



NIPDEC

ANNUAL REPORT

2024

YOUR PARTNER IN DEVELOPMENT



868-625-8749



56-60 St. Vincent Street, Port of Spain, Trinidad, W.I.



www.nipdec.com

OUR COMPANY

OUR PURPOSE

To be a key partner in fostering regional sustainable development.

NIPDEC Gets It Done

OUR VISION

To be the premier project and procurement management agency in the region providing high quality, sustainable projects, products and services.

OUR MISSION

To acquire at least three iconic infrastructure development projects in the Caribbean. To generate \$100m in revenue per annum from fiscal 2026.



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OUR CORE VALUES



Who we are and what is truly important to us

Integrity

We strive towards consistency between our words and actions and are dedicated to professional ethical standards

Excellence

We are highly committed to delivering positive business outcomes.

Diversity & Inclusion

We value and embrace all stakeholders, respecting everyone's unique contribution and treating everyone with the respect and dignity they deserve.

Innovation

We are committed to creating new ways to deliver optimal results.

Accountability

We take ownership for all our outcomes

Teamwork

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

Customer Focus

We recognize that our decisions and actions are guided by meeting and exceeding the expectations of our internal and external customers.



CHAIRMAN'S STATEMENT

CRAFTING SOLUTIONS, DELIVERING SUCCESS

It is both a privilege and a responsibility to step into the role of Chairman at NIPDEC during such an exciting and pivotal moment in our company's history. Our return to profitability in 2024, is a tremendous achievement. This reflects the resilience, expertise and commitment of our entire team, and I want to recognize all of you for your contributions. Yet, this is only the beginning of what we can accomplish together.

For over 47 years, NIPDEC has played a critical role in shaping the development landscape of Trinidad and Tobago, establishing ourselves as the premier property development and project management company. Now, we are poised to evolve further, seizing opportunities that will position NIPDEC as a leader not only locally, but across the region. My vision is to build on our successes, expanding our impact through innovative solutions, regional expansion and continued excellence in delivering national projects like the National Water Sector Transformation Program. These initiatives will showcase our ability to lead large-scale developments that truly benefit the people of Trinidad and Tobago.

Our recent profitability is a direct result of strategic efficiency, reducing overheads, restructuring, and strengthening our client relationships. Moving forward, our goals are clear: Process Optimization, Sustainable Growth, Financial Sustainability, Customer Focus, and Innovation. With these strategic objectives at the forefront, we are ready to drive NIPDEC toward new horizons.

I am confident that with your unwavering dedication and our collective focus, NIPDEC will continue to thrive and grow. We will rise to the challenges ahead, embracing new opportunities and solidifying our position as a transformative force in the industry. Together, we will shape the future of this organization and, in turn, contribute to the progress and prosperity of Trinidad and Tobago.

With determination and optimism,

Dr. Maryam Abdool-Richards
Chairman



GENERAL MANAGER'S STATEMENT

2024, OUR RETURN TO PROFITABILITY

The National Insurance Property Development Company Limited (NIPDEC) is the premier property development company in Trinidad and Tobago.

As your trusted partner in development for over 47 years, we have and continue to transform the landscape of our country. Fundamentally, we are a project and procurement management solutions-driven firm. Our wealth of experience in systems and procedures are competitively leveraged to deliver for our clients the full spectrum of consultancy, procurement, project delivery and post-project operations.



I am pleased to report that 2024 was a return to profitability. Our company recorded a profit of \$6.9 million, generating \$40.5 million in revenue. This success was a culmination of global economic stabilization, our local economic resilience and more importantly, the realization of NIPDEC's short term strategic goals.

The global economic outlook for 2024 was cautiously optimistic, marked by moderate growth as economies recovered from recent disruptions. Inflationary pressures, which have been a concern, are predicted to ease as central banks implement tighter monetary policies.

However, regional disparities will persist, with advanced economies likely stabilizing while emerging markets face challenges like rising debt levels and currency fluctuations. Geopolitical tensions, supply chain realignments, and technological advancements will shape the global landscape, making adaptability key for businesses and governments alike. Overall, growth is anticipated but will require careful navigation of persistent uncertainties.

Locally, our economy is stronger and more resilient now than it was before COVID-19. In 2023, three years after the arrival of the COVID-19 virus, government revenue has improved by \$19.4 billion when compared to 2020, an increase of 56 percent. Also in 2024, even with severely reduced prices for oil and gas and declining production, government revenue is still \$3.6 billion or 8% more than it was in 2019.

Government Expenditure was \$50.8 billion in 2019 and this is expected to rise to \$59.7 billion in 2025. With a national outlook for building capacity for diversification and growth, Capital spending is a priority for our government going forward and this was reflected in a \$6.2 billion allocation for the Public Sector Investment Programme (PSIP) in 2024.

GENERAL MANAGER'S STATEMENT

Continued

For NIPDEC, we are proud of our distinguished role in national interest projects. June 2024 marked the formal contractual arrangements for the National Water Sector Transformation Program aimed at enhancing, water resource management, improving water infrastructure and ensuring sustainable water supply across the nation. We are eager to deliver this important project in the near term and welcome other prominent national projects of this magnitude.

Internally, NIPDEC's success was achieved by reducing overhead costs, restructuring the company and lowering default rates through continuous collaboration with our clients, strengthening relationships and reinforcing our commitment to delivering outstanding results.

As we look ahead, our company is well-positioned for increased business activity, both locally and regionally. With new strategic goals and key objectives centered around Process Optimization, Quality Assurance, Sustainable Growth and Diversification, Financial Sustainability, Customer Focus and Innovation & Continuous Improvement, we are ready to seize the opportunities that lie ahead. We are also eager to expand our regional footprint, using a BOLT (Build, Own, Lease, Transfer) methodology to attract new clients and provide an alternative development solution tailored to our regional neighbours. These upcoming projects are poised to significantly enhance our financial performance in the near future.

In closing, I would like to express my gratitude to our new Chairman and Board members for their leadership and trust in our executive team. I also extend my heartfelt thanks to our dedicated staff for their unwavering loyalty, support and commitment as we continue to be a key partner in fostering regional sustainable development...NIPDEC Gets It Done!

”

Vyas Ramphalie

General Manager



FINANCIAL REVIEW

POSITIVE FINANCIAL PERFORMANCE

The company delivered strong financial results for the period ending June 2024. We recorded a profit of \$6.9 million and a total comprehensive income of \$2.4 million. 'Net' of Expected Credit Loss (ECL) provisions, this marks the first time since 2016 that we achieved profitability from business operations—a significant milestone considering the commercial challenges faced over the past decade. We believe we are well-positioned for sustainable growth as we continue fulfilling our purpose.

Total revenue for the year reached \$40.5 million, representing a 34% growth over 2023, although slightly below our budgeted target of \$45.3 million. Notably, our Property Development division generated \$19.3 million in revenue, up significantly from \$10.7 million in the previous year, with contribution income rising to \$13.3 million from \$3.8 million. Furthermore, the division secured new business worth over \$18.5 million, contributing positively to the 2024/25 financial year.

Our Car Park operations exceeded budgeted revenue by \$191k (2.4%) and outperformed 2023 figures by \$321k (4.0%). Significantly, advertising income at the Edward Street Car Park surged to \$359k, surpassing both the budgeted \$216k and representing an impressive 66% or \$143K growth over the previous year. Both the Maracas and Chaguanas car parks met their revenue targets and improved on 2023's performance. Maracas earned \$1.7 million against a budget of \$1.5 million, while Chaguanas generated \$1.34 million, exceeding both the budget and prior year figures. The business unit's overall contribution income was \$5.1 million, in line with 2023, but fell slightly short of the budgeted \$5.3 million due to essential building maintenance at the Edward Street location.





Warehouse operations performed steadily, falling just 1% shy of budgeted revenue, with a shortfall of \$49k, but surpassing last year's results by \$121k (2.8%). Contribution income from rentals totalled \$1.9 million, exceeding the budget of \$1.6 million but lower than last year's \$2.4 million, mainly due to planned repairs and maintenance.

We are pleased to report an increase in the warehouse utilization rate, which rose from 90% at the start of the year to 93% by the end of 2024.

Our Facilities division had a particularly strong year, closing with \$4.9 million in revenue, well above the budgeted \$3.7 million and last year's \$4.3 million, reflecting 14% growth. This was driven by additional ad-hoc projects for clients such as the Industrial Court, Forensic Science Center, and the Ministry of Health (C40). Contribution income reached \$1.6 million, surpassing both the budgeted \$1.5 million and the prior year's \$1.4 million. However, turnover among Technicians led to increased outsourcing of mechanical, electrical, and plumbing services, which slightly impacted our gross profit margin, reducing it to 58%.

On the expense side, direct overheads for operational business units amounted to \$11.3 million, below the budgeted \$12.2 million, with savings primarily realized in staff costs (\$554k). Indirect overheads for our support departments totaled \$18.6 million, below the budgeted \$20.6 million and the prior year's \$19.4 million.

As illustrated in Figure 1, we can see a positive trend in the company's historical performance, with a gradual increase in revenue and a reduction in operating losses, 'net' ECL expenses.

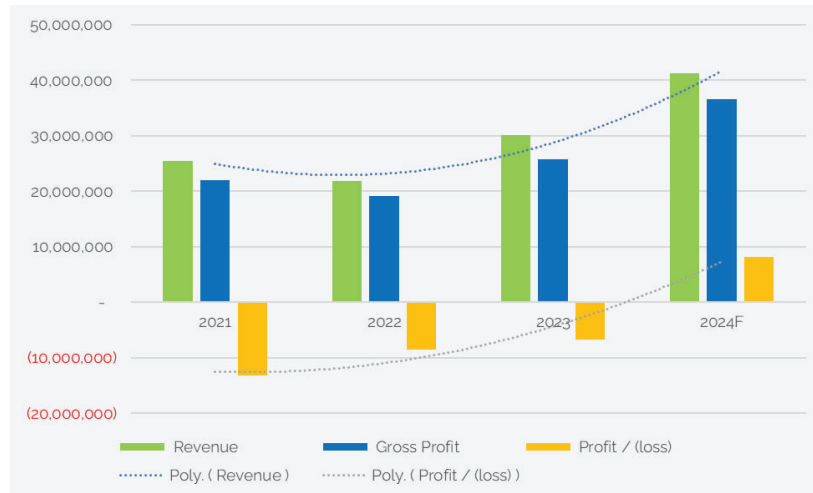


Figure 1 : 2024 Performance Overview (excl. ECL)

Similar to 2023, we encountered challenges with client payments in 2024, particularly within the public sector. As of the end of June 2024, outstanding balances from public sector clients increased by 11%, rising from \$491 million in 2023 to \$546 million. While outstanding balances from private sector clients also saw an increase, from \$396k in 2023 to \$1.4 million in 2024, it's important to note that \$1.0 million of this amount remains current.



