

TRANSFORMING GOVERNMENT THROUGH
TECHNOLOGY

2016-2017
ANNUAL REPORT



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NATIONAL INFORMATION AND COMMUNICATION TECHNOLOGY COMPANY LIMITED

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NATIONAL INFORMATION AND COMMUNICATION TECHNOLOGY COMPANY LIMITED

THE COMPANIES ACT 1995, CHAP: 81:01 NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS OF NATIONAL INFORMATION AND COMMUNICATION TECHNOLOGY COMPANY LIMITED

**TO: Minister of Finance
Corporation Sole
Ministry of Finance
Level 8, Eric Williams Financial Complex
Independence Square
Port-of-Spain**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of the **NATIONAL INFORMATION AND COMMUNICATION TECHNOLOGY COMPANY LIMITED (the "Company")** will be held at Level 1 Conference Room #52 Lord Harris Court, Pembroke Street Port of Spain on **25th day of January, 2018 at 10:00 a.m.** for the following purposes:

1. **To confirm the Minutes of the Annual General Meeting held on 25 January, 2017**
2. **To receive and consider the financial statements of the Company for the fiscal year ended September 30, 2017, together with the report of the auditors thereon;**

To consider and if thought fit to pass the following as an ordinary resolution:

"THAT the financial statements of the Company for the fiscal year ended September 30, 2017 and the auditors' report thereon be received."

3. **To remove and appoint the auditors for the ensuing year, at a remuneration to be fixed by the Directors of the Company;**

To consider and if thought fit to pass the following as an ordinary resolution:

"THAT the auditing firm of Deloitte and Touche Chartered Accountants be removed as the Auditors of the Company and PKF Chartered Accountants, be and are hereby appointed auditors of the Company for the purpose of undertaking the audit of the financial statements for the year ending 30 September, 2018 and to hold office until the next annual general meeting at a remuneration to be fixed by the Directors of the Company."

4. **To receive the Annual Report of the Company;**
5. **To receive the Directors' report;**

6. **To re-elect the Directors:**

The following persons were appointed as members of the Board of Directors of the Company on July 18, 2016 and hold office in accordance with the By-Laws of the Company:

- Ms. Esther Le Gendre Chairman
- Dr. Sean Roche Deputy Chairman
- Ms. Jacqueline Morris Director
- Ms. Anastacia Samuel- James Director
- Ms. Vashti Maharaj Director
- Mr. Deepak Maharaj Director

Mr. Howard Dottin was subsequently appointed as a member of the Board of Directors of the Company on 17 August, 2017 to hold office for the period of two (2) years in accordance with the By-Laws of the Company.

The By-Laws provide inter-alia that "A director's term of office (subject to the provisions, if any, of the Company's articles and subject to his election for an expressly stated term) shall be from the date of the meeting at which he is elected or appointed until (close of the annual meeting of shareholders next following) his election or appointment or until his successor is elected or appointed".

To consider and if thought fit to pass the following as an ordinary resolution:

"THAT the following persons be re-elected as members of the Board of Directors of the Company and to hold office in accordance with the By-Laws of the Company:

- Ms. Esther Le Gendre Chairman
- Dr. Sean Roche Deputy Chairman
- Ms. Jacqueline Morris Director
- Ms. Anastacia Samuel- James Director
- Ms. Vashti Maharaj Director
- Mr. Deepak Maharaj Director

8. **To transact such further or other business as may properly come before the meeting and any adjournments thereof.**

DATED at Lord Harris Court, No. 52 Pembroke Street, Port of Spain, this 19th day of December 2017.

By Order of the Board,



JANET PETERS
Corporate Secretary

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NATIONAL INFORMATION AND COMMUNICATION TECHNOLOGY COMPANY LIMITED



TRANSFORMING GOVERNMENT THROUGH
TECHNOLOGY

ABBREVIATIONS

CANTO Caribbean Association of National Telecommunications Organisations

EA Enterprise Agreement

ESAM Enterprise Software Asset Management

GoRTT Government of the Republic of Trinidad and Tobago

GovNeTT Government Wide Area Communications Network

ICT Information and Communications Technology

ISEMS Integrated Social Enterprise Management System

MDAs Ministries, Departments and Agencies

MSEA Microsoft Enterprise Agreement

PRESD Property and Real Estate Service Division

RFI Request for Information

RFP Request for Proposals

SAN Storage Area Network

SEP Symantec Endpoint Protection

SSO Single Sign-On



MINISTER'S FOREWORD

The Honourable Maxie Cuffie
Minister of Public Administration and Communications

I am extremely pleased to present the iGovTT Annual Report for the period 2016-2017, containing as it does, the fruits of Government's unwavering commitment to the growth and development of the country's Information, Communications and Technology sector. I also wish to congratulate the Chairman and Board of Directors for their own commitment to the assignment with which they were tasked.

In today's world where phrases like the "digital divide", "data as the new oil" and "the internet of things", are bandied about with ease, and there's the very real prospect of job openings in the ICT sector for which job titles have not even yet been found, iGovTT has been able to hold its own quite admirably over the past year. Its impact has been felt in every Government Ministry and department, as well as in the wider public, as increasing numbers of public officers and ordinary citizens utilize and benefit from its services.

Our flagship project – ttconnect – continues to exceed expectations and was able in the past year to achieve a staggering 99% satisfaction rate from those persons who utilized the service. Located in many different areas, including the Piarco Airport terminal, this e-service portal has been able to cross the digital divide and place previously unavailable public data in the hands of thousands of ordinary citizens. This ease of access has further facilitated the timely delivery of integrated public services to citizens either from within the comforts of their own homes, or in centres located short distances away. In 2016-2017, the Unit was able to successfully negotiate MOUs for 12 services with the Ministries of Public Utilities, Social Development and Family Services, Housing and Urban Development, and the Equal Opportunity Commission.

There is no doubt in my mind that iGovTT is well on the way to becoming a significant contributor to the development of a modernized public sector, impacting many ministries and departments, in a manner that often goes unnoticed. One such area of high impact is the Trinidad and Tobago Prison Service. In December 2016, the Trinidad and Tobago Prison Service engaged iGovTT for the creation of an ICT Strategic Roadmap to guide recommendations in the approach for linkages of the twelve departments of the Prison Service as the catalyst for an Inmate Management system and Inventory Management System. This project has been successfully managed and is currently in its closeout phase.

A second area of involvement which will bring tremendous benefit to the citizens of Trinidad and Tobago, especially the poor and vulnerable, is the delivery of an Integrated Social Enterprise Management System for the Ministry of Social Development and Family Services (ISEMS). When fully implemented, this ISEMS will allow for the seamless administration of social services, sharing of data and a higher degree of collaboration among stakeholders. Cabinet has since approved the implementation of this ISEMS in two phases at a total cost of \$30 million.

I have chosen to highlight these two initiatives of iGovTT, because in themselves, they are indicative of the larger body of work being done by a state organization to significantly enhance the quality of life of every citizen. There are several more successfully implemented programmes, and I am certain, the list will continue to grow in the coming year.

While we look back on a successful year with pride, we face the future with hope, that notwithstanding the many challenges that lie ahead, we have developed a resilient, resourceful, and purpose-driven organization, capable of delivering on its key strategic objectives, particularly to become the Government's trusted advisor on ICT matters, and the implementation of Green ICT for the government and people of Trinidad and Tobago.



THE HONOURABLE MAXIE CUFFIE

Minister of Public Administration and Communications
Trinidad and Tobago



MESSAGE FROM THE CHAIRMAN

Esther Le Gendre
Chairman of the Board of Directors

The National ICT Plan, fastforward II (2017-2021) points to the transformational role which ICT must play in delivering the continuous progression of people, business and government towards the country's vision of "first world nation status" by 2030. The Plan identifies the need for significant improvements in ICT connectivity, innovation, productivity, security and service delivery. It further illuminates the role of key stakeholders in the successful execution of the plan.

The National Information and Communication Technology Company Limited (iGovTT) has been identified as an important contributor in the implementation of the Plan and must therefore continue to play its part to support our line Ministry (MPAC) in the delivery of e-government services to GoRTT.

During the past fiscal year, 2016/17, iGovTT has sought to improve its governance and overall delivery of core services and programmes to Ministries, Departments and Agencies (MDAs) across GoRTT. In the area of governance, the company achieved full compliance with all statutory, regulatory and financial reporting requirements within stipulated timeframes and successfully held its Annual General Meeting on January 25th 2017. With regard to the operations, we have been able to implement the standardization of administrative processes for key functions across the company; the review of the HR Policy Manual, achieve an overall increase in uptake for consulting, project management, procurement, network infrastructure and administration services. We have also been able to optimise the utilization of our legacy services such as GovNett, MSEA and other services across MDAs.

Of particular note was the development of a three year ICT Strategic Roadmap for the Ministry of National Security, which will enable the Ministry to drive the efficiency of 12 departments of the Prison Service. This project is in service of a wider Inmate and Inventory Management System. Additionally, iGovTT has worked with MPAC to deliver Phase I of the Government Enterprise Software Asset Management Strategy, a tracking and management tool for GoRTT's software asset base. The first phase of the project was completed in June, 2017 and provides a software and hardware asset inventory capability, as well as intelligence and reporting services solution to MPAC. Phase II of the project will focus on endpoint protection and compliance management in keeping with the need for greater assurance regarding information security and privacy. The iGovTT team is working closely with MPAC to expand the reach of this project to include other GoRTT departments and agencies to administer and manage their ICT assets effectively.

Through our tconnect channels we have been able to maintain a significant presence with the public who are now demanding the convenience of additional e-services. In response to challenges experienced during the period with the tconnect ID portal, under the direction of the Board, the company has undertaken a root cause analysis of the underlying issues and proposed solutions have been incorporated into the strategic plan of the period following.

The company is especially proud of the work completed with the Ministry of Social Development and Family Services for an Integrated Social Enterprise Management System (ISEMS). The system allows the Ministry to administer social services seamlessly and to capture data and collaborate among stakeholders. Following the award of the contract, this project is anticipated to take 6-8 months and is a great example of how iGovTT is leveraging internal capability and capacity to meet our client's needs.

The above successes were achieved notwithstanding a challenging financial environment. These challenges were met by prudent financial management and cost containment. As we look to the future and witness how digital technologies are transforming the way we work, we at iGovTT are driven to do our part to increase our ICT footprint and the value we bring to our customers while keeping pace with the country's national development path. As such, we have set a new strategic direction for the company – one aligned to the national ICT plan and the broader Vision 2030. This direction entails full exploitation of our place in the ICT market place, continuous upgrading of our skills base and leveraging our expertise to deliver an enhanced suite of secure, customer-focused, cutting-edge e-government services to Ministries, Departments and Agencies. We are particularly confident that we have the support of a great and dedicated team to do this successfully.



ESTHER LE GENDRE

Chairman of the Board of Directors



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Trevor Libert
Chief Executive Officer

It is my pleasure to share with you the annual update for the National Information and Communication Technology Company Limited (iGovTT) for the period 2016/17. The past year has been one of the most challenging for iGovTT. This was in part due to the significant decrease in government's revenues as a consequence of lower than expected oil and gas prices – the mainstay of Trinidad and Tobago's economy. This resulted in a reduced subvention 2016 versus 2017 of circa TT \$5.3 million for iGovTT and \$3.8 million for the financial and administrative management of the ttconnect Unit.

Added to this, an overall resource reduction exercise was undertaken to better align ourselves with prevailing market conditions and operational pressures and we were now required to do more with less. Against this backdrop, iGovTT persevered with the implementation of our strategic objectives and demonstrated great resilience despite the challenges. The company recorded significant performance and improved customer experience during the reporting period in terms of compliance and project and service delivery, through our enterprise and ttconnect channels and we are indeed proud to share some of these highlights with you.

