpose facility to accommodate fast ferry service, a marina (pleasure crafts), Coast Guard facilities, fishing facilities and associated amenities.

In August 2016, tender closed for the procurement of consultancy services to undertake site selection and develop conceptual designs for the project. The bids are currently under evaluation and are expected to be concluded in time for the consultancy to be awarded by the end of October 2016.

**Valencia to Toco Highway**

Under this project, a new first class roadway will be constructed along the East-West corridor from Valencia to Toco. The new roadway will be designed in accordance with AASHTO standard to accommodate two (2) lanes, shoulder on both sides, and with sufficient reserve for expansion to 4 lanes in the future. The design speed will be 80 km/hr. The new road-way will serve the new port to be located in Toco Bay and is expected to open up the entire northeast region of Trinidad for new industrial, residential and commercial developments.

In March 2016, NIDCO was engaged by the Ministry of Works to provide procurement, project and contract management services for this project. The major milestone achieved to-date was the award of a consultancy contract to WSP Caribbean Limited for the provision of route selection & conceptual design services. Both NIDCO and WSP have already begun meeting with stakeholders to introduce the project and to begin collection of data for the development of the conceptual design.

**Moruga Road Upgrade Project**

The Government plans to upgrade the Moruga Road from Petit Café Junction to Marac Village. NIDCO received directions to proceed with this project in April 2016 and as at the end of the fiscal year, evaluation had been concluded on the technical proposals received from some six (6) bidders. The initial consultancy will assess the existing 26.7 km roadway and design modifications to accommodate 2no. 3.2m-lanes with 1.8m shoulders in each direction. The roadway is to be upgraded to design speed of 60km/hr.

**Port-of-Spain to Chaguaramas Highway/Causeway**

The project was conceptualised as a engineering solution to alleviating traffic congestion along the northwest peninsula, between Mucurapo Foreshore and Carenage.

As at September 2016, NIDCO was in the process of procuring a consultant to (i) review the 2007 preliminary feasibility study and conceptual designs, developed by CANSULT – a consortium of Canadian and local consultants; and (ii) determine the preferred option for implementation.

| Project Name / Contractor | Contract Value (TT$M) | (Planned)/ Actual Start | (Planned)/ Actual Finish | Planned Progress | Actual Progress (%) | % of Funds Certified | Status/ Remarks |
|---|---|---|---|---|---|---|---|
| **PROGRAMME AREA 1: ROADS AND HIGHWAYS** | | | | | | | |
| Solomon Hochoy Highway Extension to Point Fortin<br><br>*(TBD)* | $7,503M | March 2011 | (December 2015) | 100% | 61% | 68% | **IN PROGRESS.** Main contractor, OAS Construtora SA, terminated. Project to be divided into smaller work packages and completed using local content. |
| **Programme: East-West Corridor Expansion and Improvement Works** | | | | | | | |
| **Beetham Highway Culvert #5 Replacement**<br><br>Junior Sammy Contractors Limited | $ | July 2016 | August 2016 | 100% | 100% | 85.5% | **COMPLETED.** Project substantially completed. Engineer accepted completed culvert sections, catch pit, channel lining and asphaltic pavement up to base course level. A *Partial Taking-Over certificate* will be issued in October 2016. Surface course layer not accepted. Remedial work remains to be completed by Contractor. |
| **National Traffic Management System (NTMS) Phase 1-NTMC Operations Support**<br><br>IBI Group | | January 2012 | November 2012 | 100% | 100% | 99% | **COMPLETED.** Phase 1 of the NTMS project has been completed. Outstanding VAT payment in the sum of $5,655,191 among other final payments remains due to the consultant at the end of September 2016. |
| **NTMS Phase 2-Additional Systems**<br><br>IBI Group | | September 2011 | 2016 | 55% | 55% *(SSE component)* | 41.30% | **IN PROGRESS.** Consultant has recently been paid the sum of $2,636,521.22 of the total amount outstanding of $3,642,362.68. A meeting has been arranged with the consultant to discuss the way forward for the SSE project. |

| PROGRAMME AREA 2: DRAINAGE & FLOOD MITIGATION | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Caparo River Basin Study / Mamoral Dam (Water Treatment Plant)**<br><br>Haskoning Nederlands BV. & Haskoning Caribbean Ltd. | $ | February 2015 | September 2016 | 100% | 100% | 92% | **COMPLETED.**<br>*All invoices submitted. Project savings realized. |
| **South Oropouche River Basin Study**<br><br>Haskoning Nederlands BV. & Haskoning Caribbean Ltd | | October 2015 | January 2017 | 85% (80%) | 72% (70%) | 37% | **IN PROGRESS.**<br>*Final SIIAR was submitted on 30-Sep-2016. |
| **Port of Spain Flood Alleviation Project** | US$100M | TBD | TBD | TBD | TBD | 0% | **SUSPENDED.**<br>The IDB loan was reduced from US$ 120M.<br><br>Director of Drainage, MOWT indicated that the new head of the PEU was appointed by the Ministry. All parties are now awaiting the first meeting to discuss the way forward on the project. |
| **Mausica River Improvements**<br><br>Kall Co. Ltd. | | March 2013 | October 2016 | 100% | 97% | 69% | **IN PROGRESS.**<br>Contractor is currently preparing steel reinforcement to repair the failed section of wall affecting four properties in the vicinity of Frankhart St. and Moses Rd. |
| **Improvement Works to Miss Gutter Ravine**<br><br>Chan and Owen Equipment Service Company Limited | | March 2015 | (November 2016) | 100% | 50% | 40% | **IN PROGRESS.**<br>Contractor has been paid all outstanding sums in September 2016. Director of Drainage has approved an extension of 7 weeks for Contractor to complete all outstanding works. It is expected that works will resume in October 2016. |

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| **Blackman Ravine Flood Reduction Works**<br><br>Fides Ltd. | | **February 2015** | **December 2015** | **100%** | **100%** | **87%** | **COMPLETED. Interim payment certified on September 23, 2015 is outstanding. Another payment was certified by Engineering on 3rd June 2016.** |
| **Improvement Works to El Dorado Main Drain**<br><br>Kall Co. Ltd | | March 2015 | TBD *[based on payment]* | 100% | 85% | 66% | **SUSPENDED.** Works stopped due to cash flow issues. Interim payment certified on April 4, 2016 is still unpaid. |
| **Maintenance De-Silting of Sea Lots Marine Access Channel**<br><br>Fides Ltd. | $42M | | | | | | **IN PROGRESS.**<br><br>*(see status below)* |

**PROJECT STATUS:**
*New bathymetric survey done. Cross-sections submitted showing the channel surface at July 2015, August 2016 and design surface. Drainage Division estimated the volume removed to be 78,906 $m^3$.
* IPC #2 resubmitted for 78,906 $m^3$ of dredging and 65,000 $m^3$ of disposal.
*FIDES submitted a new methodology for completing the work on 14th September 2016 which was reviewed by the Drainage Division. After discussions by and NIDCO, it was agreed that more information is required in the methodology regarding equipment and crew. Engineer (Drainage Division) wrote to contractor on 22nd September, 2016 requesting more information.
*Director of Drainage, NIDCO and MEEI to meet to discuss the scope of the project and determine if the 400,000 $m^3$ of dredging can meet the MEEI requirements or if alterations to the contract are necessary.

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| **Shore of Peace Cliff Stabilisation Works**<br><br>Trinidad Contractors Limited (TCL) | | **April 2015** | **April 2016** | **100%** | **100%** | **93%** | **COMPLETED.**<br>***Construction substantially completed.**<br>***Taking Over Certificate issued.**<br>***TCL awaiting payment for overdue invoices in the amount of $14,630,862.48.**<br>***NIDCO and CPU to prepare all Contract Close Out documents.** |
| **Manzanilla Beach Facility Seawall Stabilization Works (Phase 1)**<br><br>Zeeton General Contractors Limited | | October 2014 | July 2015 | 100% | 100% | 94% | **COMPLETED.**<br>*Final Retention release to be paid.<br>*Project savings realized.<br>*Payment outstanding. |
| **Matelot Shoreline Stabilization Works (Phase 1)**<br><br>Haskoning Caribbean Ltd. | | March 2015 | October 2015 | 100% | 62% | 68% | **TERMINATED.**<br>*Project terminated effective –AUG-2016.<br>*Payments outstanding. |
| **North Cocos Shoreline Stabilization Works**<br><br>RJB Building and Civil Engineering Contractors Ltd | | March 2015 | October 2015 | 100% | 100% | 90% | **COMPLETED.**<br>RJB to be paid for all invoices submitted to date, except Advance Payment.<br>RJB submitted final invoice for the project.<br>***Project savings realized.*** |
| **PROGRAMME AREA 4: BRIDGES REHABILITATION PROGRAMME** | | | | | | | |
| **CP1 - Bridge B1/1 Coblentz**<br><br>Daleem General Contracting Ltd | | March 2015 | March 2016 | 100% | 100% | 40.5% | **COMPLETED**<br>*Defects Liability Period in progress. |
| **CP2 - Bridge B1/12 EMR St. Joseph**<br><br>KJS Enterprises Company Ltd | | January 2014 | November 2016 (revised) | 100% | 88% | 48.0% | **IN PROGRESS.**<br>***Bridge opened to traffic on 27-AUG-2015.***<br>*NO WORKS for FY2016. Contractor received outstanding payment but has not restarted works. |
| **CP3 - B2/1 Valencia Road**<br><br>CAV Construction Ltd | | January 2014 | April 2015 | 100% | 100% | 89.2% | **COMPLETED.**<br>*Defects Liability Period in progress. Opened to traffic on 27th April 2015. |
| **CP3 - Bridge B1/9 Talparo Main Road** | | February 2014 | November 2014 | 100% | 100% | 89.2% | **COMPLETED.**<br>***Opened to traffic on 25-OCT-2014.*** |

