NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NIPDEC

ANNUAL REPORT

2018

WWW.NIPDEC.COM

VISION

To be the premier private and public developer in Trinidad and Tobago

MISSION

To develop, manage and sell property, good and services in partnership with the National Insurance Board and other organisations in Trinidad and Tobago, utilising a project management approach to bring value to our shareholders

CONTENTS

CORE VALUES

Mutual Respect

We value and respect each other as persons as well as members of the same team, subscribing to the same Vision, Mission and Values

Customer Focus

We recognise that meeting and exceeding the expectations of our customers must guide our decision making

Transparency

We are honest, open, clear and timely in communicating and conducting our business affairs with each other, our customers and business associates

Teamwork

We promote collaborative development as we work, learn and strive for excellence together.

Fairness

We are fair and equitable in our treatment of each other

Competence

Our dedication to excellence requires not only lifelong learning and development of our individual skills but also continual assessment of our ability to add value to NIPDEC

Loyalty

As part of NIPDEC we are committed to ensuring the best interests of the organisation and protecting its assets

Integrity

We strive towards consistency between our words and actions and are committed to personal and professional ethical performance throughout NIPDEC

CHAIRMAN'S REVIEW

NIPDEC has recorded a total comprehensive loss after tax of $21.1 million for the year ended June 30, 2018. This represents a significant decline from an income after tax of negative $1.4 million which was reported for the corresponding 2017 period. The factors underpinning this under performance relates largely to the subdued public expenditures and consequential reduced number and value of projects referred to NIPDEC by its major clientele comprising government agencies.

Unlike many of the other Caribbean economies, Trinidad & Tobago was spared the considerable damage to the economic and social infrastructure which arose from the extreme weather events in 2017, particularly Hurricanes Irma and Maria. Growth remained negative in 2017. When I assumed the role of Chairman of NIPDEC in August 2018, shortly after the beginning of NIPDEC's financial year 2018, although the GDP growth rate had improved to -1.9% resulting from an improvement in energy prices on the global market, Trinidad and Tobago had already received a credit rating downgrade by Moody's rating agency. There was no pivot in government's position on capital expenditures and consequently the construction industry suffered.

From a corporate governance perspective, the Board experienced several changes to its members and chairmanship, including the engagement of a new General Manager in July 2018. As we progress into 2019, we are confident we have a competent Board of Directors, comprising individuals with the right business and professional acumen to help turnaround the organisation over the next twenty-four (24) months.

Critical to our success will be a focus on embedding strict professional standards and governance principles in all aspects of our decision making. The Board’s commitment to delivering accurate company information resulted in a protracted audit exercise and restatement of prior 2016 and 2017 financial statements.

Executive management is focusing on the relationship management with our stakeholders geared to inspire assurance of our quality of services and dependability for delivering effective and efficient solutions. NIPDEC's enhanced services will encourage collaboration with our Clients to also identify and mitigate risks to ensure improved resilience. The Board has also embarked in a process with the parent, National Insurance Board to harmonise our governance and policies as appropriate with that of the parent and group, thereby capturing operational synergies.

We wish to acknowledge the energies and efforts of staff and management and support for our new General Manager, Mr. Terrance James, as we work together with one common goal in mind - the betterment of the national welfare of Trinidad and Tobago.

S. Valerie Kelsick

Chairman

GENERAL MANAGER'S REPORT

Before I left Trinidad for the U.K. thirty (30) years ago, I remember NIPDEC being an organisation that was synonymous with success. In partnership with and on behalf of its clients, it led the way in the strategic procurement of ‘Built Environment’ Infrastructure projects. When I made the decision to join the NIPDEC 'family' I knew I was going to be part of a special organisation with an excellent history in delivering major infrastructure projects here in Trinidad and Tobago and other Caribbean islands.

NIPDEC has diligently served the population of Trinidad and Tobago as the first of now many organizations that mainly procure infrastructure on behalf of Government Ministries. Our revenue generating services include project & construction management, procurement, facilities management and car park operations. As your trusted partner in development for over forty (40) years, NIPDEC has transformed the landscape of our country, delivering for our clients the full spectrum of consultancy, project delivery and post project operations.

During the last financial year our company witnessed a significant reduction in State business; inconsequence, it is at a critical point in its life cycle. What worked for the organisation during the periods of past successes no longer applies. The emergence of similar firms in the market has made it necessary to review, renew and revitalise our capabilities for continued success. Therefore, in 2018 in response to changing market conditions, we continued to optimize our cost base by working towards leaner structures. Driven by a 16% drop in staff costs, overheads were reduced by 4%. Administrative expenses remained fairly flat, however the company had to make additional provisions for bad debt expenses to account for legacy balances that may not be collectible.

In the area of new business we were awarded several development projects to manage. These included the transformation of the Girls Youth Training Centre into a Rehabilitation Centre and the upgrade of the existing Remand Prison in Golden Grove.

Additionally, we were contracted by the Ministry of Tourism to operate the Maracas Beach Car Park and Restroom facilities, which was re-opened in February 2018. We are very proud that we were able to contribute to the public service of one of the major tourist attractions of Trinidad and Tobago.

Further accomplishment within the financial year was the handover of the Sangre Grande Enhanced Health Facility to the Ministry of Health, which was on time and within budget. In addition, we completed two (2) Workshop Centres, one (1) Regional Assessment Centre and one (1) Transition Home on behalf of the Office of the Prime Minister - Gender and Child Affairs.

As the new General Manager, my commitment to the organisation and by extension our stakeholders, will be highly focused on Business Excellence, Business Development and our Business Relationships.

Finally, as we re-strategize and reposition the firm, I would like to thank the Board of Directors for giving me the opportunity and confidence to guide the organisation along a pathway of future success. It is by no means an easy task, but we have the resolve and commitment from within the organisation to see it through.

Terrance James

General Manager

MANAGEMENT DISCUSSION & ANALYSIS

Performance

2018 was a very challenging year for the company as the lack of top line growth in the core business of Project and Construction Management continued to put a significant strain on the financial performance of the organization. Operating expenses declined by 4% and this was realized from a reduction in Staff costs. However, revenue from Project and Construction Management dropped by 60% contributing to a loss of $22.9 million.

The government's austerity measures pertaining to public expenditure has affected our turnaround.

Figure 1. Illustrates the four year comparison for income

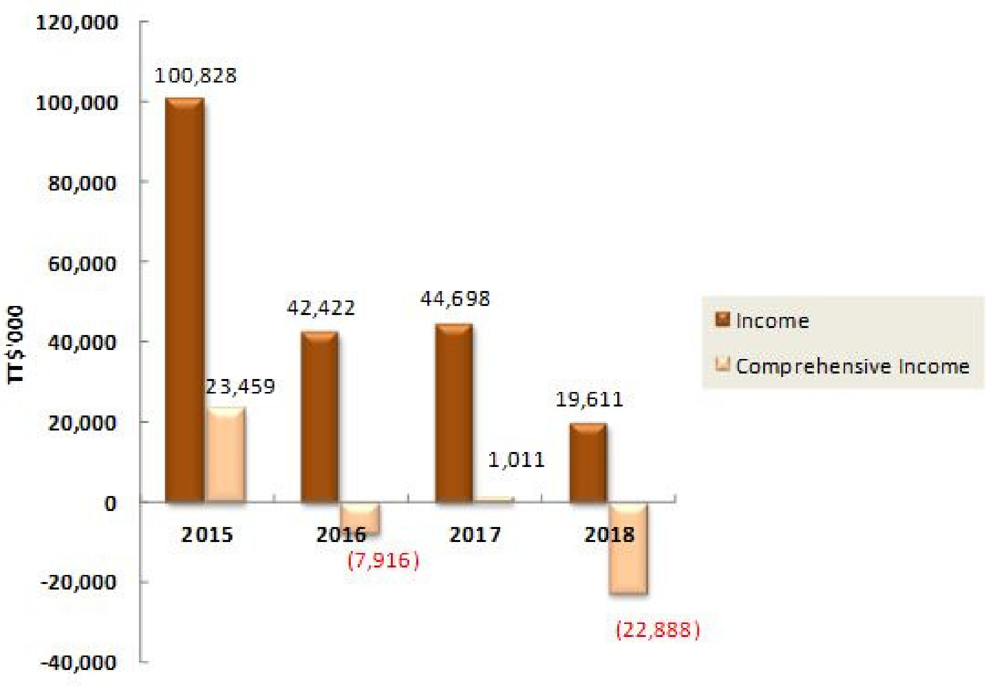

Figure 1. Four Year Comparison

Revenue

Total income for the company dropped from $44.7 million in 2017 to $21.8 million in 2018. This decline was mainly driven by:

- A 60% decline in Project and Construction Management where revenue was reduced from $12 million to $4.9 million.
- A $2.9 million revaluation of investment property in 2017, with no change in 2018; and
- A one off adjustment of $8.8 million in 2017 for write back of statute-barred accounts payable.

