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The Directors
Point Lisas Industrial Port Development Corporation Limited
PLIPDECO HOUSE
Point Lisas Industrial Estate
Point Lisas

Attention: Mr Niegel Subiah – VP Business Services

25 March 2021

Re: Point Lisas Industrial Port Development Corporation Limited

Dear Sirs

We enclose ten copies of the referred financial statements for the year ended 31 December 2020.

Your attention is drawn to Section 154 (1) of Companies Act Chapter 81:01 which requires that the directors of the company shall approve the financial statements as evidenced by the signature of one or more directors. Also enclosed is our "office copy" of these financial statements and we shall be grateful if you will please arrange for it to be signed and returned to us.

Yours faithfully

PricewaterhouseCoopers

Enclosures: 11

PricewaterhouseCoopers, PO Box 550, 11-13 Victoria Avenue, Port of Spain, Trinidad, West Indies
T: (868) 299 0700, F: (868) 623 6025, www.pwc.com/tt

Point Lisas Industrial Port Development Corporation Limited

Parent and Consolidated Financial Statements

31 December 2020

(Expressed in Thousands of Trinidad and Tobago Dollars)

Office copy to be signed
By the Directors and returned to
PricewaterhouseCoopers

OFFICE COPY

CLIENT: HC: (10)

SC:

OFFICE: SC: (2)

Point Lisas Industrial Port Development Corporation Limited

Contents

Point Lisas Industrial Port Development Corporation Limited

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying parent financial statements of Point Lisas Industrial Port Development Corporation Limited (the Parent) and the consolidated financial statements of the Parent and its subsidiary (together 'the Group') which comprise the parent and consolidated statement of financial position as at 31 December 2020 and the parent and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and significant accounting policies and other explanatory information;

- Ensuring that the Group keeps proper accounting records;

- Selecting appropriate accounting policies and applying them in a consistent manner;

- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of Group 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, including the Companies Act; and

- Using reasonable and prudent judgment in the determination of estimates.

In preparing these audited parent and consolidated 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 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 Group will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying parent and consolidated financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

President	Vice President - Business Services
25 March 2021	25 March 2021

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Independent auditor's report

To the Shareholders of Point Lisas Industrial Port Development Corporation Limited

Report on the audit of the parent and consolidated financial statements

Our opinion

In our opinion, the parent financial statements and the consolidated financial statements present fairly, in all material respects, the financial position of Point Lisas Industrial Port Development Corporation Limited (the Parent) and the consolidated financial position of the Parent and its subsidiary (together 'the Group') as at 31 December 2020, and their parent and consolidated financial performance and their parent and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Point Lisas Industrial Port Development Corporation Limited's parent and consolidated financial statements comprise:

- the parent and consolidated statement of financial position as at 31 December 2020;
- the parent and consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the parent and consolidated statement of changes in equity for the year then ended;
- the parent and consolidated statement of cash flows for the year then ended; and
- the notes to the parent and consolidated financial statements, which include significant accounting policies and other explanatory information.

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 parent and consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers, PO Box 550, 11-13 Victoria Avenue, Port of Spain, Trinidad, West Indies
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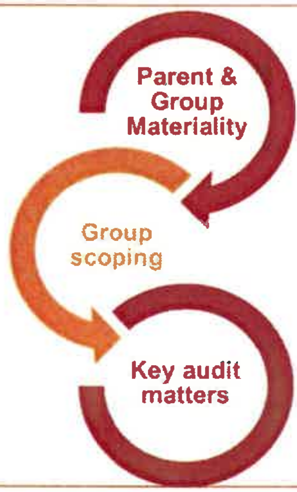
Our audit approach

Overview



Overall materiality: TT$7.036 million, which represents approximately 5% of average profit before tax for the last 5 years.

- The consolidated group consists of the Parent and one fully owned subsidiary (Point Lisas Terminals Limited), both of which are registered in Trinidad and Tobago.
- We performed a full scope audit of the Parent and determined that the subsidiary was financially inconsequential to the Group.

Valuation of investment properties (Parent & Group)

Impairment assessment of non-financial assets (Parent & Group)

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the parent and consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

A full scope audit was performed on the Parent as it was deemed individually financially significant. We determined that the subsidiary was inconsequential based on the limited transactional activity and limited balances and performed analytical procedures in respect thereof.

Our 2020 audit was planned and executed having regard to the fact that the operations of the Group were largely unchanged from the prior year, notwithstanding COVID-19 which did not have a material impact as the Group's activities are considered essential services in Trinidad and Tobago. In light of this, the areas of audit focus continued to be the fair value movements on investment properties and the impairment assessment of the Parent & Group's non-financial assets due to a shortfall in the market capitalisation compared to the carrying amount of net assets in the consolidated financial statements.

Independent auditor's report (Continued)

Our audit approach (continued)

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the parent and consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the parent and consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall parent and group materiality for the parent and consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the parent and consolidated financial statements as a whole.

Overall materiality	TT$7.036 million (Parent & Group)
How we determined it	Approximately 5% of the average profit before tax for the last 5 years.
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Parent and Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is within a range of acceptable benchmark thresholds and used average profit before tax for the last 5 years due to the historic volatility of earnings.

We agreed with the Audit Committee that we would report to them misstatements identified during our parent and group audits above TT$351,800 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

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

Independent auditor's report (Continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties (Parent & Group) *Refer to note 6 to the parent and consolidated financial statements for disclosures of related accounting policies and balances.* Investment properties, carried at fair value, were TT$2,194 million as at 31 December 2020 for the Parent and Group, which represented 69% of their total assets. Included in the parent and consolidated statement of profit or loss and other comprehensive income is TT$76.3 million of fair value gains arising from the revaluation of these properties. The investment properties, principally comprising freehold and leasehold land, represent a significant portion of the asset base of the Parent and Group. Management uses an external valuation expert to value these assets annually at fair value using valuation models, which include unobservable inputs. The valuation is based upon Open Market Value, which comprises both the Investment Method and Direct Capital Comparison Method. The most significant input into this valuation approach is future rental cash inflows based on the actual location and quality of the properties and supported by the terms of any existing leases and market prices of land, which incorporate extension assumptions, which are then discounted to present value. The areas which required judgement relate to the lease extension clauses, which allow for renewal for an additional 30 years, and the discount rates applied to future cash flows. The critical data inputs into the calculation are considered to be data from the lease contracts, including land size, rental rates, currency of agreement and lease tenure. The existence of significant estimation uncertainty, coupled with the material value of the properties, resulted in this being an audit focus area.	The approach to addressing the matter involved the following procedures, amongst others: • Updated our understanding of management's approach to performing the fair value assessment, which included the process by which management's key assumptions and methodologies were developed and assessing their appropriateness. • Assessed the independence and competence of management's valuation expert. • Assessed the likelihood of the continued occupation and extension of the leases using available market data and evaluated the expert's assumptions focusing on the tenants' ability and intent to continue their operations at the leased properties, taking into account publicly available data impacting this assumption such as national gas reserves and the property's commercial attributes. Inspected, on a sample basis, historical trends of renewals of tenant leases. • Tested a sample of tenants to determine whether their rental payments were timely and whether there were any indicators that would make it unlikely that they would be able to continue with timely payments. • Compared management's discount rates to local statutory policy and to the yield of a Government of Trinidad and Tobago bond for a similar tenor, as land is considered to have minimal risk. • Tested, on a sample basis, the accuracy of the data inputs into the valuation model by verifying the size of property, rent rates, currency of agreement and rent expiry dates against signed contractual lease agreements and related addendums as applicable. Based on the procedures performed, management's valuation of investment properties was, in our view, not unreasonable.

Key audit matter	How our audit addressed the key audit matter

Impairment assessment of non-financial assets (Parent & Group)

Refer to notes 3, 5 and 21 to the parent and consolidated financial statements for disclosures of related accounting policies and balances.

As at 31 December 2020, the Parent & Group's market capitalisation was significantly less than the carrying amount of its net assets and as per Parent and Group's accounting policy, this is an indicator of potential impairment. As such, an impairment assessment was performed by management.

Management determined that the port and estate operations are integrally linked and comprise a single cash generating unit. As some of the assets are already carried at fair value, the main focus of management's impairment assessment was on those assets which are not carried at fair value. In assessing potential impairment, management performed procedures to determine the recoverable amount of certain of those assets. This related primarily to TT$205 million of berths and piers, included in property, plant and equipment on the parent and consolidated statement of financial position.

Due to the specialised nature of the berths and piers, management engaged external independent valuators who used the depreciated replacement cost (DRC) approach to determine fair value less cost of disposal for impairment purposes. The DRC approach involves estimation of the replacement cost new (RCN) defined as the current cost of a similar new asset having the nearest equivalent utility as the asset being appraised, as well as deductions for obsolescence.

Significant assumptions utilised include:

- Indirect costs including engineering, architect, and other professional fees
- Construction finance
- Entrepreneurial profit

As the recoverable amount derived from the valuation of the berths and piers was higher than the total carrying amount of the assets which are not carried at fair value, management ultimately determined no impairment provision was required.

Based on the magnitude and the high degree of estimation uncertainty in assessing the fair values less cost of disposal of the assets assessed for impairment, this was an area of focus for the audit.

Our approach to addressing the matter, with the assistance of our valuation expert, involved the following procedures, amongst others:

- Evaluated the method used by management to perform the impairment assessment. This included updating our understanding of the process by which management's key assumptions and methodologies were developed and assessing their appropriateness.
- Assessed the independence and competence of management's valuation expert.
- Agreed certain information used in the valuation inputs and assumptions such as costs, the berth specifications, the depreciation rates, the rates for finance cost and entrepreneurial profit to relevant source or industry data and supporting documents.
- Developed an independent expectation range of the DRC and compared to management's recorded estimate.
- Tested the mathematical accuracy of the calculations used within the model.

Based on the procedures performed, management's inputs and assumptions used in the impairment assessment of non-financial assets were, in our view, not unreasonable.

Independent auditor's report (Continued)

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the parent and consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the parent and consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the parent and consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the parent and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the parent and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent and consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of parent and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent and consolidated financial statements, management is responsible for assessing the Parent and Group'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 Parent or Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Parent and Group's financial reporting process.

Auditor's responsibilities for the audit of the parent and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent and consolidated 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 parent and consolidated 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 parent and consolidated 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.

Independent auditor's report (Continued)

Auditor's responsibilities for the audit of the parent and consolidated financial statements (continued)

- 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 Parent and Group'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 Parent and Group'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 parent and consolidated 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 Parent or Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent and consolidated financial statements, including the disclosures, and whether the parent and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wendell Ramoutar.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
25 March 2021

Parent and Consolidated Statement of Financial Position

(Expressed in Thousands of Trinidad and Tobago Dollars)

Parent As at 31 December 2019 $	Parent As at 31 December 2020 $		Notes	Group As at 31 December 2020 $	Group As at 31 December 2019 $
		Assets			
		Non-current assets			
767,815	743,297	Property, plant and equipment	5	743,297	767,815
2,117,487	2,193,830	Investment properties	6	2,193,830	2,117,487
18,521	18,259	Deferred income tax assets	8 c.	18,259	18,521
320	320	Investment in subsidiary	1 a.	--	--
897	897	Financial asset at amortised cost	7	897	897
1,592	1,425	Financial assets at fair value through other comprehensive income	7 b.	1,425	1,592
1,715	--	Trade receivables	10	--	1,715
2,908,347	2,958,028			2,957,708	2,908,027
		Current assets			
15,586	15,899	Inventory	9	15,899	15,586
44,945	42,390	Trade and other receivables	10	43,757	46,130
--	--	Taxation recoverable		739	739
148,227	145,774	Cash and cash equivalents	11	146,090	148,581
208,758	204,063			206,485	211,036
3,117,105	3,162,091	**Total assets**		3,164,193	3,119,063
		Equity and liabilities			
		Equity attributable to owners of the parent			
139,968	139,968	Stated capital	12	139,968	139,968
(32)	(32)	Treasury shares	14	(32)	(32)
256,554	254,556	Revaluation reserves	15	254,556	256,554
654	487	Investment revaluation reserve	15	487	654
2,288,979	2,375,063	Retained earnings		2,377,381	2,291,200
2,686,123	2,770,042			2,772,360	2,688,344
		Non-current liabilities			
123,333	110,478	Long and medium-term borrowings	16	110,478	123,333
26,952	27,149	Retirement benefit obligation	18 a.	27,149	26,952
31,675	33,924	Casual employee retirement benefit	18 b.	33,924	31,675
100,693	98,052	Deferred income tax liabilities	8 c.	98,052	100,693
57,023	56,037	Deferred lease rental income	25	56,037	57,023
339,676	325,640			325,640	339,676

Parent and Consolidated Statement of Financial Position (continued)

(Expressed in Thousands of Trinidad and Tobago Dollars)

Parent As at 31 December 2019 $	Parent As at 31 December 2020 $		Notes	Group As at 31 December 2020 $	Group As at 31 December 2019 $
		Current liabilities			
13,205	13,263	Long and medium-term borrowings	16	13,263	13,205
4,820	4,577	Deferred lease rental income	25	4,577	4,820
68,765	45,838	Trade and other payables	20	45,612	68,494
4,516	2,731	Current income tax liabilities		2,741	4,524
91,306	66,409			66,193	91,043
430,982	392,049	**Total liabilities**		391,833	430,719
3,117,105	3,162,091	**Total equity and liabilities**		3,164,193	3,119,063

The notes on pages 15 to 74 are an integral part of these parent and consolidated financial statements.