Revenue

Revenue from contracts with customers increased by an impressive 51%, or \$10.2 million. While project and construction management fees experienced a 20% decline (\$779k), all other revenue streams demonstrated strong year-on-year growth. The decrease in project and construction management fees was due to the completion of the Remand Yard Upgrade project early in the financial year, along with unexpected shifts in timelines for key projects such as the Independence Square Mall, the MET Office Administration building and Eastside Plaza.

On a positive note, Procurement performed exceptionally well, achieving remarkable growth of 161%, or \$9.7 million, compared to the prior year. This success was largely driven by two National Water Sector projects: the Improvement and Transformation Programmes, which contributed \$9.7 million, or 59%, of the total \$16.2 million generated in 2024. Additionally, flood mitigation efforts made a notable contribution, generating \$1.7 million, or 10%, of total revenue.

Figure 2 demonstrated the significant contribution procurement management fees made in 2024 where the ratio increased from 30% in 2023 to 53%.

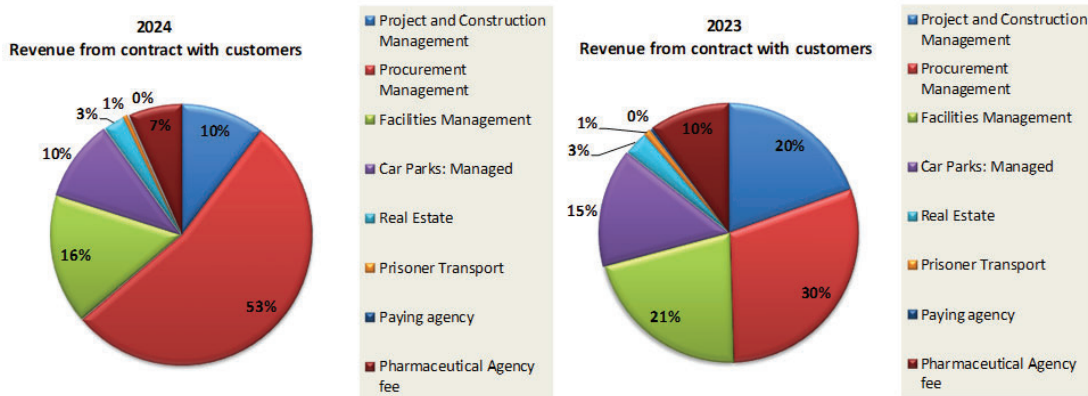


Figure 2: Comparative by Revenue Stream

Our total rental income maintained a steady growth of 4%. There were minor variations within the portfolio. However, of notable mention was the 66% or \$143k rise in advertising income generated from the Edward Street car park.

As depicted in Figure 3, we can observe minor changes in revenue composition for rental income.

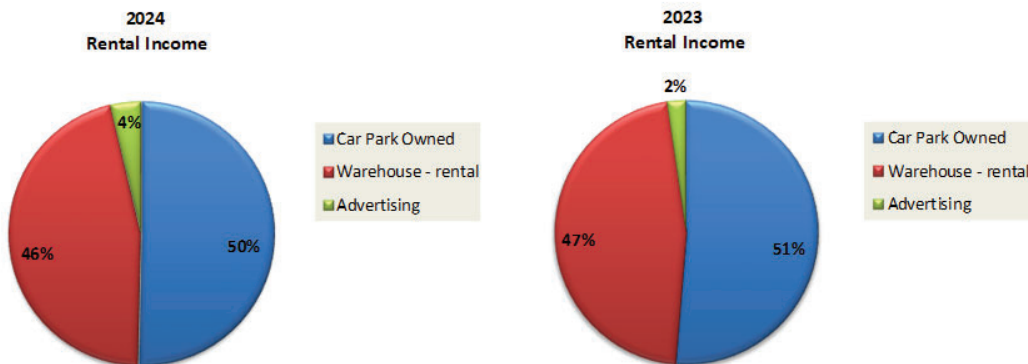


Figure 3: Comparative by Revenue Stream



Profitability

The shift from a \$6.9 million loss in 2023 to a \$6.9 million profit in 2024 marks a significant milestone for the company. Although our four-year strategic plan (2021–2024) projected revenue of \$53.7 million and profit of \$15.3 million, we remained on an upward trajectory toward profitability, even if we didn't meet those specific targets.

Other comprehensive losses, amounting to \$4.6 million, reduced net profit to \$2.4 million. These losses were primarily due to a re-measurement adjustment of the company's defined pension benefit, valued at \$3.8 million, and a \$747k downward adjustment in the fair value of investment securities.

Our gross margin improved by 3.4%, increasing from 85.4% in 2023 to 88.8% in 2024. This improvement was largely driven by significant growth in procurement fees, which do not incur direct costs. Additionally, the company successfully reduced total overheads ('net' ECL) to \$28.7 million, a 15% or \$5.1 million decrease compared to the previous year. Figure 4 illustrates the trend line for total overheads, 'net' ECL.

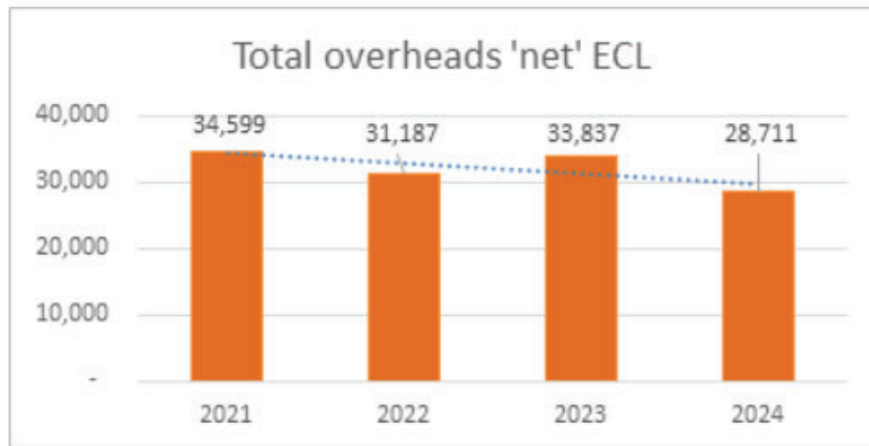


Figure 4 - Total overheads 'net'ECL four-year comparative

In 2024, one year after the termination of the security department, the company began to realize the benefits of this restructuring in terms of staff cost savings. Staff costs saw a significant reduction of 22%, amounting to \$5.6 million. This positive outcome is reflected in the four-year comparative as shown in Figure 5

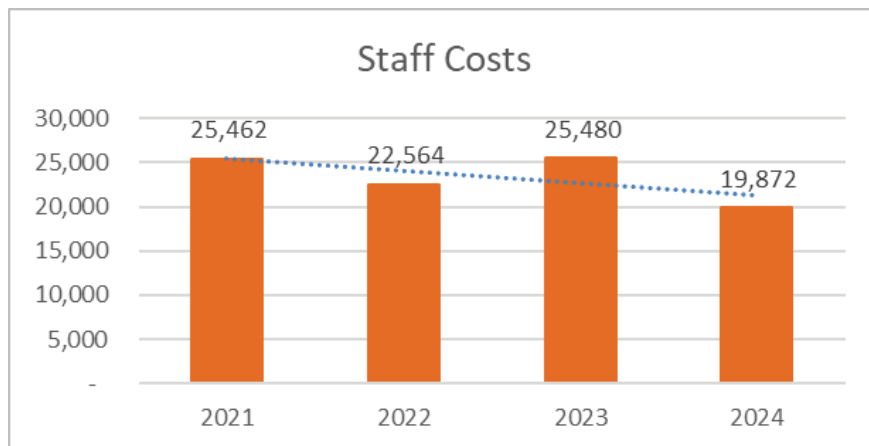


Figure 5 - Staff cost 4-year comparative



Administration expenses increased by 13%, or \$485k, largely due to the outsourcing of security services and the implementation of cybersecurity software to protect the network from potential threats. Figure 6 highlights the four-year trend in administration costs.

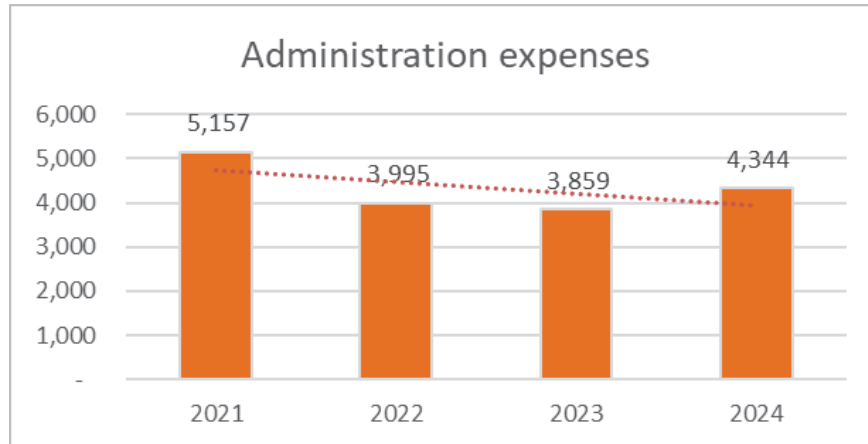


Figure 6 - Administration cost 4-year comparative

Accommodation costs also saw an 8% increase, or \$247k, compared to 2023. This rise was primarily driven by repairs and maintenance at the Chaguaramas Warehouse and Edward Street Car Park as part of our ongoing infrastructure upgrades. Additionally, property insurance premiums increased by 13%, or \$92k, continuing a trend observed over the past four years. Figure 7 provides a four-year comparison of accommodation costs.