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|---|---|---|---|---|---|---|---|
| **CP4 - Bridge B1/19 EMR Guanapo**<br><br>PACE Construction Services Ltd | | **January 2014** | **November 2016 (revised)** | **100%** | **95%** | **64.9%** | **IN PROGRESS.**<br>***Bridge opened to traffic on 15-AUG-2015.***<br>***NO WORKS for FY2016.**<br>***Contractor awaiting payments for IPCs #7 & 8.** |
| **CP5 - Bridge B2/10 Toco Road**<br><br>Eastern Engineering & Marketing Services (1994) Ltd | | January 2014 | March 2015 | 100% | 100% | 72.3% | **COMPLETED.**<br>***Bridge opened to traffic on 18-MAR-2015.***<br><br>* Defects Liability Period in progress. |
| **CP6 - Bridge B1/19 Toco Road**<br><br>Premium Maintenance & Repairs Co. Ltd. | | January 2014 | December 2016 (revised) | 100% | 88.0% | 52.4% | **SUSPENDED.**<br>Works suspended due to non-payment of IPC#7. |
| **CP7 - Culvert C1/32 Toco Road**<br><br>Kall Co. Ltd | | January 2015 | November 2016 (revised) | 100% | 85% | 28.4% | **IN PROGRESS.**<br>Slow progress as contractor claims cash flow issue due to non-payment. |
| **CP8 - Culvert C1/22 Toco Road**<br><br>Premium Maintenance & Repairs Co. Ltd. | | March 2015 | August 2017 (revised) | 100% | 14% | 10.72% | **IN PROGRESS.**<br>Works suspended due to non-payment. |
| **CP9 - Bridge B1/1 Camden Road**<br><br>SIV Construction Company Ltd. | | January 2015 | April 2017 (revised) | 100% | 62% | 61.83% | **IN PROGRESS.**<br>Works suspended due to non-payment. |
| **CP11 - Bridge C2/3 Papourie Road, Debe**<br><br>General Earth Movers Ltd | | March 2015 | August 2016 | 100% | 100% | 74.42% | **COMPLETED.**<br>**Bridge opened to traffic on 16-AUG-2016.**<br>*Additional repairs to Harrypaul Village Road detour route.<br>*Payments overdue for IPC Nos.2 and 3. |
| **CP12 - Bridge B1/3 Cedar Hill Road**<br><br>Lutchmeesingh's Transport Contractors Ltd | | February 2014 | May 2015 | 100% | 100% | 75.79% | **COMPLETED.**<br>***Formal opening of bridge to traffic on 14-June-2015.**<br>*Overdue payment by Employer against IPC No.2 affecting Contractor's cash flow. |
| **CP13 - Bridge B1/3 Sisters Road**<br><br>Kall Co. Ltd | | January 2014 | November 2016 (revised) | 100% | 92% | 79.25% | **IN PROGRESS:**<br>*No works during period as the Engineer suspended works due to HSE |

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| **CP14 Bridge B1/3 Torrib Tabaquite Road**<br><br>Lutchmeesingh's Transport Contractors Ltd | | **January 2015** | **February 2017** | **100%** | **60%** | **48.46%** | **IN PROGRESS:**<br>***Installation of waterproofing compound and selected granular backfill to western abutment and wing walls.**<br><br>***Non-payment of IPC#2 and 3 are affecting rate of work.** |
| **CP15 - Bridge B3/5 Pluck Road**<br><br>Patrick Gordon's Construction Limited | | January 2014 | August 2015 | 100% | 100% | 90.03% | **COMPLETED. Opened to traffic 31st August 2015.**<br>**IN PROGRESS:**<br>*Restoration of damaged areas during construction of additional work.<br><br>*Overdue payment by the Employer against IPC No.11 delaying works by Contractor. |
| **CP16 Bridge B1/22 Naparima Mayaro**<br><br>Lutchmeesingh's Transport Contractors Ltd | | 5th January 2015 | *28th February 2017 | 100% (100%) | 82% (76%) | 59.7% | **IN PROGRESS:**<br>*Outfitting of Engineer's Site Office.<br>*Installation of reinforcing steel to end diaphragms.<br>*Contractor suspended Works on July 14, 2016 due to late payment of IPCs Nos. 2, 3 and 4. |
| **CP17 - Bridge B1/13 Mayaro Guayaguayare**<br><br>General Earth Movers Ltd | | January 2014 | July 2015 | 100% | 100% | 85.8% | **COMPLETED. Opened to traffic on 17-JUL-2015.**<br><br>*Overdue payment by Employer against IPC No.7 is delaying works by Contractor. |
| **CP18 Bridge B1/73 Cedros**<br><br>Fides Ltd | | August 2015 | May 2017 | 100% | 36% | 51.19% | **IN PROGRESS:**<br>*Protection of site during the suspension of work. |
| **CP19 - Bridge B1/3 Calcutta Road#2**<br><br>Raghunath Singh & Company Limited | | February 2013 | August 2015 | 100% | 100% | 101.1% | **COMPLETED.**<br>In % certified, contingency deducted from the Contract Amount. If the contingency is included, then % certified is 85.4%. |

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| **CP20 - Bridge B1/66 Paria Blanchisseuse Road (Suspension Bridge over the Marriane River)**<br><br>Amnesty Construction Ltd | | **March 2015** | **October 2016 (revised)** | **100%** | **92%** | **39.4%** | **SUSPENDED. Works suspended due to non-payment.** |
| **CP21 - Bridge B1/10 Talapro**<br><br>Amalgamated Engineering Services Ltd. | | December 2014 | September 2015 | 100% | 100% | 56% | **COMPLETED.** *Defects liability period in progress. |
| **CP22 - Bridge B1/3 Four Roads Tamana**<br><br>Total Field Execution Services Ltd | | November 2014 | August 2015 | 100% | 100% | 68% | **COMPLETED.** *Defects liability period in progress. |
| **CP23 Bridge B1/1 Cumuto Tumpuna Road**<br><br>KJS Enterprises Company Ltd | | November 2014 | December 2016 (revised) | 100% | 66% | 45% | **SUSPENDED** Works suspended due to non-payment. |
| **CP24 - Bridge B1/4 Mamoral Road**<br><br>CAV Construction Ltd | | July 2015 | December 2016 (revised) | 100% | 58.4% | 32.5% | **SUSPENDED.** Works suspended due to non-payment. |
| **CP24 - Bridge B3/4 Mamoral Road**<br><br>CAV Construction Ltd | | July 2015 | March 2017 (revised) | 100% | 31.8% | 32.5% | **SUSPENDED.** Works suspended due to non-payment. |
| **Package 2C: North Bridges (7 bridges)**<br><br>Beston Consulting Ltd. | | Septembe r 2015 | October 2016 | 100% | 90.3% | 0% | **IN PROGRESS:** Design services substantially complete except CP28. **No further design work until some payment is made.** |
| **CP25, B1/12 Maracas Royal Rd** | | Septembe r 2015 | October 2016 | 100% | 97% | N/A | **IN PROGRESS:**<br>* Final Hydrology<br>* Geotechnical Report<br>*Final Structural Report |
| **CP26, B1/1 Manuel Congo Rd** | | Septembe r 2015 | October 2016 | 100% | 97% | N/A | **IN PROGRESS:**<br>* Final Hydrology<br>* Geotechnical Report<br>*Final Structural Report |

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| **CP27, B2/10 Talparo Main Rd** | | **Septembe r 2015** | **October 2016** | **100%** | **97%** | **N/A** | IN PROGRESS: *** Final Hydrology * Geotechnical Report *Final Structural Report** |
| **CP28, B2/1 Cunapo Southern Rd** | | Septembe r 2015 | October 2016 | 100% | 50% | N/A | **REMARKS:** *Additional geotechnical and surveys completed *Preliminary cost estimate supplied |
| **CP29, B4/35 Paria Main Rd** | | Septembe r 2015 | October 2016 | 100% | 97% | N/A | **IN PROGRESS:** * Final Hydrology * Geotechnical Report *Final Structural Report |
| **CP29, B5/35 Paria Main Rd** | | Septembe r 2015 | October 2016 | 100% | 97% | N/A | **IN PROGRESS:** * Final Hydrology * Geotechnical Report *Final Structural Report |
| **CP30, B1/70 Paria Main Rd** | | Septembe r 2015 | October 2016 | 100% | 97% | N/A | **IN PROGRESS:** * Final Hydrology * Geotechnical Report * Final Structural Report |
| **Package 2D: South Bridges (6 bridges)** Alpha Engineering & Design (2012) Ltd | | August 2015 | October 2016 | 78.5% | 75.6% | 35.0% | **IN PROGRESS:** Design in progress for 6 bridges in southern Trinidad. Payments owed and affecting progress. |
| **CP31, B1/1 Marchin Royal Road** | | August 2015 | October 2016 | 82% | 84.3% | N/A | **IN PROGRESS:** * Utility Relocation Report -95% * Cadastral Report-75% *Structural Design-95% |
| **CP32, B1/40 Cunapo Southern Road** | | August 2015 | October 2016 | 92% | 87.9% | N/A | **IN PROGRESS:** * Utility Relocation Report-95% *Structural Design Report-95% * Unit Rates Report-95% * Tender Documents-95% |
| **CP33, B1/35 Southern Main Road, S.F West** | | August 2015 | October 2016 | 97% | 89.8% | N/A | **IN PROGRESS:** * Cadastral Report-95% |
| **CP34, B1/11 Cipero Road, S.F West** | | August 2015 | October 2016 | 78% | 66.8% | N/A | **IN PROGRESS:** * Utility Relocation Report-95% * Cadastral Report-80% |