On 25 March 2021, the Board of Directors of Point Lisas Industrial Port Development Corporation Limited authorised these parent and consolidated financial statements for issue.

____________________ Director　　____________________ Director

Point Lisas Industrial Port Development Corporation Limited

Parent and Consolidated Statement of Profit or Loss and Other Comprehensive Income

(Expressed in Thousands of Trinidad and Tobago Dollars)

Parent Year ended 31 December 2019 $	Parent Year ended 31 December 2020 $		Notes	Group Year ended 31 December 2020 $	Group Year ended 31 December 2019 $
313,904	306,526	Revenue	19	306,526	313,904
(102,731)	(94,686)	Cost of providing services	22	(93,496)	(101,587)
211,173	211,840	**Gross profit**		213,030	212,317
97,355	76,343	Unrealised fair value gains on investment properties	6	76,343	97,355
(102,786)	(114,385)	Administrative expenses	22	(114,994)	(103,382)
(76,482)	(74,318)	Other operating expenses	22	(74,317)	(76,483)
129,260	99,480	**Operating profit**		100,062	129,807
2,982	883	Investment income	7 c.	883	2,982
(6,090)	(5,153)	Finance costs		(5,155)	(6,091)
126,152	95,210	**Profit before taxation**		95,790	126,698
(11,277)	(7,764)	Taxation charge	8 a.	(8,247)	(11,746)
114,875	87,446	**Profit for the year**		87,543	114,952
		Other comprehensive income			
		Items that will not be reclassified to profit or loss			
176	(167)	Change in value of financial assets at fair value through other comprehensive income	7 b.	(167)	176
(3,875)	1,484	Deferred tax on accelerated tax depreciation – property plant, and equipment revalued and site improvements	8 c.	1,484	(3,875)
17,196	--	Gain on revaluation of property, plant and equipment	15 a.	--	17,196
		Remeasurements of:			
144	505	Retirement benefit obligation	18 a.	505	144
(1,595)	199	Casual employee retirement benefit	18 b.	199	(1,595)
126,921	89,467	**Total comprehensive income for the year**		89,564	126,998
		Earnings per share			
292¢	222¢	**Basic earnings per share**	13	221¢	292¢
290¢	221¢	**Diluted earnings per share**	13	221¢	290¢

The notes on pages 15 to 74 are an integral part of these parent and consolidated financial statements.

Point Lisas Industrial Port Development Corporation Limited
Parent and Consolidated Statement of Changes in Equity
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	Stated capital $	Revaluation reserves $	Investment revaluation reserves $	Treasury shares $	Retained earnings $	Shareholders' equity $
Parent							
Year ended 31 December 2020							
Balance as at 1 January 2020		139,968	256,554	654	(32)	2,288,979	2,686,123
Comprehensive income							
- Profit for the year		--	--	--	--	87,446	87,446
Other comprehensive income							
- Transfer of revaluation reserve to retained earnings	15	--	(3,482)	--	--	3,482	--
- Change in value of financial assets at fair value through other comprehensive income	7 b.	--	--	(167)	--	--	(167)
- Deferred tax on accelerated tax depreciation – property, plant and equipment revalued and site improvements	8 c.	--	1,484	--	--	--	1,484
- Remeasurements of retirement benefit obligation	18 a.	--	--	--	--	505	505
- Remeasurements of casual employee retirement benefit	18 b.	--	--	--	--	199	199
Transactions with owners							
- Dividends	12 b.	--	--	--	--	(5,548)	(5,548)
Balance as at 31 December 2020		139,968	254,556	487	(32)	2,375,063	2,770,042
Year ended 31 December 2019							
Balance as at 1 January 2019		139,968	246,210	478	(32)	2,177,333	2,563,957
Comprehensive income							
- Profit for the year		--	--	--	--	114,875	114,875
Other comprehensive income							
- Transfer of revaluation reserve to retained earnings	15	--	(2,977)	--	--	2,977	--
- Change in value of financial assets at fair value through other comprehensive income	7 b.	--	--	176	--	--	176
- Deferred tax on accelerated tax depreciation – property, plant and equipment revalued and site improvements	8 c.	--	(3,875)	--	--	--	(3,875)
- Remeasurements of retirement benefit obligation	18 a.	--	--	--	--	144	144
- Remeasurements of casual employee retirement benefit	18 b.	--	--	--	--	(1,595)	(1,595)
- Gain on revaluation of property, plant and equipment (PPE)	15	--	17,196	--	--	--	17,196
Transactions with owners							
- Dividends		--	--	--	--	(4,755)	(4,755)
Balance as at 31 December 2019		139,968	256,554	654	(32)	2,288,979	2,686,123

The notes on pages 15 to 74 are an integral part of these parent and consolidated financial statements.

Point Lisas Industrial Port Development Corporation Limited
Parent and Consolidated Statement of Changes in Equity (continued)
(Expressed in Thousands of Trinidad and Tobago Dollars)

Group	Notes	Stated capital $	Revaluation reserves $	Investment revaluation reserves $	Treasury shares $	Retained earnings $	Shareholders' equity $
Year ended 31 December 2020							
Balance as at 1 January 2020		139,968	256,554	654	(32)	2,291,200	2,688,344
Comprehensive income							
- Profit for the year		--	--	--	--	87,543	87,543
Other comprehensive income							
- Transfer of revaluation reserve to retained earnings	15	--	(3,482)	--	--	3,482	--
- Change in value of financial assets at fair value through other comprehensive income	7 b.	--	--	(167)	--	--	(167)
- Deferred tax on accelerated tax depreciation – property, plant and equipment revalued and site improvements	8 c.	--	1,484	--	--	--	1,484
- Remeasurements of retirement benefit obligation	18 a.	--	--	--	--	505	505
- Remeasurements of casual employee retirement benefit	18 b.	--	--	--	--	199	199
Transactions with owners							
- Dividends	12 b.	--	--	--	--	(5,548)	(5,548)
Balance as at 31 December 2019		139,968	254,556	487	(32)	2,377,381	2,772,360
Year ended 31 December 2019							
Balance as at 1 January 2019		139,968	246,210	478	(32)	2,179,477	2,566,101
Comprehensive income							
- Profit for the year		--	--	--	--	114,952	114,952
Other comprehensive income							
- Transfer of revaluation reserve to retained earnings	15	--	(2,977)	--	--	2,977	--
- Change in value of financial assets at fair value through other comprehensive income	7 b.	--	--	176	--	--	176
- Deferred tax on accelerated tax depreciation – property, plant and equipment revalued and site improvements	8 c.	--	(3,875)	--	--	--	(3,875)
- Remeasurements of retirement benefit obligation	18 a.	--	--	--	--	144	144
- Remeasurements of casual employee retirement benefit	18 b.	--	--	--	--	(1,595)	(1,595)
- Gain on revaluation of property, plant and equipment (PPE)	15	--	17,196	--	--	--	17,196
Transactions with owners							
- Dividends		--	--	--	--	(4,755)	(4,755)
Balance as at 31 December 2019		139,968	256,554	654	(32)	2,291,200	2,688,344

The notes on pages 15 to 74 are an integral part of these parent and consolidated financial statements.

Point Lisas Industrial Port Development Corporation Limited

Parent and Consolidated Statement of Cash Flows

(Expressed in Thousands of Trinidad and Tobago Dollars)

Parent Year ended 31 December 2019 $	Parent Year ended 31 December 2020 $		Notes	Group Year ended 31 December 2020 $	Group Year ended 31 December 2019 $
90,085	40,525	**Cash generated from operating activities**	11 c.	40,970	90,674
		Returns on investments and servicing of finance			
(5,218)	(5,703)	Interest paid		(5,712)	(5,220)
84,867	34,822			35,258	85,454
(11,798)	(10,753)	Income tax paid		(11,227)	(12,262)
73,069	24,069	**Net cash generated from operating activities**		24,031	73,192
		Cash flows from investing activities			
(17,616)	(8,842)	Purchases of property, plant and equipment	5	(8,842)	(17,616)
898	449	Interest received		449	898
(16,718)	(8,393)	**Net cash used in investing activities**		(8,393)	(16,718)
		Cash flows from financing activities			
(13,352)	(12,797)	Repayment of long and medium-term borrowings		(12,797)	(13,352)
(4,755)	(5,548)	Dividends paid	12 b.	(5,548)	(4,755)
(18,107)	(18,345)	**Net cash used in financing activities**		(18,345)	(18,107)
38,244	(2,669)	**Net (decrease)/increase in cash and cash equivalents**		(2,707)	38,367
109,704	148,227	**Cash and cash equivalents at beginning of year**		148,581	109,935
279	216	Effects of exchange rate changes on cash and cash equivalents		216	279
148,227	145,774	**Cash and cash equivalents at end of year**	11	146,090	148,581

The notes on pages 15 to 74 are an integral part of these parent and consolidated financial statements.

(Expressed in Thousands of Trinidad and Tobago Dollars)

1 Incorporation and principal activities

Point Lisas Industrial Port Development Corporation Limited (the Corporation) was incorporated on 16 September 1966 under the laws of the Republic of Trinidad and Tobago and has a primary listing on the Trinidad and Tobago Stock Exchange. Its registered office is located at PLIPDECO House, Orinoco Drive, Point Lisas Industrial Estate, Point Lisas, Couva, Trinidad, West Indies. The Corporation Sole (Government of the Republic of Trinidad and Tobago) is owner of 51% of the issued share capital.

Point Lisas Terminals Limited, a wholly owned subsidiary, was incorporated in the Republic of Trinidad and Tobago in 1981 and is solely involved in the supply of labour to the parent company for its cargo handling operations at the port.

Point Lisas Industrial Port Development Corporation Limited and its wholly owned subsidiary, Point Lisas Terminals Limited (together, the Group), are engaged in the following provision of services:

Leasing of industrial properties	Lease of land to tenants for 30 and 99 year or longer leases.
Industrial estate Management	Development and maintenance of onshore infrastructure, such as roads, lighting, drainage and including a Free Zone area, for the purpose of leasing.
Cargo handling	Provision of cargo handling services for import, export and transhipment vessels. The Port facilitates the receipt, storage and delivery of containerised, dry and liquid bulks, breakbulk and general cargo.
Marine	Coordination of all movement of vessels at the Port and neighbouring piers, inclusive of the berthing and unberthing operations as well as mooring and unmooring services.
Warehousing	Provision of less than container load warehousing services for both import and export trade and non-trade cargo. The less than container load warehousing service for export cargo facilitates intra-regional trade.
Security	Provision of security support to tenants on the Industrial Estate and Port users. Matters relating to the Port and Ship-to-Shore activities as it relates to the International Ship and Port Facility Security (ISPS) are handled by this unit.

a. *Investment in subsidiary*

The Group's subsidiary at 31 December 2020 consists of Point Lisas Terminals Limited which is 100% owned for $320 (320,002 shares of no par value) (2019: $320 (320,002 shares of no par value)).

2 Transactions with related parties

	2020 $	2019 $
Labour (See Note 1)	64,259	62,132
Post retirement benefits	367	409
Key management compensation	3,388	3,324
Parent		
Balance due to Point Terminals Limited	6,762	6,418

2 Transactions with related parties (continued)

a. *Principles of consolidation*

The consolidated financial statements include those of the parent company and its wholly owned subsidiary, Point Lisas Terminals Limited. All inter-company transactions, balances and unrealised gains/losses have been eliminated in the preparation of the Group's financial statements.

(i) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

In the parent company financial statements, the investment in the subsidiary is shown at cost less impairment.