Figure 7 - Accommodation cost 4-year comparative



Vehicle expenses decreased by 8%, or \$14k, as part of our ongoing efforts to streamline costs in anticipation of upgrading our vehicle fleet in the 2024/25 fiscal year. Figure 8 illustrates the four-year trend in vehicle expenses, highlighting our commitment to cost efficiency while preparing for future improvements.

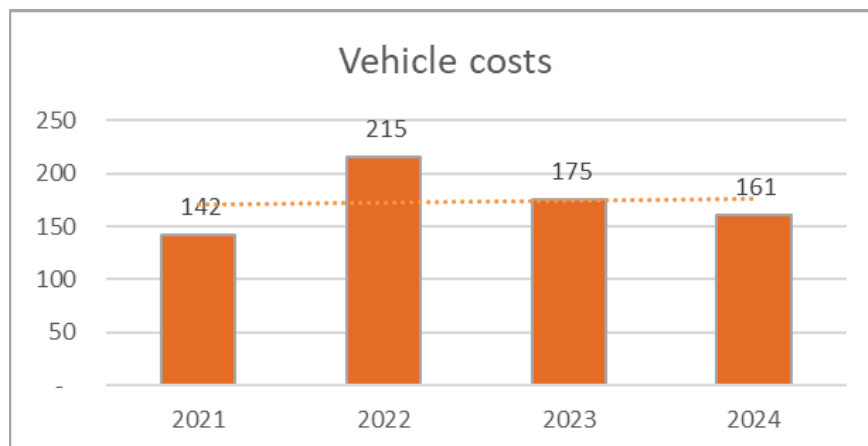


Figure 8 - Vehicle cost 4-year comparative

Financial Position

NIPDEC's assets grew by \$23.9 million, reflecting a 2% increase to reach \$1.39 billion by the end of 2024. While non-current assets experienced a net decrease in Defined Benefit Pension Assets and Leased Assets, these were offset by gains in Investment Properties and Investment Securities. The rise in Investment Properties was driven by an increase in the fair value of the Chaguaramas Warehouse, while Investment Securities benefited from an upward trend in market value.

As shown in Figure 9, our total assets have achieved a compounded annual growth rate of 2.5% over the past three years, underscoring steady and sustained growth.

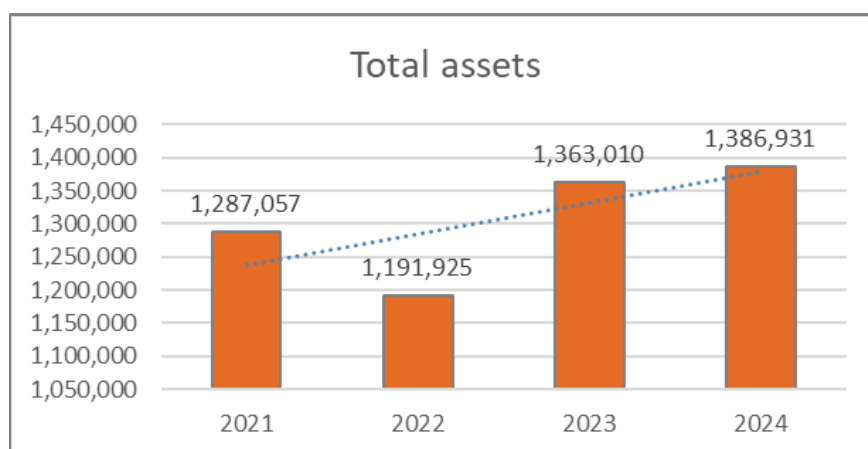


Figure 9 - Total Assets 4-year comparative



Current assets increased by \$28 million, or 2%, largely driven by growth in Trade and Other Receivables. Other Receivables rose significantly by \$126.7 million (68%), primarily due to accrued billings for Ministry of Health drug supplies. Trade Receivables also saw an 8% increase, or \$38 million, though Expected Credit Loss (ECL) rates for invoices aged two to three years climbed from 21% in 2023 to 31% in 2024.

Restricted Cash decreased by \$123 million (25%) due to the payment of supplier invoices, while Cash in Bank dropped by \$26.4 million (30%) as the company advanced its own funds to assist in settling supplier payments for the Ministry of Health.

On the liabilities side, current liabilities increased slightly by 1% or \$8.7million. Within this category, Accounts Payable & Accruals increased by \$171.9 million (24%), offset by declines in Project Advances by \$166.1 million (43%) and Retention Payable by \$781k (14%). The rise in Accounts Payable & Accruals was primarily due to outstanding supplier invoices for pharmaceutical and non-pharmaceutical drugs, while the decrease in Retention Payable reflected releases for various PURE and non-PURE projects throughout the year.

Despite challenges in the timely settlement of supplier invoices, we improved our working capital position by \$19.3 million (12%) year-on-year. Our current ratio, which had declined in 2023, rose from 1.15 to 1.16 in 2024, as illustrated in Figure 10. This reflects a positive trend in our ability to meet short-term obligations.

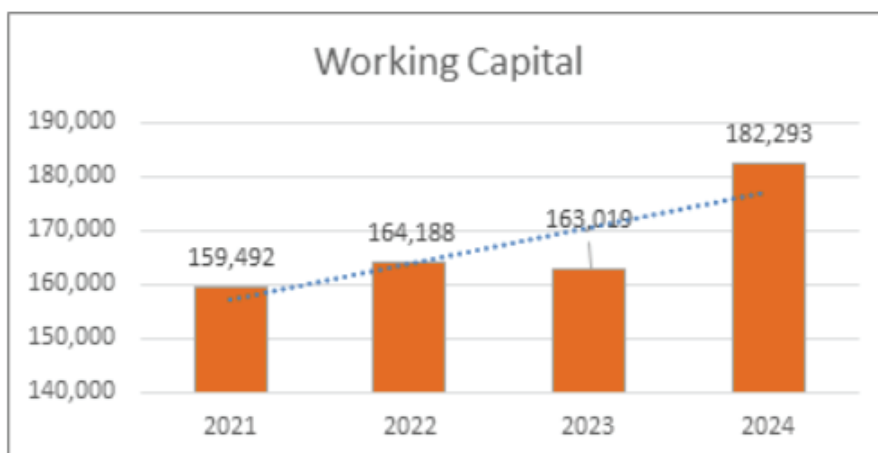


Figure 10 - Working Capital 4 year comparative

Capital management saw the gearing ratio increase from 2.5 to 3.1, primarily due to the rise in net debt, which grew from \$537.5 million to \$690.2 million. This increase was largely attributed to the company securing a \$311.6 million demand loan facility in 2024 to assist in paying supplier invoices on behalf of the Ministry of Health.

Looking ahead, we anticipate continued growth, supported by the potential new business opportunities expected in fiscal 2024/25. As we prepare for this next phase, we are in the process of developing a new strategic plan for 2025 to 2028, building on the solid foundation and efforts of the NIPDEC team.



EXECUTIVE TEAM

The drivers of our company's strategy



Vyas Ramphalie
General Manager



Jabari Cozier
Head, Finance & Accounting



Johnson Smith
Head, Property Development



Malisa Gilkes
Head, Human Resources



Arvinash Mahabirsingh
Head, Procurement &
Supply Chain Management



Reyna Kowlessar
Company Secretary
Head, Legal Services

BOARD OF DIRECTORS

Dr. Maryam Abdool-Richards
Chairman

Dominic Rampersad

Gitanjali Gopeesingh

Mark Hood

Teddy Stapleton

Wendell Mitchell

Marilyn Gordon

Deyson Scott



**THE NATIONAL INSURANCE PROPERTY
DEVELOPMENT COMPANY LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2024

Ernst & Young Services Limited



THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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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 2024, the statements of profit or loss and other comprehensive income/(loss), changes in equity and cash flows for the year then ended, and notes including material accounting policy 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 IFRS Accounting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where IFRS Accounting 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
19 September 2024



Head Finance & Accounting
19 September 2024



Ernst & Young Services Limited
P.O. Box 158
5/7 Sweet Briar Road
St. Clair, Port of Spain
Trinidad

Tel: +1 868 628 1105
Fax: +1 868 622 1153
www.ey.com

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

Report on the Audit of the Financial Statements

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 2024 and the statement of profit or loss and other comprehensive income/(loss), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Other Information included in the Company’s 2024 Annual Report

Other information consists of the information included in the Company’s 2024 Annual Report, other than the financial statements and our auditor’s report thereon. Management is responsible for the other information. The 2024 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.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

Report on the Audit of the Financial Statements (Continued)

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 Accounting Standards as issued by the International Accounting Standard Board, 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.

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 scepticism 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.



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER 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)

- 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.

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.

