National Information and Communication Technology Company Limited

Financial statements
For the year ended September 30, 2015

Contents

National Information and Communication Technology Company Limited

Statement of management's responsibilities

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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

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

Chairman May 16, 2016	Director May 16, 2016
Chief Executive Officer May 16, 2016	Chief Financial Officer May 16, 2016

Deloitte.

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Independent auditor's report
to the shareholders of
National Information and Communication Technology Company Limited

Report on the financial statements

We have audited the accompanying financial statements of National Information and Communication Technology Company Limited (the 'Company'), which comprise the statement of financial position as at September 30, 2015, and the statement of profit or loss and other comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2015, and financial performance and cash flows for the year then ended in accordance with the IFRS.

Deloitte & Touche
Port of Spain
Trinidad

May 16, 2016 Deloitte & Touche

National Information and Communication Technology Company Limited

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

	Notes	As at September 30, 2015 $	2014 $
Assets			
Non-current assets			
Property, plant and equipment	5	10,217,355	5,606,707
Total non-current assets		10,217,355	5,606,707
Current assets			
Accounts receivable	7	59,543,990	93,582,964
Cash and cash equivalents	8	135,375,345	131,624,531
Total current assets		194,919,334	225,207,495
Total assets		**205,136,690**	**230,814,202**
Equity and liabilities			
Equity			
Issued capital	9	5,393,913	5,393,913
Accumulated surplus		130,897,774	78,667,657
Total equity		136,291,687	84,061,570
Non-current liabilities			
Loans and borrowings	10	-	24,285,557
Deferred tax	6	692,954	455,893
Total non-current liabilities		692,954	24,741,450
Current liabilities			
Loans and borrowings	10	16,190,371	8,095,186
Deferred income	13	21,458,239	67,420,845
Taxation payable		20,171,709	26,929,400
Accounts payable	11	10,331,730	19,565,751
Total current liabilities		68,152,049	122,011,182
Total equity and liabilities		**205,136,690**	**230,814,202**

The notes on pages 7 to 32 form an integral part of these financial statements.

On May 16, 2016 the Board of Directors of National Information and Communication Technology Company Limited authorised these financial statements for issue.

Director   Director

National Information and Communication Technology Company Limited

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

	Notes	Year ended September 30, 2015 $	2014 $
Revenue			
Subvention	12	138,300,000	130,400,000
Project management fees		362,714	581,196
Symposium income		1,458,870	-
Tender Fees		140,432	44,488
Project grant		7,485,326	11,879,795
Amortisation of deferred income	13	56,367,048	60,778,765
		204,114,390	203,684,244
Operating costs	19	(74,577,846)	(59,646,995)
Operating surplus		129,536,544	144,037,249
Administrative expenses/other income			
Administrative expenses	20	(58,957,106)	(47,463,396)
(Loss)/gain on foreign exchange translation		(18,592)	328,786
Other income		-	195,241
Finance cost			
Reimbursement of interest expense		834,094	1,335,697
Interest expense		(834,094)	(1,335,697)
Interest income		2,363	235
Total		**(58,973,335)**	**(46,939,134)**
Surplus for the year before tax		70,563,209	97,098,115
Income tax expense	6	(18,333,091)	(24,842,444)
Surplus for the year		**52,230,118**	**72,255,671**
Other comprehensive income		-	-
Total comprehensive income for the year		**52,230,118**	**72,255,671**

The notes on pages 7 to 32 form an integral part of these financial statements.

National Information and Communication Technology Company Limited

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

	Stated capital $	Accumulated surplus $	Shareholder's equity $
For the year ended September 30, 2014			
Balance at October 1, 2013	5,000,000	6,411,986	11,411,986
Vested assets	393,913	-	393,913
Total comprehensive income for the year	-	72,255,671	72,255,671
Balance at September 30, 2014	**5,393,913**	**78,667,657**	**84,061,570**
For the year ended September 30, 2015			
Balance at October 1, 2014	5,393,913	78,667,657	84,061,570
Total comprehensive income for the year	-	52,230,118	52,230,118
Balance at September 30, 2015	**5,393,913**	**130,897,774**	**136,291,687**

The notes on pages 7 to 32 form an integral part of these financial statements.