(ii) *Changes in ownership interests in subsidiaries without change in control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) *Disposal of subsidiaries*

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

3 **Critical estimates, judgments and errors**

The preparation of parent and consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be incorrect. Detailed information about each of these estimates and judgments is included in notes referred to below together with information about the basis of calculation for each affected line item in the parent and consolidated financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of changes to previous estimates.

a. *Significant estimates and judgments*

The areas involving significant estimates or judgments are:

- Estimation of fair values of land and buildings and investment properties – Notes 5 and 6
- Estimation of retirement benefit pension obligation – Note 18 a.
- Estimation of casual employee retirement benefit – Note 18 b.
- Estimation of forward looking assumptions under IFRS 9 – Note 10.
- Estimates in the assessment of impairment of property, plant and equipment – Note 5.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Impairment assessment of non-financial assets of the Group

Estimates are required in determining the recoverable amount of assets to assess whether an impairment exists. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. An asset is impaired when its carrying amount exceeds its recoverable amount. IAS 36 'Impairment of non-financial assets' describes some indicators that an impairment loss may have occurred. If any of those indicators are present, the Group will make a formal estimate of recoverable amount. At the statement of financial position date, the market capitalisation of the Group was significantly less than the net assets of the Group. As such, management determined that an impairment assessment was required to determine if the net assets of the Group were impaired. See Note 5 e.

4 Financial risk management

The Group has exposure to the following risks:

a. Credit risk
   - (i) Risk management
   - (ii) Security
   - (iii) Credit quality
   - (iv) Exposure to credit risk

b. Liquidity risk

c. Market risk
   - (i) Foreign exchange risk
   - (ii) Interest rate risk
   - (iii) Price risk

d. Capital risk management

This note contains information about the Group's exposure to each of the above risks and the objectives, policies and processes for managing and measuring the risk. Further quantitative disclosures are also included in the referred notes.

a. *Credit risk*

The Group is exposed to credit risk, which is the risk that its customers and counterparties may cause a financial loss by failing to discharge their contractual obligations. Credit risk arises from cash equivalents, deposits with financial institutions as well as outstanding receivables. The credit quality of customers, their financial position, past experience and other factors are taken into consideration in assessing credit risk. There was no concentration of risk due to the number and diversity of operations of the customer base.

There were no changes in the policies and procedures for managing credit risk compared with prior year.

(i) *Risk management*

Cash and deposits are held with a number of reputable financial institutions, in amounts varying between $8 and $50,308 (2019: $8 and $50,918). The utilisation of credit limits is regularly monitored to manage the risk with trade receivables. Receivable balances are also monitored on an ongoing basis.

(ii) *Security*

There are no trade receivables for which the Group has obtained any form of guarantee, deeds of undertaking or letters of credit.

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 Financial risk management (continued)

a. *Credit risk (continued)*

(iii) *Credit quality*

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates:

Cash at bank	2020 $	2019 $
Parent		
Cash at bank	145,689	148,141
Group		
Cash at bank	146,003	148,493

The rest of the parent and consolidated statement of financial position item cash and cash equivalents comprises cash in hand.

(iv) *Exposure to credit risk*

The following is a summary of the Group's maximum exposure to credit risk:

Parent	Fully performing $	Past due $	Impaired $	Provision for impairment $	Total $
31 December 2020					
Financial asset at amortised cost	897	--	--	--	897
Cash at bank	145,689	--	--	--	145,689
Trade receivables	4,739	21,874	17,738	(17,738)	26,613
Other receivables (excluding prepayments)	1,695	--	527	(527)	1,695
	153,020	21,874	18,265	(18,265)	174,894

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 Financial risk management (continued)

a. *Credit risk (continued)*

(iv) *Exposure to credit risk (continued)*

Parent (continued)

	Fully performing $	Past due $	Impaired $	Provision for impairment $	Total $
31 December 2019					
Financial asset at amortised cost	897	--	--	--	897
Cash at bank	148,141	--	--	--	148,141
Trade receivables	3,978	23,369	1,098	(1,098)	27,347
Other receivables (excluding prepayments)	3,987	--	--	--	3,987
	157,003	23,369	1,098	(1,098)	180,372

The Company does not hold any collateral in relation to these assets.

Group

	Fully performing $	Past due $	Impaired $	Provision for impairment $	Total $
31 December 2020					
Financial asset at amortised cost	897	--	--	--	897
Cash at bank	146,003	--	--	--	146,003
Trade receivables	4,739	21,874	17,738	(17,738)	26,613
Other receivables (excluding prepayments)	3,067	--	549	(549)	3,067
	154,706	21,874	18,287	(18,287)	176,580
31 December 2019					
Financial asset at amortised cost	897	--	--	--	897
Cash at bank	148,493	--	--	--	148,493
Trade receivables	3,978	23,369	1,098	(1,098)	27,347
Other receivables (excluding prepayments)	4,894	--	--	--	4,894
	158,262	23,369	1,098	(1,098)	181,631

The Group does not hold any collateral in relation to these assets.

The Group recognises provision for losses for assets subject to credit risk using the expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Group uses the following approaches in arriving at expected losses

- The simplified approach (for trade receivables)
- The general approach (for all other financial assets)

4 **Financial risk management (continued)**

a. *Credit risk (continued)*

(iv) *Exposure to credit risk (continued)*

The simplified approach

The Group applies the IFRS 9 simplified approach to measuring expected credit losses for trade receivables. The simplified approach eliminates the need to calculate 12-month ECL and to assess when a significant increase in credit risk has occurred. Accordingly, a lifetime expected loss allowance is used from day 1. To measure the lifetime loss allowance, the Group first considers whether any individual customer accounts require specific provisions. Loss rates are then assigned to these accounts based on various qualitative and quantitative factors. All other non-specific trade receivables are then grouped based on shared credit risk characteristics and the days past due.

The general approach

Under the general approach, the Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk each company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information, including the following:

- External credit ratings for bonds (as far as available). Where such ratings are not available, the Group applies certain assumptions and derives an equivalent rating for the respective securities.
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed

- if a debtor is more than 30 days past due in making a contractual payment.
- If the bond issuer's credit rating has been downgraded from investment grade to non-investment grade.

A default on a financial asset occurs in the following circumstances:

- When the issuer of a bond has missed a payment of principal or interest or has announced its intention to suspend payments on part or all of its financial obligations, or
- For all other financial assets, when the counterparty fails to make contractual payments within 90 days of when they fall due.

Incorporation of forward-looking information

Historical loss rates for trade receivables are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has reviewed factors such as unemployment rate, gross domestic product and oil prices and determined that the impact was not significant.

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 Financial risk management (continued)

a. *Credit risk (continued)*

(iv) *Exposure to credit risk (continued)*

Assets written off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a loan or receivable for write off when a debtor fails to make contractual payments, even after several attempts at enforcement and/or recovery efforts. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Summary of ECL calculations

The simplified approach (trade receivables)

A summary of the assumptions underpinning the Group's expected credit loss model under the simplified approach is further analysed below showing:

- Specific provisions
- General provisions using a standardised provision matrix

The movement in the provision for expected credit losses for trade receivables is as follows. This includes specific provisions of $16,317.

	2020 $	2019 $
Opening loss allowance as at 1 January – calculated under IFRS 9	1,098	3,298
Write back of prior year provision	(714)	(57)
Increase in loss allowance recognised in profit or loss during the year	17,354	(2,093)
Unwinding of discount	--	(50)
Balance at end of year	17,738	1,098

The following is an analysis of the net impairment expense on financial assets recognised in profit loss:

	2020 $	2019 $
Net changes to provisions for the year per above	16,640	(2,200)

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 Financial risk management (continued)

b. *Liquidity risk*

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. The Group's liquidity risk management process is measured and monitored by senior management within the Group. This process includes:

- Monitoring cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of collateral which can be used to secure facilities.
- Maintaining committed lines of credit.
- Maintaining liquidity ratios.

There were no changes in the policies and procedures for managing liquidity risk compared with prior year.

Parent

	< 1 year $	1-2 years $	2-5 years $	More than 5 years $	Contractual cash flows $	Carrying amount $
31 December 2020						
Borrowings	18,530	17,964	104,427	659	141,580	123,741
Deferred lease rental income	4,577	983	2,949	52,105	60,614	60,614
Trade payables	3,138	--	--	--	3,138	3,138
Due to subsidiary	6,762	--	--	--	6,762	6,762
Other payables (excluding statutory liabilities)	34,553	--	--	--	34,553	34,553
Total	67,560	18,947	107,376	52,764	246,647	228,808

	< 1 year $	1-2 years $	2-5 years $	More than 5 years $	Contractual cash flows $	Carrying amount $
31 December 2019						
Borrowings	19,779	19,129	123,088	1,152	163,148	136,538
Deferred lease rental Income	4,820	1,050	3,354	52,619	61,843	61,843
Trade payables	3,252	--	--	--	3,252	3,252
Due to subsidiary	6,418	--	--	--	6,418	6,418
Other payables (excluding statutory liabilities)	57,667	--	--	--	57,667	57,667
Total	91,936	20,179	126,442	53,771	292,328	265,718

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 Financial risk management (continued)

b. *Liquidity risk (continued)*

Group

	< 1 year $	1-2 years $	2-5 years $	More than 5 years $	Contractual cash flows $	Carrying amount $
31 December 2020						
Borrowings	18,530	17,964	104,427	659	141,580	123,741
Deferred lease rental income	4,577	983	2,949	52,105	60,614	60,614
Trade payables	3,138	--	--	--	3,138	3,138
Other payables (excluding statutory liabilities)	37,693	--	--	--	37,693	37,693
Total	63,938	18,947	107,376	52,764	243,025	225,186

	< 1 year $	1-2 years $	2-5 years $	More than 5 years $	Contractual cash flows $	Carrying amount $
31 December 2019						
Borrowings	19,779	19,129	123,088	1,152	163,148	136,538
Deferred lease rental Income	4,820	1,050	3,354	52,619	61,843	61,843
Trade payables	3,252	--	--	--	3,252	3,252
Other payables (excluding statutory liabilities)	60,526	--	--	--	60,526	60,526
Total	88,337	20,179	126,442	53,771	288,769	262,159

The fair values are based on cash flows discounted using the borrowing rates and the facilities drawn down at year end as disclosed in Note 16. There were no fixed rate loans as at 31 December 2020 and 2019.

c. *Market risk*

Market risk is the risk that the fair value of future cash flows of the financial instrument will fluctuate because of changes in market prices. The Group takes on exposure to market risks from changes in foreign exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis.

(i) *Foreign exchange risk*

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
The Group manages its foreign exchange risk by the following:

- Ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions.
- Holding foreign currency balances.
- Invoicing only in an exchange currency like the US$ or in TT$.

4 **Financial risk management (continued)**

c. *Market risk (continued)*

(i) *Foreign exchange risk (continued)*

There were no changes in the policies and procedures for managing foreign currency risk compared with prior year. The impact on the parent and consolidated statement of profit or loss and other comprehensive income at 31 December 2020 if the US$ strengthened/weakened against the TT$ by an average rate of 5% is a loss or gain of $953 (2019: $1,267) respectively, mainly as a result of foreign exchange losses/gains on translation of US dollar denominated trade receivables, cash and cash equivalents and borrowings.

(ii) *Interest rate risk*

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market rates. The group's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk. The Group is exposed to no fair value interest rate risk. The Group finances its operations through a mixture of retained profits and borrowings. There were no changes in the policies and procedures for managing interest rate risk compared with prior year.

At 31 December 2020 and 2019, there were no fixed rate interest borrowings for the Group. The sensitivity to interest rate fluctuations are disclosed in Note 16 d. The contractual cash flows and carrying amounts of these floating rate borrowings are also disclosed in Note 16 e.

(iii) *Price risk*

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the parent and consolidated statement of financial position at fair value through other comprehensive income. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. There were no changes in the policies and procedures for managing price risk compared with prior year. The sensitivity impact of this is immaterial.

d. *Capital risk management*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the parent and consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'shareholders' equity' as shown in the parent and consolidated statement of financial position plus net debt. Gearing is the measure of financial leverage, demonstrating the degree to which the Group's activities are funded by owner's funds versus creditor's funds.

The Group's policy is to keep the ratio at less than or equal to 50%.

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 Financial risk management (continued)

d. *Capital risk management (continued)*

There were no changes in the policies and procedures for managing capital risk management compared with prior year.