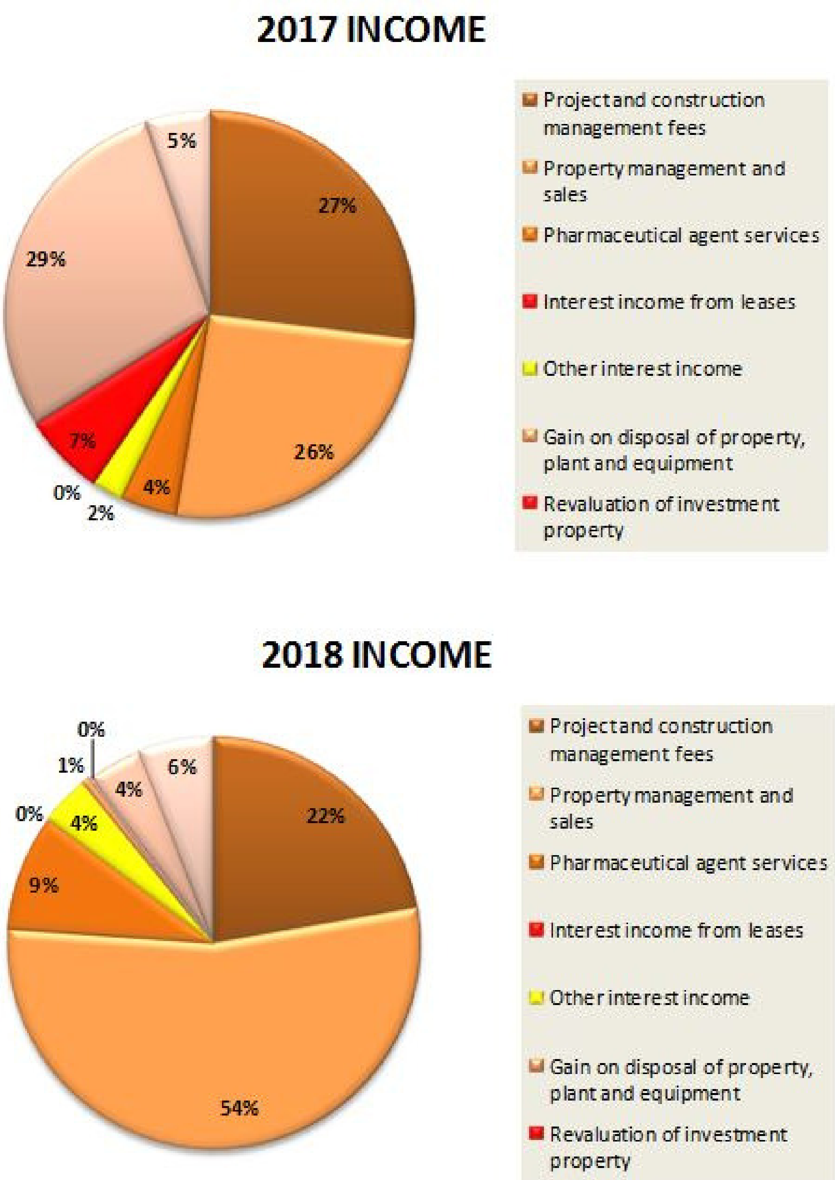

Figure 2. Sources of Income

Our Commercial services business unit, which includes the Car Park and Warehouse operations, provided a 2% increase in top line revenue.

Figure 2, shows the 2018 and 2017 comparative change in revenue contribution from the various sources of income.

Profitability

The company generated a comprehensive loss of $22.9 million compared to income of $1 million recognized in 2017. Revenue in 2017 was restated to reflect a prior year adjustment for income recognized in the wrong financial period. This resulted in an improvement of the 2017 financial performance.

Operating expenses incurred for 2018 were $41.8 million compared to $43.6 million in 2017. Staff costs were reduced by $4.5 million or 16% following changes in department structures and non-renewal of contracts. However the company had to make an additional provision for bad debts of $3.9 million to cover brought forward legacy balances from its Facilities Management business unit. This impact lessened the savings generated from Staff costs.

Our loss for the year after tax was $21.1 million, after receiving a dividend from investments of $1.1 million from our Clico investment portfolio. Another comprehensive loss for the year was $1.8 million which was a combination of a net expense in the defined pension benefit asset of $1.1 million and a negative change in fair value of $0.629 million in available-for-sale investments.

Balance Sheet

The company's balance sheet remained consistently stable for the year. Current assets increased by 18% or $165.7 million, partly due to bond proceeds received on behalf of the Ministry of Works and Transport for the Programme for Upgrading Roads Efficiency Unit (PURE) in the form of restricted cash. Current liabilities increased by $191.7 million to reflect the unused project advances from bond proceeds and outstanding payments to contractors.

NIPDEC's capital structure contains non-current liabilities of $19.4 million which represents retention payable to contractors. The company did not assume any financial debt to support its short term obligations. NIPDEC's leverage increased slightly from 72% to 78%. Equity was adjusted by a prior restatement of $4.9 million to account for errors in final accounts reconciliation for legacy projects, understated revenue for project and construction management fees and provision for back pay expenses for prior collection bargaining agreements outstanding.

Future Prospects

- The Strategic Plan: The appointment of a new General Manager presented the opportunity to review and amend the proposed company transformation. By the end of December 2018 the Board of Directors will have a final document to approve.

- Government Projects: We continue to lobby for the opportunity to serve the Government of Trinidad & Tobago. In lieu of of these projects, the company is slowly working on its strategic relationships within the business community both locally and regionally.

- Procurement: NIPDEC's representatives have engaged the Office of the Procurement Regulator, obtaining guidance and feedback on the stages of the upcoming implementation process. Establishing our responsibilities and assessing what changes are required to adhere to the rules and regulations.

- International/Regional: Preliminary discussions have commenced with the Antiguan government in providing project and construction management services for the expansion of their airport and marine port development. Our positive track record in St. Lucia has also peaked the interest of the new Government.

BOARD OF DIRECTORS

AS AT JULY 2018

- Valerie Kelsick - **Chairman**
- Patrick A. Ferreira
- Brendon Nelson
- Margaret Roper-Wiltshire
- John Boiselle
- Douglas Camacho - **Deputy Chairman**
- Niala Persad - Poliah
- Christine Debique
- Marvin Gonzales

We wish to thank the following directors for their contribution over the past financial year;
Michael Toney (Nov. 2017), Keston Nancoo, Selby Leslie (Jan. 2018) and Feyaad Khan (July 2018).

MANAGEMENT TEAM

AS AT JULY 2018

- Terrance James - **General Manager**
- Vyas Ramphalie - **Head, Property Development**
- Jabari Cozier - **Head, Finance & Accounting**
- Cavelle Joseph-St. Omer - **Head, Human Resources**
- Roseanne St. Rose - **Head, Pharmaceuticals**
- Kim Garibsingh - **Company Secretary**
- Miriam Wilson-Edwards - **Manager, Internal Audit**
- Sean Cook - **Manager, Facilities**

We wish to thank our former General Manager; Mr. David C. Benjamin, for his contribution over the past financial year (July 20th 2018).

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2018

Ernst & Young

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working world

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of The National Insurance Property Development Company Limited, ('the Company') which comprise the statement of financial position as at 30 June 2018, the statements of profit or loss and other comprehensive loss, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of the Company's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that complies with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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

General Manager	Head Finance & Accounting
31 October 2018	31 October 2018

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of The National Insurance Property Development Company Limited ("the Company"), which comprise the statement of financial position as at 30 June 2018, and the statement of profit or loss and other comprehensive loss, statement of changes in 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, except for the possible effects of the matters described in the Basis for Qualified section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Qualified Opinion

Accounts receivable and prepayments

Included on the statement of financial position are accounts receivable and prepayments balances amounting to $403.6 million at year end. In testing these balances, we selected an appropriate sample for verification of the existence of these balances. We were unable to obtain sufficient appropriate evidence to support the existence of $8.4 million from our sample selected for testing at year end. Consequently, we were unable to conclude on whether any adjustments may be required in relation to these selected balances.

Accounts payable and accruals

Included on the statement of financial position are accounts payable and accrual balances amounting to $359.8 million at year end. As a result of our testing of accounts payable and accruals, a number of material adjustments were identified through our audit process, which were subsequently recorded in these financial statements. In our testing we noted that for certain accounts payable balances, invoices and the corresponding liabilities were not being recorded in a timely manner by the Company. We were unable to obtain sufficient appropriate evidence to verify the completeness and existence of trade payable balances amounting to $41 million at year end. Consequently, we are unable to determine whether any further invoices and/or liabilities existed at year end which are not recorded by the Company.

Advanced project billings

Included on the statement of financial position are advanced project billings amounting to $145 million at year end. We were unable to obtain sufficient appropriate evidence to support the existence of balances amounting to $34.6 million within advanced project billings. Consequently, we are unable to conclude on whether any adjustments are required where necessary.

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

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

Report on the Audit of the Financial Statements
(Continued)

Other Matter

The financial statements of the Company for the year ended 30 June 2017 were audited by another auditor who expressed a qualified opinion on 8 May 2018. As reported in the other auditor's audit report, the auditor was unable to obtain sufficient appropriate audit evidence for portions of the unbilled projects costs amounting to $25.6 million as at 30 June 2017.

As part of our audit of the 2018 financial statements, we also audited the prior period adjustments described in Note 38 that were applied to amend the 2017 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review or apply any procedures to the 2017 financial statements of the Company other than with respect to these adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2017 financial statements taken as a whole.

Other Information included in the Company's 2018 Annual Report

Other information consists of the information included in the Company's 2018 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The 2018 Annual Report is expected to be made available to us after the date of this auditor's report.

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.

Responsibilities of Management and the Audit Committee 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.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

Report on the Audit of the Financial Statements
(Continued)

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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

Report on the Audit of the Financial Statements
(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements
(Continued)

We communicate with the Audit Committee 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.