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| **CP35, B1/37 S.S Erin Road** | | **August 2015** | **October 2016** | **60%** | **63.3%** | **N/A** | IN PROGRESS: *** Utility Relocation Report-95%** *** Cadastral Report-80%** ***Structural design-20%** |
| **CP36, B1/4 Moruga Road** | | August 2015 | October 2016 | 62% | 61.8% | N/A | **IN PROGRESS:** * Utility Relocation Report-95% * Cadastral Report-80% *Structural Design-15% |

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| **PROGRAMME: Tobago House of Assembly, Milford Road Bridges Reconstruction (Designs)** | | | | | | | |
| **THA Three (3) Bridges at Milford Road**<br><br>Trintoplan Consultants Ltd | | August 2015 | April 2016 | 100% | 100% | 74.4% | **IN PROGRESS:** Design services were completed. Six (6) of eight (8) invoices paid. |
| **TH1 Lambeau River Bridge** | | October 2016 | October 2017 | 0% | 0% | 0% | **IN PROGRESS:**<br><br>*(see status below)* |
| **PROJECT STATUS:**<br>**Procurement of Construction Supervision Consultant –negotiations with Trintoplan ongoing, based on their revised proposal submitted on 28-SEPT-2016.<br>**Procurement of Contractor – tender closed 26-AUG-2016. Evaluation completed. Award in October 2016. | | | | | | | |
| **PROGRAMME AREA 5: LANDLSIPS REPAIR PROGRAMME** | | | | | | | |
| **CP2 L09 and L12 Saddle Road Maraval**<br><br>Work in Progress Ltd | | February 2015 | (December 2015) | 100% | 60% | 28% | **SUSPENDED**<br>*One outstanding IPC paid in September 2016. Recommencement of works to be arranged. |
| **CP3 L10 and L13 Saddle Road Santa Cruz**<br><br>Chan and Owen Equipment Service Co. Ltd | | February 2015 | (January 2016) | 100% | 40% | 20% | **SUSPENDED**<br>* PAL has not responded for revised design as requested by the Employer. PAL also indicated that works will not recommence until outstanding payments have been resolved. |
| **CP4 L06 Arima Blanchisseuse Road (22.1 - 22.125 km)**<br><br>Premium Maintenance and Repair Co. Ltd. | | May 2015 | March 2016 | 100% | 50% | 28% | **SUSPENDED**<br>*Works have been suspended due to non-payment of one (1) IPC. |
| **CP5 L07 Arima Blanchisseuse Road (21.3- 21.325 km)**<br><br>McClatchie Construction Co. Ltd | | August 2015 | January 2016 | 100% | 100% | 49% | **COMPLETED**<br>*Project in the Defects Liability Period.<br>*One (1) IPC owed. |
| **CP5A L11 Arima Blanchisseuse Road (21.0-21.025 km)**<br><br>ZNS Construction Company Ltd. | | May 2015 | July 2016 | 100% | 100% | 52% | **COMPLETED**<br>*Contractor has been paid outstanding payments.<br>*NIDCO expects the Contractor to start repair works on defects. |

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| **CP6A L02 Paria Main Road (65.25 mm)**<br><br>PR Contracting Ltd | | **January 2016** | **October 2016 (revised)** | **100%** | **93%** | **6%** | COMPLETED:<br>***Base course preparation.**<br>***Installation of guardrails along roadway.**<br>IN PROGRESS:<br>*** Roadway preparation.**<br>*** Interim completion date set. Road to be paved within the next two weeks if weather permits.** |
| **CP7 L03 Paria Road (70.9 km)**<br><br>RJB Building and Civil Engineering Contractors Ltd | | October 2015 | October 2016 (revised) | 85% | 85% | 23% | **COMPLETED:**<br>*Installation of Reno mattress.<br>*Repair of inlet and catch pit.<br>**IN PROGRESS:**<br>*Installation of formwork for curb.<br>*Base Course preparation<br>*Delay encountered due to inclement weather. |
| **CP8 L63 Macaulay Overpass SHH (Southbound)**<br><br>Kall Co. Ltd. | | January 2015 | December 2015 | 100% | 100% | 81% | **COMPLETED.**<br>*The project in the Defects Liability Period.<br>*Two (2) IPCs owed to-date. |
| **CP9 L39 Bonne Aventure Road (North) & L41 Bonne Aventure Road (South)**<br><br>Jagmohan Enterprises Ltd. | | March 2014 | March 2015 | 100% | 100% | 70% | **COMPLETED.**<br>*Final valuation has been submitted and now under review. Performance<br>*Certificate has not been issued as some defects were not rectified to-date. |
| **CP10 L36 Mayo Road & L38 Mayo Road**<br><br>Haniff Mohammed and Sons Ltd | | February 2014 | July 2014 | 100% | 100% | 64% | **COMPLETED.**<br>Project closed out. Back up calculations provided and are now under review. Still awaiting final report from the Contractor. |
| **CP11 L23 Talparo Mundo Nuevo Road**<br><br>Carl Company Ltd | | January 2015 | September 2016 | 100% | 89% | 48% | **IN PROGRESS**<br>*Contractor started to pick up progress on site.. Remaining outstanding drainage works and final road preparation to be completed in September 2016. |

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| **CP12 L62 Moruga Road (Dougla City)**<br><br>Total Field Execution Limited | | **January 2015** | **June 2015** | **100%** | **100%** | **75%** | COMPLETED.<br>***Project in the Defects Liability Period.**<br>***One (1) IPC owed.** |
| **CP13 L51 Reform Road**<br><br>Ashsingh General Contractors Ltd | | November 2014 | January 2016 | 100% | 87% | 65% | **SUSPENDED**<br>*Works suspended due to non-Payment.<br>*One (1) IPC owed. |
| **CP14 L56 St. Croix Road LP#85-86**<br><br>Amalgamated Engineering Services Limited | | January 2015 | August 2015 | 100% | 100% | 68% | **COMPLETED.**<br>*Project in Defects Liability Period.<br>*One (1) IPC owed. |
| **CP14A L57 St. Croix Road LP#87-88**<br><br>Arav Construction Services Limited | | January 2015 | December 2015 | 100% | 100% | 79% | **COMPLETED.**<br>*Project in the Defects Liability Period.<br>*One (1) IPC owed. |
| **CP15 L50 Torrib Tabaquite Road**<br><br>Paras Singh General Contractors Ltd | | November 2014 | March 2016 | 100% | 88% | 49% | **SUSPENDED**<br>*One outstanding payment has been paid. Waiting for Contractor to get confirmation of payment to recommence project. |
| **CP16 L54 Naparima Mayaro Road LP#395-397**<br><br>Ricon Ltd | | March 2015 | December 2015 | 100% | 100% | 73% | **COMPLETED.**<br>*Project in the Defects Liability Period.<br>*One (1) IPC owed. |
| **CP17 L59 Southern Main Road**<br><br>PACE Construction Services Limited | | February 2014 | April 2015 | 100% | 100% | 70% | **COMPLETED.**<br>*One outstanding payment has been resolved. Contractor to send final report. Defects Liability Period ended. |
| **CP18 L64 San Francique Road**<br><br>Premium Maintenance and Repairs Company Limited (PMRC) | | October 2014 | February 2016 | 100% | 65% | 42% | **SUSPENDED**<br>*Works has been suspended due to non-payment.<br>*One (1) IPC owed. |
| **CP19 L05 North Coast Road**<br><br>Vidara Enterprises Ltd | | November 2014 | September 2015 | 100% | 100% | 75% | **COMPLETED**<br>NIDCO is still awaiting the final submission of the cost to rectify the defects from consultant PAL.<br>*One outstanding payment has been made. |