During the period 2016/17 our Finance Unit and Corporate Secretariat kept us honest and delivered 100% on-time, compliance reporting to the various statutory and regulatory bodies – a significant improvement for iGovTT. In terms of customer service, our ttconnect Unit recorded over 54,609 interactions – exceeding its original target of 54,000, and its online portal recorded 2,608,194 visits (10% above target).

In the area of business development and operational efficiency, several major projects and programmes were implemented by iGovTT during fiscal 2016/2017. Of note was the development of a Property Tax – Certified Network Infrastructure for the collection of revenue, on behalf of the Ministry of Finance at two of their Valuation Offices. Following the start of the project, eight (8) additional sites were included for infrastructure upgrade; testimony to the fact that iGovTT is delivering on its promise for a more connected Trinidad and Tobago. This project was valued at TT \$1.2 million. In December 2016 the Ministry of National Security Prison Services also engaged iGovTT, to develop an ICT Strategic Roadmap to guide recommendations for the linkage of the twelve (12) departments of the Prison Service.

Delivery of this project served as a catalyst for Cabinet approval of an Inmate Management System and Inventory Management System. The project was successfully managed and in Q4 iGovTT was re-engaged by the Ministry to deliver project management services for the upgrade of their telephony services to "SKYPE for Business" – a US\$248,826.00 dollar project. This project is on schedule with final testing and project closure activities currently taking place.


iGovTT was also called upon to undertake infrastructure works on behalf of the Cipriani Labour College, for network enhancements, records management and WiFi connectivity. In addition to this we collaborated with Microsoft to deliver an Enterprise Software Asset Management Tool to GoRTT as a solution for the tracking and management of GoRTT software asset base. Phase I of the exercise was completed in June and provides Software Asset Inventory, Software Metering, Hardware Asset Inventory, Asset Intelligence and Reporting. Phase II commenced in September and focused primarily on deployment of management functions including application delivery, compliance management and endpoint security. The implementation of an Integrated Social Enterprise Management System (ISEMS) for the Ministry of Social Development and Family Services (MSDFS), must be singled out as an outstanding piece of delivery in 2017. Employment of this system allows for automation and overall improvement of the MSDFS's core business processes and facilitates the seamless administration of social services, data access and collaboration among stakeholders. Cabinet has since granted approval to implement the Integrated Social Enterprise Management System in two Phases at an estimated TT \$30 million.

Over the reporting period many other projects and programmes have been delivered to various MDAs across GoRTT and we have also seen an increase in uptake for GovNeTT 2.0 – GoRTT's secure communications network. For the period October 2016 – September 2017, GovNeTT services were provided to approximately sixty (60) MDAs. However, upgrading of this system to align with the current needs of MDAs is of paramount importance, hence the reason iGovTT collaborated with our line Ministry (MPAC) earlier in 2017 to formulate a concept paper and terms of reference (TOR) for GovNeTT Next Generation (NG) – which is the next evolution of GovNeTT 2.0 geared at providing unified communication, enhanced security and increased access among Government Ministries, Departments and Agencies.

The contract for implementation of the Communications Backbone of this system is expected to be open for public tender and all related documents, TOR, contract agreements etc. have already been delivered to our line Ministry. We look forward to iGovTT playing a key role in providing the infrastructure, connectivity and interoperability to drive GoRTT efficiency to the next level. It is important to note that none of the above achievements could have been realised without the direction and stewardship of our Board of Directors, the strong leadership of our Management team and the commitment and dedication of our staff here at iGovTT. For this, I say thank you.

Looking to the future, the Board and Executive Management team have collaborated on a new strategic direction for iGovTT – one that sees the company strengthening internal capability, delivering high quality, integrated ICT solutions across GoRTT and positioning iGovTT as the trusted advisor to GoRTT on ICT. I am confident that we have a great team in place to deliver on this. The new strategic thrust is in keeping with our vision "to become the premier ICT solutions provider to GoRTT, enabling efficiency, increasing productivity and transforming the delivery of government services to the citizens of Trinidad and Tobago". As such, our strategic focus is aligned to and supports the delivery of the new National ICT Plan 2017-2021 and by extension Vision 2030 five strategic goals.

Earlier on this year at the opening of the Internet of Things Forum held here in Trinidad, our line Minister, the Honourable Maxie Cuffie, posited that "Data is the new oil" and added that it has the potential to become a major contributor to GDP. Delivery of our national programs such as fastforward, Smart Access Centres and our new National ICT Plan – fastforward II supports this notion and gives me the assurance that our aspiration of achieving first world status for our beloved country by 2030 is in sight.

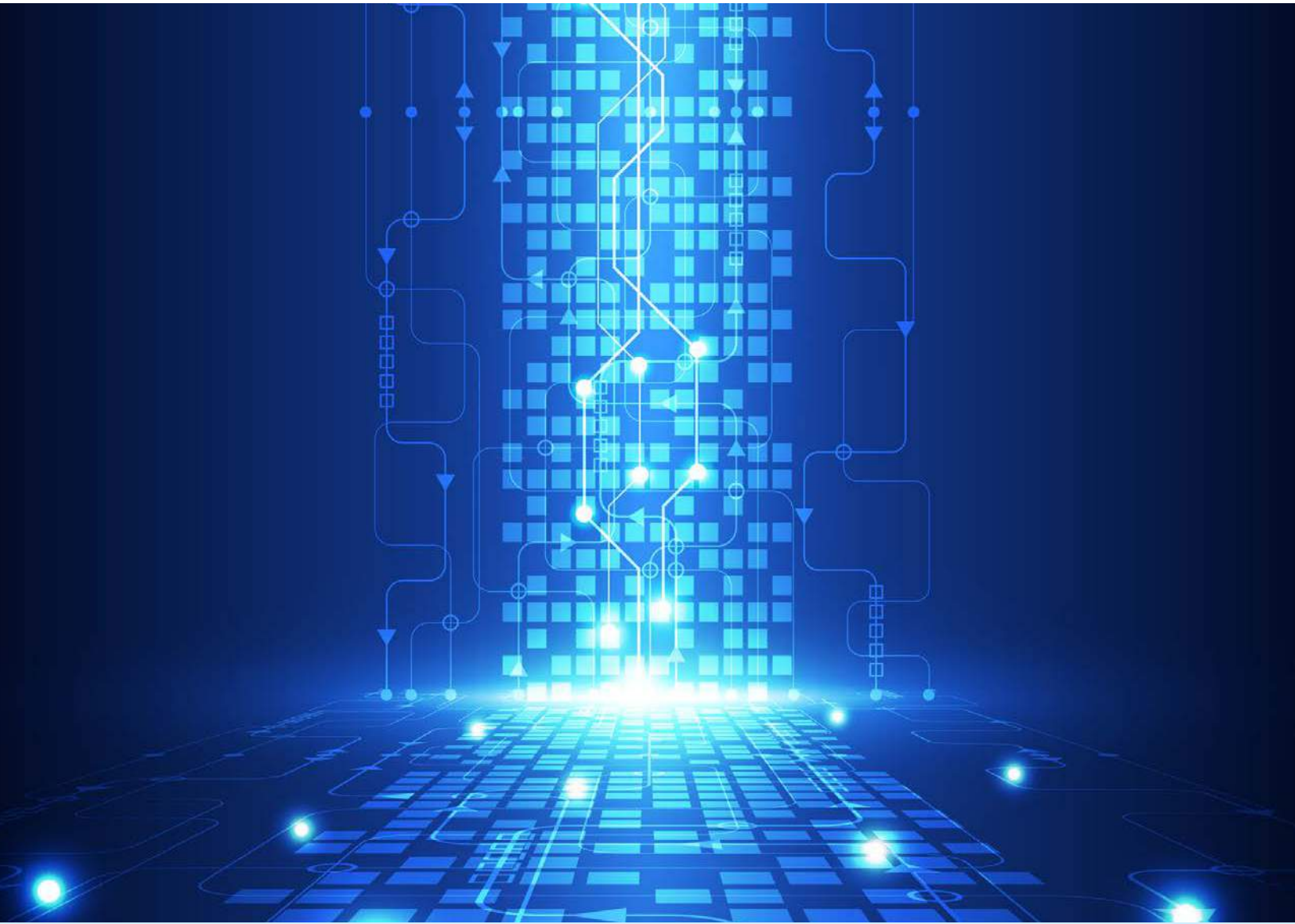


TREVOR LIBERT
Chief Executive Officer, iGovTT

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NATIONAL INFORMATION AND COMMUNICATION TECHNOLOGY COMPANY LIMITED

ABOUT US



ABOUT US



WHO WE ARE

The National Information and Communication Technology Company Limited, branded iGovTT, was incorporated in July 2009. It is a State Enterprise responsible for the provision of ICT consulting and support services to Government Ministries, Departments and Agencies in order to ensure effective alignment, co-ordination, security, interoperability and cost effectiveness across Government for ICT related projects and initiatives.

VISION

The optimal vehicle for ICT revolution to facilitate the transformation of Trinidad & Tobago's socio-economic and competitive landscape, improve quality of life for citizens and accelerate national development.

MISSION

To create a platform through stakeholder collaboration and strategic partnerships that leverages economies of scale and delivers innovative Government ICT solutions for enhanced national competitiveness and transformational development.

CORE VALUES

Operational Excellence

iGovTT will deliver solutions and recommendations efficiently for the convenience of our stakeholders and strategic partners.

Collaboration/Teamwork

We will facilitate the development and implementation of cross functional teams to improve the knowledge management within iGovTT.

Innovation

We will leverage organisational competencies to lead in the development of new solutions to satisfy our customers and national development.

Service Excellence

iGovTT will be responsible and proactive in our processes to ensure the highest levels of collaboration with our stakeholders and strategic partners.

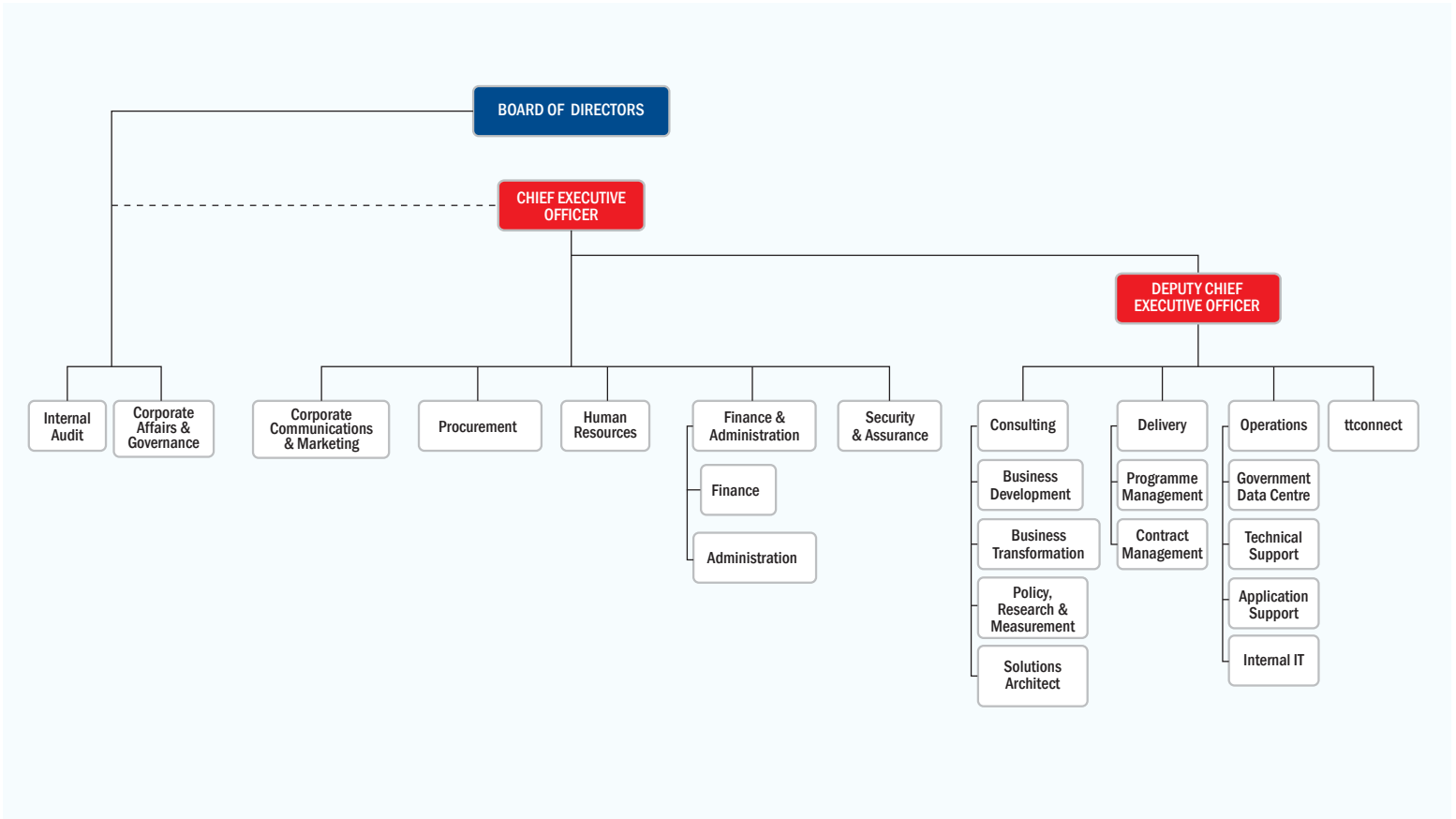
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CORPORATE GOVERNANCE



