



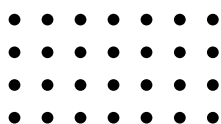
NIPDEC



2025

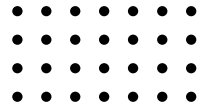
Annual Report

Your Partner In Development



WWW.NIPDEC.COM





OUR PURPOSE

To be a key partner in fostering regional sustainable development.

NIPDEC Gets It Done

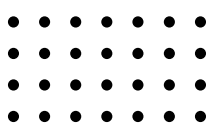
OUR VISION

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.

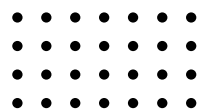
Table of Contents



Our Core Values	2
Chairman’s Statement	3
General Manager’s Statement	5
Financial Review	7
Board of Directors	17
Executive Team	17
Financial Statements	18



Our Core Values



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.

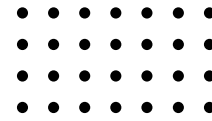
Teamwork

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



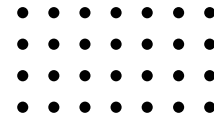
For nearly five decades, the National Insurance Property Development Company Limited (NIPDEC) has been a trusted partner in delivering project management solutions that have helped shape the landscape of Trinidad and Tobago. As a cornerstone of national progress, NIPDEC continues to uphold its tradition of excellence. Today, as we stand at the dawn of a new era, the Company remains steadfast in its commitment to build upon this proud legacy with renewed vision, energy and purpose.

My vision for NIPDEC is one of bold growth, innovation and sustainable impact. We will continue to harness our deep expertise in project and procurement management, while actively seeking new opportunities that align with national priorities and the evolving demands of Our Valued Clients and Key Stakeholders.

Our return to profitability in 2024 was a significant achievement, a testament to our business model, financial discipline, operational resilience and the unwavering dedication of Our Staff. This milestone has laid a solid foundation upon which we will chart a path of continued strength and stability.

Looking ahead, NIPDEC will focus on strategic expansion and organisational transformation. We intend to explore innovative business models, including Public-Private Partnerships (PPPs), that foster collaboration, efficiency and value creation. At the same time, we will strengthen our relationships with Our Valued Clients while aggressively pursuing new opportunities to expand our portfolio in both local and regional markets.

To guide this next chapter, steps will be undertaken to enhance performance, strengthen governance and build capacity across all levels. This will include rigorous market analysis and benchmarking, enabling us to define a new strategic framework centered on financial sustainability, value optimisation, talent development and digital transformation.



Equally, we recognise that our greatest strength lies in Our People. Efforts are underway to modernise human resource systems, resolve outstanding staff matters and reinvigorate our corporate culture. These initiatives are designed to cultivate excellence, accountability and pride among All Members of the NIPDEC Family.

As we move forward, we do so with confidence and clarity of purpose. NIPDEC's reputation as a reliable, professional and results-driven organisation positions us well to seize emerging opportunities and expand our impact across Trinidad and Tobago and Beyond.

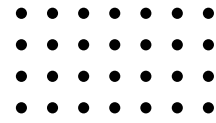
I wish to extend my appreciation to Our Dedicated Staff, Management and Newly Appointed Board Members for their steadfast commitment and service. Together, we will continue to evolve, guided by our mission to deliver value, foster innovation and drive progress.

With unwavering commitment and optimism, we move forward. United in purpose, driven by excellence and inspired by the limitless potential of what we can achieve together!

Vijay Gosyne
Chairman



General Manager's Statement



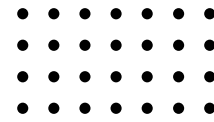
It is with great pride that I report another year of strong performance by the National Insurance Property Development Company Limited (NIPDEC). For the second consecutive year, the Company recorded a profit across its diverse business operations, achieving \$10.5 million in 2025, a 52% increase over the \$6.9 million recorded in 2024. Revenue also rose by 8% to \$43.6 million, underscoring our continued ability to deliver value and maintain operational excellence in a challenging environment.

The year under review marked a period of transition and transformation for Trinidad and Tobago. The change in government administration brought a renewed focus on economic revitalisation, infrastructure development and improved public service delivery; areas that align directly with NIPDEC's mandate and core competencies. While periods of transition can bring present challenges, they also create opportunities for collaboration, innovation and renewed purpose.

At NIPDEC, we view this new chapter with optimism and a strong sense of partnership. We are committed to aligning our strategic priorities with National Development Agenda, leveraging our expertise in project and procurement management to help deliver the infrastructure and service improvements that citizens depend upon.

Globally, the year presented continued economic headwinds, from fluctuating commodity markets to evolving international trade dynamics. Yet, NIPDEC's performance stands as a testament to our resilience, discipline and adaptability. Through prudent financial management and a clear operational focus, we navigated uncertainty while positioning the Company for long-term growth and stability.

Our strategic direction remains centered on business development and market expansion. We continue to strengthen our market share in existing service areas, pursue new projects across both the public and private sectors, and explore regional opportunities that will reinforce NIPDEC's position as a trusted leader in development solutions. These efforts are already yielding encouraging prospects for 2026 and beyond.



None of these achievements would be possible without the commitment of our staff. Their professionalism, expertise and dedication to excellence have allowed NIPDEC to maintain its reputation for reliability and performance. I extend my deepest gratitude to every member of the team for their continued hard work and integrity.

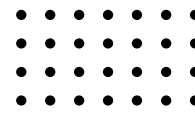
As we move forward, I also wish to extend a warm welcome to our new Chairman and Board of Directors. Their leadership, strategic insight and partnership will be invaluable as we guide NIPDEC into its next phase of growth and transformation.

With a solid financial foundation, a renewed spirit of collaboration and a clear sense of purpose, NIPDEC is well-positioned to contribute meaningfully to national development and to deliver sustained value to the people of Trinidad and Tobago and the Region as a whole.

With continued commitment to excellence.

Vyas Ramphalie

General Manager



Financial Review

For a second successive year NIPDEC provided its shareholder with positive financial results; this period ending June 2025. The Company recorded a profit of \$10.5 million and total comprehensive income of \$7.1 million. The profit 'Net' of Expected Credit Loss (ECL) provisions was \$9.6 million and this represented an 11% year-on-year growth.

Total revenue for the year reached \$43.6 million, representing an 8% growth over 2024. Against our targeted revenue set for 2025, we fell short by 18% or \$9.8 million. Our Property Development Division generated \$21.4 million in revenue, up by 10% from \$19.4 million reported in the previous year. Its contribution income increased by 8%, moving from \$13.3 million to \$14.3 million. Revenue generated from new business for the year was \$726k.

Our Car Park operations experienced a fall in business activity. Revenue generated for the year was \$8.1 million, which was a 2.5% or \$204k decline from the prior year. Maracas, Chaguanas and Edward Street suffered a drop in revenue with Maracas contributing the largest decrease with 5% or \$91k. Advertising income at the Edward Street Car Park increased by 16% which generated \$57k more towards contribution income. However, the Business Unit's overall contribution income was \$4.9 million, which represented a 4.7% or \$240k decline.

Warehouse operations continued its positive trajectory. Rental income increased by 3.4% or \$153k. This increase was attributable to a rise in tenancy from 93% in 2024 to 96% in 2025. Contribution income from rentals totaled \$2.6 million, exceeding the target of \$2.4 million for the current year and prior year reported income of \$2.0 million.





Similar to last year our Facilities Management Unit had a particularly strong performance closing with \$7.2 million in revenue. This surpassed the target by 2.5% or \$172k and above prior year results by \$2.3 million. The significant increase was driven by the full twelve months of Mechanical, Engineering and Plumbing (MEP) services provided to NIBTT and additional ad-hoc projects for Industrial Court and Forensic Science Center. Contribution income reached \$2.1 million, surpassing both the budgeted and prior year of \$1.5 million.

Direct overheads for operational Business Units amounted to \$11.4 million which were below the budgeted \$12.6 million, with savings primarily realized in staff costs (\$842k). Indirect overheads for our Support Departments totaled \$17.6 million, dropping by 5.4% or just under \$1 million. The company experienced a reduction of its ECL provision in 2025 and this would have contributed to the result.

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' of ECL expenses.