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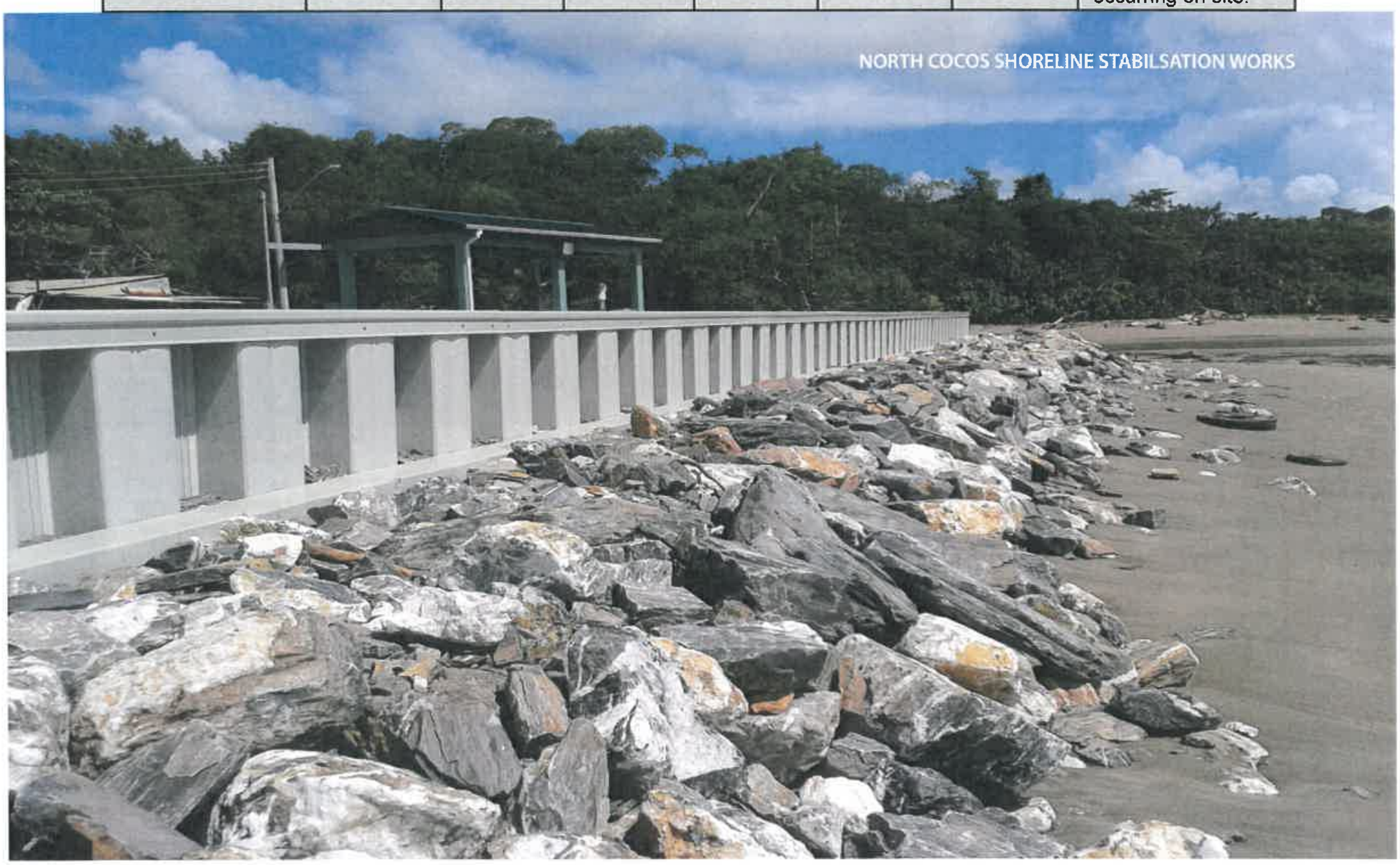
| **CP20 L53 Naparima Mayaro Road**<br><br>Saiscon Ltd | | **January 2015** | **December 2015** | **100%** | **100%** | **44%** | COMPLETED.<br>***The project is now in the Defects Liability Period.**<br>***One (1) IPC has been paid.** |
| **CP21 L32 Cunapo Southern Road**<br><br>Pradipco Construction Services Ltd | | November 2014 | December 2015 | 100% | 100% | 56% | **COMPLETED.**<br>*Project is in Defects Liability Period.<br>*Contractor submitted 2nd IPC. |
| **CP22 L68 Morne Diablo Quarry Road**<br><br>D. Mahadeo and Sons Ltd | | January 2015 | February 2016 | 100% | 70% | 40% | **SUSPENDED**<br>*Contractor paid for two outstanding valuations.<br>*Contractor to confirm receipt of funds prior to re-starting works. |
| **CP23 L60 Papourie Road**<br><br>Jagmohan Enterprises Ltd | | February 2015 | October 2016 | 50% | 45% | 12% | **COMPLETED:**<br>*Casting of RC wall<br>*Anchor rod installation<br>**IN PROGRESS:**<br>*Installation of steel reinforcement for RC wall<br>*Formwork for RC wall<br>*Delays incurred due to WASA leak occurring on site. |




SHORE OF PEACE CLIFF STABILISATION WORKS
KOBELCO

| PROGRAMME AREA 6: COMMUNITY INFRASTRUCTURE DEVELOPMENT | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Programme: STAR.TT Community Based ICT Access Centres (Phase 2A)** | | | | | | | |
| **Barrackpore ICT Access Centre**<br><br>FKK Enterprises | | August 2015 | April 2016 | 100% | 95% | 96% | Client has taken over the facility.<br>*Contractor asked to repair certain defects that affect operation. |
| **Navet ICT Access Centre**<br><br>Balou Engineering | | August 2015 | September 2015 | 100% | 100% | 97% | * Client has taken over the facility.<br>* Contractor asked to repair defects that affect operation but not able to so because there is no power on site. |
| **Sisters Road ICT Access Centre**<br><br>Cameron Waterman | | August 2015 | September 2015 | 100% | 100% | 94% | * Client has taken over the facility.<br>* Contractor asked to repair defects that affect operation but not able to so because there is no power on site. |
| **Waterloo ICT Access Centre**<br><br>Metalcon (2007) Ltd. | | August 2015 | September 2015 | 100% | 100% | 96% | *Client has taken over the facility.<br>*Contractor asked to repair defects that affect operation. |
| **IT Equipment**<br><br>Memory Bank Computers | | August 2015 | September 2015 | 100% | 100% | 97% | *MBC has confirmed delivery of all equipment. |
| **FURNITURE**<br><br>*(Various suppliers)* | | August 2015 | June 2016 | 100% | 100% | 82% | *Furniture delivered to Barrackpore, Navet, Sisters Road, Waterloo.<br>* Furniture for remaining centers delivered to MPA offices. |
| **Internet and Voice Services**<br><br>TSTT | | October 2015 | August 2015 | 100% | 100% | 33% | *Sites at Barrackpore, Navet, Sisters Road and Waterloo are all 100% completed. Woodland and Dow Village cancelled. |
| **Security Services**<br><br>National Maintenance & Training Services Ltd. (MTS) | | Septembe r 2015 | August 2015 | 100% | 100% | 79% | *Contract awarded and service is in progress. |
| **Electronic Security**<br><br>Amalgamated Security Services | | October 2015 | April 2016 | 100% | 85% | 0% | *Installation of services has been completed at Waterloo and Navet. Sisters Road is 98% Barrackpore is at 80%. |

# Internal Audit

The Internal Audit Department (IAD) is an independent, objective assurance and consulting function established to add value and improve NIDCO's operations, processes and controls. IAD helps NIDCO accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of internal control and governance processes.

The Audit Manager reports functionally to the Audit Committee of the Board and administratively to NIDCO's President. An audit plan is prepared at the start of each financial year listing the audit to be conducted in that year based on the IAD's assessment of risk. In addition Board of Directors and Management may request that the IAD conduct investigations and consulting assignments from time to time. The audit plan is adjusted as required to accommodate these requests.

For the financial year 2016, the IAD proposed to conduct a total of eleven (11) audit assignments covering areas of Community Outreach, Corporate Services, Engineering and Programme Management, Finance, Human Resource, Procurement and Contracts Management, and the Water Taxi Service. In that year, six (6) assignments were completed: three (3) in Finance; one (1) in Corporate Services; one (1) in Human Resources; and one (1) in Engineering and Programme Management.

Another three (3) assignments were in various stages of completion at the end of 2016 and two audits were deferred to 2017. In addition, the Board of Directors agreed that the IAD conduct an audit of the cost the Solomon Hochoy Highway Extension to Point Fortin. This audit covered expenditure over a period of five (5) years from March 2011 to March 2016 and included payments made to AECOM USA Inc., Construtora OAS Ltda (OAS), utility companies (viz. Columbus Communications, TSTT, T&TEC, and WASA).

The audit also examined payments made for property acquisition including compensation to farmers, legal and valuation fees, relocation costs and rents paid to property owners. Amounts paid to Petrotrin for capping of oil wells and amounts paid to contractors for relocation of oil and gas lines were also audited.

The following are the major highlights of the audits/investigations completed in 2016:

Finance Department - Treasury Management
The objective of this audit was to review NIDCO's procedures for managing its working capital. The scope of the audit included cash flow forecasting, loan payments, wire transfers, short-term investments, and transfers of funds. Recommendations were made for improving the process, including reconciliation of inter-project accounts and documenting the treasury management process in a policy/procedure manual.