CORPORATE GOVERNANCE ORGANISATIONAL CHART



CORPORATE GOVERNANCE

BOARD OF DIRECTORS



ESTHER LE GENDRE
Chairman



DR. SEAN LOCKE
Deputy Chairman



HOWARD DOTTIN
Director



VASHTI MAHARAJ
Director



DEEPAK MAHARAJ
Director



JACQUELINE MORRIS
Director



ANASTACIA SAMUEL-JAMES
Director

CORPORATE GOVERNANCE

MANAGEMENT TEAM



TREVOR LIBERT
CEO



CHARLES BOBB-SEMPL
Deputy CEO



SHERWYN CAMBRIDGE
Head, Delivery



JONATHAN CUMBERBATC
Head, Human Resources



EDSON EASTMOND
Head, ttconnect



CHRISTINE FERREIRA
Head, Finance & Administration



JOHN OUTRIDGE
Head, Consulting



JANET PETERS
Corporate Secretary/Head, Legal



SHERWIN RAGOONANAN
Head, Operations

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ANALYSIS OF FINANCIAL OPERATIONS

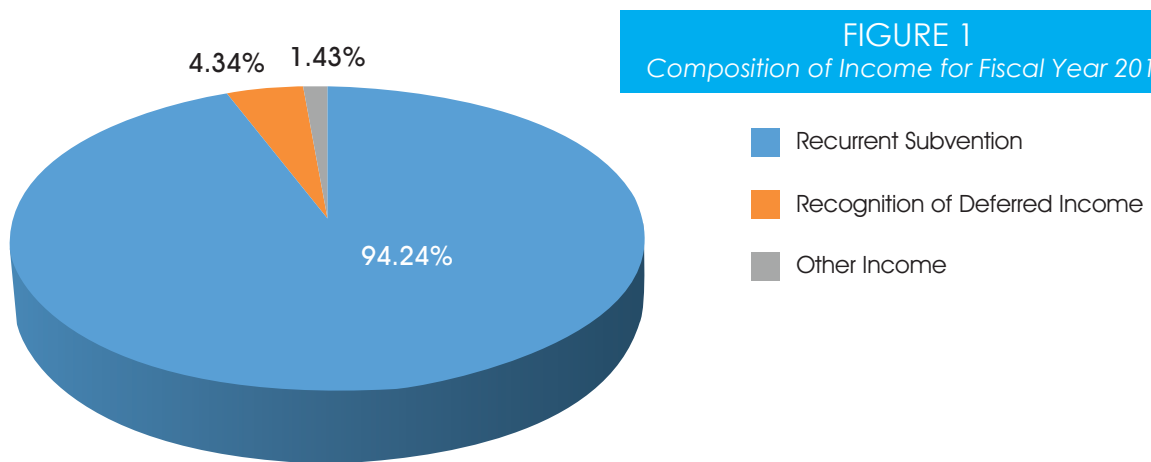


ANALYSIS OF FINANCIAL OPERATIONS

Income

The company's operations are financed primarily through the system of Parliamentary appropriations, where approved funds are identified under various sub-heads and are disbursed through our line Ministry, the Ministry of Public Administration and Communication.

Income earned for the financial year ending September 30, 2017 inclusive of interest and other income amounted to \$42,059,365 that represents a significant decrease of 50.10% over the prior period 2016. The company's subvention also decreased by 18.58%. The composition of income for the period is shown in Figure 1 below.



An analysis of actual income earned against budgeted figures is shown in Table 1 below which summarizes the four items of income compared against the budgetary allocation for the year under review.

TABLE 1
Income and Subvention for Fiscal Year 2017

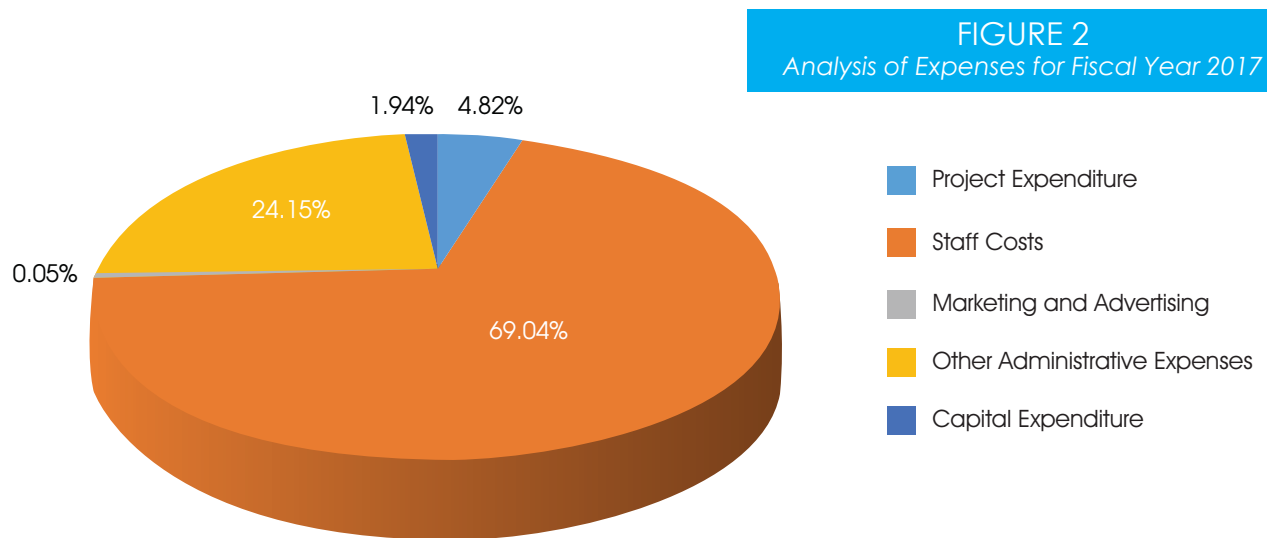
INCOME CATEGORY	BUDGETED ALLOCATION	ACTUAL INCOME	VARIANCE
Recurrent Subvention	40,600,000	39,635,500	(964,500)
Recognition of Deferred Income	-	1,823,419	1,823,419
Project Grant	7,986,539	-	(7,986,539)
Other Income	-	600,446	600,446
TOTAL INCOME & SUBVENTION	\$48,586,539	\$42,059,365	(\$6,527,174)

ANALYSIS OF FINANCIAL OPERATIONS

Expenditure

Total expenditure inclusive of taxes and capital expenditure for the financial year was \$45,358,884 representing a significant decrease of 44.43% over the prior period of 2016.

Figure 2 shows an analysis of expenditure for the period.



Overall, a favourable expenditure variance of \$11,518,520 was achieved in the fiscal year 2017. Both the expenditure and income recognized for the Microsoft Enterprise Agreement was reversed as the Ministry of Public Administration and Communication (MPAC) settled the debt for Year 1 of the Enterprise Agreement.

Table 2 summarizes the top five expenditure items compared with the budgetary allocations for the period.

ANALYSIS OF FINANCIAL OPERATIONS

TABLE 2
Expenditure for Fiscal Year 2017

INCOME CATEGORY	BUDGETED ALLOCATION	ACTUAL EXPENDITURE	VARIANCE
Project Expenditure:			
Budgeted Expenditure	7,986,539	6,521,581	1,464,958
Non-Budgeted Expenditure:			
Net Reversal on Microsoft Enterprise Agreement	-	(6,451,831)	6,451,831
Government Contact Centre	-	1,051,313	(1,051,313)
Enterprise Endpoint Protection	-	1,063,847	(1,063,847)
Total Project Expenditure	7,986,539	2,184,910	5,801,629
Staff Costs	34,901,253	31,316,672	3,584,581
Marketing and Advertising	138,000	23,576	114,424
Other Administrative Expenses	12,691,925	10,955,840	1,736,085
Total Operating and Administrative Expenses	55,717,717	44,480,998	11,236,719
Capital Expenditure	1,159,686	877,886	281,800
TOTAL	\$56,877,403	\$45,358,884	\$11,518,519

Capital Expenditure

A total of \$877,886 was expended on the purchase of fixed assets for the period. An analysis of the capital items purchased is set out in Table 3 below.

TABLE 3
Analysis of Capital Expenditure for Fiscal Year 2017

CAPITAL CLASSIFICATION	ACTUAL EXPENDITURE
Motor Vehicles	243,575
Furniture and Fixtures	4,004
Computer Equipment	367,437
Office Equipment	112,074
Work in Progress	150,796
TOTAL CAPITAL EXPENDITURE	\$877,886

The Audited Financial Statements for the year ended September 30, 2017 are provided on pages 43 to 78.

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DELIVERING VALUE



DELIVERING VALUE

GovNeTT is the Wide Area Communications network commissioned for the Government of the Republic of Trinidad and Tobago to seamlessly connect Government Ministries and state agencies. ttconnect is an integrated service delivery model through which citizens are afforded convenient access to Government information and services online and in their communities. GovNeTT and ttconnect remain the two main platforms through which iGovTT delivers value to our clients and stakeholders. Both platforms are designed to provide ICT solutions and services that ultimately serve the national public, bringing information and services to them at their convenience.



This communication network of GoRTT provides Government ministries and agencies with access to a comprehensive suite of ICT solutions and services inclusive of networking and collaboration tools for upgrading and streamlining internal and cross communication processes.