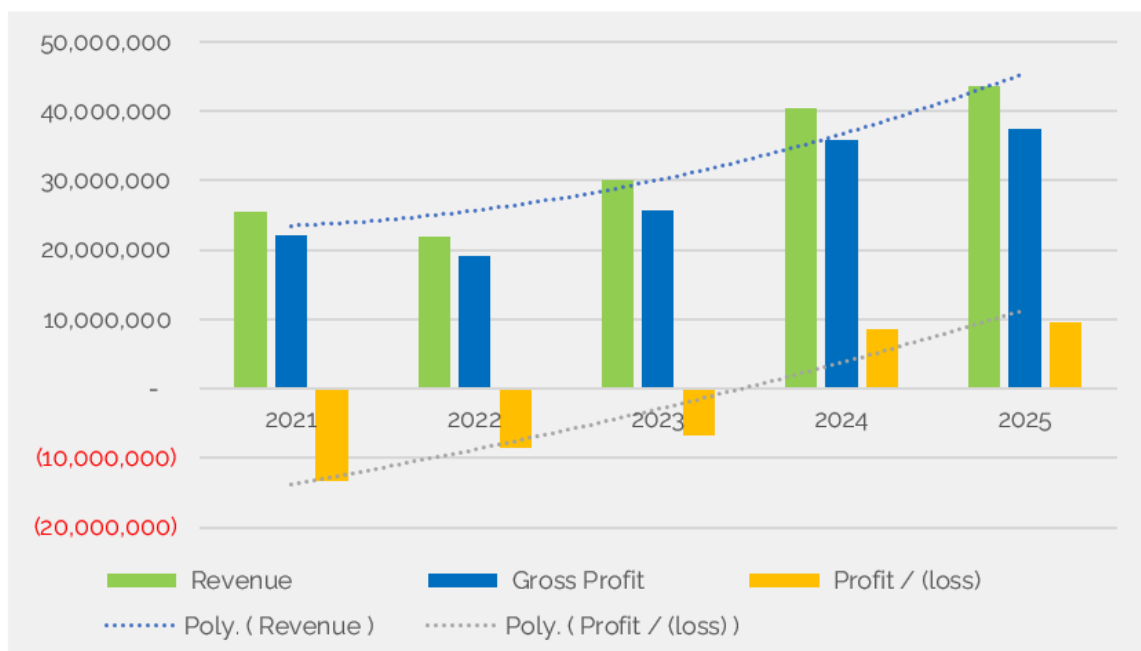
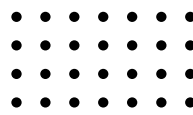


Figure 1: 2025 Performance Overview (E ECL)



Revenue



Revenue from contracts with customers increased by 12%, or \$3.6 million. The growth was driven by project and construction management fees generating \$10.4 million more than prior year 2024. The main source of income came from the National Water Sector Transformation Programme (NWSTP), a multi-year initiative led by the Water and Sewerage Authority (WASA) of Trinidad and Tobago, aimed at improving the efficiency, quality, sustainability and resilience of the nation's potable water supply and wastewater services. Facilities management fees also contributed to overall growth generating \$2.3 million or 47% more income mainly from services provided to NIBTT for a full twelve months.

The progress in these areas was negatively impacted by the \$7.8 million reduction in procurement fees. The reason for the drop was the transition of the NWSTP Projects to the next stage in the project life cycle. In 2024 the projects were at the procurement of contractors stage which were transitioned to the project and construction management activities in 2025. Additionally, the income earned from the Programme for Upgrading Road Efficiency Unit (PURE) within this revenue category decreased by 20% from \$4.1 million in the prior year to \$3.2 million.

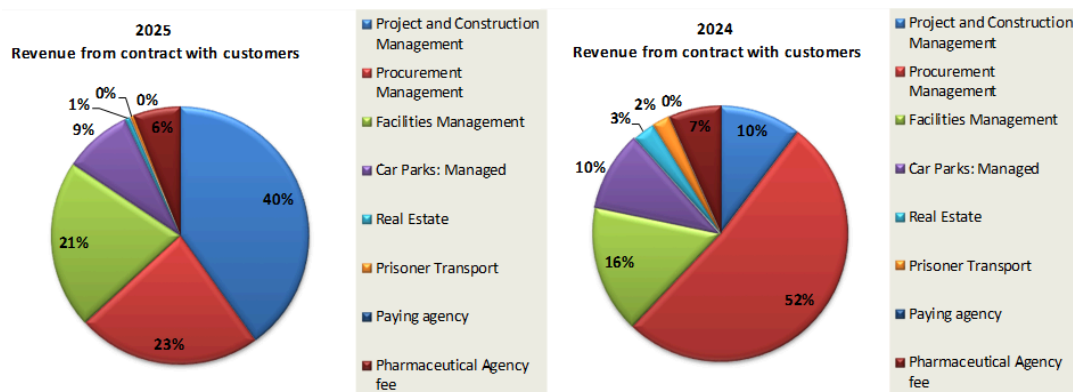


Figure 2: Comparative By Revenue Stream

We experienced limited growth in our total rental income which grew by 1% over the previous year. Warehouse rental rose by 3% or \$153k as the company took on more internal and external tenants. Advertising income at Edward Street Car Park generated a 16% or \$57k rise compared to the 66% or \$143k growth experienced in 2024. The increases within the portfolio were impacted by the reversal of the rent accruals for a price increase at Edward Street Car Park which did not materialise. This was due to the contracting parties not coming to an agreement in 2025. However, commitments have been made by both sides to rectify outstanding matters and should be resolved in fiscal 2026.



As depicted in Figure 3, the revenue composition for rental income remained consistent year on year.

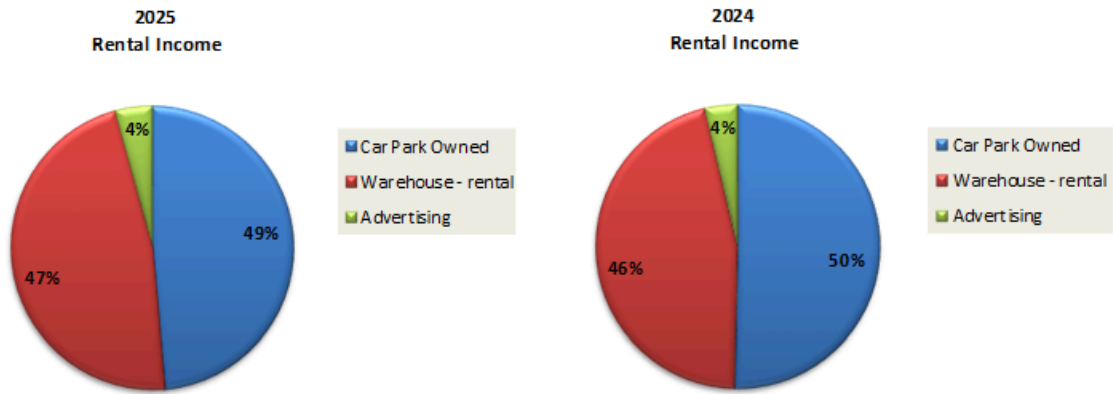


Figure 3: Comparative By Revenue Stream

Profitability

The company continued its upward trend in profitability by generating \$10.6 million versus \$6.9 million in 2024. Despite falling short of the budgeted target of \$14.1 million, the profit margin improved by an impressive 700 basis points, moving from 17% to 24% at the end of 2025.

Other comprehensive losses declined from \$4.6 million in 2024 to \$3.5 million in 2025, taking our total comprehensive income for the year to \$7.1 million (2024: \$2.4 million). These losses were due to a re-measurement adjustment of the company's defined pension benefit, valued at \$3.6 million, a \$426k downward adjustment in the fair value of investment securities netted off against a \$497k gain on revaluation of land and buildings.

Our gross profit margin declined by 2.8%, dropping from 88.8% in 2024 to 86.1% in 2025. This was mainly driven by the Facilities Management Unit where we incurred additional sub-contractor costs to perform ad-hoc jobs for our clients while remaining competitive. Total overheads (net' ECL) increased from \$28.7 million in 2024 to \$29.8 million in 2025, an increase of 4% or \$1.1 million year on year. Figure 4 illustrates the trend line for total overheads, net' ECL.



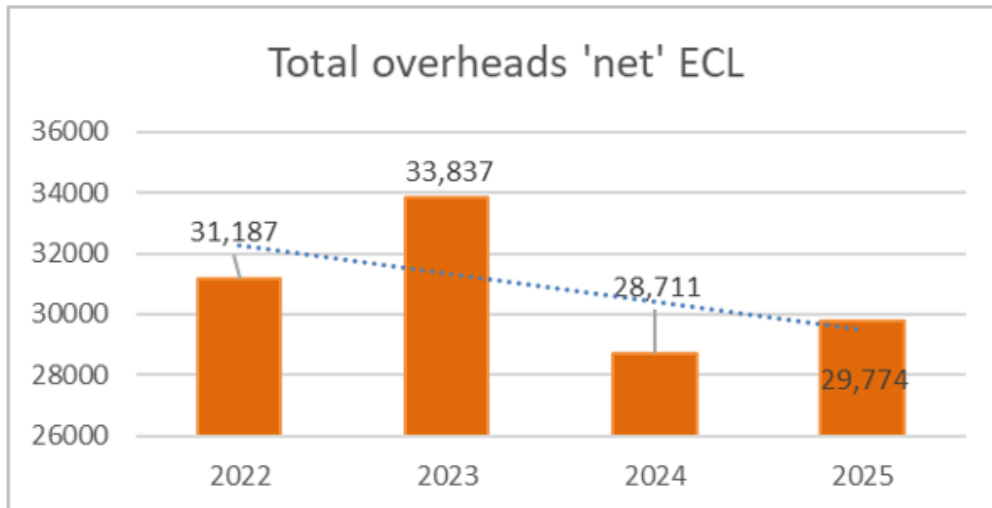
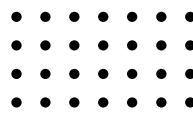


Figure 4: Total overheads “net” ECL four-year comparative

In 2025 the main contributors to the total increase were Staff Cost and Administration Expenses. Staff costs increased by 2% or \$356k which were led by statutory deductions, savings and pension contributions and other staff costs such as group health, staff welfare and insurance. Figure 5, illustrates the four-year comparative.

