

National Investment Fund Holding Company Limited

Interim Financial Statements

For the three months ended March 31, 2021

(Expressed in Trinidad and Tobago Dollars)

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Interim Financial Statements

For the three months ended March 31, 2021

(Expressed in Trinidad and Tobago Dollars)

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NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Interim Statement of Financial Position For the three months ended March 31, 2021 (Expressed in Trinidad and Tobago Dollars)

	Notes	Unaudited Three Months end Mar-31-2021 \$000	Unaudited Three Months ended Mar-31-2020 \$000	Audited Year ended 31-Dec-2020 \$000
ASSETS				
Non-Current Assets				
Office equipment		12	19	12
Investments	3a	9,737,091	9,496,222	9,327,309
Other Investments	3b	56,684	25,627	96,194
Total non-current assets		9,793,787	9,521,868	9,423,515
Current Assets				
Prepayments and other receivables		808	815	1,886
Cash and cash equivalents	4	63,342	97,339	135,316
Total Current Assets		64,150	98,154	137,202
Total Assets		9,857,937	9,620,022	9,560,717
EQUITY				
Stated Capital	5	3,940,967	3,940,967	3,940,967
Reserves		5,000	5,000	5,000
Retained Earnings		1,881,019	1,642,081	1,526,823
Total Equity		5,826,986	5,588,048	5,472,790
Non-Current Liabilities				
Bonds	6	3,969,969	3,965,509	3,968,854
Deferred government subventions		30,031	34,491	31,146
Total Non-Current Liabilities		4,000,000	4,000,000	4,000,000
Current Liabilities				
Accruals and other payables		268	185	341
Accrued bond interest		30,683	31,789	87,586
Total Current Liabilities		30,951	31,974	87,927
Total Liabilities and Equity		9,857,937	9,620,022	9,560,717


Director


Director

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		Unaudited Three Months ended Mar-31-2021	Unaudited Three Months ended Mar-31-2020	Audited Year ended 31-Dec-2020
	Notes	'000	'000	'000
Income				
Dividend Income		-	-	222,772
Interest Income		749	532	2,695
Other Income - Government subvention		1,115	1,115	4,460
Other Income - Net fair value gains on financial assets	7	409,782	203,421	34,508
Total Income		411,646	205,068	264,435
Expenditure				
Operating expenses		(1,037)	(795)	(4,077)
Finance costs		(56,412)	(56,843)	(228,186)
Total Expenditure		(57,449)	(57,638)	(232,263)
Net profit for the year/period		\$354,197	\$147,430	\$32,172

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 three months ended March 31, 2021 (Expressed in Trinidad and Tobago Dollars)

	Stated Capital '000	Retained Earnings '000	Reserves '000	Total '000
Three months ended March 31, 2021:				
Balance as at January 1, 2021	3,940,967	1,526,823	5,000	5,472,790
Net Profit for the period	-	354,197	-	354,197
Balance as at March 31, 2021	\$3,940,967	\$1,881,020	\$5,000	\$5,826,987
Three months ended March 31 2020:				
Balance as at January 1, 2020	3,940,967	1,494,651	5,000	5,440,618
Net Profit for the period	-	147,430	-	147,430
Balance as at March 31, 2020	\$3,940,967	\$1,642,081	\$5,000	\$5,588,048
Year ended December 31, 2020:				
Balance as at January 1, 2020	3,940,967	1,494,651	5,000	5,440,618
Net Profit for the year	-	32,172	-	32,172
Balance as at December 31, 2020	\$3,940,967	\$1,526,823	\$5,000	\$5,472,790

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

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Interim Statement of Cash Flows

For the three months ended March 31, 2021

(Expressed in Trinidad and Tobago Dollars)

	Unaudited Three Months ended Mar-31-2021 '000	Unaudited Three Months ended Mar-31-2020 '000	Audited Year ended Dec-31-2020 '000
Cash flows from Operating activities			
Net profit for the year period	354,197	147,430	32,172
Depreciation in office equipment	-	-	7
Other Income - net fair value gains on financial assets	(409,782)	(203,421)	(34,508)
Bond Interest recognised at amortised cost	55,297	55,728	223,725
<i>Changes in working capital:</i>			
Net change in prepayments and other receivables	1,078	(302)	(1,373)
Net change in accruals and other payables	(74)	(71)	85
Net cash from Operating activities	716	(636)	220,108
Cash flows from Investing activities			
Net change in investments	39,510	2	(39,237)
Net cash provided by / (used in) Investing activities	39,510	2	(39,237)
Cash flows from Financing activities			
Bond Interest paid	(112,200)	(112,200)	(224,400)
Net cash (used in) / provided by Financing activities	(112,200)	(112,200)	(224,400)
Net change in cash and cash equivalents	(71,974)	(112,834)	(43,529)
Cash and cash equivalents at the beginning of the year	135,316	210,173	178,845
Cash and cash equivalents at the end of year / period	\$63,342	\$97,339	\$135,316

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 three months ended March 31, 2021

(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 three months ended March 31, 2021 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, 2020.