The following draft GovNeTT policies have been developed during the period under review:

Policies

- External Party Management and Access
- Protection against Malicious Code
- Wireless Networks
- Access Control
- Security Incident Management
- Media Handling and Security
- Data Classification

The number of users within Government Ministries and Agencies has expanded and service improvement has continued as follows:

■ GovNeTT Service Desk

- During the 12 month period we successfully closed approximately 7,150 tickets to the GovNeTT Service Desk

■ Gov.TT DNS

- During the 12 month period we registered and administered an additional 50 GOV.TT Domain Name System (DNS) records

■ GovNeTT Data Centre Co-locations

- Data centre co-location services are utilized by 12 Government Ministries and Agencies.
 - Ministry of Trade and Industry
 - Ministry of Education
 - Ministry of Finance
 - Auditor General

DELIVERING VALUE

- Ministry of Public Administration and Communications
- iGovTT
- Ministry of Health
- Ministry of Public Utilities
- Ministry of Foreign and CARICOM Affairs
- Ministry of Rural Development and Local Government
- Chief Personnel Officer
- Trinidad and Tobago National Research & Education Network (TTRENT)

■ GovNeTT Usage

With the increased utilization of GovNeTT services over the period, the company has engaged in several bandwidth redistribution exercises to ensure that the services provided met the needs of the users. To this end, more than 60 bandwidth redistribution requests were completed over the course of the year.

■ GovNeTT Relocations

35 GovNeTT Kit relocations were completed.

■ Gov.tt e-mail

One of our mainstay service offerings continues to be Enterprise Exchange Mail via our Exchange 2007 platform. To meet the evolving needs of GoRTT, we initiated migration activities from the existing platform to Microsoft 0365, which will offer users larger mailbox capacity, greater flexibility and availability, based on needs.

DELIVERING VALUE



ttconnect provides public access to Government information, services and programmes, through its suite of service delivery options. These delivery channels includes ttconnect Service Centres, ttconnect Online, ttconnect Express buses, ttconnect Self-Service Kiosks, ttconnect mobile and ttconnect Toll Free Contact number. During the period under review, ttconnect functioned under the remit of the Ministry of Rural Development and Local Government as per Gazette No. 97 of 2015 dated September 23, 2015. iGovTT fully supported the ttconnect Unit in the delivery of its mandate and operations during 2017.



ttconnect Service Centres

The ttconnect Service Centres are a chain of one-stop, counters where citizens can access Government information and services. Currently, there are seven ttconnect Centres located in Arima, Bon Accord (Tobago), Chaguanas, Princes Town, Sangre Grande, St. James, and Tunapuna and one Satellite Office at the Ministry of Trade and Industry in Port-of-Spain, which only facilitates ttconnect ID and TTBizLink services. During the period, the Service Centres facilitated 43,438

applications for GoRTT services, 8,736 general enquiries from citizens and distributed 2,435 government service forms, amounting to a total of 54,609 service interactions.

The Client Feedback Programme launched in 2014, assesses the quality of service at the ttconnect Service Centres and Express buses. During the period under review, 6,225 responses were received with 99% of clients reporting that they were satisfied with the service. 95% of clients reported that they were attended to within ten minutes of entering the Service Centre and 78% of clients completing their transaction within ten minutes.

The screenshot shows a 'CLIENT FEEDBACK FORM' from ttconnect. It includes a header with the ttconnect logo and tagline. Below the header, there are fields for 'SERVICE CENTER / BUS' and 'DATE'. A section titled 'COMMENTS ON SERVICE' asks for feedback on various aspects of the service, including staff courtesy, understanding of needs, and response time. The form uses a Likert scale (Satisfied, Good, Fair, Poor, Very Poor) for most items. At the bottom, there are fields for 'COMMENTS & SUGGESTIONS', 'CONTACT INFORMATION' (phone and email), and contact details for iGovTT.

DELIVERING VALUE



ttconnect Portal/Online

ttconnect Online is an electronic government portal accessible via the Internet at **www.ttconnect.gov.tt**. The portal provides access to Government websites from a single location. ttconnect Online is the largest Government services and information search engine in the English speaking Caribbean. During 2016-2017 fiscal year, 2,814,963 visits were made to the portal and these visits accounted for 546,589,187 hits.

The ttconnect Portal or the Government Enterprise Portal is supported by iGovTT's Application Support team and maintained an average of 99.1% availability over the reporting period. The team updated approximately 300 content pages which included Ministry location updates, stories and featured sites on the Portal.

The portal provides the authentication engine for the ttconnect ID for all GoRTT eServices. Single sign-on or SSO authentication has been implemented and is being used for e-Tax, a portal provided by the Inland Revenue Division for taxpayers to manage their tax accounts online. Over the period 16,531 ttconnect IDs were created and associated with this authentication service and several service improvements have been implemented.

The Tender Notices online solution, an element of the ttconnect Portal, provides a searchable listing of active and archived tender notices issued by Government Ministries and Agencies in one centralised location. During the period, Tender Notices Online published 17 tender notices. The ttconnect portal was also updated to ensure support was maintained to enable the delivery of modern solutions to old issues such as in the case of the mobile portal. Additionally a High Availability or HA site was added to the overall ttconnect portal solution which should reduce application unavailability.



ttconnect Express Buses

The ttconnect Express buses constitute a Service Centre "on wheels" with a fleet of three ttconnect technology equipped buses capable of travelling to remote locations across Trinidad and Tobago. These buses provide Government information and services to residents in remote and underserved areas. During the period October 1, 2016 to September 30, 2017, the fleet made 58 trips to communities throughout Trinidad, facilitating 1,269 GoRTT service applications, distributing 133 government service forms and 1,276 general enquires were received. 2,678 service interactions were made.

DELIVERING VALUE

April 2017 heralded the onset of e-Tax application initiatives via the Express buses. The fleet visited commercial organizations to assist with the adoption of the e-Tax online service. More than 500 employees from the following companies benefitted from this initiative: the Telecommunications Authority of Trinidad and Tobago, First Citizens Bank, Trinidad and Tobago Electricity Commission, Massy Energy, Massy Technologies, Nu Iron Unlimited and Point Lisas Nitrogen Limited.



Table 1: Sample of Communities visited by tconnect Express fleet in 2016-2017

Arima	Couva	Point Fortin	Chaguaramas	Biche
Morvant	Palo Seco	Penal	Chaguanas	Cunupia
Trincity	Carapo	Rio Claro	La Romain	Point Lisas
San Fernando	Maracas, St Joseph	Port Of Spain	Claxton Bay	St. Augustine



tconnect Self-Serve Kiosks

tconnect Self-Serve Kiosks provide convenient access to Government services and are located at the **Piarco International Airport, PTSC's Deluxe Coach Lounge, San Fernando, tconnect Service Centre Chaguanas, and Gulf City Mall, Lowlands, Tobago.** The user experience is similar to that of an automated teller machine. The kiosks allow users to connect to tconnect Online and view and print application forms. During the period October 1, 2016 to September 30, 2017, the Kiosks facilitated 4,650 user sessions, 32,647 pages were viewed and 497 GoRTT services application forms were printed.

DELIVERING VALUE



ttconnect Mobile

ttconnect Mobile allows users to access a mobile-enabled version of ttconnect Online by entering '**ttconnect.gov.tt**' into their phone's browser. During the period October 1, 2016 to September 30, 2017, ttconnect Mobile experienced 183,811 visits and these visits accounted for 6,393,341 hits.



ttconnect Toll Free Contact Number

The toll free contact number 800-TTCN (800-8826) allows customers to dial into ttconnect and request information on Government Services and Information. The ttconnect Hotline also provides an avenue for citizens to send their requests for information on GoRTT related services to the ttconnect email accounts: info.ttconnect@gov.tt and feedback@gov.tt. During the period October 1, 2016 to September 30, 2017, 12,239 email requests were received and addressed. Clients requested information on Government Services, generalized information and secure password resets for their ttconnect ID accounts.

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NATIONAL INFORMATION AND COMMUNICATION TECHNOLOGY COMPANY LIMITED

PARTNERING FOR SUCCESS



PARTNERING FOR SUCCESS

ttconnect Partnerships

ttconnect has partnered with various Ministries and Agencies to include their services on the ttconnect delivery channels. This has allowed the Ministries and Agencies to offer their services to the multiple ttconnect locations without the complexity usually associated with setting up new systems to deliver services.

Pension Services Life Certificate Attestation

Through its visiting officers' model and in collaboration with the Treasury Division of the Ministry of Finance, ttconnect facilitated the Life Certificate Attestation service. The initiative took place over the course of four days in both October 2016 and April 2017. A total of 2,247 pensioners were served within their communities thus resulting in time and cost savings.



Senior citizens visit the ttconnect Chaguanas service centre to complete their Life Certificate Attestation for their pensions.

Filing Your Taxes Online

During the period October 1, 2016 to September 30, 2017, the ttconnect unit successfully completed 12,923 applications for individuals to access the e-Tax service with their ttconnect IDs. e-Tax is the online portal provided by the Inland Revenue Division for taxpayers to manage their tax accounts online.

Business Consultancy

iGovTT has been involved in the execution of various ICT projects throughout the public sector, providing expertise to several government organizations seeking to improve their operations. iGovTT participated in the following ICT projects and initiatives during the period ending September 30 2017:

1. Ministry of Social Development and Family Services - Integrated Social Enterprise Management System

iGovTT was engaged to provide consultancy services and oversee the delivery of an Integrated Social Enterprise Management System (ISEMS). The ISEMS would allow for automation and overall improvement of the Ministry's core business processes and for the seamless administration of social services, data and collaboration among stakeholders.

PARTNERING FOR SUCCESS

iGovTT's team reviewed and evaluated RFI responses from six proponents and submitted a report for the Ministry's review. Thereafter, correspondence from the Ministry of Social Development and Family Matters indicated Cabinet's approval to implement the Integrated Social Enterprise Management System in two Phases at an estimated expenditure of TTD30,000,000.

Phase 1 – TT \$20,000,000

Phase 2 – TT \$10,000,000

2. iGovTT's SharePoint as a Service

Cloud computing has become a major focal point for GoRTT and is one of the most significant advances in ICT locally. Cloud computing will enable organisations to achieve economies of scale; improve response times; build ICT capacity, scalability and elasticity; and their overall ability to support evolving business requirements. GoRTT sees tremendous opportunity in the utilization of Cloud-based technologies and related services to enhance its delivery of services to citizens.

In recognition of the needs of GoRTT, iGovTT assessed various collaborative platforms and technologies e.g. SharePoint, Jive, Alfresco etc. Microsoft SharePoint proved to be the best "fit for purpose" collaboration platform that could be deployed efficiently and cost-effectively. The initiative was called "**SharePoint as a Service**" and was designed to provide a quick, cost-effective means of deploying a SharePoint Intranet and/or Document Management system into a client's work environment.

Work has commenced at the Office of the Prime Minister - Gender and Child Affairs; the Ministry of Trade and Industry; and eTeCK.

3. Ministry of Finance - Trinidad and Tobago Racing Authority - ICT Assessment

The Trinidad and Tobago Racing Authority engaged iGovTT to assess its ICT Infrastructure and support systems and make recommendations for improvements to meet the needs of the Authority's stakeholders. Following consultation, iGovTT decided to connect the client to GovNetT via the appropriate kit. The Authority is fully utilizing the @gov.tt domain for its email services.

4. Ministry of Finance - Valuations Division (Property Tax) - Certified Network Infrastructure

In February 2017, the Ministry of Finance sought iGovTT's assistance to develop network infrastructure at its valuation offices in Aranguez and Chaguanas, to facilitate revenue collection for the introduction of the Property Tax system. Eight additional sites were included by the Ministry of Finance following the commencement of the project – four of the eight have been outfitted with network peripherals thus far.

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5. Ministry of National Security - Trinidad and Tobago Prisons Service - ICT Strategic Roadmap

The Trinidad and Tobago Prison Service engaged iGovTT in December 2016 for the creation of an ICT Strategic Roadmap to connect the twelve departments within the Prison Service. The document will also support an application for Cabinet approval of an Inmate Management System and Inventory Management System. The Prisons Service ICT Strategic Roadmap document was delivered on 18 July 2017.