Port of Spain
TRINIDAD:
19 September 2024

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

(Expressed in thousands of Trinidad and Tobago dollars)

ASSETS	Notes	2024	2023
Non-current assets			
Investment properties	5	39,100	38,850
Property, plant and equipment	6	15,565	15,415
Right-of-use asset	7(a)	3,093	3,791
Defined benefit pension asset	8	20,875	24,685
Investment securities	10	1,128	1,122
Total non-current assets		<u>79,761</u>	<u>83,863</u>
Current assets			
Cash at bank and in hand	9 (a)	61,832	88,173
Restricted cash	9 (b)	362,098	485,172
Investment securities	10	8,775	9,528
Trade receivables	11	511,756	473,362
Other receivables and prepayments	11	311,729	185,007
Unbilled project costs	12	50,980	37,905
Total current assets		<u>1,307,170</u>	<u>1,279,147</u>
Total assets		<u>1,386,931</u>	<u>1,363,010</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	25,000	25,000
Revaluation reserve	14	12,429	12,429
Fair value reserve	15	(1,525)	(778)
Retained earnings		185,457	177,516
Total equity		<u>221,361</u>	<u>214,167</u>
Non-current liabilities			
Retention payable	16	37,993	29,445
Lease obligation	7(b)	2,700	3,270
Total non-current liabilities		<u>40,693</u>	<u>32,715</u>
Current liabilities			
Accounts payable and accruals	16	880,667	708,770
Retention payable	16	4,868	5,649
Lease obligation	7(b)	681	790
Contract liabilities	17	12,273	10,415
Advance project billings	18	5,766	3,752
Project advances	19	220,622	386,752
Total current liabilities		<u>1,124,877</u>	<u>1,116,128</u>
Total equity and liabilities		<u>1,386,931</u>	<u>1,363,010</u>

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

On 19 September 2024, 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 INCOME/(LOSS)
FOR THE YEAR ENDED 30 JUNE 2024
(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	2024	2023
Revenue from contracts with customers	20	30,224	20,007
Rental income	21	9,677	9,334
Other operating income	22	585	802
Revenue		40,486	30,143
Direct costs incurred	23	(4,527)	(4,411)
Gross profit		35,959	25,732
Staff costs	24	(19,872)	(25,480)
Administration expenses	25	(4,344)	(3,859)
Accommodation costs	26	(3,326)	(3,079)
Impairment provision on financial assets	11	(1,622)	(210)
Depreciation	6,7	(1,008)	(1,244)
Vehicle expenses	27	(161)	(175)
Other gains – net	28	496	350
Operating profit/(loss)		6,122	(7,965)
Finance costs	29	(152)	(175)
Finance income	30	612	756
Other income	31	400	410
Profit/(loss) for the year		6,982	(6,974)
Other comprehensive (loss)/income:			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined pension benefit asset	8(h)	(3,847)	454
Net change in fair value of investment securities	10	(747)	(237)
		(4,594)	217
Other comprehensive (loss)/income for the year, net of income tax		(4,594)	217
Total comprehensive income/(loss) for the year		2,388	(6,757)

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

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024
(Expressed in thousands of Trinidad and Tobago dollars)

	Stated capital	Revaluation Reserve	Fair value reserve	Retained earnings	Total Equity
Year ended 30 June 2024					
Balance at the beginning of the year	25,000	12,429	(778)	177,516	214,167
Profit for the year	–	–	–	6,982	6,982
Other comprehensive loss	–	–	(747)	(3,847)	(4,594)
Total comprehensive income for the year	–	–	(747)	3,135	2,388
Other reserve movement (Note 13a)	–	–	–	4,806	4,806
Balance as at 30 June 2024	25,000	12,429	(1,525)	185,457	221,361
Year ended 30 June 2023					
Balance at the beginning of the year	25,000	12,429	2,811	176,934	217,174
Loss for the year	–	–	–	(6,974)	(6,974)
Other comprehensive income	–	–	(237)	454	217
Total comprehensive loss for the year	–	–	(237)	(6,520)	(6,757)
Transfer of fair value reserve (Note 10)	–	–	(3,352)	3,352	–
Other reserve movement (Note 13b)	–	–	–	3,750	3,750
Balance as at 30 June 2023	25,000	12,429	(778)	177,516	214,167

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 2024
(Expressed in thousands of Trinidad and Tobago dollars)

	2024	2023
Cash flows from operating activities		
Profit/(loss) for the year	6,982	(6,974)
Adjustments for:		
Depreciation (Notes 6 & 7)	1,008	1,244
Loss on disposal of property, plant and equipment	–	7
Defined benefit pension expense (Note 8 h)	326	477
Finance costs (lease accretion) (Note 7)	152	175
Net increase in expected credit loss (Note 11)	1,622	210
Dividends received from investment (Note 31)	(400)	(410)
Transactions through equity	4,806	3,018
Increase in fair value of investment property (Note 5)	(250)	(250)
	<u>14,246</u>	<u>(2,503)</u>
Changes in working capital:		
(Increase)/decrease in unbilled project costs	(13,075)	1,337
Increase in accounts receivable and prepayments	(166,738)	(50,902)
Decrease in contract assets	–	188
Increase/(decrease) in retention payable	7,766	(4,549)
Increase in accounts payable and accruals	171,897	58,299
Increase in contract liabilities	1,858	6,141
Increase/(decrease) in advance project billings	2,014	(4,528)
(Decrease)/increase project advances	(166,129)	119,518
Increase in certificate of deposit (restricted cash)	–	(25,000)
	<u>(148,161)</u>	<u>98,001</u>
Cash (used in)/generated from operations	<u>(148,161)</u>	<u>98,001</u>
Contributions paid (Note 8 h)	(363)	(397)
	<u>(148,524)</u>	<u>97,604</u>
Net cash flows (used in)/generated from operating activities	<u>(148,524)</u>	<u>97,604</u>
Cash flows from investing activities		
Purchase of property, plant and equipment (Note 6)	(460)	(426)
Dividends received from investments	400	1,144
	<u>(60)</u>	<u>718</u>
Net cash (used in)/generated from investing activities	<u>(60)</u>	<u>718</u>
Cash flows from financing activities		
Interest portion of lease payments (Note 7)	(152)	(175)
Principal portion of lease payments	(679)	(790)
	<u>(831)</u>	<u>(965)</u>
Net cash used in financing activities	<u>(831)</u>	<u>(965)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(149,415)</u>	<u>97,357</u>
Cash and cash equivalents at the beginning of the year	<u>548,345</u>	<u>450,988</u>
Cash and cash equivalents at the end of the year	<u><u>398,930</u></u>	<u><u>548,345</u></u>
Cash and cash equivalents comprise:		
Cash at bank and in hand (Note 9 a)	<u>61,832</u>	<u>88,173</u>
Restricted cash (Note 9 c)	<u>337,098</u>	<u>460,172</u>
	<u><u>398,930</u></u>	<u><u>548,345</u></u>

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

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 100% 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

IFRS 17 Insurance Contracts

IFRS 17 *Insurance Contracts* is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The new standard had no impact on the Company's financial statements.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

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)

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Company's financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

The amendments to IAS 12 *Income Tax* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Company's financial statements.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

(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)

International Tax Reform—pillar Two Model Rules - Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception - the use of which is required to be disclosed - applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the Company's financial statements.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

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

2.2 New and revised IFRS in issue but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice.

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

A seller-lessee applies the amendment to annual reporting periods beginning on or after 1 January 2024. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application).

The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16. This amendment is not expected to have an impact on the Company's financial statements.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

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

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

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments to IAS 7 are effective for annual periods beginning on or after January 1, 2024, with earlier application permitted, and the amendments to IFRS 7 when the amendments to IAS 7 are applied.

This amendment is not expected to have an impact on the Company's financial statements.

Amendments to IAS 21: The effects of Changes in Foreign Exchange Rates

The amendments in Lack of Exchangeability (Amendments to IAS 21) amend IAS 21 to:

- Specify when a currency is exchangeable into another currency and when it is not;
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable;
- Require the disclosure of additional information when a currency is not exchangeable.

An entity applies the amendments for annual reporting periods beginning on or after 1 January 2025. This amendment is not expected to have an impact on the Company's financial statements.

Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (*Amendments to IFRS 9 and IFRS 7*), which:

- Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met
- Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features
- Clarifies the treatment of non-recourse assets and contractually linked instruments
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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

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

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

Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS (continued)

The publication of the amendments concludes the classification and measurement phase of the IASB's post implementation review (PIR) of IFRS 9.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later.

The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.

The Company is currently assessing the impact the amendments will have on the current practice.

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the Board issued IFRS 18 *Presentation and Disclosure in Financial Statements* which replaces IAS 1 *Presentation in Financial Statements*. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

IFRS 18, and the amendments to the other accounting standards, is effective for reporting periods beginning on or after 1 January 2027 and will apply retrospectively. Early adoption is permitted and must be disclosed.

The Company is currently assessing the impact the amendments will have on the current practice.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

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

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

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

In May 2024, the Board issued IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (IFRS 19), which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statement of such compliance.

IFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted.

The Company is currently assessing the impact the amendments will have on the current practice.

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

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

The amendments address the conflict between IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 *Business combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments must be applied prospectively. Early application is permitted and must be disclosed.

The Company is currently assessing the impact the amendments will have on the current practice.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

3. Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

b) Basis of preparation

These financial statements have been prepared on the historical cost basis, except for the measurement at fair value of investment securities, 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 which represents the currency of the primary economic environment in which the entity operates. Amounts are expressed in thousands of Trinidad and Tobago dollars unless otherwise stated.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

3. Basis of preparation (continued)

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 material 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 (<i>owned assets</i>)
Accounting policy 4(d)	Impairment of financial assets
Accounting policy 4(e)	Impairment of non-financial assets
Accounting policy 4(f)	Defined pension benefit asset
Accounting policy 4(h)	Leases
Accounting policy 4(k)	Unbilled project costs, advance project billings and project advances
Accounting policy 4(m)	Provisions
Accounting policy 4(n)	Revenue recognition
Accounting policy 4(r)	Current versus non-current classification

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

4. Summary of material accounting policies

a) Foreign currency

In preparation of the financial statements, foreign currency transactions are translated into the functional/presentation currency of Trinidad and Tobago dollars 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. Monetary items denominated in foreign currencies are translated to the presentation currency using rates existing at year end. Non-monetary items that are denominated in foreign currencies are translated to the presentation currency using rates prevailing at the date when the transaction occurred.

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.

To determine fair values, independent valuers perform assessments every year.

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.

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(e)) 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.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

4. Summary of material accounting policies (continued)

c) Property, plant and equipment (continued)

(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:

Class name	Depreciation rate range
Freehold land	0%
Freehold building	2%-20%
Fixture fittings plant and machinery	12.5%-25%
Computer equipment	20%-33 1/3%
Computer software	33 1/3%
Motor vehicles	10%-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.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

4. Summary of material accounting policies (continued)

d) Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions
- Investment securities (Note 10)
- Trade receivables, including contract assets (Note 11)

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted where applicable for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 3 years past due for debt relating to public customers. For private customers the financial asset is in default when the debt is written off. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

4. Summary of material accounting policies (continued)

e) Impairment of non-financial assets

At each reporting date, an assessment is done as to whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit (CGU's) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate or an equivalent post tax rate on post tax cash flows which approximate the tax discount results, which reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

f) 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/(loss) 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.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

4. Summary of material accounting policies (continued)

f) 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.

g) Financial instruments

Date of recognition

Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described below. Financial instruments are initially measured at their fair value (as defined in Note 35), except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price.

