



REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE NORTH WEST REGIONAL HEALTH AUTHORITY FOR THE YEAR ENDED SEPTEMBER 30, 2009

The accompanying Financial Statements of the North West Regional Health Authority for the year ended September 30, 2009 have been audited. The Statements comprise a Statement of Financial Position as at September 30, 2009, a Statement of Comprehensive Income, a Statement of Net Assets and a Statement of Cash Flows for the year ended September 30, 2009 and Notes to the Financial Statements labelled A to L.

2. The audit was conducted by a firm of Accountants appointed by the Auditor General in accordance with section 25(2) of the Regional Health Authorities Act, Chapter 29:05. Their Report dated December 6, 2018, which is attached, refers.

SUBMISSION OF REPORT

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

15TH MARCH, 2019
PORT-OF-SPAIN




MAJEED ALI
AUDITOR GENERAL

SS
20190315



AUDITED FINANCIAL STATEMENTS

**The North West Regional
Health Authority**

September 30, 2009



Audited Financial Statements
(Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2009

Audited Financial Statements

Independent Auditors' Report.....	1-4
Statement of Financial Position.....	5-6
Statement of Operations/Comprehensive Income.....	7
Statement of Net Assets.....	8
Statement of Cash Flows.....	9
Notes to Financial Statements.....	10-24

The Auditor General of the
Republic of Trinidad and Tobago
Level 2-4, Tower C
Port of Spain International Waterfront Centre
1 Wrightson Road
PORT-OF-SPAIN

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of The North West Regional Health Authority, which comprise the statement of financial position as at September 30, 2009 and the statement of comprehensive income, statement of changes in capital and deferred contributions and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 disclaimer audit opinion.

The Auditor General of the
Republic of Trinidad and Tobago
Level 2-4, Tower C
Port of Spain International Waterfront Centre
1 Wrightson Road
PORT-OF-SPAIN

INDEPENDENT AUDITORS' REPORT - (Continued)

Basis for Disclaimer Opinion

We were not appointed as auditors of the Authority until after September 30, 2009 and thus did not observe the counting of physical inventories at the beginning and end of the year. We were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the inventory quantities and condition of such inventory held at September 30, 2008 and 2009, which are stated in the Statement of Financial Position at \$10,748,249 and \$7,208,280 respectively. There were no other satisfactory audit procedures that we could adopt to obtain sufficient evidence regarding the existence and condition of inventories. As a result, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded inventories and the possible consequential effect on the Statement of Comprehensive Income for the year ending September 30, 2009 and the Statement of Financial Position as at September 30, 2009.

As a result of the time between the Statement of Financial Position date and the date of the audit procedures being undertaken, we were unable to obtain sufficient audit evidence in order to assess the completeness and existence of tangible non-current assets. Additionally, the Authority has no evidence that a physical verification or impairment assessment was conducted on tangible non-current assets. For this reason, we were unable to determine whether any adjustments might have been necessary in respect of the value of the tangible non-current assets as at September 30, 2008 and 2009 which is stated in the Statement of Financial Position at \$232,602,046 and \$236,697,187 respectively and the consequential impact on the Statement of Comprehensive Income for the year ending September 30, 2009.

As noted in Note B (viii), the Authority receives Grant Income for the acquisition of tangible non-current assets and such grants are recognized in the Statement of Comprehensive Income over the useful life of the acquired assets. The Authority has no procedures to match the Grants Deferred to the specific assets acquired. As a result, we are unable to obtain sufficient audit evidence in order to assess the value of the Grants Deferred as at September 30, 2008 and 2009.

We were unable to obtain sufficient audit evidence to test the validity and collectability of the accounts receivable balances. For this reason, we were unable to determine whether any adjustments might have been necessary in respect of the value of the accounts receivable balance as at September 30, 2008 and 2009 which is stated in the Statement of Financial Position at \$99,159,506 and \$102,530,647 respectively and the consequential impact on the Statement of Comprehensive Income for the year ending September 30, 2009.