Finance Department - Petty Cash Audit
The objective of this audit was to provide assurance that payments are made for legitimate Company expenditure only and that the petty cash funds are secure. The scope of the exercise included review of the petty cash procedures for disbursement and replenishment of funds, approval of payment vouchers, review of supporting documents and reconciliation of cash on hand with petty cash records. There were no exceptions.

Finance Department – Taxation
The objective of this audit was to provide assurance that NIDCO has satisfied its obligations to the State with respect to Corporation Tax, Green Fund Levy, Business Levy and With-holding taxes. The review covered the financial years 2013, 2014 and 2015. There were no exceptions apart from the late filing of tax returns: as at May 2016, the 2014 and 2015 tax returns due on 30th April 2015 and 30th April 2016 respectively had not been filed. The preparation of the tax return is dependent on the completion of the audit of the financial statements by the external auditors. As at March 2016 the audit of the financial statements for the year 2014 was completed but not as yet signed and issued and the audit of the financial statement for 2015 was outstanding.

Corporate Services Department - Petty Cash Audit
The objective of this audit was to provide assurance that payments are made for legitimate Company expenditure only and that the petty cash funds are secure. The scope of the exercise included review of the petty cash procedures for disbursement and replenishment of funds, approval of payment vouchers, review of support-

ing documents and reconciliation of cash on hand with petty cash records. A recommendation, which was implemented in April 2016, was made to improve the process.

Human Resource Department – Payroll Audit
The objective of this audit was to review the system of internal controls over the processing of the payroll to provide assurance that (i) salaries (including gratuity and overtime) are being paid in accordance with the terms and conditions set out in employees' contracts (ii) National Insurance, health surcharge, and payroll taxes have been deducted and paid to the relevant statutory body and (iii) adequate records are maintained for each employee. The period under review was financial year 2015.

Audit is satisfied that there are adequate controls over the process for payment of salaries; that statutory deductions are made in accordance with the applicable laws and paid to the relevant statutory authority and that adequate records are maintained for employees.

Engineering & Programme Management/Finance - AECOM Contract
The objective of this audit was to verify claims/payments made to AECOM USA Inc. (AECOM). We vouched 100% of the payments made to AECOM as well as the amounts outstanding as at 31 March 2016. There were no exceptions. The result of this audit was included in the report on "Payments/Claims Made under the Solomon Hochoy Highway Extension to Point Fortin" which was requested by the Board of Directors.

Engineering & Programme Management/Finance – Payments/Claims Made Under the Solomon Hochoy Highway Extension to Point Fortin.

The Board of Directors agreed that the Internal Audit Department should conduct an audit exercise with respect to all payments and claims made under the Solomon Hochoy Highway Extension to Point Fortin (SHHEPF) project. The objective of this exercise was to verify the cost of the project from March 2011 (inception of the project) to March 2016. The scope of the exercise included verification of payments made to the consultant (AECOM USA Inc.), to the contractor (Construtora OAS Ltda), to utility companies (Columbus Communications, TSTT, T&TEC, and WASA) and to Petrotrin. The audit also included verification of land acquisition costs, management fees, relocation of oil and gas pipelines and financing costs. On completion of this exercise the auditors were also required to reconcile differences between the amounts reported in the audit report and amounts reported by the Engineering and Programme Management Department.

Audit in Progress
At the end of FY 2016 the following audit exercises were in progress and will be completed in FY 2017:
Procurement and Contracts Management – award of contracts.

Water Taxi Service – accounting for spare parts

Human Resource Department – recruitment.

Audits Deferred
Finance Department – Internal Controls over Financial Reporting

Corporate Services Department – Compliance with the OSH Act.

# Independent Auditor's Report

# National Infrastructure Development Company Limited

## Financial Statements
30 September 2016

## Contents

## National Infrastructure Development Company Limited

### Statement of management's responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of National Infrastructure Development Company Limited, ('the Company') which comprise the statement of financial position as at 30 September 2016, the statements of profit or loss and other comprehensive income and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of the Company's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

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

Vice President Finance (Ag.)

15 December 2017

President

15 December 2017

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

**Report on the financial statements**

We have audited the accompanying financial statements of National Infrastructure Development Company Limited (the 'Company'), which comprise the statement of financial position as at 30 September 2016, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

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

**Auditor's responsibility**

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

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

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

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 30 September 2016, and financial performance and cash flows for the year then ended in accordance with IFRS.

Deloitte & Touche
Port of Spain
Trinidad

15 December 2017____________________________________________

## National Infrastructure Development Company Limited

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

| | Notes | As at 30 September 2016 | 2015 |
|---|---|---|---|
| **ASSETS** | | $ | $ |
| **Non-current assets** | | | |
| Property and equipment | 5 | 195,807,094 | 213,989,123 |
| Intangible assets | 6 | 614,986 | 571,390 |
| Security deposits | 7 | 1,030,748 | 1,030,748 |
| Deferred tax asset | 15(a) | 999,458 | 934,848 |
| Deferred capital grant shortfall | 16 | 27,916,656 | 32,727,799 |
| **Total non-current assets** | | 226,368,942 | 249,253,908 |
| **Current assets** | | | |
| Trade and other receivables | 10 | 11,509,374 | 10,532,545 |
| Due from Government of Trinidad and Tobago | 9 | 2,046,776,834 | 2,082,457,535 |
| Tax refundable | 15(c) | 1,752,502 | 1,605,009 |
| Cash and cash equivalents | 8(a) | 311,451,034 | 102,861,591 |
| Restricted cash | 8(b) | 38,264,955 | 36,323,250 |
| **Total current assets** | | 2,409,754,699 | 2,233,779,930 |
| **Total assets** | | **2,636,123,641** | **2,483,033,838** |
| **EQUITY AND LIABILITIES** | | | |
| **Shareholder's equity** | | | |
| Stated capital | 11 | 10 | 10 |
| Accumulated deficit | | (77,888,079) | (31,509,542) |
| **Net shareholder's equity** | | (77,888,069) | (31,509,532) |
| **Non-current liabilities** | | | |
| Borrowings | 12 | 1,644,849,327 | 362,088,431 |
| Demand on Contract Securities | 18 | 292,702,694 | - |
| Deferred government capital grant water taxi | 17 | 201,072,678 | 222,401,074 |
| Government capital grant deferred | 19 | 401,458 | - |
| Security deposit – Lessee | | 10,000 | 10,000 |
| **Total non-current liabilities** | | 2,139,036,157 | 584,499,505 |
| **Current Liabilities** | | | |
| Trade payables | 13 | 298,593,500 | 312,801,773 |
| Accrued expenses and other liabilities | 14 | 26,856,905 | 14,264,805 |
| Borrowings | 12 | 249,525,148 | 1,602,977,287 |
| **Total current liabilities** | | 574,975,553 | 1,930,043,865 |
| **Total liabilities** | | 2,714,011,710 | 2,514,543,370 |
| **Total equity and liabilities** | | **2,636,123,641** | **2,483,033,838** |

The notes on pages 7 to 38 form an integral part of these financial statements.

On 15 December 2017, the Board of Directors of National Infrastructure Development Company Limited authorised these financial statements for issue.

P. Nimeau. Director ______________________ Director

## National Infrastructure Development Company Limited

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

| | Notes | Year ended 30 September 2016 $ | 2015 $ |
|---|---|---|---|
| **NIDCO** | | | |
| **Revenue** | | | |
| Management fees | 20.a | 6,287,869 | 37,231,847 |
| Tender fees | | 670,759 | 280,500 |
| Interest income | | 257,758 | 502,571 |
| Other income | | 660,189 | 47,107 |
| | | 7,876,575 | 38,062,025 |
| **Operating expenses** | | | |
| General and administrative expenses | 23 | 43,861,941 | 48,378,375 |
| Depreciation and amortisation | | 2,609,390 | 3,462,676 |
| Other expenses | 24 | 7,644,215 | 14,259,094 |
| | | 54,115,546 | 66,100,145 |
| **Loss for the year before taxation** | | (46,238,971) | (28,038,120) |
| Taxation | 15(b) | (139,566) | 126,351 |
| **Loss for the year after tax** | | (46,378,537) | (27,911,769) |
| **Water Taxi** | | | |
| **Revenue** | | | |
| Ticketing income | | 9,238,093 | 9,686,368 |
| Charter income | | 200,853 | 733,988 |
| Other income | | 508,691 | 211,617 |
| | | 9,947,637 | 10,631,973 |
| **Operating expenses** | | | |
| Administrative and other expenses | 25 | 64,515,210 | 54,533,510 |
| **Loss from operations** | | (54,567,573) | (43,901,537) |
| **Government grants - operations** | | 54,567,573 | 43,901,537 |
| **Surplus for the year from operations** | | - | - |
| Government capital grants | | 31,288,402 | 133,811,177 |
| Depreciation | | (16,594,125) | (45,785,210) |
| Impairment | 26 | - | (78,466,425) |
| Loan interest | | (7,506,177) | (9,559,542) |
| Forex on ANZ loan | | (7,188,100) | - |
| **Surplus on capital grants** | | - | - |
| **Other comprehensive income** | | - | - |
| **Total comprehensive loss for the year** | | (46,378,537) | (27,911,769) |

The notes on pages 7 to 38 form an integral part of these financial statements.