National Information and Communication Technology Company Limited

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

	Year ended September 30, 2015 $	2014 $
Cash flows from operating activities		
Surplus for the year	70,563,209	97,098,115
Adjustments for:		
Depreciation	1,708,375	1,306,645
Loss on sale of asset	11,910	8,918
Subvention income	(138,300,000)	(130,400,000)
Deferred income	(45,962,606)	17,060,010
Interest income	(2,363)	(235)
Interest expense	834,094	1,335,697
Interest paid	(834,094)	(1,335,697)
	(111,981,475)	(14,926,547)
Movements in working capital:		
Decrease in receivable	33,656,941	41,594,940
Decrease in accounts payable	(8,851,970)	(43,936,955)
Cash generated from operations	(87,176,504)	(17,268,562)
Income taxes paid	(24,853,721)	(439,274)
Net cash used in operating activities	(112,030,225)	(17,707,836)
Cash flows from investing activities:		
Interest received	2,363	235
Purchase of property, plant and equipment	(6,341,997)	(1,117,289)
Sale of property, plant and equipment	11,044	14,487
Net cash used in investing activities	(6,328,590)	(1,102,567)
Cash flows from financing activities:		
Subventions received	138,300,000	130,400,000
Principal payments on loans and borrowings	(16,190,371)	(16,190,370)
Net cash generated by financing activities	122,109,629	114,209,630
Net increase in cash and cash equivalents	3,750,814	95,399,228
Cash and cash equivalents at beginning of year	131,624,531	36,225,303
Cash and cash equivalents at end of year	**135,375,345**	**131,624,531**

The notes on pages 7 to 32 form an integral part of these financial statements.

1. Incorporation and principal activity

The National Information and Communication Technology Company Limited (the Company) was incorporated in the Republic of Trinidad and Tobago on July 20, 2009 and the Board of Directors was appointed on August 27, 2009. The Registered office of the Company is situated at #52 Pembroke Street, Port of Spain.

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

These financial statements were approved for issue by the Board of Directors on March 31, 2016.

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

2.1 Amendments to IFRS and new interpretations that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRS issued by the International Accounting Standards Board ('IASB') that are mandatorily effective.

- **Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities***

  These amendments have been applied retrospectively. The application of these amendments has no material impact on the disclosures or the amounts recognised in the Company's financial statements.

- **Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets**

  These amendments have been applied retrospectively. The application of these amendments has no material impact on the disclosures or the amounts recognised in the Company's financial statements.

- **Annual Improvements to IFRS 2010-2012**

  The Annual Improvements to IFRS 2010-2012 include a number of amendments to various IFRS, which are summarised below.

  The amendments to IFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition'. The amendments to IFRS 2 are effective for share-based payments transaction for which the grant date is on or after July 1, 2014.

  The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit or loss. The amendments to IFRS 3 are effective for business combinations for which the acquisition date is on or after July 1, 2014.

  The amendments to IFRS 8 (i) require an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

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

2.1 Amendments to IFRS and new interpretations that are mandatorily effective for the current year (continued)

- **Annual Improvements to IFRS 2010-2012 (continued)**

The amendments to the basis for conclusions of IFRS 13 clarify that the issue of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for the accumulated depreciation/ amortization when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/ amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The application of these amendments has no material impact on the disclosures in the Company's financial statements.

- **Annual Improvements to IFRS 2011-2013**

The *Annual Improvements to IFRS 2011-2013* include a number of amendments to various IFRS, which are summarised below.

IFRS 1 — Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only).

The amendments to IFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to IFRS 13 clarify the scope of the portfolio exception for measuring the fair value of a Company of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

The amendments to IAS 40 clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

a) the property meets the definition of investment property in terms of IAS 40; and
b) the transaction meets the definition of a business combination under IFRS 3.

The application of these amendments has no material impact on the disclosures in the Company's financial statements.