The Auditor General of the
Republic of Trinidad and Tobago
Level 2-4, Tower C
Port of Spain International Waterfront Centre
1 Wrightson Road
PORT-OF-SPAIN

INDEPENDENT AUDITORS' REPORT - (Continued)

Basis for Disclaimer Opinion - (Continued)

We were unable to obtain sufficient audit evidence to test the completeness and validity of the accounts payable and accruals balances. For this reason, we were unable to determine whether any adjustments might have been necessary in respect of the value of the accounts payable and accruals balance as at September 30, 2008 and 2009 which is stated in the Statement of Financial Position at \$48,692,342 and \$42,232,445 respectively and the consequential impact on the Statement of Comprehensive Income for the year ending September 30, 2009.

The Authority is party to the Regional Health Authorities Pension Fund Plan. The Authority's accounting policy is to record contributions to the Plan in the Statement of Comprehensive Income in the period in which the contributions are paid. This policy is not in accordance with the International Accounting Standards 19 - Employee Benefits where pension costs is charged to the Statement of Comprehensive Income over the service lives of the employees and pension liabilities less the fair value of plan assets and adjustments for past service costs are recognised in the Statement of Financial Position. No actuarial valuation was available for the year ending September 30, 2009 and accordingly we were not able to determine the effect on the Statement of Comprehensive Income for the year ending September 30, 2009 and the effect on the Statement of Financial Position as at September 30, 2009.

We draw attention to Note K - Commitment and Contingent Liabilities and as described in the Note there is significant uncertainty relating to the outcomes of the current pending legal matters and any potential liabilities which could not be assessed at this time.

Additionally, Note J details a prior year adjustment amounting to \$26,209,775 (2008 - \$35,578,322). The specific transactions relating to this adjustment was not available and, accordingly, we were unable to carry out auditing procedures necessary to obtain adequate assurance on the validity and completeness of this balance.

The Auditor General of the
Republic of Trinidad and Tobago
Level 2-4, Tower C
Port of Spain International Waterfront Centre
1 Wrightson Road
PORT-OF-SPAIN

INDEPENDENT AUDITORS' REPORT - (Continued)

Disclaimer Opinion

Because of the significance of the matters discussed in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial position of North West Regional Health Authority as at September 30, 2009 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



December 6, 2018
PORT-OF-SPAIN

STATEMENT OF FINANCIAL POSITION

(Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

		September 30	
		2009	2008
ASSETS	Notes		
CURRENT ASSETS			
Cash and cash equivalents	C	\$ 99,891,309	\$ 77,991,453
Accounts receivable from Ministry of Health	D	87,042,513	78,191,791
Receivables and prepayments	E	14,282,544	6,769,375
Inventory	F	7,208,280	10,748,249
TOTAL CURRENT ASSETS		208,424,646	173,700,868
NON-CURRENT ASSETS			
Property, plant and equipment	G	236,697,187	232,602,046
Accounts receivable from Ministry of Health	D	15,488,134	20,967,715
TOTAL NON-CURRENT ASSETS		252,185,321	253,569,761
TOTAL ASSETS		\$ 460,609,967	\$ 427,270,629

These financial statements were authorised for issue by the Board of Directors on October 16, 2018.

Director *Wendy B. M.* **CHIEF EXECUTIVE OFFICER**
NORTH WEST REGIONAL HEALTH AUTHORITY

Director *Hwa* **CHAIRMAN**
NORTH WEST REGIONAL HEALTH AUTHORITY

		September 30	
		2009	2008
LIABILITIES, CAPITAL AND DEFERRED CONTRIBUTIONS	Notes		
CURRENT LIABILITIES			
Accounts payable and accruals	H	\$ 42,232,445	\$ 48,692,342
Current portion of long-term debt	I	13,713,734	27,427,468
TOTAL CURRENT LIABILITIES		<u>55,946,179</u>	<u>76,119,810</u>
NON-CURRENT LIABILITIES			
Long-term debt – less current portion	I	7,253,981	21,491,265
TOTAL NON-CURRENT LIABILITIES		<u>7,253,981</u>	<u>21,491,265</u>
CAPITAL AND DEFERRED CONTRIBUTIONS			
Operating fund		302,147,223	278,024,999
Capital grants – Tenders		95,262,584	51,634,555
		<u>397,409,807</u>	<u>329,659,554</u>
TOTAL LIABILITIES, CAPITAL AND DEFERRED CONTRIBUTIONS		<u>\$ 460,609,967</u>	<u>\$ 427,270,629</u>