## National Infrastructure Development Company Limited
### Statement of changes in equity
(Expressed in Trinidad and Tobago dollars)

| | Share capital $ | Accumulated deficit $ | Total $ |
|---|---|---|---|
| **Year ended 30 September 2015** | | | |
| Balance at beginning of the year | 10 | (3,597,773) | (3,597,763) |
| Total comprehensive loss | - | (27,911,769) | (27,911,769) |
| **Balance at end of year** | **10** | **(31,509,542)** | **(31,509,532)** |
| **Year ended 30 September 2016** | | | |
| Balance at beginning of the year | 10 | (31,509,542) | (31,509,532) |
| Total comprehensive loss | - | (46,378,537) | (46,378,537) |
| **Balance at end of year** | **10** | **(77,888,079)** | **(77,888,069)** |

The notes on pages 7 to 38 form an integral part of these financial statements.

## National Infrastructure Development Company Limited

### Statement of cash flows
(Expressed in Trinidad and Tobago dollars)

| | Notes | Year ended 30 September 2016 | 2015 |
|---|---|---|---|
| | | $ | $ |
| **Cash flows from operating activities:** | | | |
| Loss before taxation | | (46,238,971) | (28,038,120) |
| Adjustments for non-cash items: | | | |
| Impairment | | - | 78,466,426 |
| Transfer | | - | 2,855,603 |
| Gain on sale of asset | | (732) | - |
| Depreciation – property and equipment | 5 | 18,956,076 | 48,699,596 |
| Amortisation – Intangible | 6 | 315,980 | 548,290 |
| **Operating profit before changes in working capital:** | | (26,967,647) | 102,531,795 |
| Decrease / (increase) in due from GORTT | | 36,123,465 | (1,489,405,573) |
| Increase in trade receivables and prepayments | | (976,829) | (1,605,644) |
| Decrease in deferred income | | - | (3,396,760) |
| Increase in recalled bonds | | 292,702,694 | - |
| Increase in trade payables and other liabilities | | (1,616,173) | 86,207,643 |
| Net cash generated / (used) from operations | | 299,265,510 | (1,305,668,539) |
| Taxation paid | | (351,670) | (1,211,975) |
| **Net cash generated from / (used in) operating activities** | | 298,913,840 | (1,306,880,514) |
| **Cash flows from investing activities:** | | | |
| Sale proceeds from asset | | 732 | - |
| Acquisition - property and equipment | 5 | (815,352) | (4,667,410) |
| Acquisition - intangible assets | 6 | (359,576) | (264,978) |
| **Net cash used in investing activities** | | ( 1,174,196) | (4,932,388) |
| **Cash flows from financing activities:** | | | |
| Loans (repayments) / advances | | (70,691,243) | 1,385,919,059 |
| Financing from GORTT – Water Taxi | | (21,328,396) | (120,335,194) |
| Movement in deferred capital grant deficit | | 4,811,143 | 362,627 |
| **Net cash (used in) / generated from financing activities** | | (87,208,496) | 1,265,946,492 |
| **Increase / (decrease) in cash and cash equivalents** | | 210,531,148 | (45,866,410) |
| **Cash and cash equivalents at beginning of year** | | 139,184,841 | 185,051,251 |
| **Cash and cash equivalents at end of year** | 8 | 349,715,989 | 139,184,841 |

The notes on pages 7 to 38 form an integral part of these financial statements.

## 1. Incorporation and principal activity

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

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

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

### 2.1 New IFRS and amendments to IFRS that are mandatorily effective for the current year

In the current year, there were no amendments to IFRS and new Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatorily effective for an accounting period that begins on or after 1 October 2015.

### 2.2 New and revised IFRS in issue but not yet effective

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

| | |
|---|---|
| • IFRS 9 | Financial instruments[3] |
| • IFRS 14 | Regulatory Deferral Accounts[1] |
| • IFRS 15 | Revenue from Contracts with Customers[3] |
| • IFRS 16 | Leases[4] |
| • Amendments to IFRS 11 | Accounting for Acquisitions of Interest in Joint Operations[1] |
| • Amendments to IAS 16 and IAS 38 | Clarification of Acceptable Methods of Depreciation and Amortization[1] |
| • Amendments to IFRS | Annual Improvements to IFRS 2012-2014[1] |
| • Amendments to IAS 1 | Disclosure Initiative[1] |
| • Amendments to IAS 27 | Equity Method in Separate Financial Statements[1] |
| • Amendments to IAS 12 | Recognition of Deferred Tax Assets Unrealised Losses[2] |
| • Amendments to IAS 7 | Disclosure initiative[2] |
| • Amendments to IFRS 2 | Classification and Measurement of Share-based |

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

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

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

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

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

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

- **IFRS 9 *Financial Instruments***

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

Key requirements of IFRS 9:

- all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of the subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
- in relation to the impairment of financial assets, IFRS 9 requires an expected loss model, as opposed to an incurred loss model under IAS 39. The expected loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

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

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

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

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

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

- **IFRS 14 *Regulatory Deferral Accounts***

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

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

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

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

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

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

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

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

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

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

On 20 June 2016, the IASB issued amendments in *Clarifications to IFRS 15 'Revenue from Contracts with Customers'* which addressed three of the five topics identified (identifying performance obligations, principal versus agent considerations, and licensing) and provide some transition relief for modified contracts and completed contracts. The IASB concluded that it was not necessary to amend IFRS 15 with respect to collectability or measuring non-cash consideration. In all its decisions, the IASB considered the need to balance helping entities with implementing IFRS 15 and not disrupting the implementation process.

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

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

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

- **IFRS 16 *Leases***

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

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

- **Classification and Measurement of Share-based Payment Transactions *(Amendments to IFRS 2)***

  Amendments to IFRS 2 Share-based Payment clarify the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

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

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

  The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 *Impairment of Assets* regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.
  A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.
  The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to IFRS 11 will have a material impact on the Company's financial statements.

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

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

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

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

  a) when the intangible asset is expensed as a measure of revenue; or

  b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

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

- ***Annual Improvements 2012 – 2014***

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

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

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

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

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

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

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

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

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

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

  a) clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;

  b) clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;

  c) additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

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

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

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

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

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

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

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

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

  Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
  The carrying amount of an asset does not limit the estimation of probable future taxable profits.
  Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
  An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type
  The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Company's financial statements.

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

  Amends IAS 7 Statement of Cash Flows to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.
  The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Company's financial statements.

## 3. Summary of significant accounting policies

### 3.1 Statement of Compliance

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

### 3.2 Basis of preparation

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

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

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

The principal accounting policies are set out below.

#### (a) Foreign currency transactions

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

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

#### b) Cash and cash equivalents

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

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

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

### c) Property and equipment

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

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

| | |
|---|---|
| Equipment | 10-25% |
| Furniture and fixtures | 12.5-25% |
| Intangible assets | 25% |
| Water taxi assets: | |
| ▪ Vessels | 6.67% |
| ▪ Pontoons | 10% |
| ▪ Buildings | 2% |
| ▪ Leasehold improvements | 2% |

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

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

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

### d) Intangible assets

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

### e) Derecognition of intangible assets

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

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

#### f) Non-current assets held for resale

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

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

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

#### g) Revenue recognition

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

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

*Management fees*

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

*Tender fees*

Revenue is recognised upon sale of tender package.

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

g) **Revenue recognition (continued)**

*Government grants*

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

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

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

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

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

h) **Borrowings**

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

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

i) **Impairment of tangible and intangible assets other than goodwill**

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

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

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

### j) Taxation

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

i) *Current tax*

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

ii) *Deferred tax*

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

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

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

### k) Provisions

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

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

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

k) **Provisions (continued)**

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

*Onerous contracts*

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

l) **Leases**

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

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

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

m) **Financial Instruments**

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

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

**m) Financial Instruments (continued)**

**Financial assets**

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

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

*Trade and other receivables*

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

**Financial liabilities and equity instruments**

*Classification as debt or equity*

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

*Equity instruments*

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

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

**m) Financial Instruments (continued)**

**Financial liabilities and equity instruments (continued)**

*Other financial liabilities*

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

*Trade and other payables*

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

**(n) Derivative Financial Instruments**

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

**4. Critical accounting judgements and key sources of estimation uncertainty**

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

Key sources of estimation uncertainty

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

*Useful lives and residual values of property and equipment*

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

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

Key sources of estimation uncertainty (continued)

***Deferred taxation assets***

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

***Contingent liabilities***

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

## 5. Property and equipment

| | Water Taxi assets | Equipment | Furniture & fixtures | Motor Vehicle | Leasehold improvements | Total |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| **Costs** | | | | | | |
| At 1 October 2015 | 231,189,374 | 7,283,424 | 4,627,006 | - | 13,437,175 | 256,536,979 |
| Additions | 121,130 | 93,801 | - | 600,421 | - | 815,352 |
| Adjustment | - | (41,305) | - | - | - | (41,305) |
| Disposals | - | (7,239) | - | - | - | (7,239) |
| At 30 September 2016 | 231,310,504 | 7,328,681 | 4,627,006 | 600,421 | 13,437,175 | 257,303,787 |
| **Accumulated depreciation** | | | | | | |
| At 1 October 2015 | 26,926,647 | 6,191,058 | 2,472,576 | - | 6,957,575 | 42,547,856 |
| Depreciation charge | 16,583,510 | 651,523 | 406,891 | 98,430 | 1,215,722 | 18,956,076 |
| Disposals | - | (7,239) | - | - | - | (7,239) |
| At 30 September 2016 | 43,510,157 | 6,835,342 | 2,879,467 | 98,430 | 8,173,297 | 61,496,693 |
| **Net book value** | | | | | | |
| At 30 September 2016 | **187,800,347** | **493,339** | **1,747,539** | **501,991** | **5,263,878** | **195,807,094** |