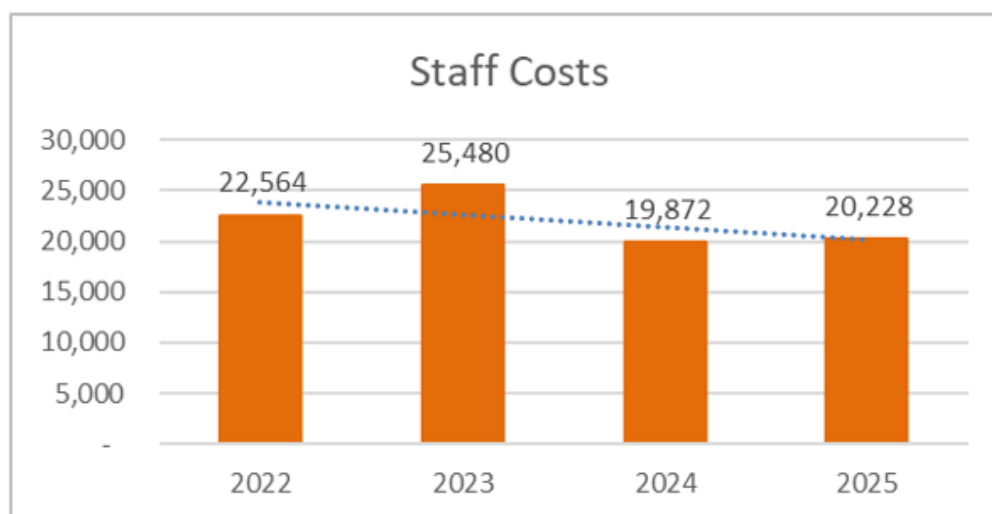


Figure 5: Staff cost 4-year comparative

Administration expenses increased by 10%, or \$450k, largely due to professional, legal fees and office supplies and other administration expenses. Legal fees incurred the biggest increment stemming from an NWSTP legal dispute with one of the contractors. Professional fees jumped because two independent contractors were hired within the Property Development Department to assist with the volume of project works for PURE and non-PURE categories. Figure 6 highlights the four-year trend in Administration costs.

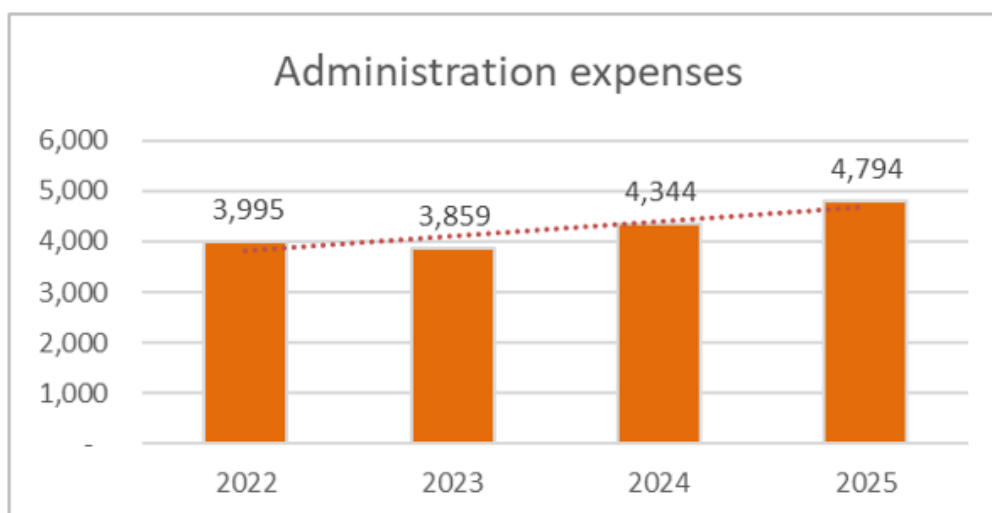


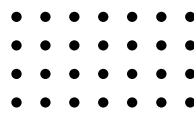
Figure 6: Administrative expenses 4-year comparative

Accommodation costs rose by 4% or \$123k, compared to 2024. This was primarily driven by rent and insurance expenses. However, the impact was reduced by the decrease in repairs and maintenance costs of \$348k or 25%. The rent increases came from the re-signing of the corporate box rental at the Queen's Park Oval and the short-term rental of photocopier machines. Our premiums for property insurance continue to go up as the insurance market overseas makes it difficult to control this cost.

Figure 7 provides a four-year comparison of accommodation costs.



Figure 7: Accommodation costs 4-year comparative



Vehicle expenses decreased by a further 75% or \$121k as we upgraded our fleet in 2025. The company signed 3-year leases for four vehicles which were capitalised in accordance with IFRS 16 – Leases. Figure 8 illustrates the four-year trend in vehicle expenses.

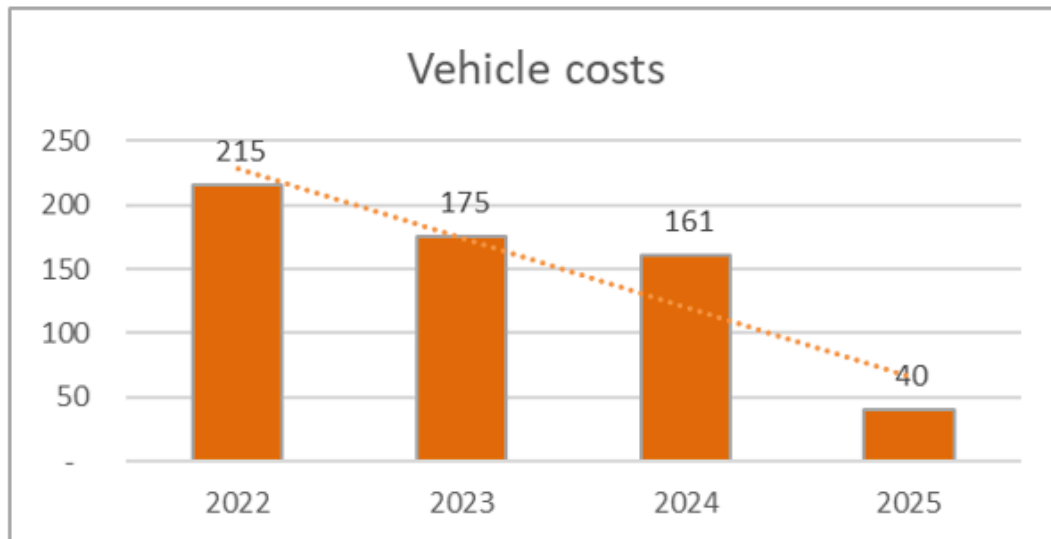


Figure 8: Vehicle costs 4-year comparative

Financial Position

NIPDEC's total assets grew by \$342.5 million, reflecting a 25% increase to reach \$1.7 billion by the end of 2025. Current assets were responsible for the significant growth while non-current assets experienced a decline. Within the non-current assets, Defined Benefit Pension Assets reduced by \$3.8 million as the plan experienced a lower than estimated return of 6.0% per annum. This was also mirrored by our 3% or \$39k drop in market value of our investment securities. Our leases taken out for the vehicles increased the Right-of-use assets by 9% or \$266k and Property Plant and Equipment similarly increased from additions during the year and a gain in revaluation of land and buildings.



As shown in Figure 9, our total assets achieved a compounded annual growth rate of 13.2% over the past three years, underscoring steady and sustained growth in our financial position.

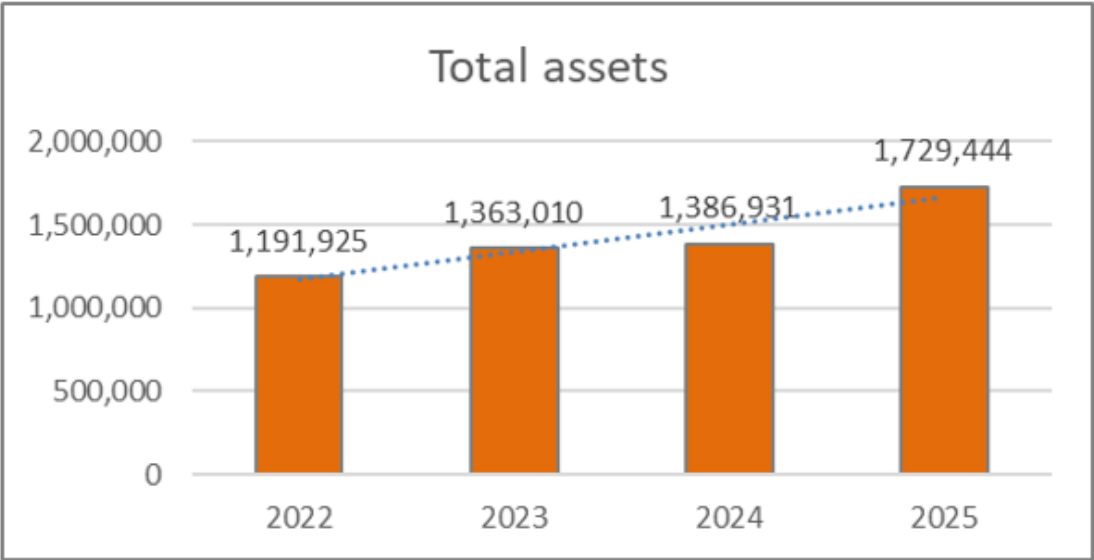
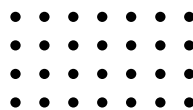


Figure 9: Total Assets 4-year comparative

Current assets increased by \$346 million, or 26%, largely driven by Other Receivables, Restricted Cash and Trade Receivables. Other Receivables rose significantly by \$133 million (43%), primarily due to accrued billings for Ministry of Health’s Pharm and Non-Pharm Medical Supplies and PURE’s Contractor Cost for the Ministry of Works and Infrastructure. Restricted cash went up by \$123 million or 34% and this was mainly due to the \$250 million fixed-term loan the company took out with Scotiabank Trinidad and Tobago Limited on behalf of the Ministry of Works and Infrastructure for roadworks conducted under PURE as part of the Memorandum of Understanding. Trade Receivables increased by \$70 million or 14% and was attributed to the Ministry of Health’s outstanding invoices for Pharm and Non-Pharm Medical Supplies.