IAS 40 — Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

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 14	Regulatory Deferral Accounts[1]
• IFRS 15	Revenue from Contracts with Customers[2]
• IFRS 16	Leases[4]
• Amendments to IFRS 11	Accounting for Acquisitions of Interest in Joint Operations[1]
• Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortization[1]
• Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[1]
• Amendments to IFRS 10 and IAS 28	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture[1]
• Amendments to IFRS	Annual Improvements to IFRS 2012-2014[5]
• Amendments to IAS 1	Disclosure Initiative[1]
• Amendments to IAS 27	Equity Method in Separate Financial Statements[1]
• Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[1]
• Amendments to IFRS 12	Recognition of Deferred Tax Assets Unrealised Losses[2]
• Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses) [2]
• Amendments to IAS 7	Disclosure initiative[2]

[1] Effective for annual periods beginning on or after January 1, 2016, with earlier application permitted.
[2] Effective for annual periods beginning on or after January 1, 2017, with earlier application permitted.
[3] Effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.
[4] Effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.
[5] Effective for annual periods beginning on or after July 1, 2016, with earlier application permitted.

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

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

- **IFRS 9 Financial Instruments**

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

  Key requirements of IFRS 9:

  All recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of the subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

  With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

  In relation to the impairment of financial assets, IFRS 9 requires an expected loss model, as opposed to an incurred loss model under IAS 39. The expected loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

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

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

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

  Key requirements of IFRS 9 (continued):

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

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

- **IFRS 14 Revenue from Contracts with Customers**

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

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

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

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

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

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

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

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

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

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

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

- **IFRS 16 *Leases***

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

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

- **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.

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

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

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

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

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

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

  The amendments apply prospectively for annual periods beginning on or after 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.

- **Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants**

  The amendments to IAS 16 and IAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

  The directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 41 will not have an impact on the Company's financial statements as the Company is not engaged in agricultural activities.

- **Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

  The amendments to IFRS 19 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit of loss only to the extent of the unrelated inventors' interest in that associate or joint venture. Similarly, gains and losses resulting from the measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interest in the new associate or joint venture.

  The amendments should be applied prospectively to transactions occurring in annual periods beginning on or after January 1, 2016. The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Company's financial statements.

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

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

- **Annual Improvements 2012 – 2014**

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

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

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

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

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

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

- **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.

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

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

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

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

  (i) at cost; or

  (ii) in accordance with IFRS 9 (or IAS 39); or

  (iii) using the equity method.

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

- **Amendments to IFRS 10, IFRS 12 and IAS 28 (Investment Entities: Applying the Consolidation Exception)**

  Amendments were made to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures (2011) to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

  a) The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.

  b) A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.

  c) When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.

  d) An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

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

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

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

- **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 not have a significant impact on the Company's financial statements.

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

  Amends IAS 7 Statement of Cash Flows to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

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

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

3. **Summary of significant accounting policies**

a. **Statement of compliance**

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

b. **Basis of preparation**

These financial statements have been prepared 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 as modified by available-for-sale financial assets, financial assets designated at fair value through profit or loss, financial liabilities at fair value through profit and loss.

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.

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.

3. Summary of significant accounting policies (continued)

d. Property, plant and equipment

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

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

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

The gain or loss on disposal of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognized net within other income/other expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

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

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

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

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

e. Financial assets

Classification:

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

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.

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

e. **Financial assets (continued)**

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

Measurement:

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

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.

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 million was paid and this is classified as equity.

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

h. **Share capital (continued)**

During the fiscal year 2014, there was a transfer of capital investment in accordance with Cabinet Minute Note No. 957 dated April 23, 2009 of vested assets. The Company recognised the transfer of two motor vehicles for use in the operations of the Company. The amount of this capital investment is based on the fair value of the vehicles as valued by an external independent valuator at the date of transfer.

i. **Borrowing Costs**

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

j. **Accounts payable**

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

k. **Provisions**

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

l. **Revenue recognition**

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

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

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

3. Summary of significant accounting policies (continued)

m. Operating leases

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

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

n. Impairment

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

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

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

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

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.

