# National Investment Fund Holding Company Limited

Interim Financial Statements
For the nine months ended September 30, 2021
*(Expressed in Trinidad and Tobago Dollars)*

# NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

## Interim Financial Statements
**For the nine months ended September 30, 2021**
*(Expressed in Trinidad and Tobago Dollars)*

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# NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

## Interim Statement of Financial Position
**For the nine months ended September 30, 2021**
*(Expressed in Trinidad and Tobago Dollars)*

| | Notes | Unaudited Nine Months ended Sep-30-2021 $000 | Unaudited Nine Months ended Sep-30-2020 $000 | Audited Year ended 31-Dec-2020 $000 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-Current Assets** | | | | |
| Office equipment | | 12 | 19 | 12 |
| Investments | 3a | 9,991,358 | 9,660,649 | 9,327,309 |
| Other Investments | 3b | 62,744 | 25,624 | 96,194 |
| **Total non-current assets** | | 10,054,114 | 9,686,292 | 9,423,515 |
| **Current Assets** | | | | |
| Prepayments and other receivables | | 1,343 | 973 | 1,886 |
| Cash and cash equivalents | 4 | 91,516 | 102,125 | 135,316 |
| **Total Current Assets** | | 92,859 | 103,098 | 137,202 |
| **Total Assets** | | **10,146,973** | **9,789,390** | **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 | | 2,169,980 | 1,811,751 | 1,526,823 |
| **Total Equity** | | 6,115,947 | 5,757,718 | 5,472,790 |
| **Non-Current Liabilities** | | | | |
| Bonds | 6 | 3,972,200 | 3,967,739 | 3,968,854 |
| Deferred government subventions | | 27,800 | 32,261 | 31,146 |
| **Total Non-Current Liabilities** | | 4,000,000 | 4,000,000 | 4,000,000 |
| **Current Liabilities** | | | | |
| Accruals and other payables | | 269 | 212 | 341 |
| Accrued bond interest | | 30,757 | 31,460 | 87,586 |
| **Total Current Liabilities** | | 31,026 | 31,672 | 87,927 |
| **Total Liabilities and Equity** | | **10,146,973** | **9,789,390** | **9,560,717** |

**Director** **Director**

# NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

## Interim Financial Statements
**For the nine months ended September 30, 2021**
*(Expressed in Trinidad and Tobago Dollars)*

| | Notes | Unaudited Nine Months ended Sep-30-2021 '000 | Unaudited Nine Months ended Sep-30-2020 '000 | Audited Year ended 31-Dec-2020 '000 |
|---|---|---|---|---|
| **Income** | | | | |
| Dividend Income | | 147,868 | 117,767 | 222,772 |
| Interest Income | | 2,326 | 1,887 | 2,695 |
| Other Income - Government subvention | | 3,345 | 3,345 | 4,460 |
| Other Income - Net fair value gains on financial assets | 7 | 664,049 | 367,848 | 34,508 |
| **Total Income** | | **817,588** | **490,847** | **264,435** |
| **Expenditure** | | | | |
| Operating expenses | | (3,515) | (2,803) | (4,077) |
| Finance costs | | (170,916) | (170,944) | (228,186) |
| **Total Expenditure** | | **(174,431)** | **(173,747)** | **(232,263)** |
| **Net profit for the year/period** | | **$643,157** | **$317,100** | **$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 nine months ended September 30, 2021**
*(Expressed in Trinidad and Tobago Dollars)*

| | Stated Capital '000 | Retained Earnings '000 | Reserves '000 | Total '000 |
|---|---|---|---|---|
| **Nine months ended September 30, 2021:** | | | | |
| Balance as at January 1, 2021 | 3,940,967 | 1,526,823 | 5,000 | 5,472,790 |
| Net Profit for the period | - | 643,157 | - | 643,157 |
| **Balance as at September 30, 2021** | **$3,940,967** | **$2,169,980** | **$5,000** | **$6,115,947** |
| **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** |
| **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 nine months ended September 30, 2021**
*(Expressed in Trinidad and Tobago Dollars)*

| | Unaudited Nine Months ended Sep-30-2021 '000 | Unaudited Nine Months ended Sep-30-2020 '000 | Audited Year ended Dec-31-2020 '000 |
|---|---|---|---|
| **Cash flows from Operating activities** | | | |
| Net profit for the year period | 643,157 | 317,100 | 32,172 |
| Depreciation in office equipment | - | - | 7 |
| Other Income – net fair value gains on financial assets | (664,049) | (367,848) | (34,508) |
| Bond Interest recognised at amortised cost | 167,571 | 167,599 | 223,725 |
| *Changes in working capital:* | | | |
| Net change in prepayments and other receivables | 543 | (460) | (1,373) |
| Net change in accruals and other payables | (72) | (44) | 85 |
| **Net cash from Operating activities** | **147,150** | **116,347** | **220,108** |
| **Cash flows from Investing activities** | | | |
| Net change in investments | 33,450 | 5 | (39,237) |
| **Net cash provided by / (used in) Investing activities** | **33,450** | **5** | **(39,237)** |
| **Cash flows from Financing activities** | | | |
| Bond Interest paid | (224,400) | (224,400) | (224,400) |
| **Net cash (used in) / provided by Financing activities** | **(224,400)** | **(224,400)** | **(224,400)** |
| **Net change in cash and cash equivalents** | **(43,800)** | **(108,048)** | **(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** | **$91,516** | **$102,125** | **$135,316** |