EY

Port of Spain
TRINIDAD:
31 October 2018

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2018
(Expressed in thousands of Trinidad and Tobago dollars)

		As at 30 June		
	Notes		Restated	Restated
ASSETS		**2018**	**2017**	**2016**
Non-current assets				
Investment properties	5	34,300	34,300	31,400
Property, plant and equipment	6	17,584	18,092	18,079
Defined pension benefit asset	7	23,021	24,598	23,037
Available-for-sale investments	8	2,658	3,477	3,993
Total non-current assets		77,563	80,467	76,509
Current assets				
Cash at bank and in hand	9 (a)	125,031	120,939	123,076
Restricted cash	9 (b)	436,731	252,089	329,887
Available-for-sale investments	8	8,753	9,515	9,570
Accounts receivable and prepayments	10	403,587	351,703	232,930
Unbilled project costs	11	114,256	188,416	123,610
Total current assets		1,088,358	922,662	819,073
Total assets		**1,165,921**	**1,003,129**	**895,582**
EQUITY AND LIABILITIES				
Equity				
Share capital	12	25,000	25,000	25,000
Revaluation reserve	13	13,132	13,132	13,000
Fair value reserve	14	475	1,104	720
Retained earnings		216,476	238,735	238,240
Total equity		255,083	277,971	276,960
Non-current liabilities				
Retention payable	15	19,473	25,496	27,931
Total non-current liabilities		19,473	25,496	27,931
Current liabilities				
Accounts payable and accruals	15	359,781	489,788	321,852
Retention payable	15	22,121	22,322	53,092
Advance project billings	16	144,932	116,687	65,272
Project advances	17	364,531	70,865	150,475
Total current liabilities		891,365	699,662	590,691
Total equity and liabilities		**1,165,921**	**1,003,129**	**895,582**

The accompanying notes form an integral part of these financial statements.

On 31 October 2018, the Board of Directors of the National Insurance Property Development Company Limited authorised these financial statements for issue and signed on its behalf by:

Director

Director

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE LOSS
FOR THE YEAR ENDED 30 JUNE 2018
(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	Year ended 30 June 2018	Restated 2017
Income			
Project and construction management fees	18	4,855	12,049
Property management and sales	19	11,742	11,461
Pharmaceutical agent services	1(c)	2,000	2,000
Other interest income	20	860	1,090
Gain on disposal of property, plant and equipment	6	157	-
Revaluation of investment property	5	-	2,900
Other income	21	921	12,925
Special projects and other income	22	1,280	2,273
Total income		21,815	44,698
Direct costs incurred	23	(2,204)	(2,360)
Total income less direct costs		19,611	42,338
Expenditure			
Staff costs	24	24,413	28,911
Finance costs	25	113	(249)
Administration expenses	26	3,959	3,664
Accommodation costs	27	4,186	2,728
Bad debts	10	7,669	7,173
Depreciation	6	664	528
Vehicle expenses	28	780	846
Total expenses		41,784	43,601
Operating loss		(22,173)	(1,263)
Dividend from investment		1,130	-
Loss before tax		(21,043)	(1,263)
Taxation expense		(40)	(64)
Loss for the year after tax		(21,083)	(1,327)
Other comprehensive loss:			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined pension benefit asset	7	(1,176)	1,822
Items that may be reclassified subsequently to profit or loss:			
Gain on revaluation of land and building		-	132
Net change in fair value of available-for-sale investment	8	(629)	384
Other comprehensive (loss)/income for the year, net of income tax		(1,805)	2,338
Total comprehensive (loss)/income for the year		**(22,888)**	**1,011**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018
(Expressed in thousands of Trinidad and Tobago dollars)

Year ended 30 June 2018	**Share capital**	**Revaluation reserve**	**Fair value reserve**	**Retained earnings**	**Total equity**
Balance at the beginning of the year (Restated)	25,000	13,132	1,104	238,735	277,971
Loss for the year after tax	–	–	–	(21,083)	(21,083)
Other comprehensive loss	–	–	(629)	(1,176)	(1,805)
Total comprehensive loss for the year	–	–	(629)	(22,259)	(22,888)
Balance at the end of the year	**25,000**	**13,132**	**475**	**216,476**	**255,083**
Year ended 30 June 2017					
Balance at the beginning of the year (previously stated)	25,000	13,000	720	248,877	287,597
Prior year restatement (Note 38)	–	–	–	(10,637)	(10,637)
Balance at the beginning of the year (Restated)	25,000	13,000	720	238,240	276,960
Loss for the year as reported previously	–	–	–	(7,097)	(7,097)
Prior year restatement (Note 38)	–	–	–	5,770	5,770
Loss for the year after tax (Restated)	–	–	–	(1,327)	(1,327)
Other comprehensive income	–	132	384	1,822	2,338
Total comprehensive income for the year (Restated)	–	132	384	495	1,011
Balance at the end of the year (Restated)	**25,000**	**13,132**	**1,104**	**238,735**	**277,971**
Year ended 30 June 2016					
Balance at the beginning of the year (previously stated)	25,000	13,000	705	252,418	291,123
Prior year restatement (Note 38)	–	–	–	(6,262)	(6,262)
Balance at the beginning of the year (Restated)	25,000	13,000	705	246,156	284,861
Profit for the year as reported previously	–	–	–	510	510
Prior year restatement (Note 38)	–	–	–	(4,375)	(4,375)
Loss for the year after tax (Restated)	–	–	–	(3,865)	(3,865)
Other comprehensive income/(loss)	–	–	15	(4,051)	(4,036)
Total comprehensive income/(loss) for the year (Restated)	–	–	15	(7,916)	(7,901)
Balance at the end of the year (Restated)	**25,000**	**13,000**	**720**	**238,240**	**276,960**

The accompanying notes form an integral part of these financial statements.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018
(Expressed in thousands of Trinidad and Tobago dollars)

	Year ended 30 June 2018	Restated 2017
Cash flows from operating activities		
Loss before taxation	(21,043)	(1,263)
Adjustments for:		
Depreciation (Note 6)	664	528
Gain on disposal of plant, property and equipment	(157)	–
Defined benefit pension income	401	261
Dividends received from investment	(1,131)	–
Increase in fair value of investment property	–	(2,900)
	(21,266)	(3,374)
Changes in:		
Decrease/(increase) in unbilled project costs	74,160	(64,806)
Increase in accounts receivable and prepayments	(51,884)	(118,773)
Increase in retention payable	(6,224)	(33,205)
(Decrease)/increase in accounts payable and accruals	(130,007)	167,936
Increase in advance project billings	28,246	51,415
Increase/(decrease) in project advances	293,666	(79,610)
	186,691	(80,417)
Taxes paid	(40)	(64)
Net cash flows from/(used in) operating activities	186,651	(80,481)
Cash flows from investing activities		
Proceeds from sale of motor vehicle	157	–
Purchase of property, plant and equipment (Note 6)	(156)	(408)
Dividends received from investments	1,130	–
Proceeds from redemption of available-for-sale investment	952	954
Net cash from investing activities	2,083	546
Net increase/(decrease) in cash and cash equivalents	188,734	(79,935)
Cash and cash equivalents at the beginning of the year	373,028	452,963
Cash and cash equivalents at the end of the year	**561,762**	**373,028**
Cash and cash equivalents comprise:		
Cash at bank and in hand (Note 9 a)	**125,031**	**120,939**
Restricted cash (Note 9 b)	436,731	252,089
	561,762	**373,028**

The accompanying notes form an integral part of these financial statements.

1. Incorporation and principal activities

The National Insurance Property Development Company Limited ('NIPDEC' or the 'Company') is incorporated in the Republic of Trinidad and Tobago and is a 99.9% owned subsidiary of the National Insurance Board of Trinidad and Tobago ('NIBTT') which was incorporated under Act No. 35 of 1971 (The National Insurance Act). NIPDEC's registered office is located at 56-60 St. Vincent Street, Port of Spain, Trinidad West Indies. The principal activities of NIPDEC are:

a) Providing project management services on various major construction projects to its clients, which include large state enterprises and the Government of the Republic of Trinidad and Tobago ('GORTT') so as to ensure these projects are successfully completed on time and within budget from project conception to completion.

b) Engaging in commercial services including maintenance and rental of buildings and car parks, acting as a receipt agent for mortgage portfolios and procurement of miscellaneous items for the GORTT.

c) Managing, on behalf of the Ministry of Health, the procurement, storage and distribution of pharmaceutical and non-pharmaceutical medical supplies to various health care facilities in Trinidad and Tobago, which are operated by the Regional Health Authorities.

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 applied amendments to IFRS and new interpretations issued by the International Accounting Standards Board ('IASB') that are mandatorily effective for an accounting period that begins on or after 1 July 2017.

Amendment to IAS 7 *Disclosure Initiative*
Amendments were made to 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 IASB requires that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary):

a) changes from financing cash flows

b) changes arising from obtaining or losing control of subsidiaries or other businesses

c) the effect of changes in foreign exchange rates;

d) changes in fair values; and

e) other changes.

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

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)

Amendment to IAS 7 *Disclosure Initiative* (continued)
The IASB defines liabilities arising from financing activities as liabilities "for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities". It also stresses that the new disclosure requirements also relate to changes in financial assets if they meet the same definition.

The application of these amendments had no impact on the disclosures or amounts recognised in the Company's financial statements. There were no changes in liabilities arising from financing activities.

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[1]
IFRS 15	Revenue from Contracts with Customers[1]
Amendments to IAS 40	Transfers of Investment Property[1]
IFRIC 22	Foreign Currency Transactions and Advance Consideration[1]
Amendments to IAS 28	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture[1]
IFRS 16	Leases[2]
Amendments to IFRS 9	Prepayment features with negative compensation[2]
Amendments to IFRS	Annual improvements to IFRS 2015-2017 Cycle[2]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

2. Application of new and revised International Financial Reporting Standards (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 by both 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 (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 management of the Company anticipates that the application of IFRS 9 in the future will have an impact on the amounts reported in respect of the Company's financial assets in relation to the impairment of accounts receivable using the expected credit loss model.

