



NATIONAL INVESTMENT FUND
HOLDING COMPANY LIMITED

ANNUAL REPORT
2019



TABLE OF CONTENTS

Chairman's Statement	3
Notice of Meeting	4
Corporate Information	5
Board Of Directors	6
Management Discussion and Analysis	7
Statement of Management's Responsibilities	8
Independent Auditor's Report	9
Statement of Financial Position	11
Statement of Comprehensive Income (Profits and Losses)	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Notes To Financial Statements	15



CHAIRMAN'S STATEMENT



Mr. Vishnu Dhanpaul
Chairman

I am pleased to report that our financial results for the year ended December 31 2019 are broadly in line with the financial model as outlined in the July 12 2018 Prospectus. Bond holders have been receiving a steady flow of interest payments and where necessary are trading their bonds on the corporate bond market, thereby receiving capital gains.

NIF has received dividend income of \$303.7 million from its portfolio of quality assets which consists of: 26.1% of shares from Republic Financial Holdings Limited comprising 60.0% of the portfolio, 29.9% of shares from Angostura Holdings Limited comprising 11.0% of the portfolio, 5.4% of shares from West Indian Tobacco Company Limited comprising 6.0% of the portfolio, 23.0% of shares from One Caribbean Media Limited comprising 1.4% of the portfolio and 100% of shares from Trinidad Generation Unlimited comprising 21.6% of the portfolio.

As a result, the National Investment Fund Holding Company Limited (NIF) has made three semiannual coupon payments to date - on February 8 2019, on August 9 2019 and on February 7 2020 and we envisage the continuation of these payments as our investee companies meet or exceed their current performance.

On behalf of our Directors, I wish to sincerely thank our bond holders for their continuing confidence in the company.

A handwritten signature in black ink, appearing to read "Vishnu Dhanpaul".

Mr. Vishnu Dhanpaul
Chairman



NOTICE OF MEETING

Notice is hereby given that the Meeting of Shareholders of the National Investment Fund Holding Company Limited (NIF) ("the Company") will be held at Level 8 Eric Williams Financial Building, Independence Square, Port of Spain on **Tuesday May 19 2020** commencing at 10:30 a.m. for the following purposes:

1. To receive and, if approved, adopt the financial statements of the company for the year ended **December 31, 2019** and the reports of the Directors and auditors.
2. To appoint auditors and empower the Directors to determine the auditors' remuneration in respect of the period ending at the conclusion of the next Annual Meeting of the Company.
3. To transact any other business which may properly be brought before the meeting.

By order of the Board

A handwritten signature in black ink, appearing to read "efranc", written over a horizontal line.

Corporate Secretary
Port of Spain
April 21 2020



CORPORATE INFORMATION

Board of Directors	Vishnu Dhanpaul- Chairman Jennifer Lutchman Hayden Manzano Nadira Lyder Dexter Jaggernauth Nnika Watson
Corporate Secretary	C. Frank & Associates Ltd. 6 Lloyd Street San Juan (868) 681-7012
Registered Office	Level 2, Eric Williams Financial Building, Independence Square, Port Of Spain Trinidad And Tobago (868) 612-9700 Ext 1208/9
Bankers	First Citizens Bank Limited Independence Square Port Of Spain (868)
Auditors	BDO Chartered Accountants 2nd Floor, CIC Building 122-124 Frederick Street Port-Of-Spain (868) 625 8662
Attorneys	Fitzwilliam, Stone, Furness-Smith & Morgan 48-50 Sackville Street Port of Spain (868) 625-5107-9
Registrar	Trinidad And Tobago Central Depository 10 th Floor, Nicholas Towers 63-65 Independence Square Port Of Spain

BOARD OF DIRECTORS



Vishnu Dhanpaul



Jennifer Lutchman



Hayden Manzano



Nadira Lyder



Dexter Jaggernaut



Nnika Watson



MANAGEMENT DISCUSSION AND ANALYSIS

The National Investment Fund Holding Company Limited (NIF) recorded profit-before-tax of **\$1,221.8 million** for the year ended **December 31 2019** (2018: \$272.8 million). NIF was incorporated on May 29 2018 and had operational activity for approximately six (6) months in 2018 compared to the twelve (12) months in 2019.

Revenue

Revenue of **\$1,453.8 million** (2018: \$364.4 million) consisted of dividend income of **\$303.7 million** (2018: \$152.9 million) from our investee companies while the net fair value gain on our financial assets amounted to **\$1,142.8 million** (2018: \$209.0 million). Dividend income in 2018 reflects payouts after July 6 2018 when the shares in our investee companies were acquired.

Expenses

Finance costs of **\$228.0 million** (2018: \$91.55 million) were mainly due to interest on the three series of the \$4.0 billion bond issue with operating expenses of **\$4.0 million** (2018: \$1.3 million) representing just 0.27

percent of revenues (2018: 0.35 percent). Our major expenditure during 2019 were bond coupon payments in February and August of \$112.2 million each.