6. Symantec Health Checks

A Symantec Health Check exercise was conducted at all GoRTT ministries, agencies and statutory bodies that utilize Symantec Endpoint Protection. The Health Check captured data using the Symantec Endpoint Protection Manager (SEPM) reporting system. The SEPM identified issues in the client's ICT environment and will assist the 67 GoRTT ministries and agencies to implement corrective measures to address security issues in the 15,987 device nodes assessed. Remedial actions will be taken based on client schedules and resources. All are to be completed by December 31, 2017.

7. ESAM (Enterprise Software Asset Management) Strategy

In June 2015, Cabinet approved the implementation of a National Government Cloud (G-Cloud) strategy. On July 13 2015, delivery of the following was agreed:

- An Enterprise Software Asset Management Strategy (ESAM) for all of GORTT
- The National G-Cloud Strategy Plan
- A Cloud transition Roadmap for GORTT

The ESAM team conducted a comprehensive review and analysis of the various software products deployed throughout GoRTT.

ESAM deliverables:

- Enterprise Software negotiation Strategy on usage profiles
- Enterprise Software Asset Management Strategy (and associated policies)
- Vendor Specific Software Asset Management strategies (IBM, Oracle, Symantec, Microsoft etc).

These will be used during negotiations with the respective vendors. User profiles have been created for all Government ministries and agencies to help develop a cost-effective approach to software licensing. This resulted in the introduction of an additional license package – Core Client Access License (CAL) and Office Standard – in the GoRTT's Microsoft Enterprise Agreement. Additionally, 70% of all of GoRTT Microsoft desktop licences were required to be optimized to the introduced Office Standard and Core CAL license package.

The Operations - Technical Support team successfully optimized 17,908 nodes in August 2016. Currently, the optimization count within GoRTT stands at 19,106 (10% of the intended target).

PARTNERING FOR SUCCESS

CONTRACTS

Microsoft Enterprise Agreement

During the fiscal period, GoRTT signed a three-year Enterprise Agreement (EA) with Microsoft following negotiations involving iGovTT and MPAC. The EA, which ends in June 2019, has resulted in cost reductions while having minimal impact on GoRTT's operations. The EA is the most strategic direct relationship a government can have with Microsoft. In addition to the benefits inherent in a strategic partnership, the EA provided cash flow and cost savings, leveraging economies of scale. Under the agreement, GoRTT will continue to receive Microsoft product upgrades, technical support/resolution for issues, training and access to consultancy hours for Microsoft projects. Other benefits, such as e-learning training, and access to the Microsoft Office software at a reduced price of USD 9.99 were also part of the agreement.

Endpoint Security for GoRTT

GoRTT entered into a new one-year contract with Fujitsu Caribbean (Trinidad) Limited for the provision of Symantec Endpoint Protection (SEP). In keeping with the terms of the agreement, which ends May 2018, iGovTT will continue the Health Check exercise to determine the integrity and health of the network infrastructure of GoRTT Ministries, Departments and Agencies that utilise SEP.



iGovTT chairman Esther Le Gendre and Fujitsu Vice President, Jean Paul Dookie sign the Symantec Endpoint Protection (SEP) contract.

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Visibility and Brand Building

Thought Leadership series - "Sector Development through ICT"

The company held its first sector seminar June 13, 2017, on the subject "**Defending the Public Sector from Cyber-Attacks**". This was the first installment of the organisation's thought leadership series, which targeted the security sector. The series is intended to facilitate discussions, capture issues and provide remediation activities through follow-up dialogue and stakeholder meetings, positioning iGovTT as a solution provider to public sector challenges through ICT.



Mr Angus Smith, TCSIRT presents to the attendees at the session.



Mr. Leslie Lee Fook, ICT Director, SMB Services Ltd., engages the attention of the attendees.

Symantec Endpoint Best Practice

Symantec Corporation and iGovTT jointly hosted a Symantec Endpoint Protection (SEP) session on September 5, 2017, for GoRTT IT professionals. The session focused on sharing knowledge and best practices in the use of all SEP's protection capabilities.



Attendees at the Symantec Endpoint Protection session.



L-R: Mr Salvador Coliz, Symantec Premier Services Expert, Mr Kin Chan Symantec Account Sales Manager, Mr. Charles Bobb-Semple, Deputy CEO, iGovTT, Mr Jean Paul Dookie, Fujitsu Vice President and Mr Sebastian Brenner, Symantec Engineering Leader for Multi-Country Latin America Region.

PARTNERING FOR SUCCESS

Public Service Day

iGovTT participated in the Ministry of Public Administration and Communication's Public Service Day open house exhibition on June 21, 2017 at the National Library. The theme, "The Future is Now: Accelerating Public Service Innovation for Agenda 2030", placed emphasis on information, communication and technology initiatives within the public sector. iGovTT exhibited and disseminated information on its products and services along with the ttconnect suite of services to members of the public.



The Honourable Maxie Cuffie, Minister of Public Administration and Communications visits the iGovTT Exhibition



Members of the public interact with iGovTT staff on Public Service Day.

CANTO's North Eastern Secondary Schools Exhibition

CANTO, in collaboration with the Honourable Maxie Cuffie, blink bmobile and the University of Trinidad and Tobago hosted an ICT Expo for eight schools in the North Eastern Education District. The event took place on May 31, 2017, at the UTT O'Meara Campus. Students were exposed to a wide array of programmes and career opportunities in the ICT field. iGovTT exhibited and disseminated information on its products, services and career options in ICT to the students.



iGovTT employees at the company's exhibition booth for the ICT expo.



Students listen attentively to presenters on careers in ICT.

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STRENGTHENING PEOPLE, PROCESSES,
TECHNOLOGY & THE ENVIRONMENT



STRENGTHENING PEOPLE

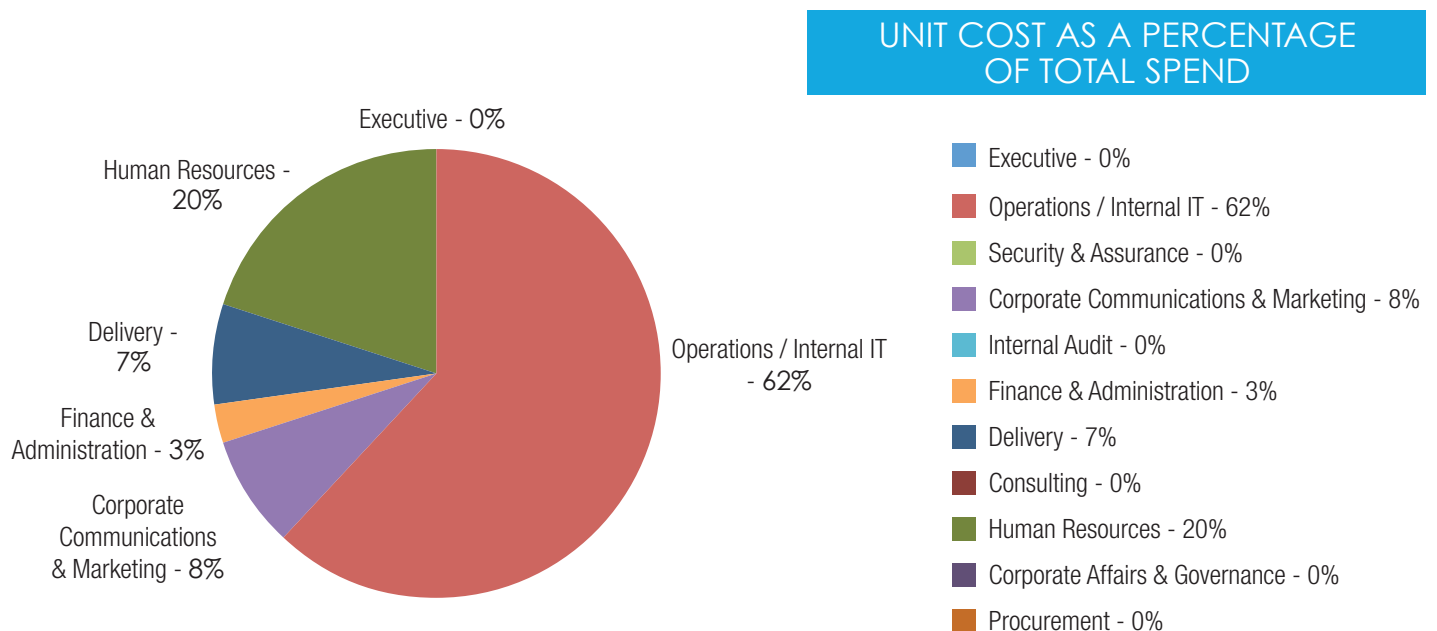
iGovTT is committed to recruiting, retaining and developing highly skilled employees. The continuous growth and development of employees is key to the success of the company, being both an employer of choice and a provider of exceptional customer service.

Training and Development

During the fiscal year 2016/2017, 54 employees or approximately 55% of staff were afforded training opportunities. Employees also benefitted from training offered by the Ministry of Public Administration and Communications' Government Training Centre at no cost to the organization. Training programmes included Cabinet Note Writing, Administration of Government Contracts, Conducting Competency Based Interviews and Procurement Certification.

Industrial Relations and Performance Management Training for all Heads and Team Leads was facilitated internally at no cost by the Corporate Secretary and Head, Human Resources. The Operations Unit undertook several initiatives through an online training subscription including Information Technology Infrastructure Library (ITIL) Foundations, Microsoft Solutions and Windows Enterprise Security. The Head Human Resources, Head Delivery and the Deputy CEO also attended a three-day workshop on Directing and Leading Organisational Change.

As the company, moves forward in achieving its strategic objectives, the training opportunities are expected to ensure that the staff are well equipped to deliver excellent service to iGovTT stakeholders. The training spend by unit is illustrated below:



Employee Relations

Employee Engagement Events

Major employee events were replaced with smaller in-house celebrations during the fiscal period. For Administrative Professionals week, ten of iGovTT's Administrative staff were hosted by the CEO for lunch.

A "Mad Hatters" Easter Bonnet competition was hosted where the creativity and innovation of iGovTT employees were displayed. Religious and non-religious holidays were recognized with many members of staff showing off their traditional wear, where necessary. Further, internal themed days such as "Funky Friday" and the "Rep-Your-Team" t-shirt day encouraged employees to dress in their favourite sports team t-shirts.

To close the fiscal year, the company held its annual iGovTT "ICT People Who Can Cook" Cook out and Karaoke Lime. The theme was "The Recessionary Cook" and the event saw teams from various units using their creativity to prepare low-cost dishes in keeping with the theme. These events were enjoyed by the iGovTT Staff where the spirit of team work and staff camaraderie were fostered.

STRENGTHENING PROCESSES

Implementation of the Automatic Clearing House (ACH) Payment System

During the financial year, the company implemented the Automatic Clearing House (ACH) payment system that improved the efficiency of processing payments to vendors.

Prior to implementation, a number of measures were identified including the strengthening of security and internal controls. The Internal IT team was key to the roll out and developed a working solution for implementation, and completed testing in December 2016. Both Internal IT and First Citizens Bank provided training for the Finance Team.

The introduction of this system has provided a number of benefits to the Company including improved workflow efficiency, flexibility with payments, and quicker access to cash for vendors. The reduction of cheque payments, cost reductions in postage and transportation, advance the Company's Go Green initiative and social responsibility.

ACH transactions include both payroll and vendor payments. The company has registered 92% of all frequent vendors and 100% of all new vendors by the end of the fiscal year 2017.