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either amortised cost, FVOCI or FVPL, as explained below.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

4. Summary of material accounting policies (continued)

g) Financial instruments (continued)

Financial investments at amortised cost

The Company only measures financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The Company's financial assets at amortised cost includes trade and other receivables.

Debt instruments at FVOCI

The Company applies the category under IFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI, with recycling through profit or loss. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost.

Equity instruments at FVOCI

Upon initial recognition, the Company occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI without recycling when they meet the definition of Equity under IAS 32 *Financial Instruments Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

4. Summary of material accounting policies (continued)

g) Financial instruments (continued)

Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The liabilities are part of a Company of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value.

Reclassification of financial assets and liabilities

From 1 July 2018, the Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

- Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

4. Summary of material accounting policies (continued)

g) Financial instruments (continued)

Reclassification of financial assets and liabilities (continued)

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients
- The Company must remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset; or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and can exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Company would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

4. Summary of material accounting policies (continued)

g) Financial instruments (continued)

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

h) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	30 years
Leasehold building	10 years
Other assets	3 to 5 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in 4 e) Impairment of non-financial assets.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

4. Summary of material accounting policies (continued)

h) Leases (continued)

Company as a lessee (continued)

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of motor vehicles, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

4 Summary of material accounting policies (continued)

h) Leases (continued)

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

i) Cash and cash equivalents

Cash and cash equivalents comprise (i) cash at bank and in hand and (ii) restricted cash with original maturities of three (3) months or less. 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 represents 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 loans) and monies received directly from administrative offices of the GORTT.

j) 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 estimated credit loss as required under IFRS 9. This estimated credit loss is recognised in profit or loss.

k) 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'.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

4. Summary of material accounting policies (continued)

l) 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.

m) 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.

n) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that is reflective of the consideration to which the Company expects to be entitled to in exchange for the goods or services. 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.

Procurement services

Revenue from a procurement service contract is recognised when the obligation to provide the procurement service is deemed satisfied.

Facilities Management services

Management fees for routine service contracts are recognised each month the service is provided based on a fixed income. For non-routine services, revenue is recognised as the service is provided.

Car Parks: Managed

Management fees for operating the car parks on behalf of the client are recognised each month the service is provided on a commission type arrangement based on the gross receipts collected.

Real estate

Management fees for the management of the properties on behalf of the client are recognised each month the service is provided based on a fixed income. Collection fees for the collection of mortgage payments are recognised each month the service is provided on a commission type arrangement based on the gross amount collected.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

4. Summary of material accounting policies (continued)

n) Revenue recognition (continued)

Prisoner transport

Management fees for the management of the prisoner transport service are recognised each month the service is provided based on a fixed income.

Paying agency fees

Management fees for the disbursement of funds to creditors of the Trinidad and Tobago Police Service are recognised each month when the service is provided. It based on a commission type arrangement on the funds paid to the creditors.

Operation Management Services (OMS) – C40 Central Stores Facilities

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.

Rental income

Rental income from operating leases is recognised 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 operating income

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

o) Taxation

NIPDEC is exempt from corporation tax and business levy by virtue of section 6 (1) of the Corporation Tax Act 75:02 and therefore has not accounted for income taxes under IAS 12 Income Taxes in these financial statements. However, NIPDEC is required to pay green fund levy, which is accrued for and presented within administrative expenses in profit or loss.

p) 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.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

4. Summary of material accounting policies (continued)

q) Fair value measurement

NIPDEC measures financial instruments such as investment securities 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.

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.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

4. Summary of material accounting policies (continued)

r) 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 be 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.

s) Comparative information

Changes in the presentation of the current and non-current classification of the prior year's retention payable have been made in the financial statements to ensure consistency with the current year's presentation. These changes do not affect the operating loss, other comprehensive income, or net assets of the Company for the previous year.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

5. Investment properties

	2024	2023
Leasehold land and buildings		
1500 sq. ft. land at 47, St. Vincent Street, Port of Spain	4,000	4,000
Chaguaramas warehouse	13,500	13,500
	<u>17,500</u>	<u>17,500</u>
Chattel buildings		
Riverside Car Park, Piccadilly Street, Port of Spain	6,000	6,000
Multi-Storey Car Park, Edward Street, Port of Spain	14,500	14,250
	<u>20,500</u>	<u>20,250</u>
Land held for development		
Toco	1,100	1,100
Total	<u>39,100</u>	<u>38,850</u>
Opening balance at July 1	38,850	38,600
Increase in fair value (Note 28)	250	250
Closing balance at June 30	<u>39,100</u>	<u>38,850</u>

On 20 May 2024, the investment properties were independently valued by a third party professional valuator, namely, Linden Scott and Associates Ltd, Chartered Valuation Surveyors. This resulted in an increase in the fair value of the Edward Street car park of \$0.25 million. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of the valuation, in accordance with International Valuation Standards Committee standards.

	2024	2023
Rental income derived from investment properties (Note 21)	9,677	9,334
Direct expenses incurred	(306)	(275)

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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

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 2024								
Opening balance net book amount	5,857	9,000	364	94	52	—	48	15,415
Additions	—	—	328	124	—	—	8	460
Disposal	—	—	—	—	—	—	—	—
Depreciation - disposal	—	—	—	—	—	—	—	—
Depreciation charge	(144)	—	(57)	(68)	(26)	—	(15)	(310)
Closing balance net book amount	5,713	9,000	635	150	26	—	41	15,565
Cost or valuation	7,173	9,000	1,056	1,021	861	237	124	19,472
Accumulated depreciation	(1,460)	—	(421)	(871)	(835)	(237)	(83)	(3,907)
Net book amount	5,713	9,000	635	150	26	—	41	15,565
Year ended 30 June 2023								
Opening balance net book amount	6,000	9,000	90	161	97	—	65	15,413
Additions	—	—	327	99	—	—	—	426
Disposal	—	—	(6)	(29)	—	—	(7)	(42)
Depreciation - disposal	—	—	6	23	—	—	7	36
Depreciation charge	(143)	—	(53)	(160)	(45)	—	(17)	(418)
Closing balance net book amount	5,857	9,000	364	94	52	—	48	15,415
Cost or valuation	7,173	9,000	726	897	861	237	116	19,010
Accumulated depreciation	(1,316)	—	(362)	(803)	(809)	(237)	(68)	(3,595)
Net book amount	5,857	9,000	364	94	52	—	48	15,415

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

6. Property, plant and equipment (continued)

Revaluation of freehold property

The freehold property has been independently valued by a third party professional valuator, namely, Linden Scott and Associates, Chartered Valuation Surveyors, during the year. Fair value was determined by reference to market based evidence. The date of the last valuation report was 20 May 2024.

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

Freehold land	2024	2023
Cost	7,262	7,262
Accumulated depreciation	—	—
	<u>7,262</u>	<u>7,262</u>
Freehold property		
Cost	16,154	16,154
Accumulated depreciation	(14,215)	(13,892)
Net book value	<u>1,939</u>	<u>2,262</u>
Freehold land and property at historical cost	<u>9,201</u>	<u>9,524</u>

7. Leases

NIPDEC as a lessee

The Company has lease contracts for land, building and various items of office equipment and motor vehicles. Leases of land and buildings generally have lease terms of 30 and 10 years respectively, while motor vehicles and other equipment generally have lease terms between 3 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company also has certain leases of machinery with lease terms of 12 months or less and with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

7. Leases (continued)

(a) Set out below, are the carrying amounts of the Company's right-of-use assets and the movements during the period:

	Buildings	Leasehold land	Furniture and office equipment	Motor vehicles	Total
As at 1 July 2023	191	3,427	104	69	3,791
Additions	–	–	–	–	–
Disposal	–	–	–	–	–
Depreciation charge	(96)	(429)	(104)	(69)	(698)
As at 30 June 2024	95	2,998	–	–	3,093
As at 1 July 2022	287	3,855	287	188	4,617
Additions	–	–	–	–	–
Disposal	–	–	–	–	–
Depreciation charge	(96)	(428)	(183)	(119)	(826)
As at 30 June 2023	191	3,427	104	69	3,791

(b) Set out below, are the carrying amounts of the Company's lease liabilities and the movements during the period:

	Buildings	Leasehold land	Furniture and office equipment	Motor vehicles	Total
As at 1 July 2023	204	3,679	106	71	4,060
Additions	–	–	–	–	–
Disposals	–	–	–	–	–
Accretion of interest	6	143	2	1	152
Payments	(107)	(544)	(108)	(72)	(831)
As at 30 June 2024	103	3,278	–	–	3,381
As at 1 July 2022	301	4,065	292	192	4,850
Additions	–	–	–	–	–
Disposals	–	–	–	–	–
Accretion of interest	10	157	5	3	175
Payments	(107)	(543)	(191)	(124)	(965)
As at 30 June 2023	204	3,679	106	71	4,060

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

7. **Leases** (continued)

Presented in the statement of financial position as follows:

	2024	2023
Current	681	790
Non-current	<u>2,700</u>	<u>3,270</u>
	<u>3,381</u>	<u>4,060</u>

The following are amounts recognized in profit or loss:

Depreciation expense on right-of-use assets	698	826
Interest expense on lease liabilities	152	175
Expense relating to short-term leases	119	84
Expense relating to leases of low-value assets	–	38
Leases not meeting the control requirements of IFRS 16	<u>78</u>	<u>133</u>
Total amount recognized in profit or loss	<u>1,047</u>	<u>1,256</u>

NIPDEC as a Lessor

The Company has entered into operating leases on its investment property portfolio consisting of car parks and warehouse storage facilities (see note 5). These leases have terms of between one to three years. Rental income recognised by the Company during the year amounted to \$9,677 (2023: \$9,334) – note 21.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

	2024	2023
Within one year	5,307	5,576
After one year but not more than five years	<u>–</u>	<u>166</u>
	<u>5,307</u>	<u>5,742</u>

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

8. Defined benefit pension asset		
	2024	2023
a) Net liability in statement of financial position		
Present value of defined benefit obligation	63,411	62,531
Fair value of plan asset	<u>(84,286)</u>	<u>(87,216)</u>
Surplus	(20,875)	(24,685)
Effect of asset ceiling	<u>—</u>	<u>—</u>
Net defined benefit asset	<u>(20,875)</u>	<u>(24,685)</u>
b) Movement in present value of defined benefit obligation		
Defined benefit obligation at start of year	62,531	62,535
Current service cost	1,750	2,078
Interest cost	3,610	3,687
Members' contributions	363	397
Past service cost/(credit) and curtailment	—	(211)
Re-measurements:		
- Experience adjustments	(40)	(3,761)
- Actuarial changes in financial assumptions	—	—
Benefits paid	<u>(4,803)</u>	<u>(2,194)</u>
Defined benefit obligation at end of year	<u>63,411</u>	<u>62,531</u>
c) The defined benefit obligation is allocated between the Plan's members as follows:		
	2024	2023
Active members	47%	46%
Deferred members	9%	9%
Pensioners	44%	45%
The weighted average duration of the defined benefit obligation at the year end	11.6	11.5

96% of the value of the benefits for active members is vested.