The accompanying notes on pages 10 to 24 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
(Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

	Year ended September 30	
	2009	2008
Income		
Recurrent subvention	\$ 532,864,674	\$ 483,118,338
Interest earned	1,255,464	908,548
Miscellaneous	2,383,527	1,458,230
NIPDEC C40 receipts	114,529,122	104,508,766
	<u>651,032,787</u>	<u>589,993,882</u>
TOTAL INCOME	\$ 651,032,787	\$ 589,993,882
 Expenditure		
Personnel costs	357,338,344	309,516,582
Employer expenses	29,448,156	24,065,938
Medical and pharmaceutical cost	128,004,130	123,343,304
Other operating expenses	27,414,699	44,849,149
Property, plant and equipment expenses	11,775,360	9,412,639
Administrative costs	36,071,766	47,164,024
Amortization of capital assets	10,632,334	9,844,079
	<u>600,684,789</u>	<u>568,195,715</u>
TOTAL EXPENDITURE	600,684,789	568,195,715
 Finance costs	 15,999	 17,861
	<u>15,999</u>	<u>17,861</u>
SURPLUS OF REVENUE OVER EXPENSES	\$ 50,331,999	\$ 21,780,306
	<u><u>50,331,999</u></u>	<u><u>21,780,306</u></u>

The accompanying notes on pages 10 to 24 form an integral part of these financial statements.

STATEMENT OF NET ASSETS
(Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

	<u>2009</u>	<u>2008</u>
Net Assets:		
Balance at beginning of year	\$ 278,024,999	\$ 220,666,371
Prior period adjustments	(26,209,775)	35,578,322
Surplus of revenue over expenses	50,331,999	21,780,306
	<hr/>	<hr/>
Balance at end of year	<u>\$ 302,147,223</u>	<u>\$ 278,024,999</u>
Deferred Contributions/Government Grants:		
Balance at beginning of year	\$ 51,634,555	\$ 44,204,158
Investment in New Capital Assets	14,382,475	20,458,692
Movement in Capital Grants - Tenders	39,877,888	(3,184,216)
Amortization on Capital Assets	(10,632,334)	(9,844,079)
	<hr/>	<hr/>
Balance at end of year	<u>\$ 95,262,584</u>	<u>\$ 51,634,555</u>

The accompanying notes on pages 10 to 24 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
(Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

	Year ended September 30	
	2009	2008
Operating activities		
Surplus of revenue over expenses for the year	\$ 50,331,999	\$ 21,780,306
Cost of capital assets prior year adjustment	(345,000)	(29,377,178)
Amortization of capital assets	10,632,334	9,844,079
	<u>60,619,333</u>	<u>2,247,207</u>
Changes in non-cash working capital balances		
Receivables and prepayments	(7,513,169)	(3,385,356)
Amounts receivable from Ministry of Health	(3,371,141)	(18,179,186)
Accounts payable and accruals	(6,462,895)	(21,543,824)
Inventories	3,539,969	306,761
	<u>46,812,097</u>	<u>(40,554,398)</u>
Investing activities		
Purchase of capital assets, net of disposals	(14,382,475)	(20,458,692)
	<u>(14,382,475)</u>	<u>(20,458,692)</u>
Financing activities		
Repayment of long-term debt	(27,951,019)	-
Deferred contributions, donations and interest	17,421,253	43,008,717
	<u>(10,529,766)</u>	<u>43,008,717</u>
Increase/(decrease) in cash and cash equivalents during the year	21,899,856	(18,004,373)
Cash and cash equivalents, beginning of year	77,991,453	95,995,826
Cash and cash equivalents, end of year	<u>\$ 99,891,309</u>	<u>\$ 77,991,453</u>
Represented by:		
Cash in hand	\$ 99,876,609	\$ 77,976,753
Cash in bank	14,700	14,700
	<u>\$ 99,891,309</u>	<u>\$ 77,991,453</u>