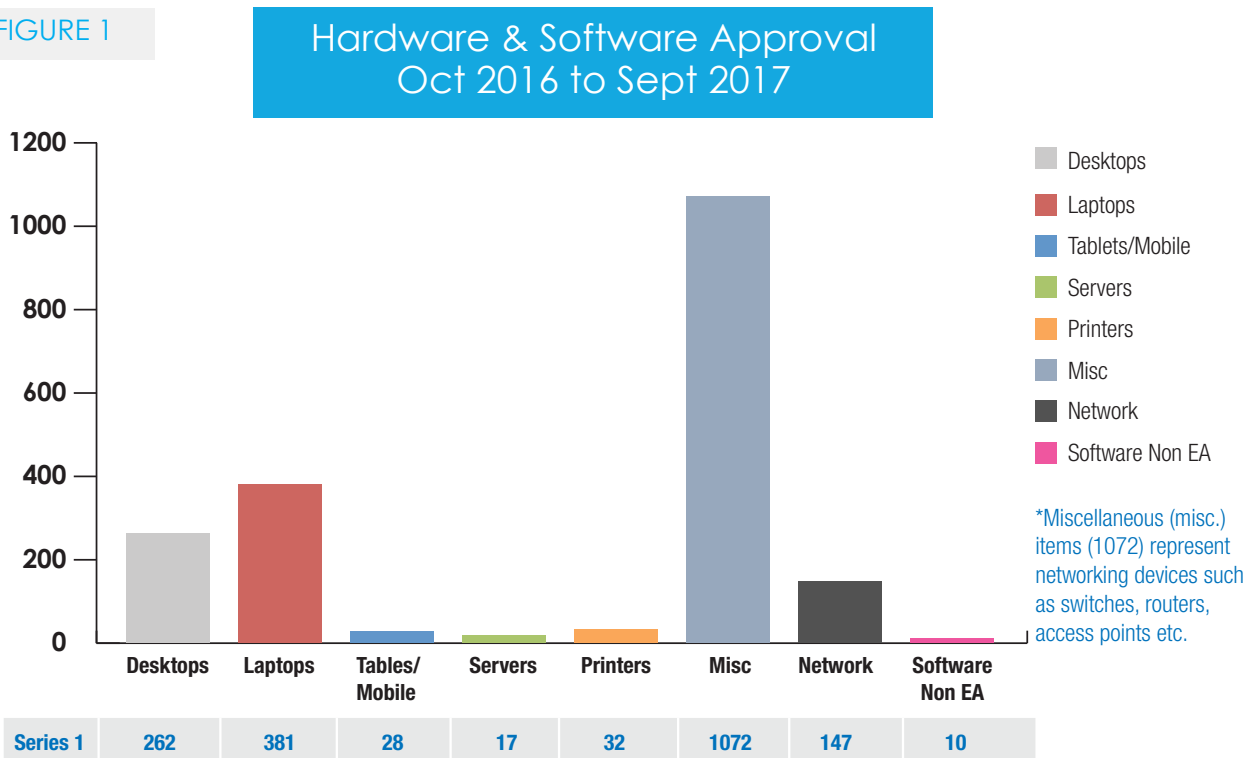
STRENGTHENING TECHNOLOGY

iGovTT provided technical support to hundreds of client requests, on a varying number of ICT-related issues, including:

- 104 individual Request For Approval (RFA) for Information Systems/Information Technology hardware and software
- 30 individual RFAs for hardware specifications
- 7,649 Symantec installations
- 16,385 Client software installations inclusive of software replacements, re-installations and upgrades
- 547 Server software installations

The latter were completed under the Microsoft Enterprise Agreement (EA), between GoRTT and Microsoft.

FIGURE 1



The Team also facilitated specialized Microsoft IT training for 65 government participants from 26 different ministries, departments, agencies and statutory bodies over the course of four Microsoft Premier Workshops. This training served to foster proactive maintenance of Microsoft server solution deployments within the participants' respective institutions.

Internal Technology

The Internal IT team continued efforts to continuously improve the quality of internal infrastructure services, information and client systems offered to iGovTT's internal users. In the period under review, the Internal IT Helpdesk received 3,489 requests with resolution and client satisfaction metrics maintaining levels from the last fiscal period.

Noteworthy Internal IT projects during the fiscal year included:

- **Upgrade of the Microsoft Dynamics SL Financial System** - The company's Financial System was successfully upgraded to version 2015 by the internal IT team. This upgrade effort was provisioned 100% internally resulting in zero costs to the organisation.
- **Upgrade of the iGovTT Storage Area Network (SAN)** - An upgrade to the storage capacity on the internal network was conducted during the first quarter. Prior to upgrade efforts, SAN utilization was approaching 90%. SAN utilization was at approximately 65% following the upgrade, which has increased capabilities for the growth of existing systems and the hosting of future information systems.
- **Upgraded Equipment in the First Floor Conference Room at Lord Harris Court** - An interactive short throw projector offering interactive projected images was installed at a fraction of the cost of previous Smart Board technology. New audio equipment and a digital camera (to facilitate web conferencing events) were also installed as part of this project.
- **Support to External Projects** - The team supported the Treasury Division with Life Certificate Attestation and Collection services by providing printing and computing services and onsite IT support. Internal IT also assisted with efforts for PRESD, providing infrastructure for initial hosting of this system. Support was also provided to ttconnect, assisting with IT issues at their various locations throughout Trinidad and Tobago.

STRENGTHENING THE ENVIRONMENT

iGovTT's head office and satellite locations are maintained by the Administration Unit. During the period, the unit continued to strengthen systems and processes - updating the Organizational Health and Safety policy, completing risk assessments at all iGovTT and tconnect locations, completing a fixed asset tagging exercise to ensure the safety and security of its assets, and is in the final stage of gaining fire certification for the Lord Harris Court location.

Fire training exercises were conducted by the Trinidad and Tobago Fire Service for all Heads, wardens and staff and the team completed all necessary maintenance requirements for compliance. By the end of the fiscal year, the inspection of the building had been completed by the Trinidad and Tobago Fire Service and the Company was advised that it is 100% compliant in keeping with specified requirements and regulations. The final step to attain certification is a supervised evacuation drill to be conducted by the Trinidad and Tobago Fire Service in the next fiscal period.



Members of the Trinidad and Tobago Fire Service showing the different types of fire extinguishers.

THE YEAR IN PHOTO REVIEW



THE YEAR IN PHOTO REVIEW

Staff Social Committee Events



Employees participate in the Easter Mad Hatter's competition



Sports teams were well represented on "Rep-Your-Team" T-shirt day.

World Down Syndrome Day



Employees show support for the '#Lotsosocks' campaign' for World Down Syndrome Day.

THE YEAR IN PHOTO REVIEW

Indian Arrival Day Celebration



Members of Staff in their ethnic wear for Indian Arrival Day.

Emancipation Day Celebration



Members of Staff in their traditional wear for Emancipation Day.

Salsa Dance Class



Employees were treated to an afternoon salsa dance class for beginners.

THE YEAR IN PHOTO REVIEW

Fire Safety Training



Members of the Trinidad and Tobago Fire Service conduct fire safety training with employees.

Funky Friday



Employees in funky wear for 'Funky Friday'.

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NATIONAL INFORMATION AND COMMUNICATION TECHNOLOGY COMPANY LIMITED

FINANCIAL STATEMENTS

YEAR ENDING SEPTEMBER 30, 2017



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NATIONAL INFORMATION AND COMMUNICATION TECHNOLOGY COMPANY LIMITED

FINANCIAL STATEMENTS

YEAR ENDING SEPTEMBER 30, 2017

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FINANCIAL STATEMENTS

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of National Information and Communication Technology Company Limited, ('the Company') which comprise the statement of financial position as at September 30, 2017, the statement of profit or loss and other comprehensive income, the statement of changes in shareholder's equity and the statement of 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.

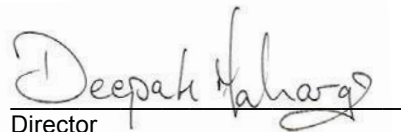
In preparing these audited financial statements, management utilised the International Financial Reporting Standards ('IFRS'), as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting 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 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.



Chairman
December 19, 2017



Director
December 19, 2017



Chief Executive Officer
December 19, 2017



Chief Financial Officer
December 19, 2017

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF National Information and Communication Technology Company Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of National Information and Communication Technology Company Limited (the 'Company'), which comprise the statement of financial position as at September 30, 2017, and the statement of profit or loss and other comprehensive income, the statement of changes in shareholder's equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as September 30, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISA's). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report comprises the information included in the annual report, but does not include the financial statements and our auditors report thereon.

Our opinion, on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with the audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF National Information and Communication Technology Company Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Deloitte & Touche
Derek Mohammed & ICATT (#864)
Port of Spain
Trinidad

December 19, 2017

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NATIONAL INFORMATION AND COMMUNICATION TECHNOLOGY COMPANY LIMITED

FINANCIAL STATEMENTS


STATEMENT OF FINANCIAL POSITION

(Expressed in Trinidad and Tobago dollars)

	Notes	As at September 30,	
		2017	2016
		\$	\$
Assets			
Non-current assets			
Property, plant and equipment	5	9,010,050	26,494,557
Total non-current assets		<u>9,010,050</u>	<u>26,494,557</u>
Current assets			
Accounts receivable	7	21,036,122	69,406,585
Taxation refundable		66,538	66,538
Cash and cash equivalents	8	124,249,114	133,459,415
Total current assets		<u>145,351,774</u>	<u>202,932,538</u>
Total assets		<u>154,361,824</u>	<u>229,427,095</u>
Equity and liabilities			
Equity			
Issued capital	9	5,393,923	22,293,923
Accumulated surplus		131,240,933	135,015,352
Total equity		<u>136,634,856</u>	<u>157,309,275</u>
Non-current liabilities			
Deferred tax	6	901,023	1,196,772
Total non-current liabilities		<u>901,023</u>	<u>1,196,772</u>
Current liabilities			
Deferred income	12	4,823,683	24,731,195
Taxation payable		1,878,092	2,504,676
Accounts payable	10	10,124,170	43,685,177
Total current liabilities		<u>16,825,945</u>	<u>70,921,048</u>
Total equity and liabilities		<u>154,361,824</u>	<u>229,427,095</u>

The notes on pages 52 to 78 form an integral part of these financial statements.

On December 19, 2017, the Board of Directors of the National Information and Communication Technology Company Limited authorised these financial statements for issue.

 Director

 Director

FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Trinidad and Tobago dollars)

	Notes	Year ended September 30,	
		2017	2016
		\$	\$
Revenue			
Subvention	11	39,635,500	48,681,500
Project management fees		416,228	14,451
Tender Fees		26,929	-
Project grant		-	1,702,252
Amortisation of deferred income	12	1,823,419	33,430,683
		<u>41,902,076</u>	<u>83,828,886</u>
Operating costs			
Operating cost	18	<u>(2,184,910)</u>	<u>(26,666,585)</u>
Operating surplus		<u>39,717,166</u>	<u>57,162,301</u>
Administrative expenses/other income			
Expenses	19	(42,229,099)	(53,102,131)
(Loss) / gain on foreign exchange translation		(6,421)	53,421
Other income		157,238	229,812
Finance cost			
Reimbursement of interest expense		-	231,668
Interest expense		-	(231,668)
Interest income		51	1,001
Total		<u>(42,078,231)</u>	<u>(52,817,897)</u>
(Loss) / surplus for the year before tax		(2,361,065)	4,344,404
Income tax expense	6	<u>(60,568)</u>	<u>(226,826)</u>
(Loss) / surplus for the year		(2,421,633)	4,117,578
Other comprehensive (loss)		<u>(1,352,786)</u>	<u>-</u>
Total comprehensive (loss) / income for the year		<u>(3,774,419)</u>	<u>4,117,578</u>

The notes on pages 52 to 78 form an integral part of these financial statements.