23% of the deferred benefit obligation for active members is conditional on future salary increases.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

8. Defined benefit pension asset (continued)

d) Movement in fair value of plan assets	2024	2023
Fair value of plan assets at start of year	87,216	86,846
Interest income	5,110	5,167
Return on plan assets excluding interest income	(3,887)	(3,307)
Company contributions	363	397
Members' contributions	363	397
Benefits paid	(4,803)	(2,194)
Administrative expense allowance	(76)	(90)
Fair value of plan assets at end of year	84,286	87,216
Actual return on plan assets	1,223	1,860
e) Asset allocation		
Locally listed equities	26,895	29,917
Overseas equities	12,308	9,944
Government issued nominal bonds	40,532	35,053
Corporate bonds	2,572	9,160
Money market mutual funds	427	420
Cash and cash equivalents	1,552	2,722
Fair value of plan assets at end of year	84,286	87,216

The asset values as at 30 June 2024 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 70% 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.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

8. Defined benefit pension asset (continued)

f) Amounts recognised in the statement of profit or loss are as follows:	2024	2023
Current service cost	1,750	2,078
Net interest on net defined benefit liability	(1,500)	(1,480)
Past service cost/(credit) and curtailment	–	(211)
Administrative expense allowance	76	90
Net pension cost	<u>326</u>	<u>477</u>
g) Re-measurement recognised in other comprehensive income:		
Experience gains	<u>3,847</u>	<u>(454)</u>
h) Reconciliation of opening and closing entries in statement of financial position		
Opening defined benefit asset at prior year	(24,685)	(24,311)
Net pension cost	326	477
Re-measurement recognised in other comprehensive income	3,847	(454)
Contributions paid	(363)	(397)
Closing defined benefit asset	<u>(20,875)</u>	<u>(24,685)</u>
i) Summary of principal assumptions as at 30 June		
Discount rate	6.00%	6.00%
Average individual salary increases	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 30 June 2024 and 2023 are as follows:		
	2024	2023
Life expectancy at age 60 for current pensioner in years		
- Male	22.0	21.9
- Female	26.2	26.2
Life expectancy at age 60 for current members age 40 in years		
- Male	22.8	22.8
- Female	27.1	27.1

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

8. Defined benefit pension asset (continued)

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 2024 would have changed as a result of a change in the assumptions used.

	1% p.a. higher \$'000	1% p.a. lower \$'000
- Discount rate	(6,329)	7,660
- Future salary increases	1,900	(1,715)

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at 30 June 2024 by \$ 0.870 million (2023: \$0.829 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 \$0.326 million to the Pension Plan during 2024/25. However, this amount could change if outstanding pay negotiations are completed subsequent to year end.

9. Cash and cash equivalents	2024	2023
a) Cash at bank and in hand		
Cash at bank	61,811	88,152
Cash in hand	<u>21</u>	<u>21</u>
Total cash at bank and in hand	<u>61,832</u>	<u>88,173</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. The Company can make short-term deposits for varying periods of between one day and twelve months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

No cash and cash equivalents are pledged as collateral for financial liabilities. The Company has approved credit card facilities undrawn in the amount of \$0.4 million at year end.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

9. Cash and cash equivalents (continued)

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 is 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 recurrent and capital expenditure of the C-40 pharmaceutical operations and loan proceeds for acting as paying agent for the Trinidad and Tobago Police Service's suppliers.

The carrying amount of restricted cash of \$363,668 million (2023: \$485,172 million) is represented as follows:

	2024	2023
Ministry of Education	3,354	3,354
Ministry of Health	84,730	10,531
Ministry of Works and Transport	269,716	464,097
Office of the Prime Minister – Gender and Child Affairs	–	718
Trinidad and Tobago Police Service	4,298	6,472
	<u>362,098</u>	<u>485,172</u>

Included within restricted cash is an amount of \$25 million relating to a Certificate of Deposit with a maturity period of 180 days maturing 12 August 2024. Interest is earned at 0.75% per annum.

c) Restricted cash as per Statement of Cash Flows

	2024	2023
Restricted cash as above (Note 9 b)	362,098	485,172
Less: restricted cash with maturities of more than three months	<u>(25,000)</u>	<u>(25,000)</u>
Restricted cash as per Statement of Cash Flows	<u>337,098</u>	<u>460,172</u>

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

10. Investment securities

	2024	2023
Investment securities measured at FVOCI		
Equities	8,775	9,528
Government bonds	<u>1,128</u>	<u>1,122</u>
Total investment securities	<u>9,903</u>	<u>10,650</u>

Presented in the statement of financial position as follows:

Non-current portion

Investment securities maturing in more than one year – government bonds	<u>1,128</u>	<u>1,122</u>
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Current portion

Investment securities – equity	<u>8,775</u>	<u>9,528</u>
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On the 27 January 2023, the Clico Investment Fund (CIF), of which the Company held 380,800 units, was terminated by the Ministry of Finance resulting in the recognition of the security. In exchange, the Company subsequently received 74,801 equity shares in Republic Financial Holdings Limited (RFHL) and 1,312,000 GORTT Series 2 TT\$702.867 million 4.25% fixed rate bonds due 31 October 2037.

Net change in fair value of investment securities	2024	2023
Accumulated balance at beginning of the year	(778)	2,811
Net change in fair value of investment securities with no recycling	(747)	(1,210)
Fair value gain realised on disposal of debt instruments at fair value through OCI not recycled	–	973
Reclassification of unrealised gains to retained earnings	<u>–</u>	<u>(3,352)</u>
Accumulated balance at the end of the year	<u>(1,525)</u>	<u>(778)</u>

Net change in fair value of investment securities in 2024 amounted to a reduction of \$0.747 million (2023: \$3.589 million) and includes the fair value losses relating to RFHL shares and GORTT 4.25% bond. In 2023 it comprised a \$1.21 million fair value loss relating to the CIF, RFHL shares and the GORTT 4.25% bond. Also arising in 2023 was a fair value gain in the amount of \$0.973 million of the CIF at the date of disposal and a reclassification of \$3.352 million relating to the fair value reserve being transferred to retained earnings for investments with no recycling that were disposed during that period and prior years.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

11. Trade and other receivables	2024	2023
Trade receivables (gross)	540,400	502,495
Less: ECL Allowance	<u>(10,218)</u>	<u>(7,811)</u>
	530,182	494,684
Less: Specific provision	<u>(18,426)</u>	<u>(21,322)</u>
Trade receivables (net)	<u>511,756</u>	<u>473,362</u>
Other receivables and prepayments	318,429	189,709
Less: ECL Allowance	<u>(3,039)</u>	<u>(1,041)</u>
	315,390	188,668
Less: Specific provision	<u>(3,661)</u>	<u>(3,661)</u>
Other receivables (net)	<u>311,729</u>	<u>185,007</u>
Total trade and other receivables	<u>823,485</u>	<u>658,369</u>

As at 30 June 2024, trade and other receivables at a value of \$35.3 million (2023: \$33.8 million) were impaired and provided.

Movements in ECL and specific provision allowances are as follows:

	2024	2023
Impairment provision as per 1 July	33,835	37,392
Net increase in the ECL on trade receivables incurred during year	1,622	210
Amounts written off during the year	<u>(113)</u>	<u>(3,767)</u>
Balance at 30 June	<u>35,344</u>	<u>33,835</u>

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

11. Trade and other receivables (continued)

Sensitivity analysis

The ECL model is sensitive to the assumptions relative to the default period. For the sensitivity analysis disclosure as presented in the table below, the default period was changed to 2 years and 4 years to show the impact on the resulting ECL provision.

ECL rates for default		Less than 1 year	1 - 2 years	2 - 3 years	Over 3 years
Current rates at 3 years		0.14%	4.34%	30.80%	100%
Default rates at 4 years		0.13%	4.21%	28.28%	29.47%
Default rates at 2 years		0.22%	5.67%	100%	100%
Current provision	Provision	Less than 1 year	1 - 2 years	2 - 3 years	Over 3 years
Private	20	9	10	–	1
Public	13,237	112	66	653	12,406
Total	13,257	121	76	653	12,407
ECL at 4 years					
Private	20	9	10	–	1
Public	6,392	100	61	582	5,649
Total	6,412	109	71	582	5,650
Decrease in ECL	(6,845)				
ECL at 2 years					
Private	20	9	10	–	1
Public	14,096	218	117	1,355	12,406
Total	14,116	227	127	1,355	12,407
Increase in ECL	859				

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

	2024	2023
12. Unbilled project costs		
Ministry of Works and Transport	38,723	32,334
Ministry of National Security	4,364	2,919
Judiciary of Trinidad & Tobago	452	1,374
Ministry of Health	6,404	662
Ministry of Education	429	429
Office of the Prime Minister - Gender & Child Affairs	119	119
Ministry of Agriculture, Land and Urban Developments	–	31
Ministry of Housing and Urban Development	13	18
Ministry of Public Utilities	10	10
National Insurance Board of Trinidad & Tobago	306	9
Cipriani College of Labour & Co-Operative Studies	113	–
Water & Sewerage Authority	18	–
Industrial Court of Trinidad & Tobago	29	–
	<u>50,980</u>	<u>37,905</u>

13. Share capital

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

Transactions through equity

- a) As at 30 June 2024 the Company adjusted accounts payable balances in respect of prior period adjustments identified in the amount \$4.806 million (increase in retained earnings of prior years). Based on the reconciliation of balances owed to suppliers, confirmation was received that specific invoices were not owed by the Company. The adjustments to trade payable in the amount of \$2.983 million all related to reporting periods prior to 2018. An adjustment in the amount of \$1.822 million was also required to reverse the write off of a retention payable balance during the extensive reconciliation exercises prior to 2018.
- b) As at 30 June 2023 the Company adjusted accounts payable and unbilled project cost balances in respect of prior period adjustments identified in the amount \$3.018 million (increase in retained earnings of prior years). CIF dividends for the period 2013 to 2015 were received during the year in the amount of \$0.732 million and were recorded within retained earnings. All adjustments resulted in a net increase in retained earnings of \$3.75 million. The adjustments to accounts payable, unbilled project cost and the CIF dividend all related to reporting periods prior to 2018.