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

o. **Taxation (continued)**

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.

p. **Comparative information**

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

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 recognized 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 recognized 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.

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 recognized 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
- Decreased by the proportionate amount of the estimate decrease

5. **Property, plant and equipment**

Year ended September 30, 2015	Computer equipment	Furniture & fittings	Office equipment	Motor vehicles	Total
Cost	$	$	$	$	$
Balance at October 1, 2014	5,057,114	136,430	2,873,362	2,071,348	10,138,254
Additions	524,182	5,449,720	368,095	-	6,341,997
Disposals	(37,796)	-	-	-	(37,796)
Balance at September 30, 2015	5,543,500	5,586,150	3,241,457	2,071,348	16,442,455
Accumulated depreciation					
Balance at October 1, 2014	2,117,019	27,354	1,101,730	1,285,444	4,531,547
Charge	810,080	446,906	254,913	196,477	1,708,376
Adjustment	-	-	19	-	19
Disposal	(14,842)	-	-	-	(14,842)
Balance at September 30, 2015	2,912,257	474,260	1,356,662	1,481,921	6,225,100
Net book value					
Balance at September 30, 2015	**2,631,243**	**5,111,890**	**1,884,795**	**589,427**	**10,217,355**

Year ended September 30, 2014	Computer equipment	Furniture & fittings	Office equipment	Motor vehicles	Total
Cost	$	$	$	$	$
Balance at October 1, 2013	4,253,506	71,690	2,661,827	1,677,434	8,664,457
Additions	841,014	64,740	211,535	393,914	1,511,203
Disposals	(37,406)	-	-	-	(37,406)
Balance at September 30, 2014	5,057,114	136,430	2,873,362	2,071,348	10,138,254
Accumulated depreciation					
Balance at October 1, 2013	1,299,321	19,794	863,486	1,056,302	3,238,903
Charge	831,699	7,560	238,244	229,142	1,306,645
Disposal	(14,001)	-	-	-	(14,001)
Balance at September 30, 2014	2,117,019	27,354	1,101,730	1,285,444	4,531,547
Net book value					
Balance at September 30, 2014	**2,940,095**	**109,076**	**1,771,632**	**785,904**	**5,606,707**

The National Information and Communication Technology Company Limited is benefiting from the use of the property it occupies, however the value of said property has not been included in the property plant and equipment since the transfer of the property from the Ministry of Public Administration (MPA) as instructed by Cabinet Note Minute 957 dated April 23, 2009. The transfer occurred on November 24, 2015 after the financial year end. The valuation of the property was completed on 4 March 2016 at a market value of $16.9 million.

6. Provision for taxation

	2015	2014
	$	$
Income tax recognised in profit and loss		
Deferred tax charge	237,061	392,338
Corporation tax	17,294,283	23,837,113
Business levy	510,953	408,662
Green fund levy	290,794	204,331
Balance	**18,333,091**	**24,842,444**
Reconciliation of effective tax rate		
Surplus of revenue over expenditure for the year	70,563,209	97,098,115
Tax at the applicable tax rate – 25%	17,640,802	24,274,529
Tax effect of income/expenses that are not recognisable/deductible in determining taxable profit	(106,403)	(51,579)
Adjustment to deferred tax	(3,055)	6,501
Business levy	510,953	408,662
Green fund levy	290,794	204,331
Expense	**18,333,091**	**24,842,444**
Movement in the deferred tax liability		
Balance at the beginning of the year	455,893	63,555
Charge to the statement of profit or loss	237,061	392,338
Balance at the end of the year	**692,954**	**455,893**
Composition of deferred tax liability	692,954	455,893
Property, plant and equipment	**692,954**	**455,893**