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 recognise 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: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises 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. Guidance that is far more prescriptive has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

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

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

IFRS 15 *Revenue from Contracts with Customers* (continued)
The management of the Company anticipates that the application of IFRS 15 in the future will have an impact on the amounts reported and disclosures made in the Company's financial statements. Management will choose to apply the standard using a modified transition approach, which is to apply the standard retrospectively only to contracts that are not completed contracts as at 1 July 2017.

Amendment to IAS 40 *Transfers of Investment Property*
The amendments clarify that a transfer to, or from, investment property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by observable evidence that a change in use has occurred. The amendments further clarify that the situations listed in IAS 40 are not exhaustive and that a change in use is possible for properties under construction (i.e. a change in use is not limited to completed properties).

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

IFRIC 22 *Foreign Currency Transaction and Advance Consideration*
IFRIC 22 addresses how to determine the 'date of transaction' for the purpose of determining the exchange rate to use on initial recognition of an asset, liability, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or non-monetary liability.

The interpretation specifies that the date of transaction is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.

The management of the Company does 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 (continued)

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

Amendments to IAS 28 *Investment in Associates and Joint Ventures* (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)
Amendments were made to IAS 28 *Investments in Associates and Joint Ventures (2011)* to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

a) require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 *Business Combinations*).
b) require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

The management of the Company does not anticipate that the application of these amendments will have an impact on the Company's financial statements.

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 *Leases*.

IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019. The management of the Company anticipates 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.

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

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

Amendments to IFRS 9 *Financial Instruments* (Prepayment features with negative compensation)
The Board has issued a narrow-scope amendment to IFRS 9 *Financial Instruments* to enable companies to measure at amortised cost some prepayable financial assets with negative compensation. The assets affected, that include some loans and debt securities, would otherwise have been measured at fair value through profit or loss (FVTPL).

Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than unpaid amounts of principal and interest. However, to qualify for amortised cost measurement, the negative compensation must be "reasonable compensation for early termination of the contract".

The management of the Company does not anticipate that the application of these amendments will any impact on the Company's financial statements.

Annual Improvements 2015 - 2017 Cycle

The Annual Improvements to IFRS 2015-2017 include a number of amendments to various IFRS, which are summarised below.

IFRS 3 *Business Combinations* and IFRS 11 *Joint Arrangements* - The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

IAS 12 *Income Tax* - The amendments clarify that the requirements in the former paragraph 52B (to recognise the income tax consequences of dividends where the transactions or events that generated distributable profits are recognised) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.

IAS 23 *Borrowing Costs* - The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

3. Basis of preparation

a) Statement of compliance

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

b) Basis of preparation

These financial statements have been prepared on the historical cost basis, except for the measurement at fair value of available-for-sale investments, investment properties and the revaluation of land and buildings.

c) Functional and presentation currency

These financial statements are presented in Trinidad and Tobago dollars, which represent NIPDEC's functional and presentation currency. Amounts are expressed in Thousands of Trinidad and Tobago dollars unless otherwise stated.

d) Use of estimates and judgements

The preparation of 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 and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is identified below:

Accounting policy 4(b)	Investment properties
Accounting policy 4(c)*(i)*	Property, plant and equipment *(owned assets)*
Accounting policy 4(h)	Accounts receivable
Accounting policy 4(k)	Provisions
Accounting policy 4(l)	Revenue recognition

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 7	Measurement of defined pension benefit asset

4. Summary of significant accounting policies

a) Foreign currency

In preparation of the financial statements, foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary items denominated in foreign currencies are recognised in profit or loss of the financial year in which they arise. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Exchange differences on monetary items are recognised in profit or loss in the financial year in which they arise except for:

(i) Exchange differences on foreign currency borrowings relating to assets under construction for future productive use which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

b) Investment properties

Investment properties consist of buildings, warehouses, car parks and land held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any gain or losses therein recognised in the statement of profit or loss. Fair values are based on market values.

In order to determine fair values, independent valuators perform assessments every three years. In addition, management performs an assessment of fair value with sufficient regularity to ensure that market values do not differ materially from carrying amounts and when deemed appropriate performs its own assessment of fair value or requests an additionai independent valuation.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property is included in the statement of profit or loss in the financial year in which the property is derecognised.

4. Summary of significant accounting policies (continued)

c) Property, plant and equipment

(i) Owned assets

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses (see accounting policy 4(d)) except for freehold land and buildings which are stated at revalued amounts being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period. The cost and accumulated depreciation accounts are restated proportionately with every revaluation.

NIPDEC recognises in the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits embodied with the item will flow to NIPDEC and the cost of the item can be measured reliably. All other costs are recognised in profit or loss as an expense as incurred.

(ii) Depreciation

Freehold land is not depreciated. Property, plant and equipment is depreciated on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life as follows:

Freehold properties	2%
Fixtures and fittings and plant and machinery	12 ½%
Furniture and office equipment	10%
Computer equipment and computer software	33 ⅓%
Motor vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(iii) Disposal

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

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

d) Impairment

The carrying amounts of NIPDEC's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

(i) Calculation of recoverable amount
The recoverable amount of non-financial 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.

(ii) Reversals of impairment
An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

e) Defined pension benefit asset

(i) Retirement benefit costs and termination benefits
NIPDEC operates a defined pension benefit plan which covers all permanent employees. The cost of providing benefits is determined by using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. In accordance with IAS 19 *Employee Benefits*, remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on the Plan assets(excluding interest) are reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost is recognised in profit or loss in the year of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
b) net interest expense or income; and
c) remeasurement.

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

e) **Defined pension benefit asset** (continued)

(ii) Short-term and other long-term employee benefits
A liability is recognised for benefits accruing to employees in respect of wages, salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash flows expected to be made by the Company in respect of services provided by employees up to the reporting date.

(iii) Contributions from employees or third parties to defined benefit plan
Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan. When the formal terms of the plan specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service as follows:

a) If the contributions are not linked to services they are reflected in the remeasurement of the net defined benefit liability/(asset).
b) If contributions are linked to service, they reduce service costs.

f) **Financial instruments**

A financial instrument is any contract that gives rise to both a financial asset and a financial liability or equity instrument of another enterprise. Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Under normal circumstances, observable market prices or rates are used to determine fair value. For financial instruments with no active market or a lack of price transparency, fair values are estimated using calculation techniques based on factors such as discount rates, credit risk and liquidity. The assumptions and judgements applied here affect the derived fair value of the instruments.

Financial instruments carried in NIPDEC's statement of financial position include, cash at bank and in hand, restricted cash, available-for-sale investments, accounts receivable, amounts due from/to parent company and accounts payable.

4. Summary of significant accounting policies (continued)

f) Financial instruments (continued)

(i) Financial assets

Financial assets are classified into the following specified categories:

a) financial assets 'at fair value through profit or loss'(FVTPL);
b) 'held-to-maturity' investments;
c) 'available-for-sale' (AFS)
d) 'loans and receivable'

The classification depends on the nature and purpose of the financial assets and is determined at the time of the initial recognition. All regular-way purchases and sales of financial assets are recognised on the trade date at which NIPDEC becomes a party to the contractual provision of the instrument.

a) Financial assets at FVTPL

A financial asset is classified as at FVTPL if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so designated by management. Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The Company does not hold any financial assets at FVTPL.

b) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest rate method less any impairment. The Company does not currently hold any held-to maturity financial assets.

c) Available-for-sale financial assets

AFS financial assets are non-derivative financial assets that are 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.

Available-for-sale investments are stated at fair value with any resultant gain or loss recognised within the fair value reserve in other comprehensive income/(loss).

4. Summary of significant accounting policies (continued)

f) Financial instruments (continued)

(i) Financial assets (continued)

d) Loans and receivables

Loans and receivables include 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 method, less any impairment.

Effective interest method

The effective interest method is a method of calculating the amortised cost of debt instrument and of allocating interest income over the relevant period. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed by the Company for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For the Company's AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to the profit or loss in the period.

The Company's trade receivables are assessed for impairment on a collective and individual basis. Objective evidence of impairment for the Company's portfolio of receivables include the past experience of collecting payments and the history of customer defaults by customer segment.

Derecognition of financial assets

NIPDEC derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and subsequently all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in the other comprehensive income and accumulated equity is recognised in profit or loss.

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

f) **Financial instruments** (continued)

(ii) Financial liabilities and equity instruments
Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'. For the Company, financial liabilities are classified as a FVTPL when the financial liability is held for trading in the short term or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method. The Company had utilised borrowing facilities to support its business operations up to June 30, 2015. There were no borrowings as of June 30, 2018.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Derecognition of financial liabilities
The Company derecognises financial liabilities when the obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the profit or loss.

g) **Cash and cash equivalents**

Cash and cash equivalents comprise (i) cash at bank and in hand and (ii) restricted cash. Cash and short-term deposits are short-term liquid investments with balances that are readily convertible into known amounts of cash without notice.

Restricted cash represent monies received by the Company to be utilised specifically for completion of several projects on behalf of the GORTT. The amount of restricted cash is sourced from debt instruments (bonds) and monies received directly from administrative offices of the GORTT.

h) **Accounts receivable**

Accounts receivable include amounts billed for work performed but not yet paid by the customer for projects, the Ministry of Health under the Pharmaceutical business division and other direct reimbursable expenditure. Receivables are recognised initially at fair value and subsequently measured at amortised cost, less an allowance for impairment. An allowance for impairment of receivables is established when there is objective evidence that NIPDEC will not be able to collect all amounts due according to the original terms of the receivable. The amount of the allowance is recognised in profit or loss.