Cash in Bank at the end of June 2025 was \$80 million. The Ministry of Health refunded the advance sums that the company put forward towards paying its suppliers in 2024. This was partly responsible for the \$17.9 million or 29% increase, along with an improvement in the collections process, notwithstanding the increase in the ECL default rate from 31% to 37% for invoices outstanding 2 to 3 years.





On the liabilities side, current liabilities increased by \$328 million or 29%. Within this category, Accounts Payable & Accruals increased by \$170 million or 19%, Project Advances by \$150 million or 68% and Contract Liabilities by \$7.4 million or 60%. The rise in Accounts Payable & Accruals were primarily due to outstanding supplier invoices for pharmaceutical and non-pharmaceutical medical supplies. Project Advances increased through the receipt of the funds held on behalf of the Ministry of Works and Infrastructure for the \$250 million fixed term loan and Contracts Liabilities represented the unearned income from this loan and mobilization project funds received this year and prior years.

Our working capital position increased by \$17.5 million or 10% year-on-year, closing at \$199.8 million. Our current ratio this year dropped from 1.16 to 1.14 because of current liabilities increasing at a greater rate than current assets (29% v 26%). Figure 10 illustrates the current working capital trend at the end of 2025 fiscal.

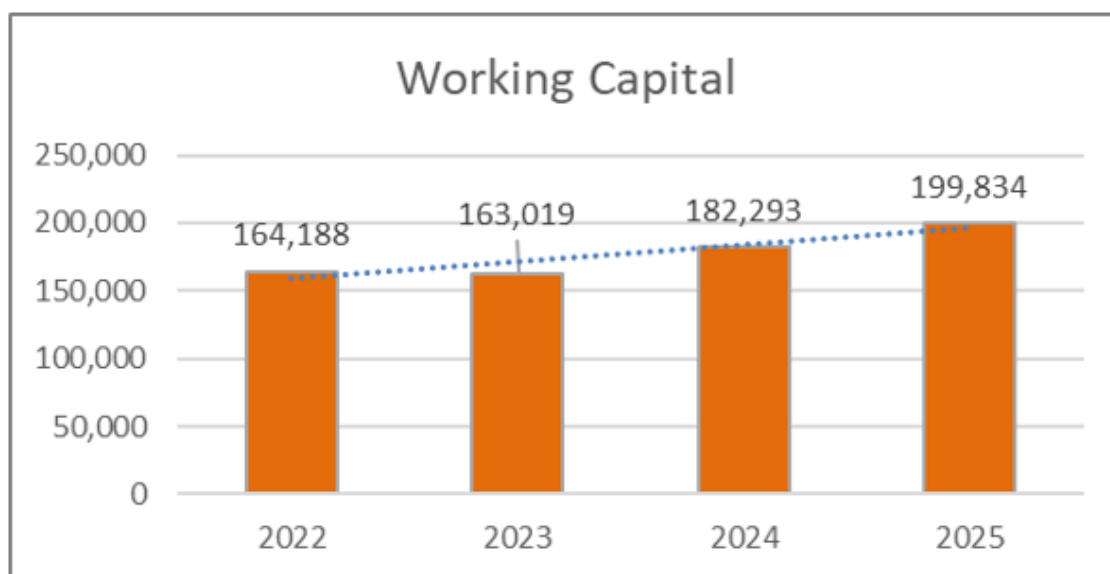


Figure 10: Current working capital trend



Capital management saw the gearing ratio increase from 3.1 to 3.9, primarily due to the rise in net debt, which grew from \$691 million to \$884 million. This increase was largely attributed to the company securing the \$250 million fixed term loan facility in 2025 for PURE.

For fiscal 2025 / 2026, the company will actively pursue both local and regional opportunities, with a focused effort on rebuilding relationships with former clients and forging new partnerships with emerging business prospects.





Board of Directors

Vijay Gosyne – Chairman
Karrel A. Woods – Deputy Chairman
Irshaad Andre Ali
Haimchan Ramdeo
Lindon Sastri Maraj
Ravi Ramlogan

Executive Team

Vyas Ramphalie – General Manager
Jabari Cozier – Head, Finance & Accounting
Johnson Smith - Head, Property Development
Malisa Gilkes - Head, Human Resources
Reyna Kowlessar - Company Secretary / Head Legal Services

THE NATIONAL INSURANCE PROPERTY
DEVELOPMENT COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2025



The better the question. The better the answer.
The better the world works.



**Shape the future
with confidence**

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

CONTENTS	Page
Statement of Management's Responsibilities	2
Independent Auditor's Report	3 – 5
Statement of Financial Position	6
Statements of Profit or Loss and Other Comprehensive Income/(Loss)	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to Financial Statements	10 – 69

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 2025, 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
24 September 2025


Head Finance & Accounting
24 September 2025

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 2025 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 2025 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

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' 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 2025 Annual Report

Other information consists of the information included in the Company's 2025 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2025 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:
29 September 2025

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

(Expressed in thousands of Trinidad and Tobago dollars)

ASSETS	Notes	2025	2024
Non-current assets			
Investment properties	5	39,100	39,100
Property, plant and equipment	6	16,074	15,565
Right-of-use asset	7(a)	3,359	3,093
Net employee defined benefit pension asset	8	17,070	20,875
Investment securities	10	1,089	1,128
Total non-current assets		76,692	79,761
Current assets			
Cash at bank and in hand	9 (a)	79,708	61,832
Restricted cash	9 (b)	485,491	362,098
Investment securities	10	8,388	8,775
Trade receivables	11	582,062	511,756
Other receivables and prepayments	11	444,639	311,729
Unbilled project costs	12	52,464	50,980
Total current assets		1,652,752	1,307,170
Total assets		1,729,444	1,386,931
EQUITY AND LIABILITIES			
Equity			
Stated capital	13	25,000	25,000
Property revaluation reserve	14	12,926	12,429
Investment revaluation reserve	15	(1,951)	(1,525)
Retained earnings		191,440	185,457
Total equity		227,415	221,361
Non-current liabilities			
Retention payable	16	46,262	37,993
Lease obligation	7(b)	2,848	2,700
Total non-current liabilities		49,110	40,693
Current liabilities			
Accounts payable and accruals	16	1,050,438	880,667
Retention payable	16	1,957	4,868
Lease obligation	7(b)	813	681
Contract liabilities	17	19,675	12,273
Advance project billings	18	9,578	5,766
Project advances	19	370,458	220,622
Total current liabilities		1,452,919	1,124,877
Total equity and liabilities		1,729,444	1,386,931

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

On 24 September 2025, 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 2025

(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	2025	2024
Revenue from contracts with customers	20	33,842	30,224
Rental income	21	9,769	9,677
Other operating income	22	—	585
Revenue		43,611	40,486
Direct costs incurred	23	(6,079)	(4,527)
Gross profit		37,532	35,959
Staff costs	24	(20,228)	(19,872)
Administration expenses	25	(4,794)	(4,344)
Accommodation costs	26	(3,449)	(3,326)
Reversal of/(impairment provision on) financial assets	11	996	(1,622)
Depreciation	6,7	(1,263)	(1,008)
Vehicle expenses	27	(40)	(161)
Other gains – net	28	35	496
Operating profit		8,789	6,122
Finance costs	29	(157)	(152)
Finance income	30	1,526	612
Other income	31	426	400
Profit for the year		10,584	6,982
Other comprehensive (loss)/income:			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of land and buildings	6	497	—
Re-measurement of defined benefit plan	8(h)	(3,601)	(3,847)
Net change in fair value on equity instrument designated as fair value through other comprehensive income	10	(387)	(753)
		(3,491)	(4,600)
Items that may be reclassified subsequently to profit or loss:			
Net change in fair value on debt instruments	10	(39)	6
		(39)	6
Other comprehensive loss for the year		(3,530)	(4,594)
Total comprehensive income for the year		7,054	2,388

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 2025

(Expressed in thousands of Trinidad and Tobago dollars)

Year ended 30 June 2025	Stated capital	Property revaluation reserve	Investment revaluation reserve	Retained earnings	Total Equity
Balance as at 1 July 2024	25,000	12,429	(1,525)	185,457	221,361
Profit for the year				10,584	10,584
Other comprehensive income/(loss)	–	497	(426)	(3,601)	(3,530)
Total comprehensive income for the year	–	497	(426)	6,983	7,054
Dividends (Note 38)	–	–	–	(1,000)	(1,000)
Balance as at 30 June 2025	25,000	12,926	(1,951)	191,440	227,415
Year ended 30 June 2024					
Balance as at 1 July 2023	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 13)	–	–	–	4,806	4,806
Balance as at 30 June 2024	25,000	12,429	(1,525)	185,457	221,361

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 2025

(Expressed in thousands of Trinidad and Tobago dollars)

	2025	2024
Cash flows from operating activities		
Profit for the year	10,584	6,982
Adjustments for:		
Depreciation (Notes 6 & 7)	1,263	1,008
Defined benefit pension expense (Note 8 (h))	516	326
Finance costs (lease accretion) (Note 7)	157	152
Net (decrease)/increase in expected credit loss (Note 11)	(996)	1,622
Dividends received from investments (Note 31)	(426)	(400)
Transactions through equity	–	4,806
Net foreign exchange differences	(66)	84
Increase in fair value of investment property (Note 5)	–	(250)
	11,032	14,330
Changes in working capital:		
Increase in unbilled project costs	(1,484)	(13,075)
Increase in accounts receivable and prepayments	(202,220)	(166,738)
Increase in retention payable	5,357	7,766
Increase in accounts payable and accruals	169,771	171,897
Increase in contract liabilities	7,402	1,858
Increase in advance project billings	3,812	2,014
Increase/(decrease) project advances	149,836	(166,129)
Increase in certificate of deposit (restricted cash)	(466)	–
Cash generated from/(used in) operations	143,040	(148,077)
Contributions paid (Note 8 (h))	(312)	(363)
Net cash flows from/(used in) operating activities	142,728	(148,440)
Cash flows from investing activities		
Purchase of property, plant and equipment (Note 6)	(447)	(460)
Dividends received from investments	426	400
Net cash used in investing activities	(21)	(60)
Cash flows from financing activities		
Interest portion of lease payments (Note 7)	(157)	(152)
Principal portion of lease payments	(813)	(679)
Dividends paid	(1,000)	–
Net cash used in financing activities	(1,970)	(831)
Net increase/(decrease) in cash and cash equivalents	140,737	(149,331)
Net foreign exchange differences	66	(84)
Cash and cash equivalents at the beginning of the year	398,930	548,345
Cash and cash equivalents at the end of the year	539,733	398,930
Cash and cash equivalents comprise:		
Cash at bank and in hand (Note 9 (a))	79,708	61,832
Restricted cash (Note 9 (c))	460,025	337,098
	539,733	398,930

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

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

(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, revised and amended IFRS Accounting Standards

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

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 had no impact on the Company's financial statements.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

2. Application of new, revised and amended IFRS Accounting Standards (continued)

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

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.