The accompanying notes on pages 10 to 24 form an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
(Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2009

NOTE A - INCORPORATION AND PRINCIPAL ACTIVITY

The North West Regional Health Authority (NWRHA), incorporated in the Republic of Trinidad and Tobago, is a state controlled institution, which became a statutory body in 1994, and was merged with the then autonomous units, the Eric Williams Medical Sciences Complex and the Central Regional Health Authority. However, in 2005 this merger was then separated, resulting in the individual formation of the NWRHA, providing health care for the municipalities of Diego Martin, San Juan/Laventille and the City of Port-of-Spain. The principal activities of the Authority according to the Regional Health Authorities Act of 1994 are:

- To provide efficient systems for the provision of health care to the citizens of Trinidad and Tobago, on behalf of the Ministry of Health.
- To provide the use of health care facilities for service, training and research.
- To facilitate the education of persons, and research in medical and related fields.
- To collaborate with and advise municipalities on matters of public health.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

- (i) Basis of Preparation - These financial statements have been prepared in accordance with the International Financial Reporting Standards, except for employee retirement benefit costs as described in Note B (vii) which is not recognized in accordance with International Accounting Standard (IAS) 19 - Employee Benefits. The financial statements are prepared on the historical cost basis and presented in Trinidad and Tobago dollars.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Authority's accounting policies.

Standards, amendments to published standards and interpretations effective on or after January 1, 2009.

- IAS 23 (amendment), 'Borrowing costs'. The amendment requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs has been removed. IAS 23 (amendment) does not have an impact on the Authority's financial statements in the current year, as there were no qualifying assets for the periods reported on.

NOTES TO FINANCIAL STATEMENTS - (Continued)
(Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2009

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Standards, amendments to published standards and interpretations effective on or after January 1, 2009. - (Continued)

- IAS 1 (revised), 'Presentation of financial statements', effective January 1, 2009. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result, the Authority presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also conforms with the revised standard. As the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.
- IAS 16 Property, plant and equipment (and consequential amendment to IAS 7).
- IAS 20 Accounting for government grants and disclosure of government assistance (amendment).

Standards, amendments to published standards and interpretations early adopted by the Authority.

In 2009, the Authority did not early adopt any new, revised or amended standards.

Standards and interpretations effective in 2009 but not relevant to the Authority's operations.

- IAS 39 (amendment), 'Financial instruments: Recognition and measurement - Eligible hedged items'. The amendment was issued in July 2008. It provides guidance in two situations: on the designation of a one-sided risk in a hedged item, IAS 39 concludes that a purchased option designated in its entirety as the hedging instrument of a one-sided risk will not be perfectly effective. The designation of inflation as a hedged risk or portion is not permitted unless in particular situations. It is not expected to have a material impact on the Authority's financial statements.

NOTES TO FINANCIAL STATEMENTS - (Continued)
(Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2009

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - (Continued)

*Standards and interpretations effective in 2009 but not relevant to the Authority's operations.-
(Continued)*

- IAS 40 (amendment), 'Investment property' (and consequential amendments to IAS 16). The amendment is part of the IASB's annual improvement project published in May 2008. Property that is under construction or development for future use as investment property is within the scope of IAS 40. Where the fair value model is applied, such property is measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed or the date at which fair value becomes reliably measurable. There has been no impact on the Authority's financial statements in the current year, as there were no properties under construction at the time of adoption of this amendment.
- IFRS 2 (amendment), 'Share-based payment', deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The amendment does not have an impact on the Authority's financial statements.
- IFRS 7, 'Financial instruments - Disclosures' (amendment), requires enhanced disclosures about fair value measurement and liquidity risk. The Authority adopted the amendment to IFRS 7 with effect from January 1, 2009. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:
 - Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