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

i) **Unbilled project costs, advance project billings and project advances**

NIPDEC acts as a project or construction manager and in some instances as a paying agent on behalf of its client. This means that progress billings from contractors to NIPDEC for various projects are accumulated in the books of account as project costs. These costs are eventually transferred to the respective clients via NIPDEC billings and recorded as accounts receivable. Contract costs incurred to date that are not transferred to accounts receivable are classified in the statement of financial position as 'unbilled project costs'. NIPDEC billings for contractor costs not incurred to date are classified in the statement of financial position as 'advance project billings'.

In certain instances, monies are received in advance of costs being incurred, and these amounts have been separately classified in the statement of financial position as 'project advances'.

j) **Accounts payable and accruals**

Trade and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received.

k) **Provisions**

Provisions are recognised when NIPDEC has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation, and a reliable estimate of the amount of the obligation can be made.

l) **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable in exchange for rendering of services by the Company. Revenues earned by NIPDEC are recognised on the following bases:

Project management fees and construction management fees
Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. These fees are recognised in income based on contract costs incurred to date as a percentage of the total estimated cost of the project. The timing of revenue recognition through profit or loss may differ from the fee payment schedule agreed by the client.

Pharmaceutical agent services
Management fees for operating the distribution of pharmaceutical and non-pharmaceutical drugs to Regional Health Corporations and Pharmacies on behalf of the Ministry of Health are recognised each month the service is provided based on a fixed income.

4. Summary of significant accounting policies (continued)

l) Revenue recognition (continued)

Rental income
Rental income from operating leases is recognised under property management and sales on a straight-line basis over the term of the relevant lease. The Company as a lessor, provides warehouse rental space and car park space at multi-storey facilities in the form of operating leases.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount on initial recognition.

Other income
This is recognised on an accrual basis unless collectability is doubtful.

m) Taxation

NIPDEC is exempt from corporation tax by virtue of Legal Notice No. 94 dated 3 May 1987. However, NIPDEC is required to pay green fund levy, which is disclosed as taxation in profit or loss.

n) Related parties

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. Related parties could be companies, individuals or other GORTT related entities. In the ordinary course of its business, NIPDEC enters into transactions concerning the exchange of goods, provision of services and financing with the NIBTT.

o) Fair value measurement

NIPDEC measures financial instruments such as available for sale investments and non-financial assets such as investment properties and land/buildings, at fair value at each reporting date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability; or
b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by NIPDEC.

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

o) **Fair value measurement** (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NIPDEC uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, NIPDEC determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

p) **Current versus non-current classification**

NIPDEC presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

a) Expected to be realised or intended to sold or consumed in the normal operating cycle
b) Held primarily for the purpose of trading
c) Expected to be realised within twelve months after the reporting period
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in the normal operating cycle
b) It is held primarily for the purpose of trading
c) It is due to be settled within twelve months after the reporting period
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

NIPDEC classifies all other liabilities as non-current.

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

5. Investment properties

	2018	2017
Leasehold land and buildings		
1500 sq. ft. land at 47, St. Vincent Street, Port of Spain	4,000	4,000
Chaguaramas warehouse	10,000	10,000
	14,000	14,000
Chattel buildings		
Riverside Car Park, Piccadilly Street, Port of Spain	7,000	7,000
Multi-Storey Car Park, Edward Street, Port of Spain	12,000	12,000
	19,000	19,000
Land held for development		
Toco	1,300	1,300
Total	**34,300**	**34,300**
Opening balance at July 1	34,300	31,400
Increase in value	–	2,900
Closing balance at June 30	**34,300**	**34,300**

On 8 March 2017, the investment properties were independently valued by Linden Scott and Associates Ltd, Chartered Valuation Surveyors. During the financial year 2018, NIPDEC made no material changes or additions to the properties, nor did they suffer any physical damage either by natural disaster or vandalism. Based on assessments performed by management and Linden Scott and Associates Ltd, there is no change to fair value since the last valuation report date of 8 March 2017.

	2018	2017
Rental income derived from investment properties	9,764	9,387
Direct expenses incurred	(1,582)	(1,483)

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018
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6. Property, plant and equipment

	Freehold property	Freehold land	Fixtures & fittings	Office and computer equipment	Computer software	Motor vehicles	Plant & machinery	Total
Year ended 30 June 2018								
Opening balance net book amount	7,448	9,000	734	316	139	–	455	18,092
Additions	78	–	10	–	68	–	–	156
Disposal	–	–	–	–	–	(346)	–	(346)
Depreciation on disposal	–	–	–	–	–	346	–	346
Depreciation charge	(160)	–	(154)	(122)	(76)	–	(152)	(664)
Closing balance net book amount	7,366	9,000	590	194	131	–	303	17,584
Cost or valuation	8,036	9,000	5,310	11,778	687	3,100	3,332	41,243
Accumulated depreciation	(670)	–	(4,720)	(11,584)	(556)	(3,100)	(3,029)	(23,659)
Net book amount	7,366	9,000	590	194	131	–	303	17,584
Year ended 30 June 2017								
Opening balance net book amount	7,293	9,000	703	394	64	20	606	18,080
Revaluation	132	–	–	–	–	–	–	132
Additions	–	–	213	97	98	–	–	408
Depreciation charge	(157)	–	(182)	(175)	(23)	(20)	(151)	(708)
Depreciation adjustment	180	–	–	–	–	–	–	180
Closing balance net book amount	7,448	9,000	734	316	139	–	455	18,092
Cost or valuation	7,958	9,000	5,300	11,778	620	3,445	3,332	41,433
Accumulated depreciation	(510)	–	(4,566)	(11,462)	(481)	(3,445)	(2,877)	(23,341)
Net book amount	7,448	9,000	734	316	139	–	455	18,092

Revaluation of freehold property

The freehold property has been independently valued by Linden Scott and Associates, Chartered Valuation Surveyors. Fair value was determined by reference to market based evidence. The date of the last valuation report was 8 March 2017. The next full external valuation is due in March 2020.

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

6. Property, plant and equipment (continued)

If Freehold land and property were stated at historical cost the amount would be as follows:

	2018	2017
Freehold land		
Cost	7,262	7,262
Accumulated depreciation	–	–
	7,262	7,262
Freehold property		
Cost	16,154	16,154
Accumulated depreciation	(12,277)	(11,954)
Net book value	3,877	4,200
Freehold land and property at historical cost	11,139	11,462

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

7. Defined pension benefit asset

a) Net liability in statement of financial position

	2018	2017
Present value of defined benefit obligation	52,474	49,880
Fair value of plan asset	(75,495)	(74,478)
Surplus	**(23,021)**	**(24,598)**
Effect of asset ceiling	-	-
Net defined benefit asset	(23,021)	(24,598)

b) Movement in present value of defined benefit obligation

	2018	2017
Defined benefit obligation at start of year	49,880	49,297
Current service cost	2,088	1,909
Interest cost	2,695	2,649
Members' contributions	401	442
Past service cost	-	-
Re-measurements:		
- Experience adjustments	(823)	(2,105)
- Actuarial changes in financial assumptions	-	-
Benefits paid	(1,767)	(2,312)
Defined benefit obligation at end of year	**52,474**	**49,880**

c) The defined benefit obligation is allocated between the Plan's members as follows:

	2018	2017
Active members	57%	57%
Deferred members	10%	10%
Pensioners	33%	33%
The weighted average duration of the defined benefit obligation at the year end	13.9	13.9

97% of the value of the benefits for active members is vested.

30% of the deferred benefit obligation for active members is conditional on future salary increases.

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

7. Defined pension benefit asset (continued)

d) Movement in fair value of plan assets

	2018	2017
Fair value of plan assets at start of year	74,478	72,334
Interest income	4,067	3,937
Return on plan assets excluding interest income	(1,999)	(283)
Company contributions	401	442
Members' contributions	401	442
Benefits paid	(1,767)	(2,312)
Administrative expense allowance	(86)	(82)
Fair value of plan assets at end of year	**75,495**	**74,478**
Actual return on plan assets	2,068	3,654

e) Asset allocation

	2018	2017
Locally listed equities	24,197	24,743
Overseas equities	5,291	4,732
Government issued nominal bonds	21,890	18,908
Corporate bonds	21,701	21,971
Money market mutual funds	398	1,196
Cash and cash equivalents	2,018	2,928
Fair value of plan assets at end of year	75,495	74,478

The asset values as at 30 June 2018 were provided by the Plan's Investment Manager (First Citizens Asset Management Limited). Overseas equities have quoted prices in active markets. Local equities also have quoted prices but the market is relatively illiquid. The Investment Manager calculates the fair value of the Government bonds and corporate bonds by discounting expected future proceeds using a constructed yield curve.

The majority of the Plan's Government bonds were issued by the GORTT, which also guarantees many of the corporate bonds held by the Plan.

The Plan's assets are invested in a strategy agreed with the Plan's Trustee and Management Committee. This strategy is largely dictated by statutory constraints (at least 80% of the assets must be invested in Trinidad and Tobago and no more than 50% in equities) and the availability of suitable investments. There are no asset-liability matching strategies used by the Plan.

f) Amounts recognised in the statement of profit or loss are as follows:

	2018	2017
Current service cost	2,088	1,909
Net interest on net defined benefit liability	(1,372)	(1,288)
Past service cost	–	–
Administrative expense allowance	86	82
Net pension cost	**802**	**703**

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

7. **Defined pension benefit asset** (continued)	**2018**	**2017**
g) Re-measurement recognised in other comprehensive income:		
Experience gains, being net pension cost	1,176	(1,822)
h) Reconciliation of opening and closing entries in statement of financial position		
Opening defined benefit asset at prior year	(24,598)	(23,037)
Net pension cost	802	703
Re-measurement recognised in other comprehensive income	1,176	(1,822)
Contributions paid	(401)	(442)
Closing defined benefit asset	**(23,021)**	**(24,598)**
i) Summary of principal assumptions as at June 30		
Discount rate	5.50%	5.50%
Average individual salary increase	4.75%	4.75%
Future pension increases	0.00%	0.00%

Assumptions regarding future mortality are based on published mortality tables. The life expectancies underlying the value of the defined benefit obligation as at June 30, 2018 are as follows:

	2018	**2017**
Life expectancy at age 60 for current pensioner in years		
- Male	21.0	21.0
- Female	25.1	25.1
Life expectancy at age 60 for current members age 40 in years		
- Male	21.4	21.4
- Female	25.4	25.4

j) Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions used. The following table summarises how the defined benefit obligation as at 30 June 2018 would have changed as a result of a change in the assumptions used.