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

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

2. Application of new, revised and amended IFRS Accounting Standards (continued)

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

Amendments to IAS 1 - Non-current Liabilities with Covenants

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. Specifically, the amendments clarify that a liability is classified as non-current only if the entity has a right to defer settlement for at least 12 months after the reporting period, and this right is not affected by the existence of covenants.

The amendments aim to provide users of financial statements with a clearer picture of a company's debt obligations and the associated risks, particularly when long-term debt is subject to covenants. By separating liabilities with covenants and providing detailed disclosures, the amendments help users understand the potential for liabilities to become current if covenants are breached.

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

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.

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

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

2. Application of new, revised and amended IFRS Accounting Standards (continued)

2.2 New and revised IFRS Accounting Standards 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 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

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

2. Application of new, revised and amended IFRS Accounting Standards (continued)

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

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

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

2. **Application of new, revised and amended IFRS Accounting Standards** (continued)

2.2 **New and revised IFRS Accounting Standards 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.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

3. Basis of preparation

a) Basis of Accounting

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and on the basis that it will continue to operate as a going concern.

b) Basis of Measurement

These financial statements have been prepared on the historical cost basis, except for the measurement at fair value of investment securities, investment properties and land and buildings. Net benefit asset is recognised at fair value of plan assets less the present value of the defined benefit obligation.

c) Functional and presentation currency

These financial statements are presented in Trinidad and Tobago dollars, which is NIPDEC's functional and presentation currency and represents the currency of the primary economic environment in which the Company operates. Amounts are expressed in thousands of Trinidad and Tobago dollars unless otherwise stated.

d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS Accounting Standards 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 and assumptions and estimation uncertainties 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)	Net 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

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

4. Summary of material accounting policies

a) Foreign currency transactions

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 conditions at the reporting date.

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

An investment property is derecognised upon disposal i.e. at the date the recipient obtains control 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.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

(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) Revalued asset

A revaluation surplus is recognised in OCI and credited to the property revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in profit, or loss except to the extent that it offsets an existing surplus of the same asset recognised in the property revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

(iii) 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 and fittings and plant and machinery	12.5%-25%
Office and 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.

(iv) 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.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

(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).

Cash and cash equivalents that are held by the Company are managed by reputable financial institutions operating within a stable economic environment and therefore not subjected to ECL.

For trade receivables and contract assets, other receivables and unbilled project costs, 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.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

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.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

(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) Net employee defined benefit pension asset and other employee benefits

(i) Retirement benefit costs and termination benefits

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

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

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

4. Summary of material accounting policies (continued)

f) Net employee defined benefit pension asset and other employee benefits (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

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial asset

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 and subsequent 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 33, 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 NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

4. Summary of material accounting policies (continued)

g) Financial instruments (continued)

(i) Financial asset (continued)

Initial and subsequent measurement of financial instruments (continued)

The Company classifies all 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.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes cash and cash equivalents, trade receivables and prepayments, other receivables and unbilled project costs.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Company's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under *IAS 32 Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

4. Summary of material accounting policies (continued)

g) Financial instruments (continued)

(i) Financial asset (continued)

Financial assets designated at fair value through OCI (equity instruments)
(continued)

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its listed equity investments in this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Financial assets 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 the following criteria is 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 recognising gains or losses on them on a different basis.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

4. Summary of material accounting policies (continued)

g) Financial instruments (continued)

(i) Financial asset (continued)

Derecognition (continued)

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.

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.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

4. Summary of material accounting policies (continued)

g) Financial instruments (continued)

(i) Financial asset (continued)

Derecognition (continued)

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.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

The Company's financial liabilities include trade and other payables, retention payable, project advances, contract liabilities and lease obligations and are measured at amortised cost

Derecognition

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.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

4. Summary of material accounting policies (continued)

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.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

(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.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

(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) Trade and other receivables

Trade and other receivables 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. 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'.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

(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 2025

(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 2025

(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.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

(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.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

5. Investment properties

	2025	2024
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
	17,500	17,500
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	14,500
	20,500	20,500
Land held for development		
Toco	1,100	1,100
Total	39,100	39,100
Opening balance at July 1	39,100	38,850
Increase in fair value (Note 28)	–	250
Closing balance at June 30	39,100	39,100

The Company's investment properties consist of five commercial properties located in Port of Spain, Chaguaramas and Toco. There are no restrictions on the realisability of its investment properties or the remittance of income. There exist contractual obligations to develop investment properties at Riverside car park and Edward Street multi-storey car park for structural repairs, and maintenance only. No investment properties are pledged as collateral for financial liabilities.

Fair value disclosure for investment properties is \$39.1 million (2024: \$39.1 million). All are classified within Level 3 of the fair value hierarchy.

On 9 June 2025, the investment properties were independently valued by a third party professional valuator, namely, Linden Scott and Associates Ltd, Chartered Valuation Surveyors. The report identified no change in the fair value. 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.

	2025	2024
Rental income derived from investment properties (Note 21)	9,769	9,677
Direct expenses incurred	(152)	(306)
Profit arising from investment properties carried at fair value	9,617	9,371

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

5. **Investment properties** (continued)

Description of valuation techniques used and key inputs to valuation of investment properties

The investment properties for buildings apply the DCF method where the fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset.

Periodic cash flow is typically estimated as gross income less ground rent of the leasehold land, less outgoings for insurance, repairs to and maintenance of building, management and voids. The calculated net cash flow is adjusted by the Years Purchase in perpetuity multiplier to establish the capital value.

The investment properties for land utilise direct comparisons to property sales in the same or similar location of the investment over a period of three to four years.

	Valuation technique	Significant observable inputs	2025	2024
Retail properties - buildings	DCF method	Estimated rental value /sq.ft/month	\$400-\$950	\$400-\$950
		Market yield	12%-14%	12.5%-13%
Retail properties – land	Direct comparison	Selling price/sq.ft	\$350-\$650	\$350-\$650
		Selling price/acre	\$2.30-\$4.59	\$1.38-\$4.59

An increase of 1 percent in the inputs shown above would decrease the comprehensive income at 30 June 2025 by \$3.3 million and a decrease of 1 percent would increase comprehensive income by \$3.1 million.

These sensitivities were calculated by re-calculating using the valuation metrics as per the valuation report obtained from the Company's valuers.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

6. Property, plant and equipment

Year ended 30 June 2025	Freehold building	Freehold land	Fixtures & fittings	Office and computer equipment	Computer software	Plant & machinery	Total
Opening balance net book amount	5,713	9,000	635	150	26	41	15,565
Additions	–	–	–	441	–	6	447
Disposal	–	–	(7)	(52)	–	(44)	(103)
Revaluation	497	–	–	–	–	–	497
Depreciation - disposal	–	–	7	60	–	37	104
Depreciation charge	(143)	–	(100)	(163)	(13)	(17)	(436)
Closing balance net book amount	6,067	9,000	535	436	13	23	16,074
Cost or valuation	7,814	9,000	1,049	1,410	861	87	20,221
Accumulated depreciation	(1,747)	–	(514)	(974)	(848)	(64)	(4,147)
Net book amount	6,067	9,000	535	436	13	23	16,074
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	124	19,235
Accumulated depreciation	(1,460)	–	(421)	(871)	(835)	(83)	(3,670)
Net book amount	5,713	9,000	635	150	26	41	15,565

No property, plant and equipment are pledged as collateral for financial liabilities. There were no capital commitments at year end.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

(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 consists of land and building that was 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 9 June 2025.

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

Freehold land	2025	2024
Cost	7,262	7,262
Accumulated depreciation	<u>—</u>	<u>—</u>
	<u>7,262</u>	<u>7,262</u>
 Freehold building		
Cost	16,154	16,154
Accumulated depreciation	<u>(14,538)</u>	<u>(14,215)</u>
Net book value	<u>1,616</u>	<u>1,939</u>
 Freehold land and building at historical cost	<u>8,878</u>	<u>9,201</u>

The Company's freehold property is office space located in Port of Spain and has a fair value of \$15.0 million (2024: \$15.0 million). The office space is classified within Level 2 of the fair value hierarchy. As the method of valuation, direct comparison to property sales of four properties in the same location were analysed over a three year period. The significant observable input for the selling prices ranged from \$350/sq.ft to \$650/sq.ft (2024: \$350-\$650/sq.ft).