NOTES TO FINANCIAL STATEMENTS - (Continued)
(Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2009

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Standards and interpretations effective in 2009 but not relevant to the Authority's operations. - (Continued)

- IFRS 8, 'Operating segments'. IFRS 8 replaces IAS 14, 'Segment reporting', with its requirement to determine primary and secondary reporting segments. Under the requirements of the new standard, the Authority's external segment reporting will be based on the internal reporting to the Authority's Board (in its function as the chief operating decision-maker), which makes decisions on the allocation of resources and assess the performance of the reportable segments. The application of IFRS 8 does not have any material effects for the Authority.
- IFRIC 16, 'Hedges of a net Investment in a foreign operation', clarifies the accounting treatment in respect of net investment hedging. This includes the fact that net investment hedging relates to differences in functional currency not presentation currency, and hedging instruments may be held anywhere in the Company. The requirements of IAS 21, 'The effects of changes in foreign exchange rates', do apply to the hedged item. This interpretation does not have an impact on the Authority's financial statements.
- IAS 29 Financial reporting in hyperinflationary.
- IAS 31 Interests in joint ventures (and consequential amendments to IAS 32 and IFRS 7).
- IAS 32 (amendment), 'Classification of rights issues'. The amended standard allows rights issues to be classified as equity when the price is denominated in a currency other than the entity's functional currency. The amendment is effective for annual periods beginning on or after February 1, 2010 and should be applied retrospectively. The amendment does not have an impact on the Authority's financial statements.
- IAS 1 (amendment), 'Presentation of financial statements'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The Authority will apply IAS 1 (amendment) from January 1, 2010. It is not expected to have a material impact on the Authority's financial statements.

NOTES TO FINANCIAL STATEMENTS - (Continued)
(Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2009

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Standards and interpretations effective in 2009 but not relevant to the Authority's operations. - (Continued)

- IAS 41 Agriculture
 - IFRIC 13 Customer loyalty programmes
 - IFRIC 15 Agreements for the construction of real estate.
- (ii) Prior Year Adjustments - In the current fiscal year, management examined the details of these items and identified differences related to prior periods. These differences have been captured in the affected financial statement line items for the prior periods, as detailed in Note J.
- (iii) Non-Current Tangible Assets - Non-current tangible assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the reducing balance method. The following annual rates are used for the depreciation of property, plant and equipment:

Office furniture and fixtures	-	10%
Motor vehicles	-	25%
Medical equipment	-	10%
Computer equipment	-	25%
Plant and equipment	-	20%
Buildings	-	2%

Land is not depreciated.

It is noted that the last valuation of land and building was done in 1999. No subsequent revaluation was conducted on the Authority's property, plant and equipment.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

NOTES TO FINANCIAL STATEMENTS - (Continued)
(Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2009

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - (Continued)

- (iv) Revenue Recognition - The Authority follows the deferral method of accounting for contributions, which includes donations and government grants.

The Authority is funded primarily by the Ministry of Health in accordance with established budget arrangements. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that future period.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions restricted for the purchase of capital assets are deferred and amortised into revenue on a reducing balance basis, at a rate corresponding with the amortization rate for the related capital assets.

- (v) Use of Estimates - The preparation of Financial Statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- (vi) Income and Expenditure - Income and expenditure transactions are accounted for on the accruals basis.
- (vii) Statement of Cash Flows - The statement of cash flows includes the movement of cash through the operating bank account. Accordingly, the term cash and cash equivalents is used to include cash balances and bank account balances.
- (viii) Grant Income - The Authority is in receipt of grants to meet recurrent expenditure from the Government of the Republic of Trinidad and Tobago (the Government) through the Ministry of Health (the Ministry). These grants are recognized in the Statement of Comprehensive Income in the period where the cost is incurred and the grant is intended to compensate.