The gearing ratios as at 31 December 2020 and 2019 were as follows:

Parent	**2020 $**	**2019 $**
Net cash	(22,033)	(11,689)
Total equity	2,770,042	2,686,123
Total capital	2,748,009	2,674,434
Gearing ratio	--	--
Cash and cash equivalents	145,774	148,227
Borrowings – repayable within one year (including overdraft)	(13,263)	(13,205)
Borrowings – repayable after one year	(110,478)	(123,333)
Net cash	22,033	11,689
Cash	145,774	148,227
Gross debt – variable interest rates	(123,741)	(136,538)
Net cash	22,033	11,689

	Other assets	**Liabilities from financing activities**		
	Cash/ bank overdraft $	**Borrowing due within 1 year $**	**Borrowing due after 1 year $**	**Total $**
Net debt as at 1 January 2019	109,704	(13,219)	(136,671)	(40,186)
Cash flows	38,244	--	13,205	51,449
Foreign exchange adjustments	279	14	133	426
Net debt as at 1 January 2020	148,227	(13,205)	(123,333)	11,689
Cash flows	(2,669)	(58)	12,730	10,003
Foreign exchange adjustments	216	--	125	341
Net cash as at 31 December 2020	145,774	(13,263)	(110,478)	22,033

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 Financial risk management (continued)

d. *Capital risk management (continued)*

	2020 $	2019 $
Group		
Net cash	(22,349)	(12,043)
Total equity	2,772,360	2,688,344
Total capital	2,750,011	2,676,301
Gearing ratio	--	--
Cash and cash equivalents	146,090	148,581
Borrowings – repayable within one year (including overdraft)	(13,263)	(13,205)
Borrowings – repayable after one year	(110,478)	(123,333)
Net cash	22,349	12,043
Cash	146,090	148,581
Gross debt – variable interest rates	(123,741)	(136,538)
Net cash	22,349	12,043

	Other assets	Liabilities from financing activities		
	Cash/ bank overdraft $	Borrowing due within 1 year $	Borrowing due after 1 year $	Total $
Net debt as at 1 January 2019	109,935	(13,219)	(136,671)	(39,955)
Cash flows	38,367	--	13,205	51,572
Foreign exchange adjustments	279	14	133	426
Net debt as at 1 January 2020	148,581	(13,205)	(123,333)	12,043
Cash flows	(2,707)	(58)	12,730	9,965
Foreign exchange adjustments	216	--	125	341
Net cash as at 31 December 2020	146,090	(13,263)	(110,478)	22,349

Loan covenants

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:

- Maximum total liabilities/tangible net worth of less than 0.4:1;
- Debt service coverage ratio of >1.3:1.

The parent and group has complied with these covenants throughout the reporting period.

Parent
As at 31 December 2020, the maximum total liabilities/ tangible net worth was ratio of net finance cost to EBITDA was 0.07 (0.07 as at 31 December 2019) and the debt service coverage ratio was 3.11 (3.68 as at 31 December 2019).

Group
As at 31 December 2020, the maximum total liabilities/ tangible net worth was ratio of net finance cost to EBITDA was 0.07 (0.07 as at 31 December 2019) and the debt service coverage ratio was 3.14 (3.71 as at 31 December 2019).

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 Financial risk management (continued)

e. *Financial instruments by category*

Parent	2020 $	2019 $
Loans and receivables		
The accounting policies for financial instruments have been applied to the line items below:		
Trade receivables	26,613	27,347
Other receivables (excluding prepayments)	1,695	3,987
Cash at bank	145,689	148,141
	173,997	179,475
Financial asset at amortised cost	897	897
Financial assets at fair value through other comprehensive income	1,425	1,592
	176,319	181,964

The Company has no assets at fair value through profit or loss.

Other financial liabilities

Liabilities as per parent statement of financial position

	2020 $	2019 $
Trade payables	3,138	3,252
Other payables (excluding statutory liabilities)	34,553	57,667
Due to subsidiary	6,762	6,418
Borrowings	123,741	136,538
	168,194	203,875

The Company has no liabilities at fair value through profit or loss.

Group

Loans and receivables

The accounting policies for financial instruments have been applied to the line items below:

	2020 $	2019 $
Trade receivables	26,613	27,347
Other receivables (excluding prepayments)	3,067	4,894
Cash at bank	146,003	148,493
	175,683	180,734
Financial asset at amortised cost	897	897
Financial assets at fair value through other comprehensive income	1,425	1,592
	178,005	183,223

The Group has no assets at fair value through profit or loss.

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 Financial risk management (continued)

e. *Financial instruments by category (continued)*

Group (continued)	2020 $	2019 $
Other financial liabilities		
Liabilities as per consolidated statement of financial position		
Trade payables	3,138	3,252
Other payables (excluding statutory liabilities)	37,693	60,526
Borrowings	123,741	136,538
	164,572	200,316

The Group has no liabilities at fair value through profit or loss.

(Expressed in Thousands of Trinidad and Tobago Dollars)

5 Property, plant and equipment – parent/group

The subsidiary has no property, plant and equipment.

	Land $	Own Site improvements $	Estate infrastructure $	Berths and piers $	Port equipment $	Buildings $	Equipment, furniture and fittings $	Capital work in progress $	Total $
Year ended 31 December 2020									
Opening net book amount	255,620	73,835	60,706	210,335	81,677	51,454	16,353	17,835	767,815
Additions	–	136	–	348	–	–	2,488	5,870	8,842
Transfers from capital work in progress	–	3,453	–	–	871	–	562	(4,886)	–
Disposals/adjustments	–	–	–	–	–	–	(112)	–	(112)
Depreciation	–	(6,303)	(779)	(5,977)	(13,106)	(2,156)	(4,927)	–	(33,248)
Closing net book amount	255,620	71,121	59,927	204,706	69,442	49,298	14,364	18,819	743,297
At 31 December 2020									
Cost/valuation	255,620	77,424	77,913	298,928	256,203	51,454	90,944	18,819	1,127,305
Accumulated depreciation	–	(6,303)	(17,986)	(94,222)	(186,761)	(2,156)	(76,580)	–	(384,008)
Net book amount	255,620	71,121	59,927	204,706	69,442	49,298	14,364	18,819	743,297
Year ended 31 December 2019									
Opening net book amount	255,620	68,914	61,485	214,019	88,846	44,859	17,380	14,936	766,059
Additions	–	–	–	–	251	–	1,885	15,480	17,616
Transfers from capital work in progress	–	1,664	–	2,288	6,021	134	2,474	(12,581)	–
Revaluation	–	8,954	–	–	–	8,242	–	–	17,196
Disposals/adjustments	–	–	–	–	–	–	(88)	–	(88)
Depreciation	–	(5,697)	(779)	(5,972)	(13,441)	(1,781)	(5,298)	–	(32,968)
Closing net book amount	255,620	73,835	60,706	210,335	81,677	51,454	16,353	17,835	767,815
At 31 December 2019									
Cost/valuation	255,620	73,835	77,913	298,580	255,332	51,454	88,120	17,835	1,118,689
Accumulated depreciation	–	–	(17,207)	(88,245)	(173,655)	–	(71,767)	–	(350,874)
Net book amount	255,620	73,835	60,706	210,335	81,677	51,454	16,353	17,835	767,815
At 31 December 2018									
Cost/valuation	255,620	80,657	77,912	296,293	249,257	48,407	86,604	14,936	1,109,686
Accumulated depreciation	–	(11,743)	(16,427)	(82,274)	(160,411)	(3,548)	(69,224)	–	(343,627)
Net book amount	255,620	68,914	61,485	214,019	88,846	44,859	17,380	14,936	766,059

5 Property, plant and equipment (continued)

a. *Accounting policy*

Land, own site improvements and buildings comprise mainly properties used in connection with the port operations and offices and are shown at fair value based on valuations by external independent valuators, less subsequent depreciation for buildings and own site improvements (land is not depreciated). Independent valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is adjusted to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation of land, own site improvements and buildings are credited to other comprehensive income and shown as revaluation reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserves directly in equity; all other decreases are charged to the parent and consolidated statement of profit or loss and other comprehensive income. The difference between depreciation based on the revalued carrying amount of the asset charged to the parent and consolidated statement of profit or loss and other comprehensive income, and depreciation based on the asset's original cost is transferred from "revaluation reserve" to "retained earnings". See Note 15.

All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the parent and consolidated statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation on assets (except land) is calculated at varying rates to allocate cost or revalued amounts of each asset to their residual values over their estimated remaining useful lives. Depreciation is calculated as follows:

Own site improvements	-	5%	straight-line basis
Estate infrastructure	-	1%	straight-line basis
Berths and piers	-	2%	straight-line basis
Port equipment	-	6.67%	straight-line basis
Buildings	-	3.33%	straight-line basis
Equipment, furniture and fittings	-	10% - 33.3%	reducing balance basis

Equipment, furniture and fittings comprise motor vehicles, computer equipment and other assets.

Based on independent professional advice, buildings are being written off over their estimated remaining useful lives, on the straight-line basis, over a period not in excess of thirty years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recorded within the parent and consolidated statement of profit or loss and other comprehensive income. On disposal of revalued assets, the amounts included in the revaluation reserves are transferred to retained earnings.

(Expressed in Thousands of Trinidad and Tobago Dollars)

5 Property, plant and equipment (continued)

b. *Significant fair value estimate*

The land, buildings and own site improvements were last revalued on 31 December 2019 by independent professional qualified valuers, Raymond & Pierre Chartered Valuation Surveyors.

The following table analyses the non-financial assets carried at fair value plus or minus the cost of additions or disposals less subsequent depreciation. The different levels of fair value measurements have been defined in Note 26 c.:

Fair value measurements using

	Quoted prices in active markets for identical assets (level 1) $	Significant other observable inputs (level 2) $	Significant unobservable inputs (level 3) $
As at 31 December 2020			
Recurring fair value measurements			
- Land	--	--	255,620
- Own site improvements	--	--	71,121
- Buildings	--	--	49,928

	Quoted prices in active markets for identical assets (level 1) $	Significant other observable inputs (level 2) $	Significant unobservable inputs (level 3) $
As at 31 December 2019			
Recurring fair value measurements			
- Land	--	--	255,620
- Own site improvements	--	--	73,835
- Buildings	--	--	51,454

There were no transfers between levels during the year.

The Group's management annually reviews the latest valuations performed by the independent valuator for financial reporting purposes. At each financial year end the finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report;
- holds discussions with the independent valuator.

The property has been developed as an industrial estate with its own port facilities with emphasis on energy-based industries. The existing use is the highest and best to which the property could be put. The size and layout of the property was taken into consideration in the valuation. Based on the valuation the buildings appeared to be modern, structurally sound and in fair to good decorative condition and assumed to be adequate and appropriate for a structure of its size, type and use.

Level 3 fair values of land has been derived using the Sales Comparison Approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

Level 3 fair value of buildings and own site improvements have been derived using the Depreciated Replacement Cost Method. Under the Depreciated Replacement Cost Method, the gross replacement costs of the buildings were estimated and appropriate deductions were made for economic and functional obsolescence and environmental factors in order to arrive at a net or depreciated replacement cost. Gross replacement costs include the costs of infrastructural works and professional fees. The most significant input into this valuation approach is the construction price per square foot.

(Expressed in Thousands of Trinidad and Tobago Dollars)

5 Property, plant and equipment (continued)

b. *Significant fair value estimate (continued)*

The subsidiary has no property, plant and equipment.

	Land $	Own site improvements $	Buildings $	Total $
Opening balance 1 January 2020	255,620	73,835	51,454	380,909
Additions/transfers/ revaluation	--	3,589	--	3,589
Amounts recognised in profit or loss				
- Depreciation	--	(6,303)	(2,156)	(8,459)
Closing balance 31 December 2020	255,620	71,121	49,298	376,039

The subsidiary has no property, plant and equipment.

	Land $	Own site improvements $	Buildings $	Total $
Opening balance 1 January 2019	255,620	68,914	44,859	369,393
Additions/transfers/ revaluation	--	10,618	8,376	18,994
Amounts recognised in profit or loss				
- Depreciation	--	(5,697)	(1,781)	(7,478)
Closing balance 31 December 2019	255,620	73,835	51,454	380,909

c. *Carrying amounts that would have been recognised if land, buildings and own-site improvements were stated at cost*

If the land, buildings and own site improvements were stated on the historical cost basis, the amounts would be as follows:

	2020 $	2019 $
Cost	211,205	207,615
Accumulated depreciation	(76,538)	(73,810)
Net carrying amount	134,667	133,805

d. *Assets pledged as security*

Refer to Note 16 b. for information on property, plant and equipment pledged as security by the Group.

5 **Property, plant and equipment (continued)**

e. *Impairment assessment of non- financial assets of the Group*

At the statement of financial position date, the market capitalisation of the Group was significantly less than the net assets of the Group. Given this indicator of impairment management performed an impairment assessment to determine if the net assets of the Group were impaired.

The most significant asset groups included on the statement of financial position are investment properties of $2,193,830 and property, plant and equipment (PP&E) of $743,297.

Investment properties are carried at fair value (Note 6).

Land, buildings and site improvements of $376,039 within PP&E are also carried at fair value in accordance with the Group's accounting policies based on periodic independent valuations.

The focus of the impairment assessment was on the carrying amount of the remaining items in PP&E not carried at fair value. This relates primarily to berths and piers, port equipment and estate infrastructure. Management have determined that the port and estate operations comprise one cash generating unit. As the recoverable amount derived from the valuation of berths and piers was higher than the total amount of assets not carried at fair value, no impairment provision was required.