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, 2020.

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

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(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 Three Months ended Mar-31-2021 '000	Unaudited Three Months ended Mar-31-2020 '000	Audited Year ended Dec-31-2020 '000
Investment in associates:					
Angostura Holdings Limited	61,677,011	\$15.49	955,377	894,316	1,011,503
One Caribbean Media Limited	15,285,917	\$4.85	74,137	106,237	73,984
Republic Financial Holdings Limited	42,475,362	\$131.83	5,599,527	6,009,839	5,733,749
Investment in subsidiary:					
Trinidad Generation Unlimited	189,400,000		2,658,820	2,025,000	2,025,000
Other equity investments:					
West Indian Tobacco Company Limited	13,646,136	\$32.92	449,230	460,830	483,073
			\$9,737,091	\$9,496,222	\$9,327,309

The Company owns 100% of the Trinidad Generation Unlimited (TGU) which is privately held and in the absence of recent trading activity of its shares, management undertook an in-house valuation to determine the fair value of the investment as at December, 2020. The resulting assessment was reviewed by our independent auditors and a reputable professional consulting firm to confirm the appropriateness of the valuation methodology used. The unrealised fair value gain of \$633.82 million was recognized in the statement of comprehensive income in the period ending March 31, 2021.

Movement during the year/period	Unaudited Three Months ended Mar-31-2021 '000	Unaudited Three Months ended Mar-31-2020 '000	Audited Year ended Dec-31-2020 '000
Balance at the beginning of year/period	9,327,309	9,292,801	9,292,801
Additions of investments at FVPL	-	-	-
Net unrealised gains on financial assets at fair value	409,782	203,421	34,508
Balance at the end of year/period	\$9,737,091	\$9,496,222	\$9,327,309

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3. Investments - Financial assets (continued)

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 Three Months ended Mar-31-2021 '000	Unaudited Three Months ended Mar-31-2020 '000	Audited Year ended Dec-31-2020 '000
Government debt securities	55,677	24,619	95,187
Corporate debt securities	1,007	1,008	1,007
Balance at the end of year/period	\$56,684	\$25,627	\$96,194

	Unaudited Three Months ended Mar-31-2021 '000	Unaudited Three Months ended Mar-31-2020 '000	Audited Year ended Dec-31-2020 '000
Movement during the year/period			
Balance at January 1,	96,194	-	56,957
Net movement investment at amortised cost	(39,510)	25,627	39,237
Balance at the end of year/period	\$56,684	\$25,627	\$96,194

	Unaudited Three Months ended Mar-31-2021 '000	Unaudited Three Months ended Mar-31-2020 '000	Audited Year ended Dec-31-2020 '000
4. Cash and cash equivalents			
Bank current account	855	6,378	114,121
Mutual funds	826	14,157	823
Short term deposits	61,661	76,804	20,372
	\$63,342	\$97,339	\$135,316

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	Unaudited Three Months ended Mar-31-2021 '000	Unaudited Three Months ended Mar-31-2020 '000	Audited Year ended Dec-31-2020 '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	<u>\$3,940,967</u>	<u>\$3,940,967</u>	<u>\$3,940,967</u>

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 three months ended March 31 2021, 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 Three Months ended Mar-31-2021 '000	Unaudited Three Months ended Mar-31-2020 '000	Audited Year ended Dec-31-2020 '000
Bonds in Series A, B and C	4,000,000	4,000,000	4,000,000
Amortised bond issuance cost	(30,031)	(34,491)	(31,146)
	<u>\$3,969,969</u>	<u>\$3,965,509</u>	<u>\$3,968,854</u>

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7. Other Income - Net unrealised gains on financial assets at fair value through profit or loss

Net unrealised gains on financial assets at fair value through profit or loss were attributable to the upliftment in market values during the period reported.

	Unaudited Three Months ended Mar-31-2021 '000	Unaudited Three Months ended Mar-31-2020 '000	Audited Year ended Dec-31-2020 '000
Equity investments:			
Angostura Holdings Limited	(56,126)	(104,851)	12,335
One Caribbean Media Limited	152	(23,693)	(55,946)
Republic Financial Holdings Limited	(134,222)	436,222	160,132
Investment in subsidiary:			
Trinidad Generation Unlimited	633,820		
Other equity Investments:			
West Indian Tobacco Company Limited	(33,842)	(104,257)	(82,013)
	\$409,782	\$203,421	\$34,508

8. Sinking Fund

As at March 31, 2021 the Sinking fund balance stood at \$118.5 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.

9. Semi-Annual Coupon Payment

On February 9 2021 the Company made its fifth 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 \$561.0 million. The sixth coupon payment is scheduled for August 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.