## 5. Property and equipment (continued)

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

## 6. Intangible assets

| | Water Taxi computer software | Computer software | Total |
|---|---|---|---|
| **Costs** | $ | $ | $ |
| At 1 October 2015 | 18,625,917 | 5,493,065 | 24,118,982 |
| Additions | - | 359,576 | 359,576 |
| At 30 September 2016 | 18,625,917 | 5,852,641 | 24,478,558 |
| **Accumulated amortisation** | | | |
| At 1 October 2015 | 18,605,572 | 4,942,020 | 23,547,592 |
| Amortisation | 10,615 | 305,365 | 315,980 |
| At 30 September 2016 | 18,616,187 | 5,247,385 | 23,863,572 |
| **Net book value** | | | |
| At 30 September 2016 | **9,730** | **605,256** | **614,986** |

## 6. Intangible assets (continued)

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

## 7. Security deposits

| | 2016 | 2015 |
|---|---|---|
| | $ | $ |
| Caribbean Sales Agency (Port of Spain) | 919,468 | 919,468 |
| The Capildeo Company Limited (Port of Spain) | 70,000 | 70,000 |
| GAL Holdings Limited (Diego Martin) | 1,260 | 1,260 |
| Basdeo Jaggernauth and Dyanand Jaggernauth (Debe) | 20,020 | 20,020 |
| Samury Limited / Caribbean Medical Solutions Ltd. (Tobago) | 20,000 | 20,000 |
| | **1,030,748** | **1,030,748** |

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

## 8. Cash and cash equivalents

### 8.a Cash and cash equivalents

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

| | 2016 | 2015 |
|---|---|---|
| | $ | $ |
| Cash at bank | 311,426,366 | 102,836,923 |
| Cash in hand | 24,668 | 24,668 |
| | 311,451,034 | 102,861,591 |
| Restricted cash | 38,264,955 | 36,323,250 |
| | **349,715,989** | **139,184,841** |

### 8.b Restricted cash

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

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

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

| | 2016 | 2015 |
|---|---|---|
| | $ | $ |
| Project funding, outstanding loan balances and management fees due (Note 20) | 2,046,776,834 | 2,082,457,535 |

## 10. Trade and other receivables

| | 2016 | 2015 |
|---|---|---|
| **NIDCO** | $ | $ |
| Prepayments | 27,946 | 665,643 |
| Other receivables | 135,607 | 296,194 |
| Value Added Tax refundable | 3,940,645 | 1,929,598 |
| | 4,104,198 | 2,891,435 |
| **Water taxi** | | |
| Prepayments | - | 152,806 |
| Other receivables | 7,405,176 | 7,488,304 |
| | **11,509,374** | **10,532,545** |

### 11. Stated capital

**Authorised:**

Unlimited number of ordinary shares of no par value

| | 2016 | 2015 |
|---|---|---|
| **Issued and fully paid:** | **$** | **$** |
| 10 Ordinary shares of no par value | 10 | 10 |

### 12. Borrowings

| Institution | Project | 2016 | 2015 |
|---|---|---|---|
| | | $ | $ |
| i) Citibank – TTD$344.75M | Aranguez overpass | 185,014,196 | 208,169,658 |
| ii) Australia & New Zealand (ANZ) Banking Group – USD$66.5M | Water Taxis | 107,840,217 | 142,630,286 |
| iii) ANSA Merchant Bank – TTD$153.8M | R/ Rail $103.8M and NNHP $50M | 48,871,333 | 68,415,244 |
| iv) RBC – TTD$53M | Nat. Traffic Management System | 30,759,385 | 34,375,310 |
| v) RBC – TTD$1,500M 15 Year Fixed Rate Bond | Sir Solomon Hochoy Highway Extension to Point Fortin | 1,521,889,344 | 1,511,475,220 |
| **Total borrowings** | | 1,894,374,475 | 1,965,065,718 |
| Less current portion of borrowings | | (249,525,148) | (1,602,977,287) |
| **Non-current borrowings** | | 1,644,849,327 | 362,088,431 |

Details of Long-term borrowings

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

i) *Citibank Trinidad and Tobago Limited*

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

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

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

The loan comprises two parts: USD $53.421M provided by Export Financing Facility (EFF) and USD$13.109M provided by Commercial Financing Facility (CFF).

12. **Borrowings (continued)**

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

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

iii) *ANSA Merchant Bank Limited*

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

iv) *RBC Merchant Bank (Caribbean) Limited*

The Company entered into a 15 year loan of TTD$53M from RBC Merchant Bank (Caribbean) Limited to finance the National Traffic Management System (NTMS). The loan is secured by a letter of comfort from the Ministry of Finance. It carries a fixed rate of interest of 7.9% per annum and is repayable over 15 years from the date of issue. The loan was issued on 10 December 2009.

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

In December 2014, the company obtained a loan from RBC Royal Bank (Trinidad and Tobago) Limited of TT$1.5Bn to finance outstanding obligations on the Sir Solomon Hochoy Highway Extension to Point Fortin project. The amount was originally negotiated as a Bridging facility and subsequently converted to a TT$1.5Bn fixed rate bond effective June 2016. It carries an interest rate of 7.9% per annum and is repayable over 15 years semi-annually.

13. **Trade payables**

| | 2016 | 2015 |
|---|---|---|
| **NIDCO** | $ | $ |
| Payable to contractors | 231,538,696 | 257,573,391 |
| Retention due to contractors | 57,914,624 | 46,570,971 |
| | 289,453,320 | 304,144,362 |
| **Water taxi** | | |
| Payable to contractors | 9,079,147 | 8,596,379 |
| Retention due to contractors | 61,033 | 61,032 |
| | **298,593,500** | **312,801,773** |

## 14. Accrued expenses and other liabilities

| | 2016 | 2015 |
|---|---|---|
| | $ | $ |
| **NIDCO** | | |
| Accrued liabilities | 14,498,307 | 9,066,334 |
| Performance bonds | 427,053 | 327,054 |
| | 14,925,360 | 9,393,388 |
| **Water taxi** | | |
| Accrued liabilities | 11,931,545 | 4,871,417 |
| | **26,856,905** | **14,264,805** |

## 15. Taxation

### a) *Deferred tax asset*

Deferred tax asset of $999,458 arises from the tax written down value of assets and their corresponding accounting book values as at 30 September 2016. The current rate of corporation tax is 25% for the first $1m and 30% for profits over $1m. The company is entitled to set-off its brought forward tax losses against taxable profits in any year where it is probable that taxable income will become available in the future for set-off of tax losses. Tax losses have been utilised this year to the extent of taxable profits computed. No account of deferred tax was made for remaining losses as an estimate of future taxable profits was not made.

| | 2016 | 2015 |
|---|---|---|
| | $ | $ |
| Written down value per accounting values | 8,612,003 | 10,277,441 |
| Tax value of plant and machinery | (12,609,831) | (14,016,831) |
| Temporary difference | (3,997,828) | (3,739,390) |
| Deferred tax asset | **999,458** | **934,848** |

### b) *Taxation (charge)/credit*

| | 2016 | 2015 |
|---|---|---|
| | $ | $ |
| Current tax | (204,176) | (54,097) |
| Deferred tax | 64,610 | 180,448 |
| Total tax expense | (139,566) | 126,351 |

15. **Taxation (continued)**

b) *Taxation (charge)/credit (continued)*

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

| | 2016 | 2015 |
|---|---|---|
| | $ | $ |
| Loss before tax | (46,238,971) | (28,038,120) |
| Corporation taxes charge calculated at statutory rates | - | - |
| Business and green fund levies | (98,984) | (94,037) |
| Lost benefit from non-taxable deductions | - | (314,907) |
| Prior years adjustment of corporation tax | (105,192) | 354,847 |
| Deferred tax | 64,610 | 180,448 |
| Total expense | (139,566) | 126,351 |

The current rate of corporation tax is 25% for the first $1m and 30% for profits over $1m, (2015: 25%). The Company is entitled to set-off its brought forward tax losses against taxable profits and will do so in any year that an estimate of future taxable profits can be reliably ascertained.

c) *Tax refundable*

| | 2016 | 2015 |
|---|---|---|
| | $ | $ |
| Business levy refundable | 141,228 | 226,174 |
| Green fund levy refundable | 52,274 | 51,731 |
| Corporation tax refundable | 1,559,000 | 1,327,104 |
| | 1,752,502 | 1,605,009 |

16. **Deferred capital grant shortfall**

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

The amount of $27,916,656, (2015: $32,727,799) represents the total amount to date by which depreciation charges and loan interest costs are in excess of the total capital grant receipts accounted for as at 30 September 2016 regarding capital acquisitions in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. This amount will be fully consumed over the remaining useful life of the assets.