7. Accounts receivable

	2015	2014
	$	$
Trade receivables, gross	24,331,543	9,368,804
Provision for bad debts	(573,181)	(573,181)
Trade receivables, net	23,758,362	8,795,623
e-Cal loan receivable	16,190,371	32,380,742
e-Cal interest receivable	169,549	-
Receivable from MST (GovNeTT)	7,798,582	7,798,582
Other receivable	3,080,296	1,995,708
Prepayments	-	1,157,337
Deferred expenses	231,968	34,861,150
VAT recoverable (net)	8,314,862	6,593,822
	59,543,990	**93,582,964**

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

8. Cash and cash equivalents

	2015	2014
	$	$
Cash at bank	135,367,345	131,618,531
Cash on hand	8,000	6,000
	135,375,345	**131,624,531**

9. Share capital

Authorised capital
Unlimited number of common shares on no par value

	2015	2014
Issued and fully paid capital	$	$
5,000,000 common shares of no par value	5,000,000	5,000,000
Vested assets	393,913	393,913
	5,393,913	**5,393,913**

10. Loan and borrowings

	2015	2014
	$	$
Current loan	16,190,371	8,095,186
Non-current loan	-	24,285,557
	16,190,371	**32,380,743**

This represents the balance on the loan from Scotia Trust and Merchant Bank Trinidad and Tobago Limited for $80,951,856, to finance project related expenditure. Interest is charged at a fixed rate of 3.25% per annum and is payable in 10 equal, half-yearly installments, commencing December 6, 2011. The loan is secured by a guarantee from the Government of the Republic of Trinidad & Tobago dated October 1, 2010. Fair value in loan and borrowings is the same as disclosed above.

11. Accounts payable

	2015	2014
	$	$
Trade payables	4,420,712	6,841,968
Accrued liabilities	4,459,371	5,218,053
Accrued loan interest	169,549	269,437
Other payables	1,282,098	7,236,293
Balance at September 30	**10,331,730**	**19,565,751**

12. Government subvention

	2015 $	2014 $
Balance at October 1	-	-
Subventions received during the year	138,300,000	130,400,000
Subventions receivable	-	-
Recognised during the year	(138,300,000)	(130,400,000)
Balance at September 30	-	-

Funding for the operations of the Company is provided via Government subvention. During the year the Company received subventions for recurrent expenditure in the sum of $138,300,000 for the year ended September 30, 2015 (2014: $130,400,000). No subventions were received during the year for property, plant and equipment.

13. Deferred income

	2015 $	2014 $
Balance at October 1 **"advance payments"**	3,545,355	10,751,166
Amortisation during the year "**advance payments"**	(8,681,929)	(7,205,811)
Advanced billings	10,404,442	-
Balance at September 30 **"advance payments"**	5,267,868	3,545,355
Balance at October 1 **eCal loan**	32,380,743	48,571,114
Amortisation during the year **eCal loan**	(16,190,372)	(16,190,371)
Balance at September 30 **eCal loan**	16,190,371	32,380,743
Balance at October 1 **Microsoft agreement**	31,494,747	(8,961,444)
Advances Received	-	77,838,774
Amortisation during the year **Microsoft agreement**	(31,494,747)	(37,382,583)
Balance at September 30 **Microsoft agreement**	-	31,494,747
Total	**21,458,239**	**67,420,845**
Deferred income recognised in profit or loss		
Advance payments	8,681,929	7,205,811
eCal loan	16,190,372	16,190,371
Microsoft agreement	31,494,747	37,382,583
	56,367,048	**60,778,765**

A loan was taken from Scotia Trust and Merchant bank Limited for $80,951,856 to finance a project in 2011. This loan is secured by a guarantee from the Government of the Republic of Trinidad & Tobago dated October 1, 2010.

Consequently, the Ministry of Education is required to fund the repayment of the loan. The Company received $17,124,353 from the Ministry of Education for the year ended September 30, 2015 (2014: $17,657,848). This included $933,982 (2014: $1,467,477) received as a reimbursement for the related interest expense on the loan.

14. **Operating leases**

Non-cancellable operating lease rentals are payable as follows:

	2015	2014
	$	$
Less than one year	457,392	517,152
Between one and five years	1,829,568	848,952
	2,286,960	**1,366,104**

During the year $392,400 (2014: $573,181) was recognized as an expense in the statement of profit or loss in respect of operating leases.