Total Assets

As at December 31 2019 total assets stood at **\$9.5 billion** (2018: \$8.3 billion) comprising investments of \$9.3 billion (2018: \$8.1 billion) and cash and cash equivalents of \$210.2 million (2018: \$159.8 million). The increase in investments of \$1.2 billion was due to appreciation in the share prices of our investee companies.

Liquid Assets

Liquid assets of **\$210.2 million** (2018: \$159.8 million) comprised our operating bank account \$159.6 million, mutual funds \$14.1 million, short term bonds \$31.3 million and short term deposits \$5.1 million. Included in these balances were \$50.5 million allocated to the sinking fund to meet the principal repayment on the bonds in 2023, 2030 and 2038

Accounting Policy

The National Investment Fund Holding Company Limited as an investment entity and in accordance with International Financial Reporting Standards (IFRS) has chosen to record its financial assets at fair value.



STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of National Investment Fund Holding Company Limited, (the "Company") which comprise the statement of financial position as at December 31, 2019, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory 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 the security of the Company's assets, detection/prevention of fraud, and the achievement of Company operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, Management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where the International Financial Reporting 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.

A handwritten signature in black ink, appearing to be "W. M." or similar, written over a horizontal line.

Director
February 18 2020

A handwritten signature in black ink, appearing to be "Fitchman", written over a horizontal line.

Director
February 18 2020

Independent Auditor's Report

To the Shareholders of
National Investment Fund Holding Company Limited

Opinion

We have audited the financial statements of National Investment Fund Holding Company Limited, (the "Company") which comprise the statement of financial position as at December 31, 2019 the related statements of comprehensive income, changes in equity and cash flows for the year then ended and the accompanying notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

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' *Code of Ethics for Professional Accountants* ("IESBA Code") and we have fulfilled our 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment in Trinidad Generation Unlimited ("TGU")

The Company's investment in TGU represents 22% of its financial assets and 21% of its total assets. As TGU is not traded publicly and in the absence of recent private trading activity in TGU shares, management has determined the fair value of the investment in TGU as at December 31, 2019 by reference to an external independent valuation previously carried out on TGU as at July 31, 2017. Given the significant measurement uncertainty involved in the valuation of this investment, the said valuation was significant to our audit.

We focused our work on reviewing the validity of the expert valuation report as at July 31, 2017 which was issued by the independent valuator on September 18, 2017. We corroborated the inputs used by the valuator in its income approach valuation model which projected TGU's discounted cash flows through to the 2056 financial year. We found that the actual operating results of TGU up to the 2019 financial year as well as the projected results through to the 2025 financial year were in accordance with or exceeded the cash flow forecasts used by the valuator in determining the future discounted cash flows.

The Company's disclosures about TGU are included in Note 1, 2 and 5 of the financial statements.

Independent Auditor's Report (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

Those charged with governance are 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 judgment 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.
- 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 those charged with governance 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.



February 18, 2020

Port of Spain,
Trinidad, West Indies

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Statement of Financial Position

For the year ended December 31, 2019

(Expressed in Trinidad and Tobago Dollars)

	Notes	2019 '000	2018 '000
Assets			
Non-current assets			
Office equipment	4	19	-
Financial assets			
- Fair value through profit and loss	5	9,292,801	8,150,026
- Amortised cost	5	25,629	-
Total non-current assets		9,318,449	8,150,026
Current assets			
Other receivables		513	56
Cash and cash equivalents	6	210,173	159,825
Total current assets		210,686	159,881
Total assets		\$9,529,135	\$8,309,907
Equity			
Stated capital	7	3,940,967	3,940,967
Reserves	8	5,000	5,000
Retained earnings		1,494,651	272,827
Total equity		5,440,618	4,218,794
Non-current liabilities			
Bonds payable	10	3,964,394	3,959,934
Deferred government subvention	11b.	35,606	40,066
Total non-current liabilities		4,000,000	4,000,000
Current liabilities			
Other payables		256	28
Accrued bond interest		88,261	89,145
Deferred government subvention	11a.	-	1,940
Total current liabilities		88,517	91,113
Total equity and liabilities		\$9,529,135	\$8,309,907

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

On 18th February, 2020, the Board of Directors of National Investment Fund Holding Company Limited authorized these financial statements for issue.