	1% p.a. lower $'000	**1% p.a. lower $'000**
- Discount rate	7,700	(6,245)
- Future salary increases	(2,274)	2,550

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

7. Defined pension benefit asset (continued)

j) Sensitivity analysis (continued)

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at 30 June 2018 by $0.702 million (2017: $0.667 million).

These sensitivities were calculated by re-calculating the defined benefit obligations using the revised assumptions.

k) Funding

The Company meets the balance of the cost of funding the defined benefit pension plan and must pay contributions at least equal to those paid by members, which are fixed. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the Plan and the assumptions used to determine the funding required may differ from those set out above. The Company expects to pay $0.409 million (2017: $0.408 million) to the Pension Plan during 2018/19. However, this amount could change if outstanding pay negotiations are completed during the year.

8. Available-for-sale investments

	2018	2017
Balance at beginning of the year	12,992	13,561
Net change in fair value of available-for-sale investment	(629)	384
Less redemption of CLICO zero coupon bond during the year	(952)	(953)
Balance at the end of the year	11,411	12,992
Represented as follows:		
Non-current	2,658	3,477
Current	8,753	9,515
	11,411	12,992

Net change in fair value of available-for-sale investments

	2018	2017
Accumulated balance at beginning of the year	1,104	720
Net change in fair value of available-for-sale investment	(629)	384
Accumulated balance at the end of the year	475	1,104

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

9. Cash and cash equivalents

a) Cash at bank and in hand

	2018	2017
Cash at bank	124,999	120,906
Cash in hand	32	33
	125,031	**120,939**

b) Restricted cash

Restricted cash refers to monies raised either by NIPDEC's financing activities (bonds) or given to the Company directly through the Government's Programme for Upgrade of Road Efficiency (PURE) to be used specifically to fund the execution of various projects. The use of these funds are usually specified by contract, Cabinet note or memorandum of understanding where NIPDEC has a right of use of the cash by such projects. It also includes disbursements received from the Ministry of Health for the current and non-current expenditure of the C-40 pharmaceutical operations.

The amount of restricted cash is $436.731 million (2017: $252.089 million) is represented as follows:

	2018	2017
Ministry of Education	3,357	3,357
Ministry of Health	21,161	23,473
Ministry of Works and Transport	412,213	225,259
	436,731	**252,089**

10. Accounts receivable and prepayments

	2018	Restated 2017
Trade debtors:		
- Projects and others	141,896	156,054
- Ministry of Health	167,646	153,374
Direct recoverable expenditure – Ministry of Health:		
- Pharmaceuticals and other related programmes	12,731	26,075
	322,273	335,503
Less allowance for doubtful debts	(37,822)	(31,223)
Net trade debtors and direct recoverable expenditure (Note 30(ii))	284,451	304,280
Prepayments and other sundry receivables	119,136	47,423
	403,587	**351,703**

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

10. Accounts receivable and prepayments (continued)

The Company carried out a review of the credit quality of the receivables that are past due beyond 90 days which can be considered irrecoverable. These amounts are non-interest bearing. Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Company has recognised an allowance for doubtful debts because of the significant change in credit quality.

	2018	2017
Age of receivables that are past due but not impaired		
31-60 days	55,674	39,903
61-90 days	56,191	9,410
Over 90 days	80,669	75,824
Total	**192,534**	**125,137**
Movement in the allowance for doubtful debts		
Balance at the beginning of the year	31,223	24,050
Impairment losses recognised on receivables	7,669	7,173
Amounts written off during the year as uncollectable	(1,070)	–
Balance at the end of the year	**37,822**	**31,223**
Age of impaired trade receivables		
Over 90 days	**37,822**	**31,223**

11. Unbilled project costs

	2018	Restated 2017
Judiciary of Trinidad & Tobago	39	1,171
Minister of Community Development, Culture and the Arts	108	588
Ministry of Agriculture, Land and Fisheries	3,100	1,839
Ministry of Education	2,529	2,528
Ministry of Health	23,310	28,613
Ministry of National Security	74	–
Ministry of Public Administration and Communications	398	474
Ministry of Rural Development and Local Government	–	1
Ministry of Social Development and Family Services	–	39
Ministry of Sport and Youth Affairs	642	26
Ministry of the Attorney General and Legal Affairs	111	55
Ministry of Works and Transport	73,765	149,128
Office of the Prime Minister	10,120	3,952
The National Insurance Board of Trinidad and Tobago	60	2
	114,256	**188,416**

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

12. **Share capital**	**2018**	**2017**
Authorised		
Unlimited number of ordinary shares of no par value		
Issued and fully paid		
25,000 ordinary shares of no par value	25,000	25,000

13. Revaluation reserve

The revaluation reserve comprises the revaluation surplus on freehold property. The amount of the reserve is $13.132 million as at year end (2017: $13.132 million).

14. Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired. The amount of the reserve is $0.475 million (2017: $1.104 million).

15. **Accounts payable and accruals**	**2018**	**Restated 2017**
Trade payables:		
- Projects and other	219,865	403,957
- Retentions	41,594	47,818
- Due to pharmaceutical suppliers	18,275	14,757
- Amounts owed to parent company	365	285
	280,099	**466,817**
Accrued expenses and other payables	121,276	70,789
	401,375	537,606

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-day terms for projects.
- Trade payables – Pharmaceutical payments are non-interest bearing and are normally settled on 45-day terms as per contracts with suppliers.

Retention - Retention is a percentage (often 5%) of the amount certified as due to the contractor on an interim certificate, that is deducted from the amount due and retained by NIPDEC. The purpose of retention is to ensure that the contractor properly completes the activities required of them under the contract. The retention balance has a current portion of $22.121 million and non-current of $19.473 million as at 30 June 2018. The current portion is expected to be settled within twelve (12) months of the reporting date.

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

15. Accounts payable and accruals (continued)

Due to pharmaceutical suppliers - Pursuant to a contractual relationship with the Ministry of Health, NIPDEC is responsible for the procurement, storage and distribution of pharmaceutical and non-pharmaceutical medical supplies to various health care facilities operated by the Regional Health Authorities.

As part of its contractual obligations, NIPDEC receives and checks invoices from medical suppliers, and records the liability due to them. The accumulated amounts are billed to the Ministry of Health and payments are made to the suppliers upon receipt of funds. Amounts due from the Ministry of Health have been included in accounts receivable.

16. Advance project billings

	2018	Restated 2017
Agricultural Development Bank	8	8
Cipriani College of Labour	41	85
Judiciary of Trinidad & Tobago	134	134
Ministry of Agriculture, Land and Fisheries	2,138	1,988
Ministry of Education	8,058	8,058
Ministry of Health	24,471	515
Ministry of National Security	8,366	8,162
Ministry of Public Administration and Communications	–	366
Ministry of Social Development and Family Services	290	325
Ministry of the Attorney General and Legal Affairs	765	1,243
Ministry of Works and Transport	70,290	58,885
Office of the Prime Minister	30,240	36,733
The National Insurance Board of Trinidad and Tobago	113	56
Trinidad and Tobago Police Service	18	129
	144,932	**116,687**

17. Project advances

	2018	Restated 2017
Office of the Prime Minister, Gender & Child Affairs	35,966	–
Ministry of Works and Transport	328,565	70,865
	364,531	**70,865**

18. Project and construction management fees are represented by:

Project management fees	2,860	8,123
Construction management fees	1,191	1,829
Procurement fees	804	2,097
	4,855	**12,049**

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

	2018	2017
19. Property management and sales		
Car park rentals	6,487	5,968
Warehouse rental	3,277	3,419
Non-project management fees	1,727	1,875
Real estate services income	251	199
	11,742	**11,461**
20. Other interest income		
Interest earned on bank accounts and deposit accounts	**860**	**1,090**
21. Other income		
Project balance for which project has either ended or is discontinued	749	4,171
MEF projects	172	–
Write back of statute -barred accounts payable	–	8,755
	921	**12,926**
22. Special projects and other income		
Registration and tenders	799	1,925
Advertising income	481	346
Interest on staff loans	–	1
	1,280	**2,272**

23. Direct costs

Direct costs are operating expenses that can be associated directly with the provision of our core services.

	2018	2017
Car park rental	1,510	1,354
Construction management fees	133	318
Non project management fees	124	476
Procurement fees	324	79
Real estate services	41	4
Warehouse rental	72	129
	2,204	**2,360**

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

24. Staff costs

	2018	2017
Salaries and wages	20,322	24,089
Statutory deductions	1,325	1,452
Savings and pension contributions	1,027	874
Other staff costs	1,739	2,496
	24,413	**28,911**

25. Finance costs

Gain/(loss) on foreign currency exchange	31	(325)
Other	82	76
	113	**(249)**

26. Administration expenses

Advertising and promotions	132	393
Public relations and donations	68	7
Professional and legal fees	1,084	1,020
Office supplies and other administration expenses	2,675	2,244
	3,959	**3,664**

27. Accommodation costs

Repairs and maintenance	1,560	297
Rates and taxes	37	43
Property rent	641	686
Equipment rent	393	359
Utilities	958	973
Insurance	597	370
	4,186	**2,728**

28. Vehicle expenses

Lease cost	620	671
Running cost	160	175
	780	**846**

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

29. Related parties disclosures

The sales to and purchases from related parties are at arm's length. Outstanding balances at the year-end are unsecured and the settlement occur in cash. There have been no guarantees provided or received for any related party receivables or payables.