In determining the fair value less cost of disposal for impairment, management utilised valuation techniques to estimate the price at which an orderly transaction to sell the asset would take place between market participants at the measurement date under current market conditions. In carrying out this review, management engaged independent external valuators in determine a fair value for certain assets.

Due to the specialised nature of the port's berths and piers, management engaged external independent valuators for the valuation at the current year end date using the depreciated replacement cost (DRC) approach. Management considered this to be the most reliable method given relevant information, such as sales or rental transactions, is not readily available due to there being no public active market for specialised assets of this nature.

The DRC approach involves a number of complexities and judgments. The most significant are the estimation of the replacement cost new (RCN) defined as the current cost of a similar new asset having the nearest equivalent utility as the asset being appraised, as well as deductions for physical deterioration. The significant inputs and assumptions utilised include the following:

- Direct costs inclusive of materials, labour and equipment;
- Indirect costs including engineering, architect, and other professional fees;
- Construction finance;
- Entrepreneurial profit;
- Functional and economic obsolescence and;
- Estimation of physical deterioration.

(Expressed in Thousands of Trinidad and Tobago Dollars)

5 Property, plant and equipment (continued)

e. *Impairment assessment of non- financial assets of the Group (continued)*

The calculation of the fair value of the above assets are sensitive to the following assumptions used:

	2020	
	Increase in rate $	**Decrease in rate $**
Change in indirect cost – 5% (Decrease)/increase in fair value	(15,562)	15,562
Change in finance cost – 1% (Decrease)/increase in fair value	(7,158)	7,158
Change in entrepreneurial profit – 5% (Decrease)/increase in fair value	(20,401)	20,401

	2019	
	Increase in rate $	**Decrease in rate $**
Change in indirect cost – 5% (Decrease)/increase in fair value	(15,562)	15,562
Change in finance cost – 1% (Decrease)/increase in fair value	(7,158)	7,158
Change in entrepreneurial profit – 5% (Decrease)/increase in fair value	(20,401)	20,401

As the recoverable amount derived from the valuation of the port's berths and piers was higher than the carrying amount of the port and estate operations cash generating unit, management determined no impairment provision was required even with the sensitivity considerations noted above.

f. *Capital commitments*

The Group has no capital commitments as at 31 December 2020 and 2019.

g. *Depreciation charge*

Depreciation expense has been included in 'other operating expenses' in the parent and consolidated statement of profit or loss and other comprehensive income.

h. *Borrowing cost capitalised*

Included within the additions during the year is borrowing cost of $1,512 (2019: $1,678). The capitalisation rate is the interest rate applicable to the specific borrowing for the rehabilitation of the berths, in this case 3% (2019: 5.00%).

(Expressed in Thousands of Trinidad and Tobago Dollars)

6 Investment properties

PARENT 2019 $	PARENT 2020 $		GROUP 2020 $	GROUP 2019 $
1,963,650	2,061,005	30 year leases	2,061,005	1,963,650
56,482	56,482	96 years and longer leases	56,482	56,482
2,020,132	2,117,487		2,117,487	2,020,132
97,355	76,343	Unrealised fair value gains	76,343	97,355
2,117,487	2,193,830		2,193,830	2,117,487

a. *Accounting policy*

Investment properties, principally comprising freehold and leasehold land, are held for long term rental yields and are not occupied by the Group. All investment properties are carried at fair value, representing open market value determined annually by independent external valuators. The fair value of investment properties reflects, among other things, rental income from current leases, assumptions about rental income from future leases in light of current market conditions and active market prices adjusted, if necessary, for differences in the nature and location of properties. Changes in fair value are recorded in the parent and consolidated statement of profit or loss and other comprehensive income.

b. *Significant fair value estimate*

The Group's investment properties were valued at 31 December 2020 by independent professional qualified valuers, Raymond & Pierre Chartered Valuation Surveyors, who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued.

The Group's Finance department reviews the valuations performed by the independent valuers for financial reporting purposes. This department reports directly to the Vice President of Business Services. Discussions of valuations processes and results are held between the Vice President of Business Services, the Estate department, the Finance department and the independent valuers at least once every quarter, in line with the Group's quarterly reporting dates.

At each financial reporting date the Finance department:
- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior valuation report;
- holds discussions with the independent valuator.

The open market value represents the best price at which interest in a property might reasonably be expected to be sold at the end of the financial year. For all investment properties, their current use equates to the highest and best use. The valuation is based upon Open Market Value, which comprises both the Income Method and Direct Capital Comparison Method.

Under the Income Method, the estimated net rental income from a property by a year's purchase (multiplier) is calculated to arrive at a capital value for the property. The net income is derived from an estimated gross income less outgoings i.e. rates, insurance, repairs and management allowance. The present value is obtained by discounting at the risk free rates of 3.5% and 5%. The valuation for the 30 year leases also assumes that all tenants have renewal clauses in their current leases which will extend the lease for an additional 30 years. Under the Direct Capital Comparison Method, sales of comparable acreage of the properties are analysed to determine a value for the leased land under consideration.

(Expressed in Thousands of Trinidad and Tobago Dollars)

6 **Investment properties (continued)**

b. *Significant fair value estimate (continued)*

The following table analyses the non-financial assets carried at fair value. The different levels of fair value measurements have been defined in Note 26 c.:

	Quoted prices in active markets for identical assets (level 1) $	Significant other observable inputs (level 2) $	Significant unobservable inputs (level 3) $
As at 31 December 2020			
Recurring fair value measurements			
- Investment properties	--	--	2,193,830
As at 31 December 2019			
Recurring fair value measurements			
- Investment properties	--	--	2,117,487

There were no transfers between levels during the year. Level 3 fair values have been derived using the Open Market Value Method. Evidence of arm's length open market transactions of similar lands were analysed and the results applied to the subject lands after taking into consideration appropriate adjustments for location, size and other relevant factors. The most significant input into this valuation approach is future rental cash inflows based on the actual location and quality of the properties and supported by the terms of any existing leases and market prices of land.

The methods used in the valuation of land, building and own site improvement have been classified as level 3 as the inputs used in the methods are not readily available to the public and assumptions applied are based on the experience and judgment of the valuators prior to being reviewed and adopted by Management.

c. *Other disclosures*

PARENT 2019 $	PARENT 2020 $		GROUP 2020 $	GROUP 2019 $
		The following amounts have been recognised in the parent and consolidated statement of profit or loss and other comprehensive income		
109,902	103,088	Lease rental income (Note 19)	103,088	109,902
(1,044)	(1,383)	Costs arising from investment properties	(1,383)	(1,044)

d. *Sensitivity analysis*

The calculation of the fair value of investment properties is sensitive to the assumptions used. The following table summarises how the fair value as at 31 December 2020 and 2019 would have changed as a result of a change in the discount rates used of 3.5% and 5%.

	2020 1% pa increase $	2020 1% pa decrease $
(Decrease)/increase in fair value	(332,895)	456,440

	2019 1% pa increase $	2019 1% pa decrease $
(Decrease)/increase in fair value	(290,460)	399,050

(Expressed in Thousands of Trinidad and Tobago Dollars)

7 Financial assets (excluding cash and cash equivalents)

PARENT 2019 $	PARENT 2020 $		GROUP 2020 $	GROUP 2019 $
897	897	Financial asset at amortised cost	897	897
1,592	1,425	Financial assets at fair value through other comprehensive income	1,425	1,592
27,347	26,613	Trade receivables (Note 10)	26,613	27,347
3,987	1,695	Other receivables (excluding prepayments)	3,067	4,894
33,823	30,630		32,002	34,730

The above has been classified as follows in the parent and consolidated statement of financial position:

PARENT 2019 $	PARENT 2020 $		GROUP 2020 $	GROUP 2019 $
		Non-current assets		
897	897	Financial asset at amortised cost	897	897
1,592	1,425	Financial assets at fair value through other comprehensive income	1,425	1,592
1,715	--	Trade receivables (Note 10)	--	1,715
		Current assets		
25,632	26,613	Trade receivables (Note 10)	26,613	25,632
3,987	1,695	Other receivables (excluding prepayments)	3,067	4,894
33,823	30,630		32,002	34,730

a. (i) *Financial assets*

Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured at Amortised Cost (AC), and
- Those to be measured subsequently at Fair Value Through Other Comprehensive Income (FVOCI).

The classification for debt instruments depends on the entity's Business Model for managing those assets. It also requires the entity to examine the contractual terms of cash flows, i.e. whether these represent 'Solely Payments of Principal and Interest' (SPPI).

The Business Model test requires the entity to assess the purpose for holding debt securities (hold to collect, hold to collect and sell or to trade). All the Group's debt instruments are held to collect cash flows and accordingly meet the 'hold to collect' criteria.

All debt instruments passing the Business Model and SPPI tests are classified at amortised cost.

All other instruments, including equities are carried at FVOCI. For assets measured at fair value, gains and losses are recorded in other comprehensive income.

7 Financial assets (excluding cash and cash equivalents) (continued)

a. (i) *Financial assets (continued)*

Classification (continued)

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

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

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Debt instruments at amortised cost

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included within 'investment income' using the effective interest rate method.

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial assets (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in the statement of profit of loss.

Impairment

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost.

7 Financial assets (excluding cash and cash equivalents) (continued)

a. (i) *Financial assets (continued)*

Impairment (continued)

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

Stage 1 – This category comprises instruments which are performing in accordance with the contractual terms and conditions and display no deterioration in credit risk since initial recognition. This category also includes those financial instruments with low credit risk.

Stage 2 – This category includes instruments which display a significant increase in credit risk (SICR) since initial recognition but have not yet defaulted.

Stage 3 – This category includes instruments that are in default.

The above categories exclude purchased or originated credit-impaired (POCI) financial assets. A financial asset is considered credit-impaired on purchase or origination if there is evidence of impairment at the point of initial recognition (for instance, if it is acquired at a deep discount). POCI financial assets are not included in Stages 1, 2 or 3, and are instead shown as a separate category.

Expected credit losses (ECL) is measured as follows:

Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months.

Instruments in Stages 2 or 3 or that are POCI have their ECL measured based on expected credit losses on a lifetime basis.

A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information, The Group utilised a probability-weighted assessment of the factors which it believes will have an impact on forward looking rates.

The formula for ECL is generally the 'Probability of Default' (PD) multiplied by the 'Exposure at Default' (EAD) multiplied by the 'Loss Given Default' (LGD). An adjustment is made to reflect the time value of money by considering the original effective interest rate on the individual instruments. The overall models involved in the use of various PD, EAD and LGD tables were then applied to the individual instruments based on several pre-determined criteria, including type, original tenor, time to maturity, whether they are in Stages 1, 2 or 3 and other indicators.

The process in arriving at the individual components of ECL and the forward-looking adjustments involved critical estimates and judgements.

(Expressed in Thousands of Trinidad and Tobago Dollars)

7 Financial assets (excluding cash and cash equivalents) (continued)

a. (i) *Financial assets (continued)*

Impairment (continued)

Trade receivables

The Group applies the simplified approach for trade receivables as permitted by IFRS 9 (Note 4 a.(iv)), which requires the expected lifetime losses to be recognised from initial recognition of the receivables. The Group applies specific provisions for higher risk accounts using a risk-rating system based on certain factors, including financial condition of the customer. All other non-specific accounts were grouped together based on shared credit risk characteristics and aged using a 'provisions matrix'. Scaled loss rates were then calculated based on historical payment profiles. The loss rates were adjusted to incorporate forward-looking information and then applied to the different aging buckets as of the statement of financial position date.

b. *Financial assets at fair value through other comprehensive income*

PARENT			GROUP	
2019	2020		2020	2019
$	$		$	$
1,416	1,592	At beginning of year	1,592	1,416
176	(167)	Change in value transferred to equity	(167)	176
1,592	1,425	At end of year	1,425	1,592

Financial assets at FVOCI comprise solely of securities listed on the Trinidad and Tobago Stock Exchange and are denominated in Trinidad and Tobago dollars. The valuation method used is categorised as Level 1 as it utilises quoted prices in active markets. The different levels of fair value measurements have been defined in Note 26 c.

c. *Investment income*

PARENT 2019	PARENT 2020		GROUP 2020	GROUP 2019
898	449	Interest income – tax exempt	449	898
2,084	434	Other income	434	2,084
2,982	883		883	2,982

8 Taxation

a. *Taxation charge*

PARENT 2019	PARENT 2020		GROUP 2020	GROUP 2019
12,516	10,625	Corporation tax	10,625	12,516
2,495	(1,663)	Prior year under accrual for tax	(1,663)	2,500
--	--	Business levy - current year	483	464
(3,734)	(1,198)	Deferred income tax (Note 8 c.)	(1,198)	(3,734)
11,277	7,764		8,247	11,746