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 25 and 30 years respectively, while motor vehicles have lease terms of 3 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options. There are no variable lease payments.

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 2025

(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 2024	95	2,998	–	–	3,093
Additions	–	–	–	1,093	1,093
Disposal	–	–	–	–	–
Depreciation charge	(95)	(428)	–	(304)	(827)
As at 30 June 2025	–	2,570	–	789	3,359
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

(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 2024	103	3,278	–	–	3,381
Additions	–	–	–	–	–
Disposals	–	–	–	1,093	1,093
Accretion of interest	3	127	–	27	157
Payments	(106)	(544)	–	(320)	(970)
As at 30 June 2025	–	2,861	–	800	3,661
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

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

7. **Leases** (continued)

Presented in the statement of financial position as follows:

	2025	2024
Current	813	681
Non-current	2,848	2,700
	3,661	3,381

The following are amounts recognized in profit or loss:

Depreciation expense on right-of-use assets	827	698
Interest expense on lease liabilities	157	152
Expense relating to short-term leases	8	119
Leases not meeting the control requirements of IFRS 16	324	78
Total amount recognized in profit or loss	1,316	1,047

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension. The termination options are not expected to be exercised.

	Within five years	More than five years	Total
As at 30 June 2025			
Extension options expected to be exercised	2,718	2,718	5,436
	2,718	2,718	5,436
As at 30 June 2024			
Extension options expected to be exercised	2,718	2,718	5,436
	2,718	2,718	5,436

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. All leases include a clause to enable upward revision of the rental charge according to prevailing market conditions, at the end of the lease term, if the lessee chooses to extend. Rental income recognised by the Company during the year amounted to \$9,769 (2024: \$9,677) – Note 21.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

7. **Leases (continued)**

NIPDEC as a Lessor (continued)

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

	2025	2024
Within one year	5,863	8,480
Between 1 and 2 years	4,696	5,273
Between 2 and 3 years	2,356	2,575
	<u>12,915</u>	<u>16,328</u>

8. **Net employee defined benefit pension asset**

The Company has a defined benefit pension plan in Trinidad & Tobago that provides pension benefits to its eligible members and their beneficiaries. The plan is contributory for members. It is operated by virtue of a Trust Deed between the Company and First Citizens Depository Services Limited (formerly First Citizens Trust and Asset Management Limited) and supported by a management committee of three Company and two members' representatives. The effective date of commencement of the Plan was 18 April 1985.

The Trustee is responsible for the administration of the plan assets and for the definition of the investment strategy. The investment management policy that governs the management of the plan is aimed at achieving long term growth of capital, risk aversion and diversification. To achieve the investment objective, the Investment Manager would invest in strategic asset allocations based on specific guidelines for local equities, overseas equities, bonds (local and overseas) and short term investments.

The Pension Fund Plan is exposed to interest rate risk, credit risk, liquidity risk, currency risk, volatility of returns and compliance risk arising from the financial instruments that it holds. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarise the IAS 19 disclosures based on the results of the actuary's calculations:

	2025	2024
a) Net Asset in statement of financial position		
Present value of defined benefit obligation	64,592	63,411
Fair value of plan asset	<u>(81,662)</u>	<u>(84,286)</u>
Surplus	(17,070)	(20,875)
Effect of asset ceiling	<u>—</u>	<u>—</u>
Net defined benefit asset	<u>(17,070)</u>	<u>(20,875)</u>

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

8. Net employee defined benefit pension asset (continued)

b) Movement in present value of defined benefit obligation

Defined benefit obligation at start of year	63,411	62,531
Current service cost	1,712	1,750
Interest cost	3,665	3,610
Members' contributions	312	363
Past service cost/(credit) and curtailment	—	—
Re-measurements:		
- Experience adjustments	226	(40)
- Actuarial changes in financial assumptions	—	—
Benefits paid	<u>(4,734)</u>	<u>(4,803)</u>
Defined benefit obligation at end of year	<u>64,592</u>	<u>63,411</u>

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

	2025	2024
Active members	41%	47%
Deferred members	8%	9%
Pensioners	51%	44%
The weighted average duration of the defined benefit obligation at the year end	11.6	11.6

95% of the value of the benefits for active members is vested.

26% of the deferred benefit obligation for active members is conditional on future salary increases.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

8. Net employee defined benefit pension asset (continued)

d) Movement in fair value of plan assets	2025	2024
Fair value of plan assets at start of year	84,286	87,216
Interest income	4,934	5,110
Return on plan assets excluding interest income	(3,375)	(3,887)
Company contributions	312	363
Members' contributions	312	363
Benefits paid	(4,734)	(4,803)
Administrative expense allowance	(73)	(76)
Fair value of plan assets at end of year	81,662	84,286
Actual return on plan assets	1,559	1,223
e) Asset allocation		
Locally listed equities	24,077	26,895
Overseas equities	14,124	12,308
Government issued nominal bonds	38,786	40,532
Corporate bonds	2,555	2,572
Money market mutual funds	434	427
Cash and cash equivalents	1,686	1,552
Fair value of plan assets at end of year	81,662	84,286

The asset values as at 30 June 2025 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 2025

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

(Continued)

8. Net employee defined benefit pension asset (continued)

f) Amounts recognised in the statement of profit or loss are as follows:	2025	2024
Current service cost	1,712	1,750
Net interest on net defined benefit liability	(1,269)	(1,500)
Past service cost/(credit) and curtailment	—	—
Administrative expense allowance	73	76
Net pension cost	516	326
g) Re-measurement recognised in other comprehensive income:		
Experience gains	3,601	3,847
h) Reconciliation of opening and closing entries in statement of financial position		
Opening defined benefit asset at prior year	(20,875)	(24,685)
Net pension cost	516	326
Re-measurement recognised in other comprehensive income	3,601	3,847
Contributions paid	(312)	(363)
Closing defined benefit asset	(17,070)	(20,875)
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 2025 and 2024 are as follows:		
	2025	2024
Life expectancy at age 60 for current pensioner in years		
- Male	22.0	22.0
- Female	26.3	26.2
Life expectancy at age 60 for current members age 40 in years		
- Male	22.9	22.8
- Female	27.2	27.1

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

8. Net employee 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 2025 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	(6,442)	7,785
- Future salary increases	1,928	(1,745)

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at 30 June 2025 by \$0.911 million (2024: \$0.870 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 \$0.308 million to the Pension Plan during 2025/26. However, this amount could change if outstanding pay negotiations are completed subsequent to year end.

9. Cash and cash equivalents

a) Cash at bank and in hand

	2025	2024
Cash at bank	79,687	61,811
Cash in hand	<u>21</u>	<u>21</u>
Total cash at bank and in hand	<u>79,708</u>	<u>61,832</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.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

(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 \$485.4 million (2024: \$362,098 million) is represented as follows:

	2025	2024
Ministry of Education	1	3,354
Ministry of Health	63,941	84,730
Ministry of Works and Infrastructure	393,353	244,552
Ministry of Transport	23,899	25,164
Trinidad and Tobago Police Service	4,297	4,298
	<u>485,491</u>	<u>362,098</u>

Included within restricted cash is an amount of \$25.466 million relating to a Certificate of Deposit with a maturity period of 181 days maturing 7 August 2025. Interest is earned at 1.5% per annum.

c) Restricted cash as per Statement of Cash Flows

	2025	2024
Restricted cash as above (Note 9 (b))	485,491	362,098
Less: restricted cash with maturities of more than three months	<u>(25,466)</u>	<u>(25,000)</u>
Restricted cash as per Statement of Cash Flows	<u>460,025</u>	<u>337,098</u>

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

10. Investment securities

	2025	2024
Investment securities measured at FVOCI		
Equities	8,388	8,775
Government bonds	<u>1,089</u>	<u>1,128</u>
Total investment securities	<u>9,477</u>	<u>9,903</u>

Presented in the statement of financial position as follows:

Non-current portion

Investment securities maturing in more than one year –
government bonds

<u>1,089</u>	<u>1,128</u>
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Current portion

Investment securities – equity

<u>8,388</u>	<u>8,775</u>
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Net change in fair value of investment securities

	2025	2024
Accumulated balance at beginning of the year	(1,525)	(778)
Net change in fair value on equity investment with no recycling	(387)	(753)
Net change in fair value on debt investment with recycling	<u>(39)</u>	<u>6</u>
Accumulated balance at the end of the year	<u>(1,951)</u>	<u>(1,525)</u>

Net change in fair value of investment securities in 2025 amounted to a reduction of \$0.426 million (2024: \$0.747 million) and includes the fair value losses relating to RFHL shares and GORTT 4.25% bond. No investment securities are pledged as collateral for financial liabilities.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

11. Trade and other receivables	2025	2024
Receivables from related parties (Note 32)	605,251	538,967
Receivables from third parties	1,628	1,433
Less: ECL Allowance	<u>(7,259)</u>	<u>(10,218)</u>
	599,620	530,182
Less: Specific provision	<u>(17,558)</u>	<u>(18,426)</u>
Trade receivables (net)	<u>582,062</u>	<u>511,756</u>

Other receivables and prepayments

Receivables and prepayments from related parties (Note 32)	444,535	315,055
Receivables and prepayments from third parties	1,747	3,374
Less: ECL Allowance	<u>(1,643)</u>	<u>(3,039)</u>
	444,639	315,390
Less: Specific provision	<u>—</u>	<u>(3,661)</u>
Other receivables and prepayments (net)	<u>444,639</u>	<u>311,729</u>

Trade receivables are non-interest bearing and are generally on terms of 30 days. As at 30 June 2025, trade and other receivables at a value of \$26.4 million (2024: \$35.3 million) were impaired and provided.