The Authority also benefits from grants provided by the Government and the Ministry for developmental purposes and for the acquisition of tangible non-current assets. Such grants are credited to Grants Deferred and released to the Statement of Comprehensive Income at a rate of 12.5% over the useful life of the acquired assets.

NOTES TO FINANCIAL STATEMENTS - (Continued)
(Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2009

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - (Continued)

- (ix) Employee Retirement Benefit Costs - The Authority participates in a defined retirement benefit plan for its employees.

The assets of the plan are held separately from that of the Authority in an independently administered fund. The plan is funded from payments from the employees and the Authority. The Authority's contributions to the plan are charged to the Statement of Comprehensive Income in the period in which they relate. Retirement benefit obligations are not recognized in the statement of financial position.

- (x) Inventory - Inventory is valued at the lower of cost and net realizable value. Cost is determined using the First-in First-Out (FIFO) method of valuation. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling, marketing and distribution expenses, necessary to make the sale.
- (xi) Leases - Leases of assets under which the risks and rewards of ownership are effectively retained by the lessors are classified as operating leases. Payments made under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease. The Authority is not subject to any finance leases.
- (xii) Taxation - In accordance with Section 22 of the Regional Health Authorities Act the Authority is exempt from taxation.
- (xiii) Use of Estimates/Comparatives - The preparation of the financial statements in accordance with Internationally Accepted Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates. Where necessary, comparative figures are adjusted to conform with changes in presentation in the current year.
- (xiv) Financial Instruments - The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial instruments are recognised initially at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial instrument, except for financial assets at fair value through profit or loss, which are initially measured at fair value, excluding transaction costs.

NOTES TO FINANCIAL STATEMENTS - (Continued)
(Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2009

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - (Continued)

(xiv) Financial Instruments - (Continued)

Financial instruments are derecognised on trade date when the company is no longer a party to the contractual provisions of the instrument.

Financial assets at fair value through profit and loss comprise derivative financial instruments, namely interest rate swaps and forward exchange contracts. Subsequent to initial recognition financial assets at fair value through profit and loss are stated at fair value. Movements in fair values are recognised in profit or loss, unless they relate to derivatives designated and effective as hedging instruments, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship. The group designates certain derivatives as hedging instruments in fair value hedges of recognised assets and liabilities and firm commitments, and in cash flow hedges of highly probable forecast transactions and foreign currency risks relating to firm commitments.

The effective portion of fluctuations in the fair value of interest rate swaps used to hedge interest rate risk and that qualify as fair value hedges are recognised together with finance costs. The ineffective portion of the gain or loss is recognised in other expenses or other income.

Fluctuations in the fair value of forward exchange contracts used to hedge currency risk of future cash flows, and the fair value of foreign currency monetary items on the statement of financial position, are recognised directly in other expenses or other income. This policy has been adopted as the relationship between the forward exchange contracts and the item being hedged does not meet certain conditions in order to qualify as a hedging relationship.

Classification

Cash	Held for trading
Accounts receivable	Loans and receivable
Accounts payable and accruals	Other liabilities
Long-term debt	Other liabilities

Held for Trading - Held for trading financial assets typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value at the balance sheet date. Fair value fluctuations including interest earned, interest accrued, gains and losses realised on disposal and unrealized gains and losses are included in operating revenue and expense.

NOTES TO FINANCIAL STATEMENTS - (Continued)
(Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2009

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - (Continued)

(xiv) Financial Instruments - (Continued)

Available-for-Sale - Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale, or that are not classified as loans and receivables, held-to-maturity, or held-for-trading investments. Except for mentioned below, available-for-sale financial assets are carried at fair value with unrealized gains and losses included in equity.

Accounts Receivable - Accounts receivable are stated at their original invoiced value, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. Accounts receivable are reduced by appropriate allowances for estimated irrecoverable amounts. Interest on overdue accounts receivables is recognised as it accrues.

Cash and Cash Equivalents - Cash equivalents comprise short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short-term.