The following table provides the total amount of transactions, which have been entered into with related parties as at or for the year ended 30 June 2018 and 2017.

Related parties balances	**2018**	**2017**
Amounts due from parent related parties:		
Parent company		
National Insurance Board of Trinidad & Tobago (NIBTT)	**2,155**	**2,065**
Amounts due from GORTT related entities including Ministries		
Accounts receivable and prepayments	320,460	185,696
Unbilled project costs	114,256	188,416
	434,716	**374,112**

The balances represent amounts due from related parties for expenses paid by on their behalf

Amounts due to related parties:		
Parent company (Note 15)		
National Insurance Board of Trinidad & Tobago (NIBTT)	**365**	**285**
Amounts due to the GORTT related entities including Ministries:		
Accounts payable and accruals	788	322
Advance project billing	144,932	116,686
Project advances	364,531	70,865
	510,251	**187,873**

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

29. Related parties disclosures (continued)

	2018	2017
Transactions with related parties		
GORTT related entities including Ministries		
Income:		
Project and construction management fees	4,855	12,049
Property management and sales	8,483	8,954
Pharmaceutical agent services	2,000	2,000
	15,338	**23,003**
Expenses:		
Accommodation cost	1,290	1,324
Taxation	40	64
	1,330	**1,388**
Other transactions with related parties:		
Directors' remuneration	**551**	**515**
Key management remuneration:		
Short-term benefits	5,406	6,804
Long-term benefits	92	68
	5,498	**6,872**

30. Financial risk management

Overview

NIPDEC has adopted risk management policies and has set appropriate limits and controls to manage and mitigate against financial risk. NIPDEC has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

i) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Trade receivables consist of mainly public sector entities of the GORTT with an amount of $320.5 million (2017: $334.3 million). The largest customer of this segment is the Ministry of Health with an amount of $180.4 million (2017: $197.7 million). As a result of the concentration of credit risk with the GORTT, management has made the assessment that NIPDEC's exposure is considered medium due to the fact that public sector entities as a collective group take longer to pay than any single counterparty in the private sector.

Management of credit risk
The credit risk in respect of certain customer balances are managed through NIPDEC's establishment of an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables. NIPDEC has created specific allowances for the receivables based on information they have that shows that the receivable balance is uncollectable.

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

30. Financial risk management (continued)

ii) Liquidity risk

Liquidity risk is the risk that NIPDEC will not be able to meet its financial obligations as they fall due.

Management of liquidity risk
NIPDEC manages its liquidity risk by monitoring its risk of a shortage of funds using a daily cash balance, daily cash flow report and monthly investment schedule. This report considers the cash balance on a daily basis, the date of maturity of investments and projected cash flows for payments.

The following table details the Company's expected maturity for its non-derivative financial assets against the contractual maturities of financial liabilities, including interest payments:

2018	**Carrying amount**	**Contractual cash flows**	**0-12 Months**	**1-5 years**	**More than 5 years**
Assets					
Interest bearing:					
- Cash	125,031	125,031	125,031	–	–
- Restricted cash	436,731	436,731	436,731	–	–
Non-interest bearing:					
- Accounts receivable (Note 10)	284,451	284,451	284,451	–	–
- Available-for-sale investments	11,411	11,411	8,753	2,658	–
	857,624	**857,624**	**854,966**	**2,658**	**–**
Liabilities					
Accounts payable and accruals	359,781	359,781	359,781	–	–
Retention payable	41,594	41,594	22,121	19,473	–
	401,375	**401,375**	**381,902**	**19,473**	**–**
Net	**456,249**	**456,249**	**473,064**	**(16,815)**	**–**

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

30. Financial risk management (continued)

ii) Liquidity risk (continued)

Restated	**Carrying amount**	**Contractual cash flows**	**0-12 Months**	**1-5 years**	**More than 5 years**
2017					
Assets					
Interest bearing:					
- Cash	120,939	120,939	120,939	–	–
- Restricted cash	252,089	252,089	252,089	–	–
Non-interest bearing:					
- Accounts receivable (Note 10)	304,280	304,280	304,280	–	–
- Available-for-sale investments	12,992	12,992	9,515	3,477	–
	690,300	**690,300**	**686,823**	**3,477**	**–**
Liabilities					
Accounts payable and accruals	489,788	489,788	489,788	–	–
Retention payable	47,818	47,818	22,322	25,496	–
	537,606	**537,606**	**512,110**	**25,496**	**–**
Net	**152,694**	**152,694**	**174,713**	**(22,019)**	**–**

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect NIPDEC's income or its holding of financial instruments. NIPDEC has exposure to market risks on interest rates and currency. NIPDEC's objective is to manage and control these exposures within acceptable parameters.

a) Interest rate risk

All of NIPDEC's financial liabilities and the majority of its financial assets are at fixed interest terms. Interest rates on short-term investments are determined by the market. As a result, this minimises any interest rate risk faced by NIPDEC.

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

31. **Financial risk management** (continued)

iii) **Market risk** (continued)

b) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Management of currency risk
NIPDEC is exposed to currency risk with respect to its current assets denominated in currencies other than its functional currency. NIPDEC's functional currency is the Trinidad and Tobago dollar. These current assets are primarily denominated in United States ('US') and Eastern Caribbean ('EC') dollars.

As at 30 June 2018, NIPDEC had assets denominated in foreign currencies amounting to $21.5 million (2017: $19.9 million).

The following average exchange rate applied during the respective periods:

	2018	**2017**
US$	6.727	6.736
EC$	2.494	2.506

Sensitivity analysis:
A one percent strengthening of the TT$ against the following currencies at year-end would increase/(decrease) profit by the amounts shown below. This analysis is performed on the same basis for 2018 on the basis that all other variables remain constant.

	2018	**2017**
Effect in TT$		
US$	(284)	528
EC$	(503)	(29)

NIPDEC mitigates against its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions as well as holding foreign currency balances.

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

31. **Financial risk management** (continued)

Fair value measurement

The Company uses the following hierarchy for determining and disclosing the fair value of financial assets and liabilities that are measured at fair value on a recurring basis in the financial statements based upon the level of judgement associated with the inputs used to measure their fair value. The hierarchical levels from lowest to highest are as follows:

Level 1 - Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date. The types of assets carried at Level 1 fair value are equity and debt securities listed in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are derived principally from or corroborated by observable market data by correlation or other means at the measurement date and for the duration of the instrument's anticipated life.

The assets generally included in this fair value hierarchy are time deposits, foreign exchange and interest rate derivatives and certain investment funds. Foreign exchange derivatives and interest rate derivatives are valued using corroborated market data. The liabilities generally included in this fair value hierarchy consist of foreign exchange derivatives and options on equity securities.

Level 3 - Inputs that are unobservable for the asset or liability for which there are no active markets to determine a price. These financial instruments are held at cost being the fair value of the consideration paid for the acquisition of the investments, and are regularly assessed for impairment.

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Company is the current bid price.

The nominal value less impairment provisions of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The following table presents the Company's financial assets and liabilities that are measured at fair value at 30 June 2018:

	Level 1	Level 2	Level 3	Total
Financial assets				
Trade receivables (Note 10)	–	–	284,451	284,451
Available-for-sale investments (Note 8):				
- Equity securities	–	7,806	–	7,806
- Debt securities	–	3,605	–	3,605
	–	**11,411**	**284,451**	**295,862**
Financial liabilities				
Trade payables (Note 15)	–	–	**280,099**	**280,099**

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

31. Financial risk management (continued)

Fair value measurement (continued)

The following table presents the Company's financial assets and liabilities that are measured at fair value at 30 June 2017:

Restated	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Trade receivables (Note 10)	–	–	304,280	304,280
Available - for - sale investments(Note 8):				
- Equity securities	–	8,568	–	8,568
- Debt securities	–	4,424	–	4,424
	–	**12,992**	**304,280**	**317,272**
Financial liabilities				
Trade payables (Note 15)	–	–	**466,817**	**466,817**

There were no transfers between the levels for the years ended 30 June 2018 and 2017.

32. Capital management

It is NIPDEC's objective when managing capital to maintain a strong base to sustain future development of the business in order to increase shareholder value for its shareholders and benefits for other stakeholders. The Board of Directors monitors the return on capital, which NIPDEC defines as equity. The Company monitors capital on the basis of the gearing ratio which is calculated as debt-to-equity. Total debt consist of total liabilities offset by 'unbilled project costs' (Note 11). Equity of the Company consists of issued capital, reserves and retained earnings.

The gearing ratio at the end of the reporting period was as follows:

	2018	**2017**
Total liabilities	910,838	725,157
Less: Unbilled project costs (Note 11)	(114,256)	(188,416)
Net debt	796,582	536,741
Total equity	255,083	277,971
Debt-to-equity	3.12	1.93

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

33. Determination of fair values

A number of NIPDEC's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

i) *Investment properties and freehold land and building*
An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Company's investment property portfolio and freehold land and buildings every 3 years. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. Management conducts annual internal assessments of the fair value of each property in between independent valuations. Fair value is based on unobservable inputs (Level 3).

ii) *Available for sale investments*
The fair value of available for sale investments are determined by the market value at the measurement date based on directly or indirectly observable inputs (Level 2).

iii) *Other*
The carrying amounts of financial assets and liabilities approximate their fair values because of the short-term maturities on these instruments. The carrying values of short-term deposits are assumed to approximate fair value due to their term to maturity not exceeding one year.

