



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, 2010

The accompanying Financial Statements of the North West Regional Health Authority for the year ended September 30, 2010 have been audited. The Statements comprise a Statement of Financial Position as at September 30, 2010, a Statement of Comprehensive Income, a Statement of Net Assets and a Statement of Cash Flows for the year ended September 30, 2010 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.

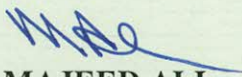
SUBMISSION OF REPORT

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



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20190315


MAJEED ALI
AUDITOR GENERAL



**BAKER TILLY
MONTANO
RAMCHARITAR**

AUDITED FINANCIAL STATEMENTS

The North West Regional Health Authority

September 30, 2010



an independent member of
**BAKER TILLY
INTERNATIONAL**

Audited Financial Statements
(Expressed in Trinidad and Tobago Dollars)

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2010

Audited Financial Statements

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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, 2010 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
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INDEPENDENT AUDITORS' REPORT - (Continued)

Basis for Disclaimer Opinion

We were not appointed as auditors of the Authority until after September 30, 2010 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, 2009 and 2010, which are stated in the Statement of Financial Position at \$7,208,280 and \$9,334,604 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, 2010 and the Statement of Financial Position as at September 30, 2010.

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, 2009 and 2010 which is stated in the Statement of Financial Position at \$236,697,187 and \$229,094,836 respectively and the consequential impact on the Statement of Comprehensive Income for the year ending September 30, 2010.

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, 2009 and 2010.

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, 2009 and 2010 which is stated in the Statement of Financial Position at \$102,530,647 and \$100,381,195 respectively and the consequential impact on the Statement of Comprehensive Income for the year ending September 30, 2010.

The Auditor General of the
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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, 2009 and 2010 which is stated in the Statement of Financial Position at \$42,232,445 and \$46,757,143 respectively and the consequential impact on the Statement of Comprehensive Income for the year ending September 30, 2010.

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 \$56,507,708 (2009 - \$26,209,775). 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
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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, 2010 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	
		2010	2009
ASSETS	Notes		
CURRENT ASSETS			
Cash and cash equivalents	C	\$ 101,259,670	\$ 99,891,309
Accounts receivable from Ministry of Health	D	93,976,854	87,042,513
Receivables and prepayments	E	9,801,668	14,282,544
Inventory	F	9,334,604	7,208,280
TOTAL CURRENT ASSETS		214,372,796	208,424,646
NON-CURRENT ASSETS			
Property, plant and equipment	G	229,094,836	236,697,187
Accounts receivable from Ministry of Health	D	6,404,341	15,488,134
TOTAL NON-CURRENT ASSETS		235,499,177	252,185,321
TOTAL ASSETS		\$ 449,871,973	\$ 460,609,967

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

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

Director *Lina Staniel* CHAIRMAN
 NORTH WEST REGIONAL
 HEALTH AUTHORITY

		September 30	
		<u>2010</u>	<u>2009</u>
LIABILITIES, CAPITAL AND DEFERRED CONTRIBUTIONS			
	Notes		
CURRENT LIABILITIES			
Accounts payable and accruals	H	\$ 46,757,143	\$ 42,232,445
Current portion of long-term debt	I	9,083,792	13,713,734
		<u>55,840,935</u>	<u>55,946,179</u>
TOTAL CURRENT LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term debt - less current portion	I	6,404,342	7,253,981
		<u>6,404,342</u>	<u>7,253,981</u>
TOTAL NON-CURRENT LIABILITIES			
CAPITAL AND DEFERRED CONTRIBUTIONS			
Operating fund		284,143,759	302,147,223
Capital grants - Tenders		103,482,937	95,262,584
		<u>387,626,696</u>	<u>397,409,807</u>
TOTAL LIABILITIES, CAPITAL AND DEFERRED CONTRIBUTIONS			
		<u>\$ 449,871,973</u>	<u>\$ 460,609,967</u>