Director



Director

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Statement of Comprehensive Income (Expressed in Trinidad and Tobago Dollars)

		For the year ended December 31, 2019	For the period from July 9, 2018 (date of commencement of operations) to December 31, 2018
	Notes	'000	'000
Income			
Dividend income	12	303,675	152,913
Interest income		1,001	-
Government subventions utilised	13	6,400	2,409
Net unrealised gains on financial assets at fair value through profit and loss	14	1,142,776	209,059
Total income		1,453,852	364,381
Expenses			
Operating expenses	15	(4,052)	(1,304)
Finance costs		(227,976)	(90,250)
Total expenses		(232,028)	(91,554)
Net profit for the year / period		\$1,221,824	\$272,827
Total comprehensive income for the year / period		\$1,221,824	\$272,827

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

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Statement of Change in Equity

(Expressed in Trinidad and Tobago Dollars)

	Stated Capital '000	Retained earnings '000	Reserves '000	Total '000
Year ended December 31, 2019:				
Balance as at January 1, 2019	3,940,967	272,827	5,000	4,218,794
Total comprehensive income 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
For the period from July 9, 2018 (date of commencement of operations) to December 31, 2018:				
Issue of ordinary shares	3,940,967	-	-	3,940,967
Bond interest payment reserve	-	-	5,000	5,000
Total comprehensive income for the period	-	272,827	-	272,827
Balance as at December 31, 2018	\$3,940,967	\$272,827	\$5,000	\$4,218,794

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

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	For the year ended December 31, 2019 ‘000	For the period from July 9, 2018 (date of commencement of operations) to December 31, 2018 ‘000
Cash flows from operating activities		
Net profit for the year / period	1,221,824	272,827
<i>Adjustments to reconcile net profit for the year / period to net cash used in operating activities:</i>		
Dividends income	(303,675)	(152,913)
Depreciation	3	-
Net unrealised gain on financial assets at fair value	(1,142,776)	(209,059)
<i>Changes in working capital:</i>		
Increase in other receivables	(456)	(56)
Increase in other payables	228	28
(Decrease) / increase in deferred government subventions	(1,940)	1,940
Net cash used in operating activities	(226,792)	(87,233)
Cash flows from investing activities		
Acquisition of financial assets at fair value through profit and loss	-	(7,940,967)
Acquisition of financial assets at amortised cost	(25,629)	-
Acquisition of office equipment	(22)	-
Dividend income received	303,675	152,913
Net cash provided by / (used in) investing activities	278,024	(7,788,054)
Cash flows from financing activities		
Issue of stated capital	-	3,940,967
Issue of bonds payable	4,460	3,959,934
(Decrease) / increase in deferred government subventions	(4,460)	40,066
(Decrease) / increase in accrued bond interest	(884)	89,145
Increase in reserves	-	5,000
Net cash (used in) / provided by financing activities	(884)	8,035,112
Net increase in cash and cash equivalents	50,348	159,825
Cash and cash equivalents		
Beginning of year / period	159,825	-
End of year / period	\$210,173	\$159,825

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

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Notes to the Financial Statements For the year ended December 31, 2019 (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 principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of preparation

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.

Although TGU is a subsidiary of NIF, its financial statements were not consolidated with the Company. IFRS 10 states that a company classified as an investment entity shall not consolidate a subsidiary company and would measure the investment at fair value through the profit and loss.

(a) Use of estimates

The preparation of these financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may differ from those estimates. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(b) New standards, amendments and interpretations which are effective and have been adopted by the Company

There were no new standards, amendments and interpretations which are effective and have been adopted by the Company.

(c) Standards, amendments and interpretations issued which are effective after January 1, 2019, and have been early adopted by the Company.

The Company has not early adopted any new standards, interpretations or amendments.

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Notes to the Financial Statements For the year ended December 31, 2019 (Expressed in Trinidad and Tobago Dollars)

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(d) *Standards, amendments and interpretations issued which are effective and not relevant to the Company (continued)*

- (i) IFRS 16 'Leases' (effective for years beginning on or after January 1, 2019, with earlier application permitted if IFRS 15, 'Revenue from Contracts with Customers', is also applied). New standard on leases, superseding IAS 17, Leases, and related interpretations.
- (ii) IFRIC 23 – Uncertainty over Income Tax Treatments (Effective January 1, 2019). The interpretation addresses the determination of taxable profits (tax loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under IAS 12. It specifically considers:
 - Whether tax treatments should be considered collectively
 - Assumptions for taxation authorities' examinations
 - The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
 - The effect of changes in facts and circumstances
- (iii) Prepayment Features with Negative Compensation (Amendments to IFRS 9)
Amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.
- (iv) IAS 28 'Investments in associates and joint ventures' - Amended to clarify the use of the election allowing venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit and loss.

(e) *Standards, amendments and interpretations issued which are not yet effective and not relevant to the Company*

- (i) IFRS 17 'Insurance Contracts' (effective for years beginning on or after January 1, 2021). New standard on accounting for insurance contracts, replacing IFRS 4, Insurance Contracts.

2.2 Foreign currency

(a) *Functional and presentational currency*

The accounting records, as well as the financial statements of the Company, are maintained in Trinidad and Tobago ("TT") dollars. TT dollar is the functional and reporting currency of the Company. Management considers the TT dollar to be the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses arising from the translation of financial assets and liabilities are included in the statement of comprehensive income.

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Notes to the Financial Statements For the year ended December 31, 2019 (Expressed in Trinidad and Tobago Dollars)

2. Summary of significant accounting policies (continued)

2.3 Financial assets and financial liabilities

The Company's financial assets and liabilities are recognised in the statement of financial position when it becomes a party to the contractual obligation of the instrument.