(Expressed in Thousands of Trinidad and Tobago Dollars)

8 Taxation (continued)

a. *Taxation charge (continued)*

The tax charge differs from the theoretical amount that would arise using the basic tax rate of 30% (2019: 30%) as follows:

PARENT 2019 $	PARENT 2020 $		GROUP 2020 $	GROUP 2019 $
126,152	95,210	Profit before taxation	95,790	126,698
37,845	28,563	Tax calculated at applicable tax rate	28,737	38,009
(29,986)	(23,547)	Allowances/income not subject to tax	(23,547)	(29,986)
2,879	1,431	Expenses not deductible for tax	1,502	2,949
2,495	(1,663)	Prior year under accrual for tax	(1,663)	2,500
(1,956)	2,980	Other movements	2,735	(2,190)
--	--	Business levy	483	464
11,277	7,764		8,247	11,746

b. *Accounting policy*

The tax expense for the period comprises current and deferred income tax. Tax is recognised in the parent and consolidated statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent and consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax asset and liabilities relate to income taxes levied by the same taxation authority.

c. *Deferred taxation*

PARENT 2019 $	PARENT 2020 $		GROUP 2020 $	GROUP 2019 $
82,652	82,172	At beginning of year	82,172	82,652
3,875	(1,484)	Accelerated tax depreciation – property plant, and equipment revalued and own site improvements	(1,484)	3,875
62	217	Tax on remeasurement of defined benefit obligation recognised in other comprehensive income (Note 18 a.)	217	62
(683)	86	Tax on remeasurement of casual employee retirement benefit recognised in other comprehensive income (Note 18 b.)	86	(683)
(3,734)	(1,198)	Credit for the year (Note 8 a.)	(1,198)	(3,734)
82,172	79,793	At end of year	79,793	82,172

(Expressed in Thousands of Trinidad and Tobago Dollars)

8 Taxation (continued)

c. *Deferred taxation (continued)*

Deferred income taxes are calculated in full, on temporary differences under the liability method using a principal tax rate of 30%. The deferred income tax (asset)/liability in the parent and consolidated statement of financial position and the deferred income tax charge/(credit) in the parent and consolidated statement of profit or loss and other comprehensive income are attributable to the following:

Parent/Group	**2019 $**	**Charge to OCI $**	**Charge/ (credit) to SOCI $**	**2020 $**
Year ended 31 December 2020				
Deferred income tax liabilities				
Accelerated tax depreciation – property, plant and equipment carried at cost	72,704	--	(1,157)	71,547
Accelerated tax depreciation – property, plant and equipment revalued and own site improvements	27,989	(1,484)	--	26,505
	100,693	(1,484)	(1,157)	98,052
Deferred income tax assets				
Casual employee retirement benefit	(9,441)	86	(822)	(10,177)
Retirement benefit obligation	(8,769)	217	408	(8,144)
Change in general provision of trade receivables under IFRS 9	(311)	--	373	62
	(18,521)	303	(41)	(18,259)
Net deferred income tax liabilities	82,172	(1,181)	(1,198)	79,793

Parent/Group	**2018 $**	**Charge to OCI $**	**Charge/ (credit) to SOCI $**	**2019 $**
Year ended 31 December 2019				
Deferred income tax liabilities				
Accelerated tax depreciation – property, plant and equipment carried at cost	75,660	--	(2,956)	72,704
Accelerated tax depreciation – property, plant and equipment revalued and own site improvements	24,114	3,875	--	27,989
	99,774	3,875	(2,956)	100,693
Deferred income tax assets				
Casual employee retirement benefit	(8,075)	62	(1,428)	(9,441)
Retirement benefit obligation	(8,108)	(683)	22	(8,769)
Change in general provision of trade receivables under IFRS 9	(939)	--	628	(311)
	(17,122)	(621)	(778)	(18,521)
Net deferred income tax liabilities	82,652	3,254	(3,734)	82,172

(Expressed in Thousands of Trinidad and Tobago Dollars)

9 Inventory

The inventory balance comprises consumable maintenance spares and is shown net of provision for obsolete spares of $1,829 (2019: $1,829).

a. *Accounting policy*

Consumable spares are stated at cost, allowance having been made for slow moving and obsolete items. Cost is determined using the first-in, first-out (FIFO) method.

10 Trade and other receivables

PARENT			GROUP	
2019	2020		2020	2019
$	$		$	$
28,445	44,351	Trade receivables	44,351	28,445
(1,098)	(17,738)	Less: provision for impairment	(17,738)	(1,098)
27,347	26,613	Trade receivables – net	26,613	27,347
7,178	6,571	Other receivables and prepayments	7,960	8,363
(527)	(527)	Less: provision for impairment	(549)	(527)
12,662	9,733	Value added tax	9,733	12,662
46,660	42,390		43,757	47,845

a. *Accounting policy*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables are amounts due from customers for rental fees or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non- current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. Refer to Note 7 (a) for the Group's accounting policy for the impairment of trade receivables. The creation and release of provision for impaired receivables have been included in 'administrative expenses' in the parent and consolidated statement of profit or loss and other comprehensive income. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the parent and consolidated statement of profit or loss and other comprehensive income within distribution costs. When a receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against distribution costs in the parent and consolidated statement of profit or loss and other comprehensive income.

b. *Fair value of trade receivables*

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

(Expressed in Thousands of Trinidad and Tobago Dollars)

10 Trade and other receivables (continued)

c. *Impairment and risk exposure*

Parent/Group	Current $	More than 30 days Past due $	More than 60 days past due $	More than 90 days past due $	Total $
31 December 2020					
Expected credit loss rate	1.50%	4.03%	4.28%	47.26%	
Gross carrying amount					
Trade receivables	4,811	992	1,377	37,171	44,351
Loss allowance	72	40	59	17,567	17,738
31 December 2019					
Expected credit loss rate	0.46%	1.21%	1.96%	5.15%	
Gross carrying amount					
Trade receivables	3,978	3,595	1,205	19,667	28,445
Loss allowance	18	43	24	1,013	1,098

Refer to Note 4 a. (iv) for the movements on the Group's provision for impairment of trade receivables.

Sensitivity analysis

The calculation of the ECL for trade receivables is sensitive to the assumptions used, specifically the forward looking rate. The following table summarises how the ECL as at 31 December 2020 and 31 December 2019 would have changed as a result of an increase in the forward looking rate used of 5% and 10%.

	2020 5% increase $	2020 10% increase $
Increase in ECL	46	92

	2019 5% increase $	2019 10% increase $
Increase in ECL	52	104

11 Cash and cash equivalents

PARENT 2019 $	PARENT 2020 $		GROUP 2020 $	GROUP 2019 $
50,193	35,704	Current bank and cash balances	36,020	50,547
98,034	110,070	Short-term bank deposits	110,070	98,034
148,227	145,774	Cash at bank and on hand	146,090	148,581

(Expressed in Thousands of Trinidad and Tobago Dollars)

11 Cash and cash equivalents (continued)

a. *Accounting policy*

For the purpose of presentation in the parent and consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, short-term bank deposits and bank overdrafts. Short term bank deposits are presented as cash and cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable within 24 hours' notice with no loss of interest. Bank overdrafts are shown in current liabilities in the parent and consolidated statement of financial position.

b. *Financial risk management*

The effective interest rates on cash and short-term deposits were between 0.25% and 1.50% (2019: 0.20% and 1.30%) per annum. Short term deposits have original maturities of three months or less.

The Group has unsecured overdraft facilities of $20,000. Interest is charged at the average rate of 6.5% per annum (2019: 8.63% per annum).

c. *Cash generated from operating activities*

PARENT 2019 $	PARENT 2020 $		GROUP 2020 $	GROUP 2019 $
126,152	95,210	Profit before taxation	95,790	126,698
(97,355)	(76,343)	Unrealised fair value gains on investment properties (Note 6)	(76,343)	(97,355)
32,968	33,248	Depreciation (Note 5)	33,248	32,968
(1,673)	16,640	Increase/(decrease) increase in provision for trade receivables	16,640	(1,673)
88	112	Loss on disposal of property, plant and equipment	112	88
530	(313)	(Increase)/decrease in inventory	(313)	530
(3,583)	(12,370)	Increase in trade and other receivables	(12,552)	(3,861)
14,052	14,121	Pension expense in retirement benefit obligation	14,121	14,052
(13,920)	(13,202)	Company contributions paid in retirement benefit obligation	(13,202)	(13,920)
3,982	4,281	Net benefit cost in casual employee retirement benefit	4,281	3,982
(1,500)	(1,747)	Lumpsums paid in casual employee retirement benefit	(1,747)	(1,500)
4,938	5,153	Interest expense	5,155	4,940
(898)	(883)	Interest income	(883)	(898)
75	(455)	(Increase)/decrease in deferred lease rental income	(455)	75
26,229	(22,927)	(Decrease)/increase in trade and other payables	(22,882)	26,548
90,085	40,525	Cash generated from operating activities	40,970	90,674

(Expressed in Thousands of Trinidad and Tobago Dollars)

12 Stated capital

PARENT 2019 $	PARENT 2020 $		GROUP 2020 $	GROUP 2019 $
		Authorised:		
		An unlimited number of ordinary shares of no par value		
		An unlimited number of preference shares of no par value		
		Issued and fully paid:		
		39,625,684 ordinary shares		
139,968	139,968	of no par value	139,968	139,968

a. *Accounting policy*

Share capital

Ordinary shares have no par value and entitle the holder to participate in dividends, and to share in the proceeds of winding up the parent company in proportion to the number of the shares held. On show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll share is entitled to one vote.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's directors.

b. *Dividends declared and payable*

On 25 March 2021, the Board of Directors approved a final dividend of 11¢ per share, amounting to $4,359 in respect of the year ended 31 December 2020. On 20 March 2020, the Board of Directors approved a final dividend of 14¢ per share, amounting to $5,548 in respect of the year ended 31 December 2019.

13 Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated by dividing the profit for the period attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares in issue during the year plus allocated shares held by the ESOP Trustee.

(Expressed in Thousands of Trinidad and Tobago Dollars)

13 Earnings per share (continued)

	PARENT	
	2020 $	2019 $
Profit for the year	88,353	114,875
Weighted average number of shares (excluding treasury shares) 39,395,684 (2019 - 39,395,684)		
Basic earnings per share	222¢	292¢
Weighted average number of shares (including allocated shares) 39,619,684 (2019 - 39,619,684)		
Diluted earnings per share	221¢	290¢

	GROUP	
	2020 $	2019 $
Profit for the year	88,451	114,952
Weighted average number of shares (excluding treasury shares) 39,395,684 (2019 - 39,395,684)		
Basic earnings per share	221¢	292¢
Weighted average number of shares (including allocated shares) 39,619,684 (2019 - 39,619,684)		
Diluted earnings per share	221¢	290¢

14 Employee share ownership plan (ESOP) – parent/group

	No of shares	2020 $	2019 $
Fair value of shares held – unallocated	6,000	34	34
Fair value of shares held – allocated	224,000	829	829
	230,000	863	863
Cost of unallocated ESOP shares		32	32

a. *Accounting policy*

The parent company operates an Employee Share Ownership Plan (ESOP) to give effect to a contractual obligation to pay profit sharing bonuses to employees via shares of the parent company based on a set formula. Employees may acquire additional company shares to be held in trust by the Trustees but the costs of such purchases are for the employee's account. All permanent employees of the parent company and its subsidiary (Note 1) are eligible to participate in the Plan that is directed by a Management Committee comprising management of the company and representatives of the general membership. Independent Trustees are engaged to hold in trust all shares in the Plan as well as to carry out the necessary administrative functions. Shares acquired by the ESOP are funded by the parent company contributions and cash advances by the parent company to the ESOP. The cost of the shares so acquired and which remain unallocated to employees have been recognised in Shareholders' Equity under 'Treasury Shares'.

(Expressed in Thousands of Trinidad and Tobago Dollars)

14 Employee share ownership plan (ESOP) – parent/group (continued)

a. *Accounting policy (continued)*

The fair value of allocated shares are measured using the closing market price prevailing on the Trinidad and Tobago Stock Exchange at the year-end. A liability is recorded for this amount.

The Company has determined it has control over the Plan as:

- the Company has power over the relevant activities of the employee share trust;
- the Company has exposure, or rights, to variable returns from its involvement with the employee share trust; and
- the Company has the ability to use its power over the employee share trust to affect the amount of the Company's returns.

The consolidation of the plan was immaterial to these parent and consolidated financial statements.

15 Revaluation reserves

a. *Nature and purpose of revaluation reserves*

The revaluation reserves include the following amounts:

Revaluation surplus – property, plant and equipment:

The property, plant and equipment revaluation surplus is used to record increments and decrements on the revaluation of property, plant and equipment.