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NATIONAL INFORMATION AND COMMUNICATION TECHNOLOGY COMPANY LIMITED

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN SHAREHOLDER EQUITY

(Expressed in Trinidad and Tobago dollars)

	Stated capital \$	Accumulated surplus \$	Shareholder's equity \$
For the year ended September 30, 2016			
Balance at October 1, 2015	5,393,923	130,897,774	136,291,697
Share application	16,900,000	-	16,900,000
Total comprehensive income for the year	-	4,117,578	4,117,578
Balance at September 30, 2016	22,293,923	135,015,352	157,309,275
For the year ended September 30, 2017			
Balance at October 1, 2016	22,293,923	135,015,352	157,309,275
Share application – vested assets rescinded	(16,900,000)	169,000	(16,731,000)
Prior year adjustment	-	(1,521,786)	(1,521,786)
Total comprehensive loss for the year	-	(2,421,633)	(2,421,633)
Balance at September 30, 2017	5,393,923	131,240,933	136,634,856

The notes on pages 52 to 78 form an integral part of these financial statements.

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

(Expressed in Trinidad and Tobago dollars)

	Year ended September 30,	
	2017	2016
	\$	\$
Cash flows from operating activities		
(Loss) / surplus for the year	(2,361,065)	4,344,404
Adjustments for:		
Prior year adjustment	(1,521,786)	-
Depreciation	1,719,891	2,033,996
Impairment on trade receivables	-	864,371
Loss on sale of purchased assets	3,716	15,713
Gain on the disposal of donated assets	-	(14,798)
Donated assets	(93,838)	9,450
Provision for assets write off	-	3,873
Subvention income	(39,635,500)	(48,681,500)
Deferred income	(19,907,512)	3,272,958
Interest income	(51)	(1,001)
Interest expense	-	231,668
	(61,796,145)	(37,920,866)
Movements in working capital:		
Decrease/(Increase) in receivable	48,370,463	(10,726,965)
(Decrease)/Increase in accounts payable	(33,561,007)	33,353,447
Cash generated from operations	(46,986,689)	(15,294,384)
Income taxes paid	(982,901)	(17,456,581)
Net cash used in operating activities	(47,969,590)	(32,750,965)
Cash flows from investing activities:		
Interest received	51	1,001
Purchase of property, plant and equipment	(877,886)	(1,444,043)
Sale of property, plant and equipment	1,624	18,605
Net cash used in investing activities	(876,211)	(1,424,437)
Cash flows from financing activities:		
Subventions received	39,635,500	48,681,500
Interest paid	-	(231,668)
Principal payments on loans and borrowings	-	(16,190,371)
Net cash generated by financing activities	39,635,500	32,259,461
Net decrease in cash and cash equivalents	(9,210,301)	(1,915,940)
Cash and cash equivalents at beginning of year	133,459,415	135,375,355
Cash and cash equivalents at end of year	124,249,114	133,459,415

The notes on pages 52 to 78 form an integral part of these financial statements.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

1. Incorporation and principal activity

The National Information and Communication Technology Company Limited (the Company) was incorporated in the Republic of Trinidad and Tobago on July 20, 2009 and is wholly owned by the Government of the Republic of Trinidad & Tobago. The Registered office of the Company is situated at Lord Harris Court, #52 Pembroke Street, Port of Spain.

The principal activity of the organisation is the execution and administration of enterprise wide Information and Communication Technology (ICT) Strategies and Programmes for Ministry Departments, Divisions and Agencies to ensure more effective alignment, coordination, integration, consistency, security, interoperability and cost effectiveness across government for ICT related projects and initiatives.

These financial statements were approved for issue by the Board of Directors on December 19, 2017.

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, the Company did not have any 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 October 1, 2016.

• **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.

• **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 January 1, 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.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

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

2.1 New IFRS and amendments to IFRS that are mandatorily effective for the current year (continued)

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

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 amortisation 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 January 1, 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 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 — Clarifies 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.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

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

(continued)

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

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

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 15	Revenue from Contracts with Customers ³
• IFRS 16	Leases ⁴
• 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 ²
• Amendments to IFRS	Annual improvements to IFRS 2014-2016 ¹
• IFRIC 22	Foreign currency transactions and advance Considerations ²
• IFRIC 23	Uncertainty over income tax treatments ³
• Amendments to IAS 40	Transfers of investment property ²
• IFRS 17	Insurance Contracts ⁴

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

² Effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

³ Effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.

⁴ Effective for annual periods beginning on or after January 1, 2021, with earlier application permitted.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

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.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

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.

• **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 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.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

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.

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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.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

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 17, Insurance Contracts**

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 *Insurance Contracts* as of January 1 2021.

3. Summary of significant accounting policies

a. Statement of compliance

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

b. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretation Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements are prepared under the historical cost convention.

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 asset or liability at the measurement date.

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 can be accessed at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from quoted prices) and
- Level 3 inputs are unobservable inputs for the asset or liability.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

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

c. **Functional and reporting currency**

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

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

d. **Property, plant and equipment**

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

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

The gain or loss on disposal of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

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

ICT Equipment	25%
Furniture and fittings	12.5%
Office equipment	12.5%
Motor vehicles	25%
Buildings	2%

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

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

e. **Financial assets**

Classification:

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss

This category includes financial assets designated by the Company as fair value through profit or loss upon the initial recognition.

Held-to-maturity

Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity dates where management has the positive intention and the ability to hold to maturity.

Recognition:

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

Measurement:

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

Derecognition:

Financial assets are derecognised when the contractual right to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

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

f. **Accounts receivable**

Accounts receivable are amounts due from customers for services performed in the ordinary course of business and are stated at cost net of any specific provision established to recognise anticipated losses for bad and doubtful debts. Bad debts are written off during the year in which they are identified. Accounts Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

g. **Cash and cash equivalents**

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

h. **Share capital**

The share capital consists entirely of the capital investment by the Government of the Republic of Trinidad and Tobago for which consideration of \$5,000,010 was paid and this is classified as equity.

During the fiscal year 2016 and 2017, there was a transfer of capital investment in accordance with Cabinet decision dated April 23, 2009 of vested assets, which instructed the Company to treat said assets as share capital. The Company has recognised as a share application, the transfer of two motor vehicles and a building for use in the operations of the Company. The amount of this capital investment was based on the fair value of the assets as valued by an external independent valuator at the date of transfer. The decision to transfer the building was rescinded on July 13, 2017 through Cabinet Minute Note 127.

i. **Borrowing costs**

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

j. **Accounts payable**

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

k. **Provisions**

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

l. Revenue recognition

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

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

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

All other revenue is recorded on an accruals basis.

Subvention Revenue

Grants from the Government of the Republic of Trinidad and Tobago ("GoRTT") to fund the operations of the Company and GoRTT ICT-wide projects.

Project Income

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

Other Income

Income from various sources: Interest Income, Tender Fees, and other sources of income.

m. Operating leases

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

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

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

n. **Impairment**

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

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

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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

o. **Taxation**

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or subsequently enacted at the reporting date.

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

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

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

p. **Comparative information**

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

q. **Borrowings**

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

r. **Government subvention**

Grants from the Government of the Republic of Trinidad and Tobago are recognised at their fair value where there is a reasonable assurance that the grant will be received and the National Information and Communication Technology Company Limited will comply with all the attached conditions. Grants that contain no vesting conditions are recognised immediately in the statement of profit or loss.

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

4. **Critical accounting estimates and judgements in applying accounting policies**

Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Income taxes

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

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

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

Provisions

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

Contingent liabilities

Management applies its 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.

Revenue

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

- Increased by the proportionate amount of the estimate increase or
- Decrease by the proportionate amount of the estimate decrease.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

5. Property, plant and equipment

Year ended September 30, 2017	Computer equipment	Furniture & fittings	Office equipment	Motor vehicles	Building	Work in Progress	Total
Cost	\$	\$	\$	\$	\$	\$	\$
Balance at October 1, 2016	6,293,016	5,830,722	3,292,052	2,410,250	16,900,000	-	34,726,040
Additions	461,276	4,004	112,074	243,575		150,796	971,725
Disposals	(21,990)	-	-	-	(16,900,000)	-	(16,921,990)
Balance at September 30, 2017	6,732,302	5,834,726	3,404,126	2,653,825	-	150,796	18,775,775
Accumulated depreciation							
Balance at October 1, 2016	3,637,628	1,156,424	1,596,790	1,671,641	169,000	-	8,231,483
Charge	680,370	584,444	219,680	235,397	-	-	1,719,891
Disposal	(16,649)	-	-	-	(169,000)	-	(185,649)
Balance at September 30, 2017	4,301,349	1,740,868	1,816,470	1,907,038	-	-	9,765,725
Net book value							
Balance at September 30, 2017	2,430,953	4,093,858	1,587,656	746,787	-	150,796	9,010,050
Year ended September 30, 2016							
Cost	\$	\$	\$	\$	\$	\$	\$
Balance at October 1, 2015	5,543,500	5,586,150	3,241,457	2,071,348	-	-	16,442,455
Additions	817,421	244,572	52,598	338,902	16,900,000	-	18,353,493
Disposals	(67,905)	-	(2,003)	-	-	-	(69,908)
Balance at September 30, 2016	6,293,016	5,830,722	3,292,052	2,410,250	16,900,000	-	34,726,040
Accumulated depreciation							
Balance at October 1, 2015	2,912,257	474,260	1,356,662	1,481,921	-	-	6,225,100
Charge	752,346	682,164	240,766	189,720	169,000	-	2,033,996
Disposal	(26,975)	-	(638)	-	-	-	(27,613)
Balance at September 30, 2016	3,637,628	1,156,424	1,596,790	1,671,641	169,000	-	8,231,483
Net book value	2,655,388	4,674,298	1,695,262	738,609	16,731,000	-	26,494,557

Following the completion of the valuation of the property known as Lord Harris Court on March 4, 2017, by Raymond and Pierre Limited, the transfer was completed in accordance with the Cabinet Minute dated April 23, 2009 from Ministry of Public Administration (MPA) to iGovTT at a value of \$16.9 million. The decision to transfer the property known as Lord Harris Court from the State to iGovTT was rescinded on July 13, 2017 through Cabinet Minute Note 127.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

6. Provision for taxation

	<u>2017</u>	<u>2016</u>
	\$	\$
Income tax recognised in profit and loss		
Deferred tax charge	(295,749)	503,818
Corporation tax	-	488,957
Business levy	245,837	-
Green fund levy	110,480	176,810
Green fund levy refundable	-	(48,590)
Over-provision of taxes from previous years	-	(894,169)
Balance	<u>60,568</u>	<u>226,826</u>
Reconciliation of effective tax rate		
(Deficit) / surplus of revenue over expenditure for the year	(2,361,065)	4,344,404
Tax at the applicable tax rate	-	1,086,101
Tax effect of income / expenses that are not recognisable / deductible in determining taxable profit	-	(87,632)
Adjustment to deferred tax	(295,749)	(5,694)
Over-provision of taxes from previous years	-	(894,169)
Business levy	245,837	-
Green fund levy refundable	-	(48,590)
Green fund levy	110,480	176,810
Expense	<u>60,568</u>	<u>226,826</u>
Movement in the deferred tax liability		
Balance at the beginning of the year	1,196,772	692,954
Charge to the statement of profit or loss	(295,749)	503,818
Balance at the end of the year	<u>901,023</u>	<u>1,196,772</u>
Composition of deferred tax liability		
Property, plant and equipment	<u>901,023</u>	<u>1,196,772</u>

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

7. Accounts receivable

	<u>2017</u>	<u>2016</u>
	\$	\$
Trade receivables, gross	10,237,954	12,420,424
Provision for bad debts	<u>(1,389,064)</u>	<u>(1,437,552)</u>
Trade receivables, net	8,848,890	10,982,872
Microsoft receivable	-	28,273,454
Other receivable	3,409,503	1,884,731
Deferred expenses	4,716,655	24,631,111
VAT recoverable (net)	<u>4,061,074</u>	<u>3,634,417</u>
	<u>21,036,122</u>	<u>69,406,585</u>
Provision for bad debts		
Opening balance	1,437,552	573,181
(Decrease)/Increase in provision	<u>(48,488)</u>	<u>864,371</u>
Closing balance	<u>1,389,064</u>	<u>1,437,552</u>

