

National Investment Fund Holding Company Limited

Interim Financial Statements

For the nine months ended September 30, 2020

(Expressed in Trinidad and Tobago Dollars)

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Interim Financial Statements

For the nine months ended September 30, 2020

(Expressed in Trinidad and Tobago Dollars)

Table of Contents

	Page(s)
Interim Statement of Financial Position	2
Interim Statement of Comprehensive Income	3
Interim Statement of Changes in Equity	4
Interim Statement of Cash Flows	5
Notes to the Interim Financial Statements	6-10

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Interim Financial Statements

For the nine months ended September 30, 2020

(Expressed in Trinidad and Tobago Dollars)

		Unaudited Nine Months ended Sep-30-2020 \$000	Unaudited Nine Months ended Sep-30-2019 \$000	Audited Year ended 31-Dec-2019 \$000
	Notes			
ASSETS				
Non-Current Assets				
Office equipment		19	22	19
Investments	3a	9,660,649	8,812,712	9,292,801
Other Investments	3b	25,624	20,000	25,629
Total non-current assets		9,686,292	8,832,734	9,318,449
Current Assets				
Prepayments and other receivables		973	325	513
Cash and cash equivalents	4	102,125	70,195	210,173
Total Current Assets		103,098	70,520	210,686
Total Assets		9,789,390	8,903,254	9,529,135
EQUITY				
Stated Capital	5	3,940,967	3,940,967	3,940,967
Reserves		5,000	5,000	5,000
Retained Earnings		1,811,751	925,154	1,494,651
Total Equity		5,757,718	4,871,121	5,440,618
Non-Current Liabilities				
Bonds	6	3,967,739	3,963,279	3,964,394
Deferred government subventions		32,261	36,721	35,606
Total Non-Current Liabilities		4,000,000	4,000,000	4,000,000
Current Liabilities				
Accruals and other payables		212	105	256
Accrued bond interest		31,460	32,028	88,261
Total Current Liabilities		31,672	32,133	88,517
Total Liabilities and Equity		9,789,390	8,903,254	9,529,135

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Interim Financial Statements

For the nine months ended September 30, 2020

(Expressed in Trinidad and Tobago Dollars)

		Unaudited Nine Months ended Sep-30-2020	Unaudited Nine Months ended Sep-30-2019	Audited Year ended 31-Dec-2019
	Notes	'000	'000	'000
Income				
Dividend Income		117,767	157,206	303,675
Interest Income		1,887	543	1,002
Other Income - Government subvention		3,345	5,285	6,400
Other Income - Net fair value gains on financial assets	7	367,848	662,687	1,142,775
Total Income		490,847	825,721	1,453,852
Expenditure				
Operating expenses		(2,803)	(2,766)	(4,052)
Finance costs		(170,944)	(170,628)	(227,976)
Total Expenditure		(173,747)	(173,394)	(232,028)
Net profit for the year/period		\$317,100	\$652,327	\$1,221,824

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

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Interim Statement of Change in Equity For the nine months ended September 30, 2020 (Expressed in Trinidad and Tobago Dollars)

	Stated Capital '000	Retained Earnings '000	Reserves '000	Total '000
Nine months ended September 30, 2020:				
Balance as at January 1, 2020	3,940,967	1,494,651	5,000	5,440,618
Net Profit for the period	-	317,100	-	317,100
Balance as at September 30, 2020	\$3,940,967	\$1,811,751	\$5,000	\$5,757,718
Nine months ended September 30 2019:				
Balance as at January 1, 2019	3,940,967	272,827	5,000	4,218,794
Net Profit for the period	-	652,327	-	652,327
Balance as at September 30, 2019	\$3,940,967	\$925,154	\$5,000	\$4,871,121
Year ended December 31, 2019:				
Balance as at January 1, 2019	3,940,967	272,827	5,000	4,218,794
Net Profit for the year	-	1,221,824	-	1,221,824
Balance as at December 31, 2019	\$3,940,967	\$1,494,651	\$5,000	\$5,440,618

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

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Interim Statement of Cash Flows

For the nine months ended September 30, 2020

(Expressed in Trinidad and Tobago Dollars)