Financial assets at fair value through other comprehensive income:

The Group has elected to recognise changes in the fair value of certain investments in equity securities in OCI, as explained in Note 7 b. These changes are accumulated within the investment revaluation reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

PARENT			GROUP	
2019	2020		2020	2019
$	$		$	$
246,688	257,208	At beginning of year	257,208	246,688
176	(167)	Fair value loss of financial assets at fair value through other comprehensive income (Note 7 b.)	(167)	176
(3,875)	1,484	Deferred tax on accelerated tax depreciation – property, plant and equipment revalued and site improvements	1,484	(3,875)
17,196	--	Revaluation of property, plant and equipment	--	17,196
(2,977)	(3,482)	Transfer/adjustment to retained earnings	(3,482)	(2,977)
257,208	255,043	At end of year	255,043	257,208

b. *Property, plant and equipment*

246,210	256,554	At beginning of year	256,554	246,210
17,196	--	Revaluation of property, plant and equipment	--	17,196
(3,875)	1,484	Deferred tax on accelerated tax depreciation – property, plant and equipment revalued and site improvements	1,484	(3,875)
(2,977)	(3,482)	Transfer/adjustment to retained earnings	(3,482)	(2,977)
256,554	254,556	At end of year	254,556	256,554

(Expressed in Thousands of Trinidad and Tobago Dollars)

15 Revaluation reserves (continued)

c. *Financial assets at fair value through other comprehensive income*

PARENT 2019 $	PARENT 2020 $		GROUP 2020 $	GROUP 2019 $
478	654	At beginning of year	654	478
176	(167)	Fair value gain of financial assets at fair value through other comprehensive income (Note 7 b.)	(167)	176
654	487	At end of year	487	654

16 Long and medium-term borrowings

PARENT 2019 $	PARENT 2020 $		GROUP 2020 $	GROUP 2019 $
135,982	123,104	First Citizens Bank Limited	123,104	135,982
556	637	Ansa Merchant Bank Limited	637	556
136,538	123,741		123,741	136,538

The above has been classified as follows in the parent and consolidated statement of financial position:

PARENT 2019 $	PARENT 2020 $		GROUP 2020 $	GROUP 2019 $
		Non-current liabilities		
123,333	110,478	Long and medium-term borrowings	110,478	123,333
		Current liabilities		
13,205	13,263	Long and medium-term borrowings	13,263	13,205
136,538	123,741		123,741	136,538

a. *Accounting policy*

Recognition and measurement

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the parent and consolidated statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Borrowing costs

The Group capitalises general and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

b. *Loan agreements*

(i) *First Citizens Bank Limited*

Facility (ii) is for US$12,390 of which US$10,372 was drawn down to settle existing loans. The financing arrangement allows for a full drawdown of the loan to be repayable over 10 years by 19 semi-annual principal and interest instalments of US$346 and a final bullet payment of US$3,668. The interest rate is Libor plus 2.6743% per annum, to be reset semi-annually subject to a floor rate of 3% per annum. The current effective interest rate per annum is 3.0%. The schedule of repayment on the drawn balance is reflected in Note 16 e. The balance as at 31 December 2020 was TT$41,166.

(Expressed in Thousands of Trinidad and Tobago Dollars)

16 Long and medium-term borrowings (continued)

b. *Loan agreements (continued)*

(i) *First Citizens Bank Limited (continued)*

Facility (iii) is for TT$117,743 which was fully drawn as at 31 December 2016 for infrastructural work to the Port. The financing arrangement allows for a full drawdown of the loan to be repayable over 10 years with a one year moratorium on principal. The repayment terms consist of semi-annual principal payments of TT$3,925 and a final bullet payment of TT$51,022. The interest rate is Prime less 4.5% per annum subject to a floor rate of 3% per annum. The current effective interest rate per annum is 3%. The schedule of repayment on the drawn balance is reflected in Note 16 e. The balance as at 31 December 2020 was TT$78,693.

Facility (iv) is for TT$15,000 to be drawn in either Trinidad & Tobago Dollars or equivalent United States Dollars. This facility is to assist with working capital requirements. Interest payments to be serviced monthly; principal to be repaid within ninety (90) days of each drawdown. The interest rate for amounts drawn in Trinidad & Tobago Dollars is Prime less 1.0% per annum subject to a floor rate of 6% per annum. Amounts drawn in United States Dollars accrues interest at LIBOR plus 4.0% per annum subject to a floor rate of 4% per annum. There was no drawdown of this facility at year end.

Facility (v) is for US$800 which was fully drawn as at 31 October 2016. The financing arrangement allows for a full drawdown of the loan to be repayable over 5 years. The repayment terms consist of semi-annual principal payments of US$40. The interest rate is Libor plus 2.6743% per annum, to be reset semi-annually subject to a floor rate of 3% per annum. The current effective interest rate per annum is 3%. The balance as at 31 December 2020 was TT$3,245.

Security on Facility (iv) is a Debenture Charge stamped to cover the aggregate amount of $20,000 over the fixed and floating assets of the Corporation.

Security on Facilities (ii) and (iii) is a Debenture Charge over the fixed and floating assets of the Corporation and a collateral chattel mortgage over the equipment financed.

Assignment of all risk insurance.

(ii) *Ansa Merchant Bank Limited*

On 1 October 2017 and 30 November 2017, the Corporation established hire purchase facilities with Ansa Merchant Bank Limited to purchase 3 new vehicles. The repayment terms consist of monthly principal payments of TT$12. The balance as at 31 December 2020 was TT$637.

c. *Fair value*

The fair values are not materially different to their carrying amounts since the interest payable on these borrowings are at floating rates (i.e. current market rates).

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2020 $	2019 $
US dollar	44,412	49,636
TT dollar	79,329	86,902
	123,741	136,538

(Expressed in Thousands of Trinidad and Tobago Dollars)

16 Long and medium-term borrowings (continued)

d. *Sensitivity analysis - variable rate instruments*

	Increase/(decrease) in PRIME %	(Decrease)/increase effect on profit $
2020	+20	858
	-15	(643)
2019	+20	(935)
	-15	701

	Increase/(decrease) in LIBOR %	(Decrease)/increase effect on profit $
2020	+20	382
	-15	(287)
2019	+20	(572)
	-15	429

e. *Contractual cash flows of floating rate borrowings*

Group	< 1 year $	1-2 years $	2-5 years $	More than 5 years $	Contractual cash flows $	Carrying amount $
31 December 2020						
Borrowings	18,530	17,964	104,427	659	141,580	123,741

	< 1 year $	1-2 years $	2-5 years $	More than 5 years $	Contractual cash flows $	Carrying amount $
31 December 2019						
Borrowings	19,779	19,129	123,088	1,152	163,148	136,538

f. *Compliance with loan covenants*

The Group has complied with the financial covenants of its borrowing facilities during the 2020 and 2019 reporting period. Refer to note 4 d. for details.

17 Staff costs

PARENT 2019 $	PARENT 2020 $		GROUP 2020 $	GROUP 2019 $
163,047	153,457	Wages, salaries and benefits	152,602	162,237
14,052	14,121	Retirement benefit obligation expense (Note 18 a.)	14,121	14,052
3,982	4,281	Casual employee retirement benefit expense (Note 18 b.)	4,281	3,982
181,081	171,859		171,004	180,271

(Expressed in Thousands of Trinidad and Tobago Dollars)

17 Staff costs (continued)

a. *Accounting policy*

Termination benefits

Benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to terminating employment of current employees according to a formal plan without the possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Bonus plans

The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation. Liabilities for bonus plans are expected to be settled within 12 months.

Employee share ownership plan

The Group accounts for profit sharing entitlements which are settled in the shares of the parent company through an Employee Share Ownership Plan (ESOP) as an expense determined at market value. The cost of the unallocated shares of the parent company is recognised as a separate component within equity.

Post retirement benefits

Pension obligations (Note 18 a. (i)).

Casual employee retirement benefit (Note 18 b.(i)).

18 Long term employee benefits

a. *Retirement benefit obligation*

The Group operates a defined benefit pension plan for its eligible employees regulated by the Insurance Act Chapter 84:01 of Trinidad and Tobago. The plan is a final salary pension plan which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. The plan is operated in accordance with a Trust Deed between the parent company and First Citizens Trustee Services Limited dated 19 July 1985. Fund managers appointed by the trustees of the plan administer the funds of the plan. The pension plan is generally funded by payments from employees and the parent company, taking account of the recommendations of independent qualified actuaries.

There were no plan amendments, curtailments and settlements during the year.

	2020 $	2019 $
Net liability in the parent and consolidated statement of financial position (parent/group)		
Present value of defined benefit obligation	258,969	243,634
Fair value of assets	(231,820)	(216,682)
Net defined benefit liability	27,149	26,952

(Expressed in Thousands of Trinidad and Tobago Dollars)

18 Long term employee benefits (continued)

a. *Retirement benefit obligation (continued)*

	2020 $	2019 $
Reconciliation of opening and closing parent and consolidated statement of financial position entries (parent/group)		
Opening defined benefit liability	26,952	27,026
Pension expense	14,121	14,052
Re-measurements recognised in other comprehensive income	(722)	(206)
Company contributions paid	(13,202)	(13,920)
Closing defined benefit liability	27,149	26,952

(i) *Accounting policy*

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, dependent on the following factors age, years of service and compensation.

The liability recognised in the parent and consolidated statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligations less the fair value of plan assets at the financial position date, together with adjustments for unrecognised actuarial gains or losses and past service costs.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method, and a full valuation is done every three years. Roll forward valuations, which are less detailed than full valuations are performed annually. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of long-term government securities that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

(ii) *Movement in present value of defined benefit obligation*

	2020 $	2019 $
Defined benefit obligation at start of year	243,634	217,119
Current service cost	12,030	12,004
Interest cost	13,588	12,158
Members' contributions	3,905	2,904
Experience adjustments	(5,186)	3,546
Actuarial losses	--	2,821
Benefits paid	(9,002)	(6,918)
Defined benefit obligation at end of year	258,969	243,634

(Expressed in Thousands of Trinidad and Tobago Dollars)

18 Long term employee benefits (continued)

a. *Retirement benefit obligation (continued)*

(ii) *Movement in present value of defined benefit obligation (continued)*

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

	2020	2019
Active members	68%	69%
Deferred members	3%	4%
Pensioners	29%	27%
The weighted average duration of the defined benefit obligation at year end	15.2yrs	15.4yrs

96% (2019: 96%) of the active member benefits are vested.
30% (2019: 30%) of the active member defined benefit obligation is conditional on future salary increases.

(iii) *Movement in fair value of plan assets*

	2020 $	2019 $
Plan assets at start of year	216,682	190,093
Interest income	12,120	10,708
Return on plan assets, excluding interest income	(4,464)	6,572
Company contributions	13,202	13,920
Members' contributions	3,905	2,904
Benefits paid	(9,002)	(6,918)
Expense allowance	(623)	(597)
Fair value of plan assets at end of year	231,820	216,682
Actual return on plan assets	7,656	17,280
Asset allocation		
Locally listed equities	42,192	44,581
Overseas equities	22,722	19,398
Government bonds	78,977	67,887
Corporate bonds	70,533	74,082
Cash and cash equivalents	13,383	6,643
Other (immediate annuity policies)	4,013	4,091
Fair value of plan assets at end of year	231,820	216,682

The asset values as at 31 December 2020 were provided by the Plan's Investment Manager (First Citizens Trustee Services Limited). Overseas equities have quoted prices in active markets. Local equities also have quoted prices but the market is illiquid. The Investment Manager calculates the fair value of the Government bonds and corporate bonds by discounting expected future proceeds using a constructed yield curve. The value of the Plan's annuity policies with CLICO was estimated using the same assumptions used to calculate the defined benefit obligation. The value of these policies is not quoted and is reliant on CLICO's financial strength.

The majority of the Plan's Government bonds were issued by the Government of Trinidad and Tobago, which also guarantees many of the corporate bonds held by the Plan.

(Expressed in Thousands of Trinidad and Tobago Dollars)

18 Long term employee benefits (continued)

a. *Retirement benefit obligation (continued)*

(iii) *Movement in fair value of plan assets (continued)*

The Plan's assets are invested in accordance with a strategy agreed between the Plan's Trustee and Management Committee. This strategy is largely dictated by statutory constraints (at least 80% of the assets must be invested in Trinidad and Tobago and no more than 50% in equities) and the availability of suitable investments. There are no asset-liability matching strategies used by the Plan other than the decision to purchase immediate annuity policies to secure some pensions in payment and in deferment.

(iv) *Funding*

The Group meets the balance of the cost of funding of the defined benefit pension plan and the Group must pay contributions at least equal to those paid by members, which are fixed. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the plan and the assumptions used to determine the funding required may differ from those set out above. The Group expects to pay $14.3 million to the pension plan during 2021.