15. **Related parties**

Key management personnel

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

Key management personnel received compensation of $9,991,994 (2014: $7,188,324) for the year. Total remuneration is included in salaries and wages.

	2015	2014
Class	$	$
Directors	721,187	693,000
Executive Management	9,270,807	6,495,324
Total	**9,991,994**	**7,188,324**

16. **Capital management**

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

17. **Risk management**

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

Risk management structure

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

Role of the Board

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

17. **Risk management (continued)**

Role of the Board (continued)

The Board should also ensure that the policies and objectives of the Company reflect the policy of the Government of The Republic of Trinidad and Tobago.

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

Role of Internal Audit

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

Role of the Finance and Risk Committee

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

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

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

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

Credit risk

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

	2015	2014
	$	$
Trade receivables	23,758,362	8,795,623
Cash	135,375,345	131,624,531
Loan receivable	16,190,371	32,380,742
Balance at September 30	**175,324,078**	**172,800,896**

17. **Risk management (continued)**

Credit risk

The ageing of trade receivables at year end was:

	2015	2014
	$	$
Current	7,225,204	6,106,244
1-30 days due	65,462	206,841
31-90 days due	9,625,682	1,800,031
Over 90 days due	7,415,195	1,255,688
Balance at September 30	**24,331,543**	**9,368,804**

No impairment losses were recorded with respect to trade receivables in 2015 (2014: $402,560).

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, 2015				
Loans and Borrowings	16,190,371	16,591,589	16,591,589	-
Accounts payable	10,331,730	10,331,730	10,331,730	-
	26,522,101	**26,923,319**	**26,923,319**	**-**
September 30, 2014				
Loans and Borrowings	32,380,743	33,715,942	17,124,353	16,591,589
Accounts payable	19,565,751	19,569,556	19,569,556	-
	51,946,494	**53,285,498**	**36,693,909**	**16,591,589**

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, 2015: TT$6.37
At September 30, 2014: TT$6.37

17. **Risk management (continued)**

a) Foreign currency risk (continued)

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.

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:

	2015	2014
	$	$
Fixed rate instruments		
Financial assets	135,375,345	131,624,531
Financial liabilities	(16,190,371)	(32,380,743)
Net exposure	**119,184,974**	**99,243,788**

Estimation of Fair values

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed upon between knowledgeable and willing parties who are under no compulsion to act and is best evidenced by a quoted market price if one exists. The estimated fair value of the Company's financial instruments is based on the market prices and valuation methodologies.

18. **Going concern**

The Company's total assets exceeded its total liabilities by $136,291,687 at the reporting date. At September 30, 2014 total assets had exceeded total liabilities by $84,061,570.

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

19. **Operating costs**

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

	2015	2014
	$	$
Project inflows	47,662,003	64,137,250
Project outflows	(74,577,846)	(59,646,995)
Net operating costs	**(26,915,843)**	**4,490,255**

20. 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.

	2015	**2014**
	$	**$**
Emoluments	31,211,612	31,799,618
General administrative expenses	4,776,013	3,373,861
Maintenance	3,366,043	2,287,933
Marketing, advertising and promotions	6,919,737	1,681,642
Professional fees and charges	4,354,602	1,997,018
Rent	1,961,710	1,065,110
Staff and organisational deevelopment	2,247,370	1,523,777
Symposium and workshops	2,548,625	1,125,508
Utilities	1,571,394	2,608,929
Administrative expenses	**58,957,106**	**47,463,396**

21. Events after the reporting date

Following the Government of the Republic of Trinidad and Tobago's Budget Presentation on October 5, 2015, 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.

The transfer of the property from Ministry of Public Administration (MPA) to iGovTT instructed by Cabinet Note Minute 957 dated April 23, 2009 was effected after the financial year end on November 24, 2015. The valuation of the property was completed on March 4, 2016 placing a value at $16.9 million.