	Unaudited Nine Months ended Sep-30-2020 '000	Unaudited Nine Months ended Sep-30-2019 '000	Audited Year ended Dec-31-2019 '000
Cash flows from Operating activities			
Net profit for the year period	317,100	652,327	1,221,824
Dividends received	(117,767)	(157,206)	(303,675)
Depreciation/Amortisation	5	-	3
Other Income - net fair value gains on financial assets	(367,848)	(662,686)	(1,142,775)
<i>Changes in working capital:</i>			
Net change in prepayments and other receivables	(460)	(269)	(457)
Net changes in accruals and other payables	(44)	77	228
Net change in government subventions	-	(1,940)	(1,940)
Net cash used in Operating activities	(169,014)	(169,697)	(226,792)
Cash flows from Investing activities			
Acquisition of investments	-	(20,000)	(25,629)
Acquisition of office equipment	-	(22)	(22)
Dividends received	117,767	157,206	303,675
Net cash provided by / (used in) Investing activities	117,767	137,184	278,024
Cash flows from Financing activities			
Net change in stated capital	-	-	-
Net change in bonds	3,345	3,345	4,460
Net change in deferred government subventions	(3,345)	(3,345)	(4,460)
(Decrease) / increase in accrued bond interest	(56,801)	(57,117)	(884)
Net change in reserves	-	-	-
Net cash (used in) / provided by Financing activities	(56,801)	(57,117)	(884)
Net change in cash and cash equivalents	(108,048)	(89,630)	50,348
Cash and cash equivalents at the beginning of the year/ period	210,173	159,825	159,825
Cash and cash equivalents at the end of year / period	\$102,125	\$70,195	\$210,173

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

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Notes to the Interim Financial Statements

For the nine months ended September 30, 2020

(Expressed in Trinidad and Tobago Dollars)

1. Description of the Company

The National Investment Fund Holding Company Limited (“NIF” or “the Company”) was incorporated in the Republic of Trinidad and Tobago on May 29, 2018. The registered office of the Company is Level 2, Eric Williams Financial Building, Independence Square, Port of Spain.

The Company is a holding company for the assets transferred from the Government of the Republic of Trinidad and Tobago (“GORTT”) initially being investments in Trinidad Generation Unlimited, Angostura Holdings Limited, Republic Financial Holdings Limited, One Caribbean Media Limited and West Indian Tobacco Company Limited. All financial assets were transferred to the Company on July 6, 2018 at fair market value with the exception of Trinidad Generation Unlimited which was based on an independent valuation at July 31, 2017.

The Company owns 100% of the Trinidad Generation Unlimited (“TGU” or “the Subsidiary”) whose registered office is located on the 3rd Floor, Colfire Building 128 Mulchan Seuchan Road, Chaguanas, Trinidad. TGU’s principal activity is ‘to engage in the acquisition, construction, ownership and operation, management and maintenance of power generation facilities’.

2. Summary of significant accounting policies

The Company’s financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and are presented in thousands in Trinidad and Tobago dollars (rounded to the nearest thousand). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets.

2.1 Basis of preparation

The interim financial statements for the nine months ended September 30, 2020 have been prepared in accordance with the International Accounting Standard (IAS) 34, ‘Interim Financial Reporting’ and should be used in conjunction with the annual financial statements for the year ended December 31, 2019.

2.2 New standards, interpretations and amendments adopted

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the annual audited financial statements for the year ended December 31, 2019.

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Interim Statement of Change in Equity For the nine months ended September 30, 2020 (Expressed in Trinidad and Tobago Dollars)

3. Investments - Financial assets

a. Investments - Financial assets at fair value through profit and loss

	No. of Shares	Share Price	Unaudited Nine Months ended Sep-30-2020 '000	Unaudited Nine Months ended Sep-30-2019 '000	Audited Year ended Dec-31-2019 '000
Investment in associates:					
Angostura Holdings Limited	61,677,011	\$16.99	1,047,892	986,832	999,168
One Caribbean Media Limited	15,285,917	\$5.10	77,958	152,859	129,930
Republic Financial Holdings Limited	42,475,362	\$142.00	6,031,501	5,173,499	5,573,617
Investment in subsidiary:					
Trinidad Generation Unlimited	189,400,000		2,025,000	2,025,000	2,025,000
Other equity investments:					
West Indian Tobacco Company Limited	13,646,136	\$35.05	478,298	474,522	565,086
			\$9,660,649	\$8,812,712	\$9,292,801

Movement during the year/period	Unaudited Nine Months ended Sep-30-2020 '000	Unaudited Nine Months ended Sep-30-2019 '000	Audited Year ended Dec-31-2019 '000
Balance at the beginning of year/period	9,292,801	8,150,026	8,150,026
Additions of investments at FVPL	-	-	-
Net unrealised gains on financial assets at fair value	367,848	662,687	1,142,775
Balance at the end of period	\$9,660,649	\$8,812,712	\$9,292,801

b. Other Investments - Financial assets at amortised cost

The investment at amortised cost represent non-current provisions to the sinking fund to cater for principal repayments on the bonds in 2023, 2030 and 2038.