The accompanying notes on pages 10 to 23 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	
	2010	2009
Income		
Recurrent subvention	\$ 586,311,839	\$ 532,864,674
Loan subvention	9,149,059	-
Interest earned	697,715	1,255,464
Miscellaneous	188,870	2,383,527
NIPDEC C40 receipts	101,052,110	114,529,122
	<hr/>	<hr/>
TOTAL INCOME	697,399,593	651,032,787
	<hr/>	<hr/>
Expenditure		
Personnel costs	422,527,627	357,338,344
Employer expenses	28,737,482	29,448,156
Medical and pharmaceutical cost	108,491,723	128,004,130
Other operating expenses	53,018,003	27,414,699
Property, plant and equipment expenses	15,411,943	11,775,360
Administrative costs	20,181,046	36,071,766
Amortization of capital assets	10,434,569	10,632,334
	<hr/>	<hr/>
TOTAL EXPENDITURE	658,802,393	600,684,789
	<hr/>	<hr/>
Finance costs	92,956	15,999
	<hr/>	<hr/>
SURPLUS OF REVENUE OVER EXPENSES	\$ 38,504,244	\$ 50,331,999
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes on pages 10 to 23 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>2010</u>	<u>2009</u>
Net Assets:		
Balance at beginning of year	\$ 302,147,223	\$ 278,024,999
Prior period adjustments	(56,507,708)	(26,209,775)
Surplus of revenue over expenses	38,504,244	50,331,999
	<u> </u>	<u> </u>
Balance at end of year	<u>\$ 284,143,759</u>	<u>\$ 302,147,223</u>
 Deferred Contributions/Government Grants		
Balance at beginning of year	\$ 95,262,584	\$ 51,634,555
Investment in New Capital Assets	2,832,218	14,382,475
Movement in Capital Grants - Tenders	15,822,704	39,877,888
Amortization on Capital Assets	(10,434,569)	(10,632,334)
	<u> </u>	<u> </u>
Balance at end of year	<u>\$ 103,482,937</u>	<u>\$ 95,262,584</u>

The accompanying notes on pages 10 to 23 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	
	2010	2009
Operating activities		
Surplus of revenue over expenses for the year	\$ 38,504,244	\$ 50,331,999
Cost of capital assets prior year adjustment	-	(345,000)
Amortization of capital assets	10,434,569	10,632,334
	<u>48,938,813</u>	<u>60,619,333</u>
Changes in non-cash working capital balances		
Receivables and prepayments	4,480,876	(7,513,169)
Amounts receivable from Ministry of Health	2,149,453	(3,371,141)
Accounts payable and accruals	4,524,698	(6,462,895)
Inventories	(2,126,324)	3,539,969
	<u>57,967,516</u>	<u>46,812,097</u>
Investing activities		
Purchase of capital assets, net of disposals	(2,832,218)	(14,382,475)
	<u>(2,832,218)</u>	<u>(14,382,475)</u>
Financing activities		
Repayment of long-term debt	(5,479,581)	(27,951,019)
Deferred contributions, donations and interest	(48,287,356)	17,421,253
	<u>(53,766,937)</u>	<u>(10,529,766)</u>
Increase in cash and cash equivalents during the year	1,368,361	21,899,856
Cash and cash equivalents, beginning of year	99,891,309	77,991,453
Cash and cash equivalents, end of year	<u>\$ 101,259,670</u>	<u>\$ 99,891,309</u>
Represented by:		
Cash in hand	\$ 101,244,970	\$ 99,876,609
Cash in bank	14,700	14,700
	<u>\$ 101,259,670</u>	<u>\$ 99,891,309</u>

The accompanying notes on pages 10 to 23 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, 2010

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 (ix) 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.

New and amended standards adopted by the Authority

No new and amended standards have been adopted by the Authority.

New and amended standards not yet effective but early adopted

No standards have been early adopted by the Authority.

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

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2010

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - (Continued)

New and revised IFRSs affecting presentation and disclosure only

- The amendments to IFRS 5 clarify that the disclosure requirements in IFRSs other than IFRS 5 do not apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations unless those IFRSs require (i) specific disclosures in respect of non-current assets classified as held for sale or discontinued operations, or (ii) disclosures about measurement of assets and liabilities within a disposal group that are not within the scope of the measurement requirement of IFRS 5 and the disclosures are not already provided in the consolidated financial statements.

Disclosures in these financial statements have been modified to reflect the above clarification.

- The amendments to IAS 1 clarify that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current.

This amendment has had no effect on the amounts reported in prior years because the Authority has not previously issued instruments of this nature.

Amendments to published standards and interpretation effective on or after 1 January 2010.