34. Commitments and contingencies

Capital commitments

There were no commitments for capital expenditure approved or contracted as at 30 June 2018 (2017: nil).

Operating lease commitments

Future minimum rentals payable under operating leases in respect of office equipment and facilities are as follows:

	2018	2017
Due within one year	1,741	1,690
Due after one year but not more than five years	1,411	2,116
Due after five years	-	-
	3,152	3,806

Operating lease expenses amounting to $1.034 million (2017: $1.045 million) have been incurred during the year and are expensed within accommodation costs.

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

35. Agency arrangements

NIPDEC holds several fixed rate bonds and one demand loan that are not recorded in the financial statements. These borrowings were raised on behalf of the GORTT to finance various Government projects managed by NIPDEC for the GORTT. The bonds have tenures of 12 to 18 years with maturity dates of 2018 to 2032.

The various Trust Deeds for the fixed rate bonds provide that NIPDEC's obligations to pay principal and interest on these bonds are limited to the maximum amount that NIPDEC has received from the GORTT for these obligations. Where bond repayments have become due, the GORTT has committed to and has been directly servicing the semi-annual principal and interest repayments.

These bonds and demand loan have not been recorded in the books of NIPDEC since NIPDEC has no beneficial interest in these funds:

a. NIPDEC acts as an agent to source and disburse funds in relation to projects undertaken on behalf of the GORTT; there is no outflow of resources by NIPDEC as interest and principal repayments are serviced directly by GORTT;
b. The Trust Deeds provide for limited recourse against NIPDEC;
c. All repayments of principal and interest are being serviced directly by the GORTT.

The principal outstanding on these limited recourse fixed rate borrowings amounted to $4.8 billion at 30 June 2018 (2017: $4.4 billion). An analysis of the borrowings is as follows:

Bonds			**2018**	**2017**
Trustee	**Rate**	**Tenor**		
RBTT Trust Limited	8.75%	October 2006-2018	11,927	35,782
	6.80%	July 2009-2022	682,000	682,000
Trinidad and Tobago Unit Trust Corporation	7.00%	October 2005-2017	–	8,333
First Citizens Trustee Services Limited	6.25%	March 2010-2028	500,000	500,000
	6.10%	September 2010-2028	360,000	360,000
	6.55%	May 2011-2030	750,000	750,000
	6.05%	October 2011-2026	500,000	500,000
	5.15%	July 2012-2025	339,000	339,000
	6.25%	October 2012-2032	250,000	250,000
	4.00%	October 2013-October 2029	1,000,000	1,000,000
	4.65%	May 2018-May 2032	405,000	–
			4,797,927	**4,425,115**

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

35. Agency arrangements

Demand loan			**2018**	**2017**
Lender	**Rate**	**Tenor**		
First Citizens Bank Limited	3.1%	July 2017-July 2021	49,425	–

36. Contingent liabilities

As at 30 June 2018, NIPDEC was subject to several legal claims and actions. After taking legal advice as to the likelihood of success of the claims and actions, where appropriate, provisions were established based on legal advice received and precedent cases. NIPDEC is either vigorously defending these claims or attempting to settle the same (where advised) so as to reduce litigation costs. Management estimated contingent liabilities of the amount $0.8 million as only reasonably possible.

In addition, NIPDEC also has several legal matters arising out of projects undertaken on behalf of various government ministries. For these matters, the claims, judgements and legal costs are fully reimbursed by the client ministries.

On 8 February 2018, NIPDEC was served a Claim Form and Statement of Case for monies owed in the sum of $2.1 million for works completed by Yenks Contracting Services Limited on the Agricultural Access Road Programme. NIPDEC's records indicated that the works certified as completed and outstanding was $1.4 million. The claimant's attorney agreed to accept this amount and the client was apprised of the matter. As at 30 June 2018, a full provision was made in the accounts and subsequent to this the funds were received on 5 July 2018 and payment made to the contractor.

37. Events after the reporting date

On 27 August 2018, the Board of Directors declared a dividend of $24,130,089 (expressed in dollars) at their 377th Board Meeting. The declaration does not have an effect on the financial performance, position or changes therein for the reporting period but will be accounted for as an appropriation of retained earnings for the year ended 30 June 2019.

38. Prior period restatements

Certain prior period errors and adjustments were identified and recorded to the prior periods as reported in these financial statements:

a) Contractor invoices that were related to 30 June 2017, but were paid within the financial year ended 30 June 2018, went unrecorded in the prior year 2017. A restatement was made to adjust both Accounts Payable and Accounts Receivable.

b) The Company continued its exercise to reconcile the project cost and advances asset and liability accounts as at 30 June 2018, in light of the Qualified Opinion received in the 2017 Financial Statements. The adjustment due to accounting errors were for completed and on-going projects over the past 5 years. The correction of the errors are accounted for retrospectively and the comparative information for 2017 and 2016 has been restated.

c) Due to an unexplained error in Microsoft Dynamics system software, an adjustment was recorded to reconcile the general and sub-ledger Accounts Payable balances.

d) The Company understated Project and construction management fees for projects related to the PURE programme during the prior years 2017 and 2016.

e) A provision for back pay was accrued for the periods outstanding for the collective bargaining agreements 2013 to 2017.

f) In 2015, mediation talks between NIPDEC and its parent company NIBTT concerning the Riverwoods project had ended. Unsubstantiated amounts due from the parent could not be confirmed and hence an adjustment to clear the balances was made retrospectively. The comparative information for 2017 and 2016 has been restated.

g) Retention payable was reclassified as a separate line item in the Statement of Financial Position for the reader of the financial statements. The comparative information for 2017 and 2016 has been reclassified.

h) Net change in the fair value of available-for-sale investment in CLICO mutual fund was reclassified from Other Income in the Profit or Loss to Other comprehensive loss in 2017.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018
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38. Prior period restatements (continued)

Year ended 30 June 2017	For the year ended 30 June 2017 – as previously reported	Impact of accounting for unrecorded vendor invoices (a)	Impact of accounting for work in progress projects completed (b)	Impact of accounting for unsubstantiate d liabilities (c)	Impact of accounting for revenue adjustment (d)	Accounting for back pay provision (e)	Impact of accounting for unsubstantiated Riverwoods balances due and from parent (f)	Retention reclass-ification (g)	AFS income reclass-ification (h)	For the year ended 30 June 2017 – as restated
Impact on equity										
Accounts receivable and prepayments	331,455	18,190	(3,744)	–	5,802	–	–	–	–	351,703
Unbilled project costs	215,221	768	(27,573)	–	–	–	–	–	–	188,416
Amount due from parent	1,882	–	–	–	–	–	(1,882)	–	–	–
Total assets	548,558	18,958	(31,317)	–	5,802	–	(1,882)	–	–	540,119
Accounts payable and accruals	537,523	18,958	(18,869)	(834)	–	543	285	(47,818)	–	489,788
Retention	–	–	–	–	–	–	–	47,818	–	47,818
Advanced project billings	124,217	–	(7,530)	–	–	–	–	–	–	116,687
Project advances	66,928	–	3,937	–	–	–	–	–	–	70,865
Total liabilities	728,668	18,958	(22,462)	(834)	–	543	285	–	–	725,158
Fair value reserve	1,165								(61)	1,104
Net impact on equity	–	–	**(8,855)**	**834**	**5,802**	**(543)**	**(2,167)**	–	–	**(4,929)**

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FOR THE YEAR ENDED 30 JUNE 2018
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38. Prior period restatements (continued)

Year ended 30 June 2017	For the year ended 30 June 2017 – as previously reported	Accounting for work in progress projects closed (b)	Impact of accounting for revenue adjustment (d)	Accounting for back pay provision (e)	Accounting for AFS income reclassification (h)	For the year ended 30 June 2017 – as restated
Impact on statement of profit or loss						
Project and construction management fees	8,647	–	3,402	–	–	12,049
Other income	10,014	2,851	–	–	60	12,925
Staff costs	(28,368)	–	–	(543)	–	(28,911)
Loss before tax	(7,033)	2,851	3,402	(543)	60	(1,263)
Taxation	(64)	–	–	–	–	(64)
(Loss)/profit after tax	(7,097)	2,851	3,402	(543)	60	(1,327)
Net impact on profit or loss	–	**2,851**	**3,402**	**(543)**	**60**	**5,770**

(Expressed in thousands of Trinidad and Tobago dollars unless otherwise stated)

38. Prior period restatements (continued)

Year ended 30 June 2016	For the year ended 30 June 2016 – as previously reported	Impact of accounting for work in progress projects completed (b)	Impact of accounting for unsubstantiated liabilities (c)	Impact of accounting for revenue adjustment (d)	Impact of accounting for unsubstantiated Riverwoods balances due and from parent (f)	Retention reclassification (g)	For the year ended 30 June 2016 – as restated
Impact on equity							
Accounts receivable and prepayments	230,529	–	–	2,401	–	–	232,930
Unbilled project costs	140,557	(16,946)	–	–	–	–	123,611
Amount due from parent	1,858	–	–	–	(1,858)	–	–
Total assets	372,944	(16,946)	–	2,401	(1,858)	–	356,541
Accounts payable and accruals	411,684	(8,284)	(833)	–	308	(81,023)	321,852
Retention	–	–	–	–	–	81,023	81,023
Advanced project billings	66,167	(895)	–	–	–	–	65,272
Project advances	146,537	3,938	–	–	–	–	150,475
Total liabilities	624,388	(5,241)	(833)	–	308	–	618,622
Net impact on equity	–	**(11,705)**	**833**	**2,401**	**(2,166)**	–	**(10,637)**