Movements in ECL and specific provision allowances are as follows:

	2025	2024
Impairment provision as per 1 July	35,344	33,835
Net (decrease)/increase in the ECL allowance incurred during year	(996)	1,622
Amounts written off during the year	<u>(7,888)</u>	<u>(113)</u>
Balance at 30 June	<u>26,460</u>	<u>35,344</u>

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

(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		0.39%	5.33%	37.02%	100%
Default rates at 4 years		0.35%	4.69%	32.35%	33.92%
Default rates at 2 years		0.44%	6.07%	100.00%	100%
Current provision	Provision	Less than 1 year	1 - 2 years	2 - 3 years	Over 3 years
Private	—	—	—	—	—
Public	8,902	1,283	1,622	1,176	4,821
Total	8,902	1,283	1,622	1,176	4,821
ECL at 4 years					
Private	—	—	—	—	—
Public	6,881	1,156	1,427	1,028	3,270
Total	6,881	1,156	1,427	1,028	3,270
Decrease in ECL	(2,021)				
ECL at 2 years					
Private	—	—	—	—	—
Public	9,689	1,432	1,848	1,588	4,821
Total	9,689	1,432	1,848	1,588	4,821
Increase in ECL	787				

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

12. Unbilled project costs	2025	2024
Ministry of Works and Infrastructure	46,999	38,599
National Insurance Board of Trinidad & Tobago	1,898	306
Ministry of Public Utilities	924	10
Ministry of Homeland Security	692	4,325
Ministry of Health	662	6,404
Ministry of Defence	517	39
Ministry of Education	429	429
Ministry of Transport	160	75
Cipriani College of Labour & Co-Operative Studies	121	113
National Flour Mills	49	49
Ministry of Housing	13	13
Industrial Court of Trinidad & Tobago	—	29
Water & Sewerage Authority	—	18
Ministry of Agriculture, Land and Urban Developments	—	—
Office of the Prime Minister - Gender & Child Affairs	—	119
Judiciary of Trinidad & Tobago	—	452
	52,464	50,980

13. Stated 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

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.

14. Revaluation reserve

The revaluation reserve comprises the revaluation surplus on freehold property. The amount of the reserve is \$12.926 million as at year end (2024: \$12.429 million).

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

(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. The amount of the reserve is negative \$1.951 million (2024: negative \$1.525 million) and the movement during the year is disclosed in Note 10.

16. Accounts payable and accruals

	2025	2024
Trade payables:		
- Projects and other	148,348	62,101
- Due to pharmaceutical suppliers	418,229	466,770
- Amounts owed to parent company (Note 32)	2	3
	<u>566,579</u>	<u>528,874</u>
Accrued expenses and other payables	<u>483,859</u>	<u>351,793</u>
	<u>1,050,438</u>	<u>880,667</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.

Retentions payable:	2025	2024
Current	1,957	4,868
Non-current	<u>46,262</u>	<u>37,993</u>
	<u>48,219</u>	<u>42,861</u>

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.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

17. Contract liabilities	2025	2024
Project and Construction Management	17,309	9,315
Procurement	2,366	2,958
	<u>19,675</u>	<u>12,273</u>

Revenue recognised from:

Contract liabilities at start of the year	<u>3,072</u>	<u>2,300</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 increase in contract liabilities for the year 2025 can be predominantly attributed to cash injections from proceeds received for the new TT\$250 million fixed term loan for PURE works, Trinidad and Tobago Postal Services legacy site post office refurbishment, the National Library and Information System Authority repair and replacement works and the Ministry of Public Administration's refurbishment work for three administration buildings. This invoicing aligns with the terms outlined in the service agreements with each entity.

18. Advance project billings	2025	2024
Water & Sewerage Authority	3,683	19
Ministry of Works and Infrastructure	2,338	1,838
Ministry of Housing	1,686	–
Ministry of Homeland Security	1,005	112
Ministry of Transport	522	344
Tobago House of Assembly	161	484
Cipriani College of Labour & Co-Operative Studies	106	–
Ministry of Public Utilities	76	–
National Insurance Board of Trinidad & Tobago	1	31
Ministry of Health	–	232
Office of the Prime Minister - Gender & Child Affairs	–	1,101
Ministry of Defence	–	1,605
	<u>9,578</u>	<u>5,766</u>

19. Project advances		
Ministry of Works and Infrastructure	343,214	192,314
Ministry of Transport	22,955	24,013
Trinidad & Tobago Police Service	4,289	4,295
	<u>370,458</u>	<u>220,622</u>

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

20. Revenue from contracts with customers

a) Components of revenue from contracts with customers

	2025	2024
Procurement Management	7,841	15,648
Facilities Management	7,161	4,881
Project and Construction Management	13,553	3,127
Carparks: Managed	2,904	3,047
Pharmaceutical Agency Fee	2,000	2,000
Real Estate	210	843
Prisoner Transport	173	673
Paying Agency Fees	—	5
	33,842	30,224

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 days after the completion of the milestone. 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 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 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.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

(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 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 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 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 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 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 the Company 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 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.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

21. Rental income	2025	2024
Carpark owned	4,751	4,869
Warehouse rental	4,602	4,449
Advertising	416	359
	<u>9,769</u>	<u>9,677</u>
22. Other operating income		
Registration and tender receipts	<u>—</u>	<u>585</u>
23. Direct costs		
Direct costs are operating expenses that can be associated directly with the provision of our core services.		
	2025	2024
Car park rental	2,220	2,141
Non project management fees	3,780	2,118
Warehouse rental	74	250
Procurement fees	5	18
	<u>6,079</u>	<u>4,527</u>
24. Staff costs		
Salaries and wages	16,798	17,024
Statutory deductions	956	915
Savings and pension contributions	681	496
Other staff costs	<u>1,793</u>	<u>1,437</u>
	<u>20,228</u>	<u>19,872</u>

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

25. Administration expenses	2025	2024
Office supplies and other administration expenses	3,366	3,227
Professional and legal fees	1,201	815
Advertising and promotions	147	187
Bank charges	80	115
	<u>4,794</u>	<u>4,344</u>
Included in Office supplies and other administration expenses are amounts relating total audit and non-audit fees of \$0.38 million (2024: \$0.45 million)		
26. Accommodation costs		
Repairs and maintenance	1,063	1,411
Utilities	783	829
Insurance	1,079	787
Rent	457	243
Rates and taxes	67	56
	<u>3,449</u>	<u>3,326</u>
27. Vehicle expenses		
Rental	8	119
Running cost	32	42
	<u>40</u>	<u>161</u>
28. Other gains/(losses)		
Fair value adjustment to investment property (Note 5)	–	250
Gain/(loss) on foreign currency exchange	66	(84)
Other items	(31)	330
	<u>35</u>	<u>496</u>
29. Finance costs		
Interest expense on right of use assets (Note 7)	<u>157</u>	<u>152</u>
30. Finance income		
Interest income from financial assets held for cash management	<u>1,526</u>	<u>612</u>

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

31. Other income	2025	2024
Dividend from investment securities	<u>426</u>	<u>400</u>

32. Related parties disclosures

The sales to and purchases from related parties are usually required to be settled within 30 days. Outstanding balances at the year-end are unsecured and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2025, the Company recognised provision for expected credit losses of \$26.5 million (2024: \$35.3 million) relating to amounts owed by related parties. During the financial year there was a reduction of \$0.996 million in the expected credit loss and a write off \$7.9 million.

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 2025 and 2024.

Related parties balances	2025	2024
Amounts due from parent related parties:		
Parent company		
Accounts receivable and prepayments	<u>9,221</u>	<u>6,326</u>
Amounts due from GORTT related entities including Ministries		
Trade receivable	605,251	538,967
Other receivable and prepayments	444,535	315,055
Unbilled project costs	<u>52,464</u>	<u>50,980</u>
	<u>1,102,250</u>	<u>905,002</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>2</u>	<u>3</u>
Amounts due to the GORTT related entities including Ministries:		
Project advances	370,458	220,622
Accounts payable and accruals	3,101	439
Advance project billings	9,578	5,766
Contract liabilities	<u>19,675</u>	<u>12,273</u>
	<u>402,812</u>	<u>239,100</u>

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

32. Related parties disclosures (continued)	2025	2024
Transactions with related parties		
GORTT related entities including Ministries		
Income:		
Property management and sales	13,583	9,767
Procurement management	7,841	15,648
Project and construction management fees	13,302	2,124
Pharmaceutical agent services	2,000	2,000
	<u>36,726</u>	<u>29,539</u>
Expenses:		
Accommodation cost	948	934
Green fund levy	135	145
	<u>1,083</u>	<u>1,079</u>
Other transactions with related parties:		
Directors' remuneration	488	572
Key management remuneration:		
Short-term benefits	6,326	5,850
Long-term benefits	104	98
	<u>6,430</u>	<u>5,948</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

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

(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 \$1.025 billion (2024: \$852 million). Notwithstanding the concentration of credit risk with the GORTT, management has made the assessment that NIPDEC's exposure is considered low even though public sector entities as a collective take longer to pay than any single counterparty in the private sector.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. As a vehicle being used by the Government of the Republic of Trinidad & Tobago (GORTT) for the development of national infrastructure, NIPDEC's main customer is the GORTT. The receivables are grouped into 2 main categories:

- Public customers (governmental)
- Private customers (non-governmental)

Within the category of Public customers, there are instances where projects or specific transactions may be funded with specially identified funds provided in advance to NIPDEC. They are sub-categorised as Public – Funded. This group does not have any significant credit risk factors as the receivables will be settled from funds already under NIPDEC's management. All other public balances will be categorized as Public – Unfunded. Private customers are defined as any customer who is not a public customer.