8. Cash and cash equivalents

	<u>2017</u>	<u>2016</u>
	\$	\$
Cash at bank - iGovTT	119,894,528	129,391,851
Cash at bank - ttConnect	4,346,586	4,059,564
Cash on hand	<u>8,000</u>	<u>8,000</u>
	<u>124,249,114</u>	<u>133,459,415</u>

9. Share capital

	<u>2017</u>	<u>2016</u>
	\$	\$
Stated capital		
Unlimited number of common shares on no par value	<u>5,000,010</u>	<u>5,000,010</u>
Issued and outstanding capital	10	10
Issued and fully paid capital		
5,000,000 common shares of no par value	5,000,000	5,000,000
Share application	<u>393,913</u>	<u>17,293,913</u>
	<u>5,393,923</u>	<u>22,293,923</u>

Share application

This relates to assets vested to the Company by the Government of the Republic of Trinidad and Tobago (GoRTT), which forms part of the Company's share capital as instructed by Cabinet decision dated April 23, 2009.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

10. Accounts payable

	<u>2017</u>	<u>2016</u>
	\$	\$
Trade payables	3,981,011	2,583,472
Accrued liabilities	3,947,237	39,260,020
Provision for legal claim	-	571,296
Other payables	<u>2,195,922</u>	<u>1,270,389</u>
Balance at September 30	<u>10,124,170</u>	<u>43,685,177</u>

Provision for legal claim

This provision is prescribed following the advice from external counsel where there was a likelihood that an alleged breach of employment contract will not be resolved in the Company's favour. This breach occurred since July 2012 and was filed in 2014. It was anticipated that the matter will be resolved during Fiscal 2017 at an estimated settlement to the claimant of \$571,296. Subsequently, this claim was settled during Financial 2017 for \$536,826.01.

11. Government subvention

	<u>2017</u>	<u>2016</u>
	\$	\$
Balance at October 1	-	-
Subventions received during the year for iGovTT	31,100,000	36,381,500
Subventions received during the year for ttConnect (Note 21)	8,535,500	12,300,000
Recognised during the year	<u>(39,635,500)</u>	<u>(48,681,500)</u>
Balance at September 30	<u><u>-</u></u>	<u><u>-</u></u>

Funding for the operations of the Company is provided through Government subvention. During the year the Company received subventions for recurrent expenditure in the sum of \$39,635,500 for the year ended September 30, 2017 (2016: \$48,681,500).

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

12. Deferred income

	<u>2017</u>	<u>2016</u>
	\$	\$
Balance at October 1 “advance payments”	3,526,106	5,267,868
Amortisation during the year “advance payments”	(14,463,642)	(10,171,948)
Advanced billings	15,761,219	8,430,186
Balance at September 30 “advance payments”	<u>4,823,683</u>	<u>3,526,106</u>
Balance at October 1 eCal loan	-	16,190,371
Amortisation during the year eCal loan	-	(16,190,371)
Balance at September 30 eCal loan	<u>-</u>	<u>-</u>
Balance at October 1 Microsoft agreement	-	-
Increases	21,205,089	28,273,453
Reversal during the year Microsoft agreement	(21,205,089)	(7,068,364)
Balance at September 30 Microsoft agreement	<u>-</u>	<u>21,205,089</u>
Total	<u>4,823,683</u>	<u>24,731,195</u>
Deferred income recognised in profit or loss		
Advance payments	8,891,783	10,171,948
eCal loan	-	16,190,371
Microsoft agreement	<u>(7,068,364)</u>	<u>7,068,364</u>
	<u>1,823,419</u>	<u>33,430,683</u>

A loan was taken from Scotia Trust and Merchant Bank Limited for \$80,951,856 to finance the e-Cal project in 2011. This loan was secured by a guarantee from the GoRTT dated October 1, 2010.

Consequently, the Ministry of Education is required to fund the repayment of the loan. For the year, ended September 30, 2016 the Company received \$16,422,039 from the Ministry of Education of which \$231,668 represented a reimbursement for the related interest expense on the loan.

This loan was fully repaid in June 2016.

13. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	<u>2017</u>	<u>2016</u>
	\$	\$
Less than one year	2,143,029	2,435,781
Between one and five years	8,572,118	9,743,126
	<u>10,715,147</u>	<u>12,178,907</u>

During the year \$2,202,163 (2016: \$2,634,440) was recognised as an expense in the statement of profit or loss in respect of operating leases.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

14. Related parties

As the company is wholly owned by the Government of the Republic of Trinidad and Tobago (GoRTT) and given its mandate, these are the significant transactions entered into with other government controlled entities (Ministries and State Agencies):

- Contracts for Procurement
- Contract Management for enterprise wide government agreements for government Ministries

Key management personnel

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

Key management personnel received compensation of \$8,467,656 (2016:\$10,541,727) for the year. Total remuneration is included in salaries and wages.

Class	2017 \$	2016 \$
Directors	474,777	696,131
Executive Management	7,992,879	9,845,596
Total	8,467,656	10,541,727

15. Capital management

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

Gearing ratio

The Company's only debt facility was repaid in full in June 2016, as such there is no debt to equity ratio.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

16. Risk management

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

Risk management structure

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

Role of the Board

The Board of Directors, under the Companies Act 1995, directs the management of the business and affairs for the Company. The Board performs a set of specific functions aimed at meeting the mission of the Company. Its main responsibility lies in planning, monitoring and controlling the activities of the Company so as to ensure optimal 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 (GORTT).

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

Role of Internal Audit

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

Role of the Finance and Risk Committee

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

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

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

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

16. Risk management (continued)

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:

	<u>2017</u>	<u>2016</u>
	\$	\$
Trade receivables, net	8,848,890	10,982,872
Cash	<u>124,249,114</u>	<u>133,459,415</u>
Balance at September 30	<u>133,098,004</u>	<u>144,442,287</u>

Credit risk

The ageing of trade receivables at year end was:

	<u>2017</u>	<u>2016</u>
	\$	\$
Current	786,566	461,854
1-30 days due	344,284	250,176
31-90 days due	(91,995)	54,024
Over 90 days due	<u>9,199,099</u>	<u>11,654,370</u>
Balance at September 30	<u>10,237,954</u>	<u>12,420,424</u>

No impairment losses were recognised for trade receivables in 2017 (2016: \$864,371).

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

16. Risk management (continued)

Liquidity risk

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

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

	Carrying amount	Contractual cash flows	Less than one year	More than one year
	\$	\$	\$	\$
September 30, 2017				
Accounts payable	10,124,170	10,124,170	10,124,170	-
September 30, 2016				
Accounts payable	43,685,177	43,685,177	43,685,177	-

Market risk

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

a) Foreign currency risk

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

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

At September 30, 2017: TT\$6.78

At September 30, 2016: TT\$6.74

Sensitivity analysis:

The Company considered currency risk to be insignificant and accordingly has not performed a sensitivity analysis on the effect of a strengthening of the Trinidad and Tobago dollar against the United States dollar at year end.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

16. Risk management (continued)

b) Interest rate risk

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

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

	<u>2017</u>	<u>2016</u>
	\$	\$
<i>Fixed rate instruments</i>		
Financial assets	124,249,114	133,459,415
Financial liabilities	-	-
Net exposure	<u>124,249,114</u>	<u>133,459,415</u>

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.

17. Going concern

The Company's total assets exceeded its total liabilities by \$136,634,856 at the reporting date. At September 30, 2016, total assets had exceeded total liabilities by \$157,309,275. Without the continued support of the GoRTT through subventions, the Company may not be able to continue as a going concern. However, there is no evidence to suggest that this support will be withheld.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

18. Operating costs

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

	<u>2017</u>	<u>2016</u>
	\$	\$
Project inflows		
iGovTT	1,565,419	18,749,064
ttConnect	<u>258,000</u>	<u>193,500</u>
	<u>1,823,419</u>	<u>18,942,564</u>
Project outflows		
iGovTT	(2,184,910)	(26,312,256)
ttConnect	<u>-</u>	<u>(354,329)</u>
	<u>(2,184,910)</u>	<u>(26,666,585)</u>
Net operating costs	<u>(361,491)</u>	<u>(7,724,021)</u>

19. Administrative expenses

The administrative expenses comprise of emoluments and general overhead expenses incurred by the Company from its core operations and support units in providing ICT services to the Government of the Republic of Trinidad & Tobago.

	<u>2017</u>	<u>2016</u>
	\$	\$
Emoluments	31,358,062	37,819,366
Depreciation	1,716,891	2,033,996
General administrative expenses	759,000	2,013,527
Maintenance	3,805,574	3,986,933
Marketing, advertising and promotions	23,576	874,988
Professional fees and charges	1,300,624	1,396,440
Rent	2,202,163	2,364,440
Staff and organisational development	(71,832)	1,137,155
Symposium and workshops	-	44,727
Utilities	<u>1,135,041</u>	<u>1,430,559</u>
Administrative expenses	<u>42,229,099</u>	<u>53,102,131</u>

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Expressed in Trinidad and Tobago dollars)

20. Income Statement - ttConnect

	2017	2016
	\$	\$
Revenue		
Subvention (note 12)	8,535,500	12,300,000
Project income	258,000	193,500
Other income	5,513	6,058
	<u>8,799,013</u>	<u>12,499,558</u>
Operating costs	-	(354,629)
Operating surplus	<u>8,799,013</u>	<u>12,144,929</u>
Administrative expenses		
Emoluments	(4,744,451)	(5,605,067)
General administrative	(169,828)	(282,518)
Maintenance	(1,584,510)	(1,660,454)
Marketing, advertising and promotions	18,972	(503,971)
Rent	(1,146,522)	(1,116,507)
Staff and organisational development	(6,978)	-
Utilities	(258,800)	(429,357)
Total	<u>(7,892,117)</u>	<u>(9,597,874)</u>
Surplus for the year	<u>906,896</u>	<u>2,547,055</u>

21. Events after the reporting date

1. Following the Government of the Republic of Trinidad and Tobago's Budget Presentation on October 5, 2016, the decision was taken to assign the ttConnect Unit to the Ministry of Rural Development. This would see the removal of ttConnect Unit from under the administration of the National Information and Communication Technology Company Limited. On October 4, 2017 the responsibility for ttConnect was assigned to the Minister with the responsibility for the Ministry of Public Administration and Communications.

2. Following the expiration of the last Microsoft Enterprise Agreement (MEA) on June 30, 2017, Cabinet approval was granted for the Government of the Republic of Trinidad and Tobago (GoRTT) through the Ministry of Public Administration and Communications (MPAC) to initiate the procurement process, on a sole selective basis for a new, lower cost MEA.

Cabinet by Minute Note No. 1628 dated October 20, 2017 mandated the Ministry of Public Administration and Communications (MPAC) to enter into a contract with iGovTT under the provisions of Section 20A (1) (c) of the Central Tenders Board Act, Chapter 71:91 to act on its behalf and provide procurement and contract management services in respect of the sole select award to Microsoft for an Enterprise Agreement (EA) for the period July 2017 to June 2019. The negotiation was successfully conducted with a final negotiated position of US\$4,248,261.45 per annum. The contract between Microsoft and the Company was signed on November 30, 2017. Subsequent to the signing, the Company recognised the outstanding liability and income for the first year, prorating the related portion of the expense and income for the period July to September 2017 in this fiscal. During the financial year the Ministry of Public Administration and Communication took full responsibility for the payment to Microsoft for the Enterprise Agreement.



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