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

## 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, 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.

## 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-30-2021 '000 | Unaudited Nine Months ended Sep-30-2020 '000 | Audited Year ended Dec-31-2020 '000 |
|---|---|---|---|---|---|
| **Investment in associates:** | | | | | |
| Angostura Holdings Limited | 61,677,011 | $17.10 | 1,054,677 | 1,047,892 | 1,011,503 |
| One Caribbean Media Limited | 15,285,917 | $4.28 | 65,424 | 77,958 | 73,984 |
| Republic Financial Holdings Limited | 42,475,362 | $136.31 | 5,789,816 | 6,031,501 | 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 | $30.97 | 422,621 | 478,298 | 483,073 |
| | | | **$9,991,358** | **$9,660,649** | **$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 Nine Months ended Sep-30-2021 '000 | Unaudited Nine Months ended Sep-30-2020 '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 | 664,049 | 367,848 | 34,508 |
| **Balance at the end of year/period** | **$9,991,358** | **$9,660,649** | **$9,327,309** |

**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 Nine Months ended Sep-30-2021 '000 | Unaudited Nine Months ended Sep-30-2020 '000 | Audited Year ended Dec-31-2020 '000 |
|---|---|---|---|
| Government debt securities | 61,739 | 24,617 | 95,187 |
| Corporate debt securities | 1,005 | 1,007 | 1,007 |
| **Balance at the end of year/period** | **$62,744** | **$25,624** | **$96,194** |

| **Movement during the year/period** | Unaudited Nine Months ended Sep-30-2021 '000 | Unaudited Nine Months ended Sep-30-2020 '000 | Audited Year ended Dec-31-2020 '000 |
|---|---|---|---|
| Balance at January 1, | 96,194 | 25,629 | 56,957 |
| Net movement investment at amortised cost | (33,450) | (5) | 39,237 |
| **Balance at the end of year/period** | **$62,744** | **$25,624** | **$96,194** |

| **4. Cash and cash equivalents** | Unaudited Nine Months ended Sep-30-2021 '000 | Unaudited Nine Months ended Sep-30-2020 '000 | Audited Year ended Dec-31-2020 '000 |
|---|---|---|---|
| Bank current account | 53,221 | 10,110 | 114,121 |
| Mutual funds | 5,848 | 10,358 | 823 |
| Short term deposits | 32,447 | 81,657 | 20,372 |
| | **$91,516** | **$102,125** | **$135,316** |

| 5. Stated capital | Unaudited Nine Months ended Sep-30-2021 '000 | Unaudited Nine Months ended Sep-30-2020 '000 | Audited Year ended Dec-31-2020 '000 |
|---|---|---|---|
| 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** |

**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 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 Nine Months ended Sep-30-2021 '000 | Unaudited Nine Months ended Sep-30-2020 '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 | (27,800) | (32,261) | (31,146) |
| | **$3,972,200** | **$3,967,739** | **$3,968,854** |

**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 Nine Months ended Sep-30-2021 '000 | Unaudited Nine Months ended Sep-30-2020 '000 | Audited Year ended Dec-31-2020 '000 |
|---|---|---|---|
| **Equity investments:** | | | |
| Angostura Holdings Limited | 43,174 | 48,725 | 12,335 |
| One Caribbean Media Limited | (8,560) | (51,972) | (55,946) |
| Republic Financial Holdings Limited | 56,067 | 457,884 | 160,132 |
| **Investment in subsidiary:** | | | |
| Trinidad Generation Unlimited | 633,820 | | |
| **Other equity Investments:** | | | |
| West Indian Tobacco Company Limited | (60,452) | (86,789) | (82,013) |
| | **$664,049** | **$367,848** | **$34,508** |

**8. Sinking Fund**

As at September 30, 2021 the Sinking fund balance stood at $119.6 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 bills.

**9. Semi-Annual Coupon Payment**

On August 9 2021 the Company made its sixth 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 $673.2 million. The seventh coupon payment is scheduled for February 9, 2022.

**10. Bonds Credit Rating**

On September 27, 2021 the Caribbean Information and Credit Rating Services Limited (CariCRIS) reaffirmed the Company's initial credit rating; giving a regional rating of Cari**AA**, a national rating of tt**AA**, with a now revised **stable** outlook.