(i) *Financial assets*

The Company has adopted IFRS 9, effective January 1, 2018, and classifies its financial assets based on the following business models:

- held for trading – these business models are those that do not meet the criteria under the hold to collect and the hold to collect and sell models;
- hold to collect and sell – under this model the objective is to both collect contractual cash flows and sell the financial asset;
- hold to collect – under this model the objective is to hold financial assets to collect contractual cash flows until maturity.

Based on the Company's business model, financial assets are classified into the following categories:

- *Amortised cost*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI"), and that are not recognised at fair value through profit and loss ("FVPL") are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in Note 2 (iii). Interest income from these financial assets is included in "net interest income" on the statement of comprehensive income using the effective interest rate method. The Company classifies its debt instruments, cash and cash equivalents and other receivables except prepayments as financial instruments at amortised cost.

- *Fair value through other comprehensive income ("FVOCI")*

Assets that are held for collection of contractual cash flows and for selling the assets, where the asset cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at FVOCI. Movements in the carrying amounts are taken through other comprehensive income ("OCI"), except for the recognition of impairment gains and losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in "Net interest income" on the statement of comprehensive income. The interest income from these financial assets is included in "interest income" using the effective interest rate method. As at December 31, 2019 and 2018 the Company did not hold any FVOCI.

- *Fair value through profit and loss ("FVPL")*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit and loss and is not part of a hedging relationship is recognised in profit and loss and presented in the statement of comprehensive income within realised gain or loss on sale of investments in which it is paid, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented in "net interest income". Interest income from these financial assets is included in "interest income" using the effective interest rate method. The Company classifies its equity instruments as financial instruments at FVPL.

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Notes to the Financial Statements For the year ended December 31, 2019 (Expressed in Trinidad and Tobago Dollars)

2. Summary of significant accounting policies (continued)

2.3 Financial assets and financial liabilities (continued)

(i) *Financial assets (continued)*

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. The Company subsequently measures all equity investments at fair value through profit and loss.

Dividends earned on equity instruments are recognized in the profit and loss when the Company's right to receive payments is established.

Gain and losses on equity investments classified as FVPL are included in the statement of comprehensive income.

The Company's investment in equity instruments are further classified as:

a) Investments in Associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control. IAS 28 – Investments in Associates and Joint Ventures states that where an entity holds 20% or more of the voting power in an investee, it will be presumed that the investor has significant influence unless it can be clearly demonstrated that this is not the case.

The Company has more than 20% shareholding in three companies – Republic Financial Holdings Limited, One Caribbean Media Limited and Angostura Holdings Limited and thus classified these companies as Associates in accordance with IAS 28. Associates are usually accounted for using the equity method of accounting; however, the Company has elected to adopt the exception under IAS 28 and has valued these financial assets at fair value.

All said financial assets are listed securities with the Trinidad and Tobago Stock Exchange.

b) Investment in Subsidiary

The Company investment in TGU meets the definition of an investment entity under IFRS 10.

An investment entity refers to an entity whose business purpose is to invest funds obtained from investors solely for returns from capital appreciation, investment income or both. An investment entity must evaluate the performance of its investments on a fair value basis.

c) Other equity investment

The investment in West Indian Tobacco Company Limited is a minority investment and is a listed securities with the Trinidad and Tobago Stock Exchange.

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Notes to the Financial Statements For the year ended December 31, 2019 (Expressed in Trinidad and Tobago Dollars)

2. Summary of significant accounting policies (continued)

2.3 Financial assets and financial liabilities (continued)

(i) *Financial assets (continued)*

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depend on:

- (i) The cash flow characteristics of the asset, and
- (ii) The Company's business model for managing the asset

Company's business model

The business model reflects how the Company manages the assets in order to generate cash flows. An assessment is made at a portfolio level and includes an analysis of factors such as:

- the stated objective and policies of the portfolio and the operation of those in practice. More specifically whether the Company's objective is solely to collect the contractual cash flows from the assets or to collect both the contractual cash flows and cash flows from the sale of assets;
- past experience on how the cash flows for these assets were collected;
- determination of performance targets for the portfolio, how evaluated and reported to key management personnel;
- management identification of and response to various risks, which includes but not limited to liquidity risk, market risk credit risk and interest rate risk;
- how managers are compensated e.g. if compensation is based on the fair value of assets managed or contractual cash flows collected.

Arising out of the assessment, the portfolio was deemed to have the business model identified as "hold to collect"

The Company reclassifies debt instruments when, and only when, its business model for managing those assets changes. The classification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Solely payments of principal and interest (SPPI)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether flows represent solely payment of principal and interest (SPPI test). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit and loss.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at cost.

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Notes to the Financial Statements For the year ended December 31, 2019 (Expressed in Trinidad and Tobago Dollars)

2. Summary of significant accounting policies (continued)

2.3 Financial assets and financial liabilities (continued)

(i) *Financial assets (continued)*

Other receivables excluding prepayments

This amount represents accrued interest income for investments held in the sinking fund account and payments made as a result of 'billed in advance' services during the financial year, that does not exceed twelve (12) months.