17. **Deferred government capital grant water taxi**

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

## 18. Demand on Contract Securities

NIDCO contracted with Construtora OAS Ltda, now Construtora OAS S.A. ("Construtora") in July 2011 to carry out the design and construction works for the National Network of Highways Project (the Sir Solomon Hochoy Highway Extension to Point Fortin) Package 3 for the sum of $4,999,993,000 (vat inclusive) Trinidad and Tobago Dollars together with certain provisional sums.

Under the Contract Construtora OAS S.A. was required to provide to NIDCO standby letters of credit in advance for mobilisation, performance and retention payments, and these were provided as per the Contract.

A dispute having arisen between NIDCO and Construtora, NIDCO terminated the Contract, as it was entitled to, on the 6th July 2016 pursuant to Clause 15.2(b) of the Contract due to OAS having abandoned the Works or, alternatively, having plainly demonstrated the intention not to continue performance of its obligations under the Contract.

Pursuant to the employer's issuance of its Termination Notice and in accordance with FIDIC (International Federation of Consulting Engineers) rules the employer exercised its right to call in the securities and in fiscal 2016 a total value of US$ 44.6m (TT$293m) was received. Hence a liability for the total sum to date established in favour of the Government of the Republic of Trinidad & Tobago is reported.

## 19. Government Capital Grant Deferred – OAS Vehicles

This represents Government's interest in the provision of three (3) vehicles acquired by NIDCO pursuant to the contractual arrangement and related conditions of the contract with the principal contractor engaged for construction of the Sir Solomon Hochoy Highway Extension project.

### 20. Related party transactions

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

The following data constitutes the total amount of material transactions, which have been entered into with related parties for the years ended 30 September 2016 and 2015:

a) *Government of The Republic of Trinidad and Tobago*

| | 2016 | 2015 |
|---|---|---|
| | $ | $ |
| Management fees earned | 6,287,869 | 37,231,847 |
| Financing for projects (Note 9) | 2,046,776,834 | 2,082,457,535 |

There are no other material transactions with any other government agency.

b) *Compensation of key management personnel*

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company.

| | 2016 | 2015 |
|---|---|---|
| | $ | $ |
| Directors' fees | 659,000 | 550,000 |
| Short term benefits | 3,883,212 | 4,197,000 |
| Post-employment benefits | 257,215 | 622,800 |
| | 4,799,427 | 5,369,800 |

## 21. Commitments and contingencies

a) *Capital commitments*

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

b) *Contingencies*

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

**Unfair dismissal**

Claim for unfair dismissal by a former individual who provided services to NIDCO. The Registration, Recognition and Certification Board was not satisfied that this individual was a person falling within Section 2(3) (e) of the Industrial Relations Act. At the most recent court hearing, the individual is claiming the sum of $1,252,880.00 It is possible a payment may have to be made which has been accrued for. This matter is expected to be completed in the Industrial Court before December 2017.

**Trade dispute**

As a matter of disclosure, a claim brought against NIDCO by a former employee represented by the Banking Insurance and General Workers Union (BIGWU) claiming salaries for the remainder of their contract period upon termination, is ongoing.

## 22. Lease commitments – NIDCO

Operating lease rental expense for motor vehicles, copiers, premises and other services totalled $8,257,410 for the year ended 30 September 2016 (2015 - $9,580,007) for combined operations. Future minimum rentals payable under non-cancellable leases are as follows:

| | 2016<br>$ | 2015<br>$ |
|---|---|---|
| Not later than one year | 2,587,913 | 2,746,049 |
| Later than one year, not later than five years | 5,729,242 | 634,440 |
| | 8,317,155 | 3,380,489 |

## 23. General and administrative expenses-NIDCO

| | 2016 | 2015 |
|---|---|---|
| | $ | $ |
| Staff costs | 34,375,628 | 38,012,770 |
| Rental | 7,289,913 | 8,553,758 |
| Legal, professional and consultancy fees | 1,454,372 | 1,225,453 |
| Directors' fees | 742,028 | 586,394 |
| | 43,861,941 | 48,378,375 |

## 24. Other expenses-NIDCO

| | 2016 | 2015 |
|---|---|---|
| | $ | $ |
| Management Fee reversals/write off | 2,322,286 | 4,565,270 |
| Utilities | 3,201,726 | 3,756,653 |
| Repairs & maintenance | 600,094 | 1,336,377 |
| Public relations | 374,183 | 2,693,654 |
| Print reproduction and stationery | 331,634 | 510,249 |
| Office and other expenses | 814,292 | 1,396,891 |
| | 7,644,215 | 14,259,094 |

## 25. Administrative and other expenses

| | 2016 | 2015 |
|---|---|---|
| | $ | $ |
| **Water taxi** | | |
| Staff costs | 20,475,062 | 21,337,106 |
| Rental | 967,496 | 1,026,249 |
| Legal, professional and consultancy fees | 2,257,765 | 3,210,637 |
| | 23,700,323 | 25,573,992 |
| Income write-off | 73,273 | - |
| Utilities | 4,370,567 | 5,028,039 |
| Repairs & maintenance | 1,454,168 | 1,166,092 |
| Repairs & maintenance vessels | 27,983,641 | 15,761,556 |
| Public relations | 58,718 | 285,884 |
| Print reproduction and stationery | 217,172 | 249,355 |
| Office and other expenses | 721,380 | 1,082,993 |
| Fuel expenses | 5,935,968 | 5,385,599 |
| | 64,515,210 | 54,533,510 |

## 26. Impairment – Water Taxi

An assessment of the Water Taxi vessels was made in May 2017 by Tsunami Marine Ltd. The results of the assessment required no adjustments for impairment.

An impairment review was also undertaken by the same marine consultant for fiscal 2015 on the Company's Water Taxi vessels currently in use. Subject to this review the vessels were found to be impaired in the amount of $78,466,425 ($289,409,930 cost less $210,943,505 accumulated depreciation) and the value of the asset was reduced accordingly.

## 27. Financial instruments

*Fair values*

The aggregate fair values of financial assets and liabilities in the statement of financial position at 30 September 2016 and 2015 are disclosed hereunder.

*Short-term financial assets and liabilities*

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

*Credit risk*

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

## 28. Capital management

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

## 29. Financial risk management objectives and policies

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

*Role of the Board*

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

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

*Role of internal audit*

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

## 29. Financial risk management objectives and policies (continued)

*Role of the Finance and Risk Committee*

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

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

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

*Credit risk*

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

| | 2016<br>$ | 2015<br>$ |
|---|---|---|
| Trade and other receivables | 11,728,180 | 10,784,787 |
| Restricted cash | 38,264,955 | 36,323,250 |
| Security deposit | 1,030,748 | 1,030,748 |
| Cash and cash equivalents | 311, 451,034 | 102,861,591 |
| | 362,474,917 | 151,000,376 |

*Credit risk*

The ageing of trade receivables at year end was:

| | 2016<br>$ | 2015<br>$ |
|---|---|---|
| Current: | | |
| 1-30 days due | 3,940,646 | - |
| 31-90 days due | - | 1,929,598 |
| Over 90 days due | 7,759,562 | 8,036,740 |
| Balance at September 30 | 11,700,208 | 9,966,338 |

Impairment losses of NIL were recorded with respect to trade receivables in 2016 (2015: NIL).

The amount of $7.5 m continues to be a recoverable sum from the Chaguaramas Development Authority despite the contract completion in 2014.

**29. Financial risk management objectives and policies (continued)**

*Liquidity risk*

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

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

| | Less than One year | More than One year |
|---|---|---|
| | $ | $ |
| **30 September 2016** | | |
| Borrowings | 249,525,148 | 1,644,849,327 |
| Trade payables | 204,623,114 | 93,970,386 |
| | 454,148,262 | 1,738,819,713 |
| **30 September 2015** | | |
| Borrowings | 1,602,977,287 | 362,088,431 |
| Trade payables | 279,359,312 | 33,442,461 |
| | 1,882,336,599 | 395,530,892 |

*Market risk*

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

*Foreign currency risk*

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

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

At 30 September 2016: TT$ 6.7392

At 30 September 2015: TT$ 6.3725

## 29 Financial risk management objectives and policies (continued)

*Interest rate risk*

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

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

| | 2016 | 2015 |
|---|---|---|
| | $ | $ |
| *Fixed rate instruments* | | |
| Financial assets | | |
| Cash and cash equivalents | 311,451,034 | 102,861,591 |
| Restricted cash | 38,264,955 | 36,323,250 |
| | 349,715,989 | 139,184,841 |
| Financial liabilities | | |
| Borrowings | 1,894,374,475 | 1,965,065,718 |
| Net exposure | (1,544,658,486) | (1,825,880,877) |

*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.

## 30. Events after the reporting date

No significant events occurred after the reporting date of 15 December 2017 affecting the financial performance, position or changes therein for the reporting period presented in these annual financial statements.

*Legal title to properties not yet transferred*

An amount of $14,857,020.71 has not been reported in the financial statements as titles to the respective properties have not yet passed to the entity as a result of title queries. Once resolved, the associated transaction values will be reflected in the financial statements and related disclosures.