For Public customers, historical loss rates are obtained to develop estimates of expected future loss rates. The period over which loss rates are to be considered is 3 years and is based on the payment performance of outstanding invoices during those 3 years analysed.

Macro-economic factors to reflect future economic conditions are applied to the public grouping. Such a default rating took into consideration the likelihood of the country defaulting on debts based on the age of debt. The rate also factors indices at the macroeconomic level. The country default rates adopted were provided by Standard & Poor's (S&P) global marketing and intelligence firm. The rates were extracted from their annual sovereign default and transition rating study for 2024 and had a range from year 1 to year 13. It was based on Trinidad & Tobago's BBB- credit rating.

The Private grouping's default rate was based on the historical write offs. Where no loss has been incurred over the 3-year period, management will determine an appropriate default rate based on factors including but not limited to debt factoring, management experience and other environmental factors impacting customers' ability to pay.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

33. Financial risk management (continued)

i) Credit risk (continued)

The expected credit loss effect on the ageing analysis of trade and other receivables is illustrated in Note 11.

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 and other receivables. NIPDEC has created specific allowances for the receivables based on information which show that the receivable balance is uncollectable.

	Net maximum exposure	
	2025	2024
Trade receivable (Note 11)	582,062	511,756
Other receivables	443,209	309,963
Unbilled project costs (Note 12)	52,464	50,980
Government bonds (Note 10)	1,089	1,128
Cash and cash equivalents (Note 9)	539,733	398,930
Certificate of deposit (Note 9 (c))	25,466	25,000
Total credit risk exposure	1,644,023	1,297,757

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within concentration limits assigned to each eligible investment product. Investment summary reports are reviewed by the Company's Board of Directors on a quarterly basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

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.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

(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
2025	580,434	1,628	—	—	582,062
2024	510,323	1,433	—	—	511,756

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:

2025	Carrying amount	Contractual cash flows	0-12 Months	1-5 years	More than 5 years
Financial Assets					
Interest bearing:					
- Cash (Note 9(a))	79,708	79,708	79,708	—	—
- Restricted cash (Note 9(b))	485,491	485,491	485,491	—	—
- Government bonds (Note 10)	1,089	1,981	56	279	1,646
Non-interest bearing:					
- Trade receivable (Note 11)	582,062	582,062	582,062	—	—
- Other receivable	443,209	443,209	443,209	—	—
- Unbilled project cost (Note 12)	52,464	52,464	52,464	—	—
	1,644,023	1,644,915	1,642,990	279	1,646

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

33. Financial risk management (continued)

ii) Liquidity risk (continued)

2025	Carrying amount	Contractual cash flows	0-12 Months	1-5 years	More than 5 years
Financial Liabilities					
Lease liabilities (Note 7)	3,661	4,094	928	2,622	544
Contract liabilities (Note 17)	19,675	19,675	19,675	–	–
Advance project billings (Note 18)	9,578	9,578	9,578	–	–
Project advances (Note 19)	370,458	370,458	370,458	–	–
Accounts payable and accruals (Note 16)	1,050,438	1,050,438	1,050,438	–	–
Retention payable (Note 16)	48,219	48,219	1,957	46,262	–
	1,502,029	1,502,462	1,453,034	48,884	544
Net	141,994	142,453	189,956	(48,605)	1,102
2024	Carrying amount	Contractual cash flows	0-12 Months	1-5 years	More than 5 years
Assets					
Interest bearing:					
- Cash (Note 9(a))	61,832	61,832	61,832	–	–
- Restricted cash (Note 9(b))	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	–	–
- Other receivable	309,963	309,963	309,963	–	–
- Unbilled project cost (Note 12)	50,980	50,980	50,980	–	–
	1,297,757	1,298,666	1,296,685	279	1,702

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

33. Financial risk management (continued)

ii) Liquidity risk (continued)

Liabilities	Carrying amount	Contractual cash flows	0-12 Months	1-5 years	More than 5 years
Lease liabilities (Note 7)	3,381	3,912	650	2,175	1,087
Contract liabilities (Note 17)	12,273	12,273	12,273	–	–
Advance project billings (Note 18)	5,766	5,766	5,766	–	–
Project advances (Note 19)	220,622	220,622	220,622	–	–
Accounts payable and accruals (Note 16)	880,667	880,667	880,667	–	–
Retention payable (Note 16)	42,861	42,861	4,868	37,993	–
	1,165,570	1,166,101	1,124,846	40,168	1,087
Net	132,187	132,565	171,839	(39,889)	615

iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because changes in market prices that will affect NIPDEC's income or its holding of financial instruments. NIPDEC has exposure to market risks on interest rates, currency and equity prices. 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.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

(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 2025, NIPDEC had assets denominated in foreign currencies amounting to \$68.1 million (2024: \$9.0 million).

The following average exchange rate applied during the respective periods:

	2025	2024
EC\$	2.501	2.497
US\$	6.735	6.748

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 2024 on the basis that all other variables remain constant.

	2025	2024
Effect in TT\$		
EC\$	—	2,052
US\$	(692)	(1,316)

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.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

33. Financial risk management (continued)

iii) Market risk (continued)

c) Equity price risk

The Company's listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Performance reports on the equity portfolio are submitted to the Company's Board of Directors on a quarterly basis and objectives and policies are reviewed on a periodic basis.

At the reporting date, the exposure to equity investments at fair value listed on the Trinidad and Tobago Stock Exchange (TTSE) was \$8.4 million (2024: \$8.8 million). Given that the changes in fair values of the equity investments held are strongly positively correlated with changes of the TTSE's Banking index, the Company has determined that an increase/(decrease) of 4% on the Banking index could have an impact of approximately \$0.352 million increase/(decrease) on the income and equity attributable to the Company.

Fair value measurement

The Company measures financial instruments such as mutual funds, and non-financial assets such as investment properties, at fair value at each balance sheet 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:

- In the principal market for the asset or liability

Or

- 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 the Company. 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 considers 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.

The Company 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.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

33. Financial risk management (continued)

Fair value measurement (continued)

The following hierarchy is adopted by the Company 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.

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

Using the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

33. Financial risk management (continued)

Fair value measurement (continued)

i) Investment properties and freehold land and building (continued)

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long-term vacancy rate.

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. .

iii) Other

The carrying amounts of other 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.

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

33. Financial risk management (continued)

Fair value measurement (continued)

iv) Financial liabilities

The nominal value of 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 that are measured at fair value at 30 June 2025:

	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	8,388	–	–	8,388
- Government bonds	1,089	–	–	1,089
	9,477	15,000	39,100	63,577

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	15,000	39,100	64,003

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

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. There are no regulatory capital requirements.

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

	2025	2024
Total liabilities	1,502,029	1,165,570
Less: Unbilled project costs (Note 12)	(52,464)	(50,980)
Less: Cash and cash equivalents (Note 9)	(539,733)	(398,930)
Less: Certificate of Deposit (Note 9(c))	(25,466)	(25,000)
Net debt	<u>884,366</u>	<u>690,660</u>
Total equity	<u>227,415</u>	<u>221,361</u>
Debt-to-equity	<u>3.89</u>	<u>3.12</u>

35. Commitments

Capital commitments

There were no commitments for capital expenditure approved or contracted as at 30 June 2025 (2024: NIL).

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

36. 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:

- 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;
- The Trust Deeds provide for limited recourse against NIPDEC;
- 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 \$7.2 billion at 30 June 2025 (2024: \$7.3 billion). An analysis of the borrowings is as follows:

Bonds			2025	2024
Trustee	Rate	Tenor		
RBC Trust (Trinidad & Tobago)	4.20%	September 2022-2030	277,077	327,455
			<u>277,077</u>	<u>327,455</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	210,600	247,050
	3.30%	August 2021-August 2027	<u>170,221</u>	<u>238,310</u>
			<u>4,079,821</u>	<u>4,184,360</u>
			<u>4,356,898</u>	<u>4,511,815</u>

THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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

(Continued)

36. Agency arrangements (continued)

Demand loans			2025	2024
Lender	Rate	Tenor		
ANSA Merchant Bank Limited	5.02%	October 2019-2029	500,000	500,000
RBC Merchant Bank (Caribbean) Limited	4.15%	April 2020 -2027	478,275	478,275
NCB Global Trinidad & Tobago Limited	4.50%	March 2021-2028	200,000	200,000
RBC Royal Bank (Trinidad & Tobago) Limited	3.95%	March 2021-2028	142,098	177,622
Scotia Bank Trinidad & Tobago Limited	3.50%	January 2022-2028	267,364	267,364
ANSA Merchant Bank Limited	3.75%	July 2022-2027	568,333	682,000
Scotia Bank Trinidad & Tobago Limited	3.18%	October 2022-2026	187,500	250,000
Scotia Bank Trinidad & Tobago Limited	3.14%	October 2023-2028	218,127	280,449
Scotia Bank Trinidad & Tobago Limited	6.40%	April 2025-2028	250,000	—
			<u>2,811,697</u>	<u>2,835,710</u>
Total agency arrangements			<u>7,168,595</u>	<u>7,347,525</u>

37. Contingent liabilities

As at 30 June 2025, 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.

38. Dividends

The Company declared and paid \$1.0 million in dividends during the current 2025 financial year (2024: Nil) to its parent company, NIBTT.

39. 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.



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