Recognition/de-recognition of financial assets

All purchases and sales of financial assets are recognised on the trade date- the date on which the Company commits to purchase or sell the financial asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Company has transferred substantially all risks and rewards of ownership.

Impairment

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and fair value through other comprehensive income. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(ii) *Financial liabilities*

Financial liabilities are classified and subsequently measured at amortised cost using the effective interest rate method. Financial liabilities include bonds payable, other payables and accrued bond interest. Financial liabilities are derecognised when they have been redeemed or otherwise extinguished (that is, when the obligation specified in the contract is discharged, cancelled or expired).

Other payable and accrued bond interest

Accruals represent amounts recognised in the statement of financial position and statement of comprehensive income in relation to services rendered to the end of the reporting period or expected services to the end of the reporting period not yet settled.

Accruals are normally settled within a period of 30-days with the exception of bond interest payable which is payable bi-annually on February 9 and August 9.

Bonds payable

Bonds payable represents the principal amount due to the investors of bonds issued by the Company.

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Notes to the Financial Statements For the year ended December 31, 2019 (Expressed in Trinidad and Tobago Dollars)

2. Summary of significant accounting policies (continued)

2.3 Financial assets and financial liabilities (continued)

(iii) *Determination of fair value*

For financial instruments traded in an active market, the determination of fair values of financial assets and liabilities is based on quoted market prices or dealer price quotations.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and these prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

Indicators that a market is inactive are when there is a wide bid-offer spread or a significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques using input existing at year-end.

The Company uses an independent expert valuator to value financial instruments that are not traded or traded on an inactive market. Some of the inputs of this model may not be market observable and are therefore based on assumptions.

2.4 Office equipment

Items of office equipment are measured at cost, net of accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

When parts of the items of office equipment have different useful lives, they are accounted for as separate items of office equipment.

The gain or loss on disposal of office equipment is determined by comparing the proceeds from disposal with the carrying amount of the office equipment, and is recognized net within other income/other expenses in the statement of comprehensive income. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to accumulated fund.

The cost of replacing a component of an item of office equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of office equipment are recognized in the statement of comprehensive income as incurred.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is recognized in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each component of office equipment as follows:

	Rate
Furniture, fixtures and fittings	20%
Computer hardware and software	33.33%

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Notes to the Financial Statements For the year ended December 31, 2019 (Expressed in Trinidad and Tobago Dollars)

2. Summary of significant accounting policies (continued)

2.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured as the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties.

(i) Dividend income

Dividend income is recognised when the right to receive payment is established.

(ii) Interest income

Interest income is recognized in the statement of comprehensive income for all interest-bearing instruments on an accrual basis using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the investment security.

(iii) Government subventions

Government subventions received by the Company to treat with recurrent expenditure and bond issuance cost are recognised as income in the statement of comprehensive income on a systematic basis, proportionate to amounts the subventions are intended to compensate.

The government subvention relating to future periods is reported in the statement of financial position as deferred government subvention.

(iv) Net unrealised gains on financial assets at fair value through profit and loss

Financial assets are measured at fair value and the net fair value gains and losses are assessed on a monthly basis and charged to the statement of comprehensive income.

2.6 Deferred government subventions

Deferred government subventions represent unused subvention funds as previously advanced by the government to the Company.

The subventions were initially recognised in the statement of financial position at the transaction date cost and subsequently measured net of utilisation of amounts by the Company.

2.7 Stated Capital

The stated capital of the Company is categorized within equity and is recognised at fair value of the amount received.

2.8 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.9 Expenses

Expenses are accounted for on the accrual basis.

2.10 Taxation

The Company is exempt from Corporation Tax in accordance with the Corporation Tax (Amendment) Act No. 11 of 2018 which was assented to on July 10, 2018.

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Notes to the Financial Statements For the year ended December 31, 2019 (Expressed in Trinidad and Tobago Dollars)

3. Critical accounting estimates and judgements in applying accounting principles

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) *Financial assets at fair value through profit and loss*

Determination of fair value is discussed at Note 2.3 (iii)

(ii) *Measurement and treatment of the expected credit loss allowance*

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses), refer to Note 5.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- determining criteria for significant increase in credit risk;
- choosing appropriate models and assumptions for the measurement of ECL;
- establishing the number and relative weightings of forward-looking scenarios for each type of product/ market and the associated ECL; and
- establishing groups of similar financial assets for the purpose of measuring ECL.