Accounts Payable - Accounts payable are stated at their original invoiced value, as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

Impairment of Financial Assets - All financial assets, except for those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date.

Loans and receivables - Loans and receivables are accounted for as amortised cost using the effective interest method.

Other Liabilities - Other liabilities are recorded at amortised cost using the effective interest method and include all financial liabilities.

Derivatives - The Authority does not enter into any derivative financial instrument arrangements.

Transaction Cost - Transaction costs related to other liabilities and loans and receivables are netted against the carrying value of the net asset or liability and are then recognized over the expected life of the instrument using the effective interest method.

NOTES TO FINANCIAL STATEMENTS - (Continued)
(Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2009

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - (Continued)

- (xv) Foreign Currency Translation - Monetary assets and liabilities denominated in foreign currencies are translated into Trinidad and Tobago dollars at the exchange rates prevailing at the accounting date. Transactions in foreign currencies are recorded at the rate of exchange prevailing at the transaction date. All exchange differences are taken to the income and expenditure statement as incurred.

NOTE C - CASH AND CASH EQUIVALENTS

	<u>2009</u>	<u>2008</u>
Cash in hand	\$ 14,700	\$ 14,700
Cash at bank	99,876,609	77,976,753
	<u>\$ 99,891,309</u>	<u>\$ 77,991,453</u>

NOTE D - RECEIVABLE FROM MINISTRY OF HEALTH

	<u>2009</u>	<u>2008</u>
Grants receivable	\$ 102,530,647	\$ 99,159,506
Non-current portion	(15,488,134)	(20,967,715)
Current portion	<u>\$ 87,042,513</u>	<u>\$ 78,191,791</u>

The above grants are received from the Government of Trinidad and Tobago to fund the Authority's recurrent expenditure.

NOTES TO FINANCIAL STATEMENTS - (Continued)
(Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2009

NOTE E - RECEIVABLES AND PREPAYMENTS

	<u>2009</u>	<u>2008</u>
Prepayment	\$ 11,433	\$ 123,796
Value Added Tax refundable	7,940,453	6,645,579
Advance payments	6,330,658	-
	<u>\$ 14,282,544</u>	<u>\$ 6,769,375</u>

NOTE F - INVENTORIES

	<u>2009</u>	<u>2008</u>
Consumables	\$ <u>7,208,280</u>	\$ <u>10,748,249</u>

NOTES TO FINANCIAL STATEMENTS - (Continued)
 (Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2009

NOTE G - PROPERTY, PLANT AND EQUIPMENT

	<u>Land</u>	<u>Buildings</u>	<u>Plant, Fittings, Furniture & Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
Year Ended 30th September 2009					
Opening net book amount	\$ 42,480,000	\$ 126,095,859	\$ 63,026,911	\$ 999,276	\$ 232,602,046
Additions	-	-	14,270,475	112,000	14,382,475
Adjustments	245,000	100,000	-	-	345,000
Depreciation charge	-	(2,521,917)	(7,837,265)	(273,152)	(10,632,334)
Closing net book amount	<u>\$ 42,725,000</u>	<u>\$ 123,673,942</u>	<u>\$ 69,460,121</u>	<u>\$ 838,124</u>	<u>\$ 236,697,187</u>
At 30th September 2009					
Cost/Valuation	\$ 42,725,000	\$ 313,452,982	\$ 211,600,416	\$ 5,918,993	\$ 573,697,391
Accumulated depreciation	-	(189,779,040)	(142,140,295)	(5,080,869)	(337,000,204)
At end of year	<u>\$ 42,725,000</u>	<u>\$ 123,673,942</u>	<u>\$ 69,460,121</u>	<u>\$ 838,124</u>	<u>\$ 236,697,187</u>

NOTES TO FINANCIAL STATEMENTS - (Continued)
 (Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

December 31, 2009

NOTE G - PROPERTY, PLANT AND EQUIPMENT - (Continued)