	Unaudited Nine Months ended Sep-30-2020 '000	Unaudited Nine Months ended Sep-30-2019 '000	Audited Year ended Dec-31-2019 '000
Government debt securities	24,617	20,000	24,620
Corporate debt securities	1,007	-	1,009
Balance at the end of year/period	\$25,624	\$20,000	\$25,629

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Interim Financial Statements

For the nine months ended September 30, 2020

(Expressed in Trinidad and Tobago Dollars)

3. Investments - Financial assets (continued)

b. Other Investments - Financial assets at amortised cost (continued)

	Unaudited Nine Months ended Sep-31-2020 '000	Unaudited Nine Months ended Sep-30-2019 '000	Audited Year ended Dec-31-2019 '000
Movement during the year/period			
Balance at beginning of year/period	25,629	20,000	25,629
Additions of investment at amortised cost	-	-	-
Amortisation	(5)	-	-
Balance at the end of year/period	\$25,624	\$20,000	\$25,629

	Unaudited Nine Months ended Sep-30-2020 '000	Unaudited Nine Months ended Sep-30-2019 '000	Audited Year ended Dec-31-2019 '000
4. Cash and cash equivalents			
Bank current account	10,110	14,260	159,633
Mutual funds	10,358	39,039	14,106
Short term bonds	18,883	12,235	31,328
Short term deposits	62,774	4,661	5,106
	\$102,125	\$70,195	\$210,173

	Unaudited Nine Months ended Sep-30-2020 '000	Unaudited Nine Months ended Sep-30-2019 '000	Audited Year ended Dec-31-2019 '000
5. Stated capital			
Authorised:			
An unlimited number of ordinary shares of no par value			
Issued and fully paid:			
1 ordinary share of no par value	\$3,940,967	\$3,940,967	\$3,940,967

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Interim Financial Statements

For the nine months ended September 30, 2020

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6. Bonds

The Company issued coupon rate bonds in three series during the period July 12, 2018 to August 9, 2018; these bonds have continued being actively traded on the corporate bond market. During the nine months ended September 30 2020, no new bonds were issued by the Company.

The three (3) series NIF Bonds include:

Bonds	Value	Rate	Duration	Maturity Date
Series A	1.2 billion	4.5%	5 years	August 9, 2023
Series B	1.6 billion	5.7%	12 years	August 9, 2030
Series C	1.2 billion	6.6%	20 years	August 9, 2038

	Unaudited Nine Months ended Sep-30-2020 '000	Unaudited Nine Months ended Sep-30-2019 '000	Audited Year ended Dec-31-2019 '000
Bonds in Series A, B and C	4,000,000	4,000,000	4,000,000
Amortised bond issuance cost	(32,261)	(36,721)	(35,606)
	\$3,967,739	\$3,963,279	\$3,964,394

7. Other Income - Net fair value gains on financial assets

Net fair value gains on financial assets were attributable to the upliftment in market values during the period reported.

	Unaudited Nine Months ended Sep-30-2020 '000	Unaudited Nine Months ended Sep-30-2019 '000	Audited Year ended Dec-31-2019 '000
Equity investments			
Angostura Holdings Limited	48,725	8,635	20,970
One Caribbean Media Limited	(51,972)	(4,433)	(27,362)
Republic Financial Holdings Limited	457,884	617,592	1,017,710
Other equity Investments			
West Indian Tobacco Company Limited	(86,789)	40,893	131,457
	\$367,848	\$662,687	\$1,142,775

8. Sinking Fund

As at Sep 30, 2020 the Sinking fund balance stood at \$117.6 million. This fund was established to meet the principal repayment to bondholders in the years 2023, 2030 and 2038. The portfolio consists of investments in corporate and government bonds, mutual funds, short term certificate of deposits and treasury bill notes.

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Interim Financial Statements

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9. Semi-Annual Coupon Payment

On August 7, 2020 the Company made its fourth coupon payment of \$112.2 million to its bond holders via its Paying Agent - Trinidad and Tobago central Depository, thereby bringing total interest distributions to \$448.8 million. The fifth coupon payment is scheduled for February 9, 2021.

10. Bonds Credit Rating

On June 30, 2020 the Caribbean Information and Credit Rating Services Limited reaffirmed the Company's initial credit rating; giving a regional rating of CariAA, a national rating of ttAA, with a negative outlook.