4. Office equipment

	Furniture, fixtures and fittings ‘000	Computer Hardware ‘000	Total ‘000
<i>Year ended December 31, 2019</i>			
Cost			
Additions	7	15	22
As at December 31, 2019	7	15	22
Accumulated depreciation			
Charge for the year	(1)	(2)	(3)
As at December 31, 2019	(1)	(2)	(3)
Net book value			
As at December 31, 2019	\$6	\$13	\$19

5. Financial assets

a. *Financial assets at fair value through profit and loss*

In July 2018, equity shares in five (5) companies with a total value of \$7.941 billion were transferred to the Company by the Ministry of Finance (Corporation Sole). As consideration for the financial assets transferred by the GORTT, the Company issued a share certificate in the name of the Corporation Sole in the amount of \$3.941 billion in addition to a loan note for \$4 billion with the Minister of Finance.

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Notes to the Financial Statements For the year ended December 31, 2019 (Expressed in Trinidad and Tobago Dollars)

5. Financial assets (continued)

a. Financial assets at fair value through profit and loss (continued)

During the year ended December 31, 2019, an unrealised fair value gain of \$1,142,775 (for the period from July 9, 2018 (date of commencement of operations) to December 31, 2018: \$209,059) was recognised on the FVPL, bringing the accumulated unrealised fair value gain to \$1,351,834 (2018: 209,059) and total value of the FVPL to \$9,292,801 (2018: \$8,150,026) at the year ended December 31, 2019.

Balance at December 31,	No. of Shares	Share Price	2019 '000	2018 '000
Investment in associates:				
Angostura Holdings Limited	61,677,011	\$16.20	999,168	978,197
One Caribbean Media Limited	15,285,917	\$8.50	129,930	157,292
		\$131.2		
Republic Financial Holdings Limited	42,475,362	2	5,573,617	4,555,907
Investment in subsidiary:				
Trinidad Generation Unlimited	189,400,000		2,025,000	2,025,000
Other equity investments:				
West Indian Tobacco Company Limited	13,646,136	\$41.41	565,086	433,630
			\$9,292,801	\$8,150,026
Movement during the year/period			2019 '000	2018 '000
Balance at the beginning of year/period			8,150,026	-
Additions of investments at FVPL			-	7,940,967
Net unrealised gains on financial assets at fair value			1,142,775	209,059
Balance at the end of year/period			\$9,292,801	\$8,150,026

b. 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.

Balance at December 31,	2019 '000	2018 '000
Government debt securities	24,620	-
Corporate debt securities	1,009	-
Balance at the end of year/period	\$25,629	\$ -
Movement during the year/period		
2019 '000		
Additions of investment at amortised cost	25,629	-
Net movement in provision of ECL	-	-
Balance at the end of year	\$25,629	\$ -

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Notes to the Financial Statements For the year ended December 31, 2019 (Expressed in Trinidad and Tobago Dollars)

	2019 '000	2018 '000
6. Cash and cash equivalents		
Bank current account	159,633	159,825
Mutual funds	14,106	-
Short term bonds	31,328	-
Short term deposits	5,106	-
	\$210,173	\$159,825

The above balances include \$50.5M allocated to the sinking fund to meet the principal repayment on the bonds in 2023, 2030 and 2038

	2019 '000	2018 '000
7. 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

	2019 '000	2018 '000
8. Reserves		
Bond interest payment reserve	\$5,000	\$5,000

This amount represents funding received from the Ministry of Finance as a contingency for any shortfall in the Company's revenues due to adverse variances in forecasted revenue that may impact the Company's ability to meet interest payments.

9. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Related parties include persons or a close member of that person's family, who has control, joint control, or significant influence over the Company, including members of the key management personnel; any subsidiary or associated companies.

A number of transactions are entered into with related parties in the normal course of business. These transactions were conducted at market rates, on commercial terms and conditions.

The following table represents transactions with related parties:

	2019 '000	2018 '000
Income from associates		
Dividend income	282,569	142,405
Director fees	(462)	(273)
Net impact on the Statement of Comprehensive income	\$282,107	\$142,132

The following table represents balances with related parties:

	2019 '000	2018 '000
Financial assets		
Investments in associate	6,702,715	5,391,396
Investment in subsidiary	2,025,000	2,025,000
	\$8,727,715	\$7,416,396

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Notes to the Financial Statements For the year ended December 31, 2019 (Expressed in Trinidad and Tobago Dollars)

10. Bonds payable

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 financial year 2019, 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

	2019 '000	2018 '000
Bonds in Series A, B and C	4,000,000	4,000,000
Amortised bond issuance cost	(35,606)	(40,066)
	\$3,964,394	\$3,959,934

11. Deferred government subventions

- This balance represents unused government subventions received from the Ministry of Finance for establishment expenses.
- This balance represents unused government subventions received by the Company to cover the costs relating to the issuance of bonds. During the year ended December 31, 2019 the Company did not received any government subventions *(for the period from July 9, 2018 (date of commencement of operations) to December 31, 2018: \$41.171 million).*

	Deferred government subventions (a.)		Deferred government subventions (b.)	
	2019 '000	2018 '000	2019 '000	2018 '000
Balance at start	1,940	-	40,066	-
Government subventions received	-	3,243	-	41,171
Allocated to the statement of comprehensive income	(1,940)	(1,303)	(4,460)	(1,105)
Balance at end	\$-	\$1,940	\$35,606	\$40,066