14. Revaluation reserve

The revaluation reserve comprises the revaluation surplus on freehold property. The amount of the reserve is \$12.429 million as at year end (2023: \$12.429 million).

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

15. Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of investment securities until the investments are derecognised or impaired. The amount of the reserve is negative \$1.525 million (2023: negative \$0.778 million) and the movement during the year is disclosed in Note 10.

16. Accounts payable and accruals

	2024	2023
Trade payables:		
- Projects and other	62,101	76,143
- Due to pharmaceutical suppliers	466,770	408,369
- Amounts owed to parent company (note 32)	3	–
	<u>528,874</u>	<u>484,512</u>
Accrued expenses and other payables	351,793	224,258
	<u>880,667</u>	<u>708,770</u>

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.

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.

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 current portion of retentions is expected to be settled within twelve (12) months of the reporting date.

Retentions payable:	2024	2023
Current	4,868	5,649
Non-current	37,993	29,445
	<u>42,861</u>	<u>35,094</u>

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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

17. Contract liabilities	2024	2023
Project and Construction Management	9,315	5,087
Procurement	<u>2,958</u>	<u>5,328</u>
	<u>12,273</u>	<u>10,415</u>

Revenue recognised from:

Contract liabilities at start of the year	<u>2,300</u>	<u>577</u>
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Contract liabilities relate to billings made to customers for which no revenue was recognised to date. These billings may have been based on milestones being met that are not reflective of meaningful progress towards the satisfaction of performance obligation. Billings may also be based on the advances required prior to or on commencement of required work. It also includes the portion of Project Advances that relate to fees yet to be earned or recognised. The outstanding balances of these accounts increased in 2024 due to the undertaking of new contracts during the period

The increase in contract liabilities for the year 2024 can be predominantly attributed to invoicing for new projects for the National Library and Information System Authority, Trinidad & Tobago Meteorological Service, and Cipriani College of Labour & Co-Operative Studies. This invoicing aligns with the terms outlined in the service agreements with each entity.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

18. Advance project billings	2024	2023
Ministry of Works and Transport	2,653	3,081
Ministry of Housing and Urban Development	2,582	–
Ministry of National Security	164	187
Office of the Prime Minister - Gender & Child Affairs	–	179
Tobago House of Assembly	162	162
Trinidad & Tobago Mortgage Bank	–	58
Agricultural Development Bank of Trinidad & Tobago	9	9
Water and Sewerage Authority	18	–
Ministry of Social Development	178	–
National Flour Mills	–	76
	<u>5,766</u>	<u>3,752</u>
19. Project advances		
Office of the Prime Minister, Gender & Child Affairs	–	75
Ministry of Works and Transport	216,327	380,212
Trinidad and Tobago Police Service	4,295	6,465
	<u>220,622</u>	<u>386,752</u>

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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(Continued)

20. Revenue from contracts with customers

a) Components of revenue from contracts with customers

	2024	2023
Procurement Management	15,648	5,997
Facilities Management	4,881	4,267
Project and Construction Management	3,127	3,906
Carparks: Managed	3,047	2,963
Pharmaceutical Agency Fee	2,000	2,000
Real Estate	843	600
Prisoner Transport	673	173
Paying Agency Fees	5	101
	<u>30,224</u>	<u>20,007</u>

All revenue from contract with customers were earned in Trinidad and Tobago for the current and prior year.

b) Performance obligations

Information about the Company's performance obligations is summarised below:

Project and Construction Management Services

The obligation is satisfied through the provision of project management and construction management services of the projects by milestones within the contracts. Payment is generally due 30 to 90 days after the completion of the obligation. Therefore, revenue is recognized over time as the milestones are achieved. There are also obligations to pay the contractors on behalf of the client. The transaction price is allocated separately to project management and construction management services.

Procurement services

Non PURE – The obligation is to procure either a service or item on behalf of the client. The obligation is satisfied when the service or item is delivered. Payment is generally due 30 to 90 days after the completion of the obligation. Revenue is therefore recognised at a point in time. The transaction price is allocated entirely to the obligation.

PURE – There are two distinct obligations in the provision of this service. The first obligation is to select suitable contractors to award the contracts to and the second is to pay the contractors on the awarded contracts. Revenue is recognized when contracts are awarded and when payments on the contracts are made. Payment is generally due 30 to 90 days after the completion of the obligation. Revenue is therefore recognised at a point in time. The transaction price is allocated separately to the two performance obligations.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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

20. Revenue from contracts with customers (continued)

b) Performance obligations (continued)

Facilities Management services

The performance obligation is satisfied through the provision of facilities management expertise for routine and non-routine maintenance services. These are two identifiable separate obligations. Payment is generally due 30 to 90 days after the completion of the obligation. Revenue from routine maintenance services is recognised monthly as time elapses on the contract and the non-routine maintenance fees are recognised as incurred. The transaction price is allocated separately to the routine and non-routine maintenance services. Revenue is therefore recognised both over time and at a point in time.

Carparks: Managed

The obligation is satisfied through management of the carparks which are owned by the clients. Payment is generally due 30 to 90 days after the completion of the obligation. Revenue is recognised monthly as time elapses on the contract. The transaction price is allocated entirely to the obligation. Revenue is therefore recognised over time as the contract elapses.

Real Estate

There are two performance obligations. The first obligation is satisfied through management of properties with the client's mortgage portfolio. The second is the collection of mortgage payments. Payment is generally due 30 to 90 days after the completion of the obligation. Revenue from the management of the properties is recognised monthly as time elapses on the contract and the mortgage payments fees are recognised as incurred. The transaction price is allocated to separately to the two obligations. Revenue is therefore recognised both over time and at a point in time.

Prisoner Transport

The obligation is to procure and manage prisoner transportation services. Payment is generally due 30 to 90 days after the completion of the obligation. Revenue is recognised monthly as time elapses on the contract. Revenue is therefore recognised over time. The transaction price is allocated entirely to the performance obligation.

Paying agency fees

The performance obligation is to disburse funds to creditors of the Trinidad and Tobago Police Service with funds given to us by the Ministry of Finance for that specific purpose. The disbursement is done on the instruction of the Commissioner of Police and the approval of the Minister of Finance. Revenue is recognized when the contractor is paid and based on the value of the payment made.

Operation Management Services (OMS) – Pharmaceutical agency fee

The performance obligation is to procure, store and distribute medical supplies on behalf of the client. Payment is generally due 30 to 90 days after the completion of the obligation. Revenue is recognised monthly as time elapses on the contract. Revenue is therefore recognised over time. The transaction price is allocated entirely to the performance obligation.

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(Continued)

21. Rental income	2024	2023
Carpark owned	4,869	4,790
Warehouse rental	4,449	4,328
Advertising	359	216
	<u>9,677</u>	<u>9,334</u>
22. Other operating income		
Registration and tender receipts	<u>585</u>	<u>802</u>
23. Direct costs		
Direct costs are operating expenses that can be associated directly with the provision of our core services.		
	2024	2023
Car park rental	2,141	1,904
Non project management fees	2,118	1,819
Claims and damages	–	439
Warehouse rental	250	245
Procurement fees	18	4
	<u>4,527</u>	<u>4,411</u>
24. Staff costs		
Salaries and wages	17,024	22,210
Statutory deductions	915	1,177
Savings and pension contributions	496	683
Other staff costs	1,437	1,410
	<u>19,872</u>	<u>25,480</u>

During the year management paid \$3.8 million in severance cost for the termination of the Security Department which was executed on the 30 June 2023. The expense was provided within salaries and wages as at the end of 2023 and done within the scope of IAS 37 *Provisions, Contingent Liabilities, Contingent Assets*.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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(Continued)

	2024	2023
25. Administration expenses		
Office supplies and other administration expenses	3,227	2,565
Professional and legal fees	815	1,115
Advertising and promotions	187	102
Bank charges	115	77
	<u>4,344</u>	<u>3,859</u>
26. Accommodation costs		
Repairs and maintenance	1,411	1,231
Utilities	829	763
Insurance	787	723
Rent	243	305
Rates and taxes	56	57
	<u>3,326</u>	<u>3,079</u>
27. Vehicle expenses		
Rental	119	83
Running cost	42	92
	<u>161</u>	<u>175</u>
28. Other gains/(losses)		
Fair value adjustment to investment property (Note 5)	250	250
Loss on disposal of property, plant and equipment	–	(7)
Loss on foreign currency exchange	(84)	–
Other items	330	107
	<u>496</u>	<u>350</u>
29. Finance costs		
Interest expense on right of use assets (Note 7)	<u>152</u>	<u>175</u>
30. Finance income		
Interest income from financial assets held for cash management	<u>612</u>	<u>756</u>

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

	2024	2023
31. Other income		
Dividend from investment securities	<u>400</u>	<u>410</u>

32. 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 2024 and 2023.