	<u>Land</u>	<u>Buildings</u>	<u>Plant, Fittings, Furniture & Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
Year Ended 30th September 2008					
Opening net book amount	\$ 42,480,000	\$ 128,669,244	\$ 20,388,189	\$ 1,072,822	\$ 192,610,255
Additions	-	-	20,246,335	212,357	20,458,692
Adjustments	-	-	29,377,178	-	29,377,178
Depreciation charge	-	(2,573,385)	(6,984,791)	(285,903)	(9,844,079)
Closing net book amount	<u>\$ 42,480,000</u>	<u>\$ 126,095,859</u>	<u>\$ 63,026,911</u>	<u>\$ 999,276</u>	<u>\$ 232,602,046</u>
At 30th September 2008					
Cost/Valuation	\$ 42,480,000	\$ 313,352,982	\$ 197,329,942	\$ 5,806,993	\$ 558,969,917
Accumulated depreciation	-	(187,257,123)	(134,303,031)	(4,807,717)	(326,367,871)
At end of year	<u>\$ 42,480,000</u>	<u>\$ 126,095,859</u>	<u>\$ 63,026,911</u>	<u>\$ 999,276</u>	<u>\$ 232,602,046</u>

NOTES TO FINANCIAL STATEMENTS - (Continued)
 (Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2009

NOTE H - ACCOUNTS PAYABLE AND ACCRUALS

	<u>2009</u>	<u>2008</u>
Accounts payable	\$ -	\$ 9,646,588
Other accrued liabilities	42,232,445	39,045,754
	<u>\$ 42,232,445</u>	<u>\$ 48,692,342</u>

NOTE I - LONG-TERM DEBT

	<u>2009</u>	<u>2008</u>
Term loan with Scotia Trust Limited due October 2010 with a fixed interest rate of 5.50%, repayable in semi-annual installments of \$6,459,753 (principal only)	\$ 19,379,259	\$ 45,741,822
Term loan with Citibank Limited due April 2011 with a fixed interest rate of 5.35%, repayable in semi-annual installments of \$397,113 (principal only)	1,588,456	3,176,911
	<u>20,967,715</u>	<u>48,918,733</u>
Current portion	(13,713,734)	(27,427,468)
Long-term portion	<u>\$ 7,253,981</u>	<u>\$ 21,491,265</u>

The Authority via the Ministry of Health was awarded loans from these commercial banks in order to clear outstanding suppliers' invoices while it was merged with the then autonomous units, the Eric Williams Medical Sciences Complex and the Central Regional Health Authority.

Principle repayments for the next year due as follows:

<u>Year</u>	<u>Scotia Trust</u>	<u>Citibank</u>
2010	12,919,506	794,228
2011	6,459,753	794,228

NOTES TO FINANCIAL STATEMENTS - (Continued)
(Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2009

NOTE J - PRIOR YEAR ADJUSTMENT

Statement of Net Assets	Report	Adjustment	Restated
1 st October 2008			
Net assets	\$ 256,244,693	\$ (26,209,775)	\$ 230,034,918
Statement of Cash Flow			
1 st October 2008			
Cost of capital assets	538,511,225	345,000	538,856,225

The adjustments identified were included to ensure the financial statements agree to the general ledger accounts which forms the basis of the statements.

NOTE K - COMMITMENTS AND CONTINGENT LIABILITIES

Legal Matters

The Authority is engaged in litigations in several matters.

As at the date the financial statements were approved, the likely outcome of these matters cannot be determined. No provision has therefore been made in the financial statements for any possible liabilities due in these matters.

Purchase Contracts

The Regional Health Authority has no material long-term purchase contracts.

NOTE L - FINANCIAL INSTRUMENTS

- (i) Fair Values - The carrying amounts of short-term financial assets and liabilities comprising cash and cash equivalents, accounts receivable, receivables and prepayments, accounts payable and accruals are a reasonable estimate of their fair values because of the short maturity of these instruments.
- (ii) Credit Risk - The Authority has no significant concentration of credit risk from third parties as 94% of its receivable are from the Ministry of Health. However, there are significant balance due from the Ministry of Health, which have been outstanding for several years.