12. Dividend Income

	2019 '000	2018 '000
Angostura Holdings Limited	14,803	5,551
One Caribbean Media Limited	9,171	3,057
Republic Financial Holdings Limited	191,139	133,797
West Indian Tobacco Company Limited	21,106	10,508
Trinidad Generation Unlimited	67,456	-
	\$303,675	\$152,913

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Notes to the Financial Statements For the year ended December 31, 2019 (Expressed in Trinidad and Tobago Dollars)

	2019 '000	2018 '000
13. Government subventions utilised		
Government subventions for bond issuance costs	4,460	1,105
Government subventions for the establishment expenses	1,940	1,304
	\$6,400	\$2,409
14. Net unrealised gains on financial assets at fair value through profit and loss		
Net unrealised gains on financial assets at fair value through profit and loss were attributable to the upliftment in market values during the year ended December 31, 2019 <i>(for the period from July 9, 2018 (date of commencement of operations) to December 31, 2018).</i>		
	2019 '000	2018 '000
Equity investments		
Angostura Holdings Limited	20,970	6,168
One Caribbean Media Limited	(27,362)	(26,139)
Republic Financial Holdings Limited	1,017,710	191,139
Other equity Investments		
West Indian Tobacco Company Limited	131,458	37,891
	\$1,142,776	\$209,059
15. Operating Expenses		
Administrative expenses	2,295	430
Green fund levy	913	458
Directors fee and expenses	519	279
Consulting fees	257	81
Audit fees	68	56
	\$4,052	\$1,304

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Notes to the Financial Statements For the year ended December 31, 2019 (Expressed in Trinidad and Tobago Dollars)

16. Financial risk management

The main risks arising from the Company's principal business activity are credit risk, interest rate risk, liquidity risk and market risk. The Company, as an investment entity, is exposed to these financial risks because its income is principally acquired through the receipt of dividends and interest from its financial assets.

16.1 *Credit risk*

Credit risk is the risk of poor performance of the Company's financial assets which may impede its ability to meet certain contractual payments. The Company is dependent on entities within its financial assets portfolio to make timely dividend and interest payments as per projected values.

Significant adverse variances between projected and actual dividend and interest receipts may result in default of its contractual obligations. Forecasting by management is done of estimated dividend and interest amounts and intervals utilizing proper basis for judgments used in determining estimated dividend and interest amounts and interval.

The Company, through its investment policy continually seeks out other viable sources of income to treat with untimely shortfalls in dividend and interest receipts. Constant review and management of the Company's investment initiatives ensures that its credit risk is minimized.

16.2 *Market risk*

Market risk is the risk that changes in market prices, such as currency rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

a. Currency risk

Foreign currency risk is the risk that the fair value of future cash flows will fluctuate due to changes in foreign exchange rates. The Company seeks to manage its exposure to foreign exchange risk by ensuring that, as far as possible, transactions entered into are denominated in Trinidad and Tobago dollars, the Company's functional currency. The Company still, however, holds a significant financial asset denominated in a foreign currency namely Trinidad Generation Unlimited ("TGU"), its investment in subsidiary, which is valued in United States Dollars.

The carrying amount of TGU at fair value through profit and loss would decrease by \$20.3 million if the currency rate used is increased by 100 basis points from management's estimates (2018: \$20.3 million).

b. Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow. The Company holds fixed interest debt securities hence is not exposed to fair value interest rate risk.

c. Price rate risk

Price risk is the risk that the value of a security will decline in the future due to changes in the markets. The carrying amount of financial assets at fair value through profit and loss would decrease by \$92.9 million if the discount rate used in the discounted cash flow analysis is increased by 100 basis points from management's estimates (2018: \$81.5 million).

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Notes to the Financial Statements For the year ended December 31, 2019 (Expressed in Trinidad and Tobago Dollars)

16. Financial risk management (continued)

16.3 Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

a) Bond interest payments –

This refers to the Company's ability to meet financial obligation to its bond holders with respect to bi-annual interest payments which commenced on February 9, 2019 and ends on August 9, 2038.

The potential risk is managed through the provision of a reserve and the Company's investment policy to ascertain other viable short-term gains. An initial reserve of \$5.0 million was established as a buffer for unexpected shortfalls in projected dividends payments.

b) Bond principal payments -

The risk that the Company can become party to default in repaying its principal debt to bondholders in the years of repayment 2023, 2030 and 2038.

To minimize possibility of default on repayment of the principal amount, the Company established a sinking fund account whereby systematic amounts are deposited during the financial year.

The Company, also measures and forecasts its cash flow commitments and ensures that sufficient liquidity is available to meet its needs. The sinking fund account is governed by the Deed of Charge (Accounts) managed by First Citizens Trustee Services.

The Company's exposure to liquidity risk is summarized in the table below which analyses assets and liabilities based on the remaining period from the reporting date to the contractual maturity date.