Related parties balances	2024	2023
Amounts due from parent related parties:		
Parent company		
Accounts receivable and prepayments	<u>6,326</u>	<u>1,105</u>
Amounts due from GORTT related entities including Ministries		
Accounts receivable and prepayments	592,193	672,045
Unbilled project costs	<u>50,980</u>	<u>37,905</u>
	<u>643,173</u>	<u>709,950</u>

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

Amounts due to related parties:

Parent company		
Accounts payable and accruals (Note 16)	<u>3</u>	<u>–</u>

Amounts due to the GORTT related entities including Ministries:

Project advances	220,622	386,752
Accounts payable and accruals	439	2,540
Advance project billings	5,766	3,752
Contract liabilities	<u>13,090</u>	<u>10,415</u>
	<u>239,917</u>	<u>403,459</u>

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

	2024	2023
32. Related parties disclosures (continued)		
Transactions with related parties		
GORTT related entities including Ministries		
Income:		
Property management and sales	9,767	10,024
Procurement management	15,648	5,997
Project and construction management fees	2,124	3,006
Pharmaceutical agent services	2,000	2,000
	<u>29,539</u>	<u>21,027</u>
Expenses:		
Accommodation cost	934	355
Green fund levy	145	85
	<u>1,079</u>	<u>440</u>
Other transactions with related parties:		
Directors' remuneration	<u>572</u>	<u>606</u>
Key management remuneration:		
Short-term benefits	5,850	5118
Long-term benefits	98	83
	<u>5,948</u>	<u>5,201</u>

33. 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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

33. Financial risk management (continued)

i) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations under a financial instrument or customer contract, resulting in financial loss to the Company. Trade and other receivables consist of mainly public sector entities of the GORTT with an amount of \$852 million (2023: \$666 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 since public sector entities as a collective 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 is 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 which show that the receivable balance is uncollectable.

	Net maximum exposure	
	2024	2023
Trade receivable (Note 11)	511,756	473,362
Other receivables	309,963	183,275
Government bonds (Note 10)	1,128	1,122
Cash and cash equivalents (Note 9)	398,930	548,345
Certificate of deposit (Note 9c)	25,000	25,000
Total credit risk exposure	1,246,777	1,231,104

Credit quality per category of financial asset

The credit quality of the balances due from the Company's various counterparties is internally determined from an assessment of each counterparty based on a combination of factors.

These factors include financial strength and the ability of the counterparty to service its debts, the stability of the industry or market in which it operates and its proven track record with the Company. The categories defined are as follows:

Superior: This category includes balances due from Government and Government agencies and balances due from institutions that have been accorded the highest rating by an international rating agency or is considered to have the highest credit rating. These balances are considered risk free.

Desirable: These are balances due from counterparties that are considered to have good financial strength and reputation.

Acceptable: These are balances due from counterparties that are considered to have fair financial strength and reputation.

Sub-standard: Balances that are impaired.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

33. Financial risk management (continued)

i) Credit risk (continued)

The table below illustrates the credit quality of the Company's trade receivable financial assets as at 30 June:

	Superior	Desirable	Acceptable	Sub-standard	Total
2024	510,323	1,433	–	–	511,756
2023	472,966	396	–	–	473,362

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 daily cash balance, 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:

2024	Carrying amount	Contractual cash flows	0-12 Months	1-5 years	More than 5 years
Assets					
Interest bearing:					
- Cash (Note 9a)	61,832	61,832	61,832	–	–
- Restricted cash (Note 9b)	362,098	362,098	362,098	–	–
- Government bonds (Note 10)	1,128	2,037	56	279	1,702
Non-interest bearing:					
- Trade receivable (Note 11)	511,756	511,756	511,756	–	–
	936,814	937,723	935,742	279	1,702
Liabilities					
Lease liabilities (Note 7)	3,381	3,912	650	2,175	1,087
Accounts payable and accruals (Note 16)	880,667	880,667	880,667	–	–
Retention payable (Note 16)	42,861	42,861	4,868	37,993	–
	926,909	927,440	886,185	40,168	1,087
Net	9,905	10,283	49,557	(39,889)	615

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

33. Financial risk management (continued)

ii) Liquidity risk (continued)

2023	Carrying amount	Contractual cash flows	0-12 Months	1-5 years	More than 5 years
Assets					
Interest bearing:					
- Cash (Note 9a)	88,173	88,173	88,173	–	–
- Restricted cash (Note 9b)	485,172	485,172	485,172	–	–
- Government bonds (Note 10)	1,122	2,093	56	279	1,758
Non-interest bearing:					
- Trade receivable (Note 11)	473,362	473,362	473,362	–	–
	<u>1,047,829</u>	<u>1,048,800</u>	<u>1,046,763</u>	<u>279</u>	<u>1,758</u>
Liabilities					
Lease liabilities (Note 7)	4,060	4,743	831	2,281	1,631
Accounts payable and accruals (Note 16)	708,770	708,770	708,770	–	–
Retention payable (Note 16)	35,094	35,094	5,649	29,445	–
	<u>747,924</u>	<u>748,607</u>	<u>715,250</u>	<u>31,726</u>	<u>1,631</u>
Net	<u>299,905</u>	<u>300,193</u>	<u>331,513</u>	<u>(31,447)</u>	<u>127</u>

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 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.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

33. 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 2024, NIPDEC had assets denominated in foreign currencies amounting to \$9.0 million (2023: \$9.8 million).

The following average exchange rate applied during the respective periods:

	2024	2023
EC\$	2.406	2.500
US\$	6.503	6.752

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 2023 on the basis that all other variables remain constant.

	2024	2023
Effect in TT\$		
EC\$	1,933	(14)
US\$	(1,550)	(62)

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.

NOTES TO FINANCIAL STATEMENTS

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

(Continued)

33. 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 assets and liabilities that are measured at fair value at 30 June 2024:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Freehold property	–	6,000	–	6,000
Freehold land	–	9,000	–	9,000
Investment properties	–	39,100	–	39,100
Investment securities (Note 10):				
- Equity securities	8,775	–	–	8,775
- Government bonds	1,128	–	–	1,128
	9,903	54,100	–	64,003

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

33. Financial risk management (continued)

Fair value measurement (continued)

The following table presents the Company's assets and liabilities that are measured at fair value at 30 June 2023:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Freehold property	–	6,000	–	6,000
Freehold land	–	9,000	–	9,000
Investment properties	–	38,850	–	38,850
Investment securities (Note 10):				
- Equity securities	9,528	–	–	9,528
- Government bonds	1,122	–	–	1,122
	10,650	53,850	–	64,500

During 2023 the Clico Investment Fund was terminated by the Government of Trinidad and Tobago (GORTT) and converted the shareholdings into Republic Financial Holdings Limited (RFHL) shares and GORTT Series 2 TT\$702.867 million 4.25% fixed rate bonds. The two securities were classified as level 1.

34. 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 consists of total liabilities offset by 'unbilled project costs' (Note 12) and 'cash and cash equivalents' (Note 9). The total liabilities comprise non-current liabilities and current liabilities. The 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:

	2024	2023
Total liabilities	1,165,159	1,148,843
Less: Unbilled project costs (Note 12)	(50,980)	(37,905)
Less: Cash and cash equivalents (Note 9)	(398,930)	(548,345)
Less: Certificate of Deposit (Note 9c)	(25,000)	(25,000)
Net debt	690,249	537,593
Total equity	221,361	214,167
Debt-to-equity	3.12	2.51

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

Continued)

35. Determination of fair values

A number of NIPDEC's accounting policies and disclosures requires 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 annually. 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. Fair value is based on directly or indirectly observable inputs (Level 2).

ii) Investment securities

The fair value of equity and debt investment securities is determined by the market value at the measurement date based quoted prices in active markets. (Level 1).

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.

36. Commitments

Capital commitments

There were no commitments for capital expenditure approved or contracted as at 30 June 2024 (2023: \$0.638 million).

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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

(Continued)

37. Agency arrangements

NIPDEC holds several fixed rate bonds and eight demand loans 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 and loans have tenures of 4 to 20 years with maturity dates of 2025 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 loans are not recognised 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 \$7.3 billion at 30 June 2024 (2023: \$7.2 billion). An analysis of the borrowings is as follows:

Bonds			2024	2023
Trustee	Rate	Tenor		
Ansa Merchant Bank	4.20%	September 2022-2030	327,455	377,832
			<u>327,455</u>	<u>377,832</u>
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	247,050	283,500
3.30%	August 2021-August 2027	238,310	272,354	
			<u>4,184,360</u>	<u>4,254,854</u>
			<u>4,511,815</u>	<u>4,632,686</u>

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NOTES TO FINANCIAL STATEMENTS

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(Continued)

37. Agency arrangements (continued)

Demand loans			2024	2023
Lender	Rate	Tenor		
ANSA Merchant Bank Limited	5.02%	October 2019-2029	500,000	500,000
RBC Trust Trinidad & Tobago	4.15%	April 2020 -2027	478,275	478,275
NCB Global Trinidad & Tobago Limited	4.50%	March 2021-2028	200,000	200,000
RBC Trust Trinidad & Tobago	3.95%	March 2021-2028	177,622	213,147
Scotia Bank Trinidad & Tobago Limited	3.50%	January 2022-2028	267,364	267,364
ANSA Merchant Bank Limited	3.75%	July 2022-2027	682,000	682,000
Scotia Bank Trinidad & Tobago Limited	3.18%	October 2022-2026	250,000	250,000
Scotia Bank Trinidad & Tobago Limited	3.14%	October 2023-2028	280,449	—
			<u>2,835,710</u>	<u>2,590,786</u>

38. Contingent liabilities

As at 30 June 2024, 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) to reduce litigation costs. 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.

39. Dividends

The Company paid and declared no dividend during the current 2024 financial year (2023: Nil) to its parent company, NIBTT.

40. Events after the reporting date

No significant events occurred after the reporting date which would affect the financial performance, position or changes therein for the reporting period presented in these annual financial statements.



Designed & Produced by
Damian Joseph
Marketing & Communications Officer
Marketing & Communications Department



NIPDEC

56-60 St. Vincent Street
Port of Spain

Tel: (868) 625-8749

Fax: (868) 623-0877

Website: www.nipdec.com