- The amendments to IAS 7 specify that only expenditures that result in a recognized asset in the statement of financial position can be classified as investing activities in the statement of cash flows. The application of the amendments to IAS 7 has resulted in a change in the presentation of cash outflows in respect of development costs that do not meet the criteria in IAS 38 *Intangible Assets* for capitalization as part of an internally generated intangible asset. This change has no impact on these financial statements.

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

- IFRS 3 (2008) allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests at the date of acquisition (previously referred to as 'minority' interests) either at fair value or at the non-controlling interests' share of recognized identifiable net assets of the acquiree. This change has no impact on these financial statements.

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

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2010

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - (Continued)

- (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, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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>2010</u>	<u>2009</u>
Cash in hand	\$ 14,700	\$ 14,700
Cash at bank	101,244,970	99,876,609
	<u>\$ 101,259,670</u>	<u>\$ 99,891,309</u>

NOTE D - RECEIVABLE FROM MINISTRY OF HEALTH

	<u>2010</u>	<u>2009</u>
Grants receivable	\$ 100,381,195	\$ 102,530,647
Non-current portion	(6,404,341)	(15,488,134)
Current portion	<u>\$ 93,976,854</u>	<u>\$ 87,042,513</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, 2010

NOTE E - RECEIVABLES AND PREPAYMENTS

	<u>2010</u>	<u>2009</u>
Prepayment	\$ 2,433	\$ 11,433
Value Added Tax refundable	7,309,493	7,940,453
Advance payments	2,489,742	6,330,658
	<u>\$ 9,801,668</u>	<u>\$ 14,282,544</u>

NOTE F - INVENTORIES

	<u>2010</u>	<u>2009</u>
Consumables	\$ 9,334,604	\$ 7,208,280

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

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2010

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 2010					
Opening net book amount	\$ 42,725,000	\$ 123,673,942	\$ 69,460,121	\$ 838,124	\$ 236,697,187
Additions	-	-	2,593,772	238,446	2,832,218
Adjustments	-	-	-	-	-
Depreciation charge	-	(2,471,479)	(7,695,165)	(267,925)	(10,434,569)
Closing net book amount	<u>\$ 42,725,000</u>	<u>\$ 121,202,463</u>	<u>\$ 64,358,728</u>	<u>\$ 808,645</u>	<u>\$ 229,094,836</u>
At 30th September 2010					
Cost/Valuation	\$ 42,725,000	\$ 313,452,982	\$ 214,194,188	\$ 6,157,439	\$ 576,529,609
Accumulated depreciation	-	(192,250,519)	(149,835,461)	(5,348,793)	(347,434,773)
At end of year	<u>\$ 42,725,000</u>	<u>\$ 121,202,463</u>	<u>\$ 64,358,727</u>	<u>\$ 808,646</u>	<u>\$ 229,094,836</u>

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

THE NORTH WEST REGIONAL HEALTH AUTHORITY

December 31, 2010

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 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

September 30, 2010

NOTE H - ACCOUNTS PAYABLE AND ACCRUALS

	<u>2010</u>	<u>2009</u>
Other accrued liabilities	\$ 46,757,143	\$ 42,232,445
	<u>\$ 46,757,143</u>	<u>\$ 42,232,445</u>

NOTE I - LONG-TERM DEBT

	<u>2010</u>	<u>2009</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)	\$ 6,459,753	\$ 19,379,259
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)	794,227	1,588,456
Term loan with Intercommercial Limited due November 2014 with a fixed interest rate of 5.20%, repayable in semi-annual installments of \$914,906 (principal only)	8,234,154	-
	<u>15,488,134</u>	<u>20,967,715</u>
Current portion	(9,083,792)	(13,713,734)
Long-term portion	<u>\$ 6,404,342</u>	<u>\$ 7,253,981</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.

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

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2010

NOTE I - LONG-TERM DEBT - (Continued)

Principle repayments for the next year due as follows:

<u>Year</u>	<u>Scotia Trust</u>	<u>Citibank</u>	<u>Intercommercial</u>
2011	\$ 6,459,753	\$ 794,227	\$ 1,829,812
2012	-	-	1,829,812
2013	-	-	1,829,812
2014	-	-	1,829,812

NOTE J - PRIOR YEAR ADJUSTMENT

Statement of Net Assets	Report	Adjustment	Restated
1 st October 2009			
Net assets	\$ 230,034,918	\$ (56,507,708)	\$ 173,527,210

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.

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

THE NORTH WEST REGIONAL HEALTH AUTHORITY

September 30, 2010

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 93% 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.