	Up to 1 year '000	1 to 5 years '000	Over 5 years '000	Total '000
As at December 31, 2019				
<i>Financial assets</i>				
Cash and cash equivalents	210,173	-	-	210,173
Other receivables	513	-	-	513
Fair value through profit and loss	-	-	9,292,801	9,292,801
Amortised cost	-	25,629	-	25,629
	\$210,686	\$25,629	\$9,292,801	\$9,529,116
<i>Financial liabilities</i>				
Other payables	256	-	-	256
Accrued bond interest	88,261	-	-	88,261
Bonds payable	-	1,200,000	2,800,000	4,000,000
	\$88,517	\$1,200,000	\$2,800,000	\$4,088,517

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Notes to the Financial Statements For the year ended December 31, 2019 (Expressed in Trinidad and Tobago Dollars)

16. Financial risk management (continued)

16.3 Liquidity risk (continued)

The Company's exposure to liquidity risk is summarized in the table below which analyses assets and liabilities based on the remaining period from the reporting date to the contractual maturity date (continued).

As at December 31, 2018	Up to 1 year '000	1 to 5 years '000	Over 5 years '000	Total '000
<i>Financial assets</i>				
Cash and cash equivalents	159,825	-	-	159,825
Other receivables	56	-	-	56
Fair value through profit and loss	-	-	8,150,026	8,150,026
	\$159,881	\$ -	\$8,150,026	\$8,309,907
<i>Financial liabilities</i>				
Other payables	28	-	-	28
Accrued bond interest	89,145	-	-	89,145
Bonds payable	-	1,200,000	2,800,000	4,000,000
	\$89,173	\$1,200,000	\$2,800,000	\$4,089,173

16.4 Fair value of financial assets and liabilities

(i) Financial instruments not measured at fair value

The following table summarises the carrying amounts and fair values of those financial assets and liabilities not presented on the Company's statement of financial position at their fair value.

	Carrying value December 31		Fair value December 31	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
<i>Financial assets</i>				
Cash and cash equivalents	210,173	159,825	210,173	159,825
Other receivables	513	56	513	56
Amortised cost	25,629	-	-	-
<i>Financial liabilities</i>				
Other payables	256	28	256	28
Accrued bond interest	88,261	89,145	88,261	89,145
Government subvention	-	1,940	-	1,940
Bonds payable	3,964,394	3,959,934	3,964,394	3,959,934
Deferred government subvention	35,606	40,066	35,606	40,066

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Notes to the Financial Statements For the year ended December 31, 2019 (Expressed in Trinidad and Tobago Dollars)

16. Financial risk management (continued)

16.4 Fair value of financial assets and liabilities (continued)

(i) *Financial instruments not measured at fair value (continued)*

The fair values of the Company's financial instruments are determined in accordance with IFRS 13.

Financial assets measured at amortised cost (hold to collect)

Fair value for amortised cost assets is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is estimated using a discounted cash flow valuation methodology where all cash-flows of the instruments are discounted at an appropriate yield plus a credit spread where applicable. The fair value of the amortised cost portfolio is computed for disclosure purposes only.

(ii) *Financial instruments where carrying value is equal to fair value*

Due to their liquidity and short-term maturity, the carrying values of certain financial instruments approximate their fair values. Financial instruments where carrying value is approximately equal to fair value include cash and cash equivalents and receivables.

Due to related parties

This amount represents the estimated fair value of the future expected cash flows to be paid to related parties.

Other payables

This amount represents the estimated fair value of the future expected cash flows to be paid.

(iii) *Fair value estimation*

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges;
- level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes debt instruments;
- level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Notes to the Financial Statements For the year ended December 31, 2019 (Expressed in Trinidad and Tobago Dollars)

16. Financial risk management (continued)

16.4 Fair value of financial assets and liabilities (continued)

(iii) Fair value estimation

The following table analyses within the fair value hierarchy the Company's assets as at December 31, 2019, and December 31, 2018:

As at December 31, 2019	Level 1 '000	Level 2 '000	Level 3 '000	Total '000
Financial assets				
Government debt securities	-	24,620	-	24,620
Corporate debt securities	-	1,009	-	1,009
Equity investments	6,702,715	-	-	6,702,715
Other equity investments	565,086	-	-	565,086
Investments in unconsolidated subsidiary	-	-	2,025,000	2,025,000
Total financial assets	\$7,267,801	\$25,629	\$2,025,000	\$9,318,430
As at December 31, 2018	Level 1 '000	Level 2 '000	Level 3 '000	Total '000
Financial assets				
Equity investments	5,691,396	-	-	5,691,396
Other equity investments	433,629	-	-	433,629
Investments in unconsolidated subsidiary	-	-	2,025,000	2,025,000
Total financial assets	\$6,125,025	\$ -	\$2,025,000	\$8,150,025

17. Subsequent events

The Company evaluated all events that occurred from January 1, 2020, through 18th February, 2020, the date the financial statements were available to be issued. During the period, the Company did not have any subsequent events requiring recognition or disclosure in the financial statements.