(v) *Expense recognised in the parent and consolidated statement of profit or loss and other comprehensive income*

	2020 $	2019 $
Current service cost	12,030	12,004
Net interest on net defined benefit liability	1,468	1,450
Administration expense allowance	623	598
Pension expense (Note 17)	14,121	14,052

(vi) *Remeasurements recognised in other comprehensive income*

	2020 $	2019 $
Experience gains	(722)	(206)
Deferred income tax (Note 8 c.)	217	62
Total amount recognised in other comprehensive income	(505)	(144)

(Expressed in Thousands of Trinidad and Tobago Dollars)

18 Long term employee benefits (continued)

a. *Retirement benefit obligation (continued)*

(vii) *Significant accounting estimate*

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of obligations.

The parent company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the parent company considers the interest rates of long term Government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

	2020 Per annum	2019 Per annum
Summary of principal assumptions		
Discount rate	5.50%	5.50%
Underlying salary and wage inflation	4.00%	4.00%
Promotional/merit increases	1.00%	1.00%
Average individual salary increases	5.00%	5.00%
Future pension increases	0.00%	0.00%

These assumptions affect the deferred tax asset calculated on the pension benefit liability. The most recent completed actuarial valuation was as at 31 December 2020.

Assumptions regarding future mortality are based on published mortality tables. The life expectancies underlying the value of the defined benefit obligation as at year end are as follows:

	2020	2019
Life expectancy at age 60 for current pensioner in years		
Male	21.8	21.7
Female	26.0	26.0
Life expectancy at age 60 for current members age 40 in years		
Male	22.7	22.6
Female	27.0	26.9

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions used. The following table summarises how the defined benefit obligation as at 31 December 2020 and 2019 would have changed as a result of a change in the assumptions used.

(Expressed in Thousands of Trinidad and Tobago Dollars)

18 Long term employee benefits (continued)

a. *Retirement benefit obligation (continued)*

(vii) *Significant accounting estimate (continued)*

	Impact on defined benefit obligation					
	Change in Assumptions		Increase in assumptions		Decrease in assumptions	
	2020	2019	2020	2019	2020	2019
Discount rate	1%pa	1%pa	-12.9%	-13.0%	+16.2%	+16.4%
Future salary increases	1%pa	1%pa	+5.6%	+5.8%	-5.0%	-5.1%
Life expectancy	1 year	1 year	+1.3%	+1.3%	-1.4%	-1.3%

These sensitivities were computed by re-calculating the defined benefit obligations using the revised assumptions. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the prior year.

b. *Casual employee retirement benefit*

The Group implemented a retirement benefit for casual employees in 2013 in accordance with its collective agreement. The benefit is for eligible employees who met several criteria as agreed with the bargaining body and the benefit is managed in house and financed by the Group. Lump sums will be paid as they fall due.

	2020 $	2019 $
Net liability in the parent and consolidated statement of financial position (parent/group)		
Present value of casual employee retirement benefit obligation	33,924	31,675
Reconciliation of opening and closing statement of financial position entries (parent/group)		
Opening net retirement benefit liability	31,675	26,915
Net benefit cost	4,281	3,982
Re-measurements recognised in other comprehensive income	(285)	2,278
Lump sums paid	(1,747)	(1,500)
Closing casual employee retirement benefit liability	33,924	31,675

(i) *Accounting policy*

The liability recognised in the parent and consolidated statement of financial position in respect of casual employee retirement benefit is the present value of the obligation at the financial position date, together with adjustments for unrecognised actuarial gains or losses.

(Expressed in Thousands of Trinidad and Tobago Dollars)

18 **Long term employee benefits (continued)**

b. *Casual employee retirement benefit (continued)*

(i) *Accounting policy (continued)*

The liability recognised in the parent and consolidated statement of financial position in respect of casual employee retirement benefit is the present value of the obligation at the financial position date, together with adjustments for unrecognised actuarial gains or losses.

The casual employee retirement benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the casual employee retirement benefit obligation is determined by discounting the estimated future cash outflows using interest rates of long-term government securities that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related benefit obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

(ii) *Funding*

The Group pays the termination lump sums as they fall due. The Group expects to pay lump sums of $1,738 in 2021 ($1,361 in 2020).

(iii) *Movement in present value of casual employee retirement benefit obligation*

	2020 $	2019 $
Obligation at start of year	31,675	26,915
Current service cost	2,518	2,475
Interest cost	1,763	1,507
Experience adjustments	(285)	2,278
Benefits paid	(1,747)	(1,500)
Obligation at end of year	33,924	31,675

The casual employee retirement benefit obligation is allocated between the members as follows:

	2020	2019
Casual employees	89%	90%
Former casual employees made permanent	9%	9%
Outstanding benefits	2%	1%
The weighted average duration of the retirement benefit obligation at year end	14.1yrs	14.3yrs

16% (2019: 17%) of the benefits are vested.
41% (2019: 41%) of the retirement obligation is conditional on future salary increases.

(Expressed in Thousands of Trinidad and Tobago Dollars)

18 Long term employee benefits (continued)

b. *Casual employee retirement benefit (continued)*

(iv) *Expense recognised in the other comprehensive income*

	2020 $	2019 $
Current service cost	2,518	2,475
Net interest on net retirement benefit liability	1,763	1,507
Casual employee retirement benefit expense (Note 17)	4,281	3,982

(v) *Re-measurements recognised in other comprehensive income*

	2020	2019
Experience (gains)/losses	(285)	2,278
Deferred income tax (Note 8 c.)	86	(683)
Total amount recognised in other comprehensive income	(199)	1,595

(vi) *Significant accounting estimate*

The present value of the retirement benefit depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for the benefit include the discount rate. Any changes in these assumptions will impact the carrying amount of obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the Group considers the interest rates of long term Government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related benefit liability.

Other key assumptions for casual employee retirement benefit are based in part on current market conditions.

	2020 Per annum	2019 Per annum
Summary of principal assumptions		
Discount rate	5.50%	5.50%
Average individual pay increases	4.00%	4.00%

There is limited experience data on casual employees hence management has used the same assumptions as that of the pension plan.

These assumptions affect the deferred tax asset calculated on the casual employee retirement benefit liability.

(Expressed in Thousands of Trinidad and Tobago Dollars)

18 Long term employee benefits (continued)

b. *Casual employee retirement benefit (continued)*

(vi) *Significant accounting estimate (continued)*

Sensitivity analysis

The calculation of the casual employee retirement benefit obligation is sensitive to the assumptions used. The following table summarises how the retirement benefit obligation as at 31 December 2020 and 2019 would have changed as a result of a change in the assumptions used.

	Change in Assumptions		Impact on defined benefit obligation: Increase in assumptions		Impact on defined benefit obligation: Decrease in assumptions	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Discount rate	1%pa	1%pa	-12.2%	-12.3%	+14.7%	+15.0%
Future salary increases	1%pa	1%pa	+13.9%	+14.1%	-11.6%	-11.8%

These sensitivities were computed by re-calculating the casual employee retirement benefit obligation using the revised assumptions. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the prior year.

19 Revenue

a. *Accounting policy*

Revenue recognition

Revenue represents the amounts earned for lease rents, port and warehousing services and management fees.

Revenue from port and warehousing services and management fees is recognised in accordance with IFRS 15 and is recognised in the accounting period in which the services are rendered. This is determined based on the actual labour hours spent relative to the total expected labour hours. Revenue is governed by an established tariff. The tariff details all services offered by the Corporation - Port and Warehouse. Revenue from providing services, for marine, mooring and unmooring, container handling, and storage rent etc. are recognised in the accounting period in which the services are rendered.

Revenue earned as rental income is recognised on an accrual basis in accordance with the terms of the individual lease agreements with tenants in accordance with IFRS 16. Lease premiums are deferred and recognised as revenue over the term of the lease. Leases between the parent company and tenants on the Industrial Estate are usually of two types, 30 year leases and 96 years and longer leases. The premiums received on 96 year leases are accounted for on a deferral basis. They are taken into income in equal annual amounts over the lives of the leases. Commitment fees received on all leases are taken into income upon receipt.

(Expressed in Thousands of Trinidad and Tobago Dollars)

19 **Revenue (continued)**

b. *Disaggregation of revenue from contracts with customers*

The Group derives revenue at a point in time from Cargo Handling Operations and Support departments.

	Port and related activities $	Support activities $	Total $
Year ended 31 December 2020			
Revenue	202,044	1,394	203,438
Timing of revenue recognition			
At a point in time	202,044	1,394	203,438
Year ended 31 December 2019			
Revenue	203,090	912	204,002
Timing of revenue recognition			
At a point in time	203,090	912	204,002

The revenue reported to the chief operating decision makers is measured in a manner consistent with that in the parent and consolidated statement of profit or loss and other comprehensive income.

c. *Revenue from lease income*

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term (Note 24 and 25). The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

Revenue from estate was $103,088 (2019: $109,902).

d. *Liabilities related to contracts with customers*

The Group has no liabilities related to contracts with customers.

20 **Trade and other payables**

PARENT			GROUP	
2019 $	**2020** $		**2020** $	**2019** $
3,252	3,138	Trade payables	3,138	3,252
59,095	35,938	Other payables and accruals	42,474	65,242
62,347	39,076		45,612	68,494
6,418	6,762	Due to subsidiary	--	--
68,765	45,838		45,612	68,494

20 Trade and other payables (continued)

a. *Accounting policy*

Trade payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of service rendered by employees up to the end of the reporting period.

b. *Fair value of trade payables*

Due to the short term nature of the current payables, their carrying amount is assumed to be the same as their fair value.

21 Segment information

a. *Accounting policy*

Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the President and the management team, which is the team responsible for allocating resources and assessing performance of the operating segments and is also responsible for making strategic decisions. The Group's executive management team, consisting of the President, the Vice Presidents of Business Services, Port and Technical, examines the Group's performance from an operations perspective and has identified two reportable segments of its business.

(i) Port operations – This covers services supplied for the import, export and transhipment of containers and general cargo. The fees for these services include handling charges, storage rents, stuffing/unstuffing and other miscellaneous services. These are all based on an established tariff.

(ii) Estate operations – This covers operations involved in the development, maintenance and supply of onshore infrastructure which are leased to tenants at contracted rates as charged for occupancy, wayleaves and common service charges.

(Expressed in Thousands of Trinidad and Tobago Dollars)

21 Segment information (continued)

a. *Accounting policy (continued)*

These are the reportable segments of the Group as they form the basis used by the President and management team, as the chief operating decision makers, for assessing performance and allocating resources.

These reported segments are closely integrated as the viability of one segment depends on the continued operations of the other. As such, the operation comprises one cash generating unit, which is taxed as one unit and for which other expenses do not relate entirely to one segment.

b. *Segment operations*

Parent

	Port and related activities $	Estate $	Support activities $	Total $
Year ended 31 December 2020				
Revenue	202,044	103,088	1,394	306,526
Gross profit	107,358	103,088	1,394	211,840
Unrealised fair value gains on investment properties	--	76,343	--	76,343
Depreciation	(30,186)	(1,383)	(1,679)	(33,248)
Repairs and maintenance	(19,952)	(695)	(3,173)	(23,820)
Other expenses – net	(52,420)	(17,887)	(60,445)	(130,752)
Finance costs	(4,739)	--	(414)	(5,153)
Profit before taxation				95,210
Year ended 31 December 2019				
Revenue	203,090	109,902	912	313,904
Gross profit	100,359	109,902	912	211,173
Unrealised fair value gains on investment properties	--	97,355	--	97,355
Depreciation	(30,401)	(1,044)	(1,523)	(32,968)
Repairs and maintenance	(21,502)	(497)	(2,046)	(24,045)
Other expenses – net	(59,837)	(7,077)	(52,359)	(119,273)
Finance costs	(5,554)	--	(536)	(6,090)
Profit before taxation				126,152

(Expressed in Thousands of Trinidad and Tobago Dollars)

21 Segment information (continued)

b. *Segment operations (continued)*

Group

	Port and related activities $	Estate $	Support activities $	Total $
Year ended 31 December 2020				
Revenue	202,044	103,088	1,394	306,526
Gross profit	108,548	103,088	1,394	213,030
Unrealised fair value gains on investment properties	--	76,343	--	76,343
Depreciation	(30,186)	(1,383)	(1,679)	(33,248)
Repairs and maintenance	(19,952)	(695)	(3,173)	(23,820)
Other expenses – net	(53,029)	(17,887)	(60,444)	(131,360)
Finance costs	(4,739)	--	(416)	(5,155)
Profit before taxation				95,790
Year ended 31 December 2019				
Revenue	203,090	109,902	912	313,904
Gross profit	101,503	109,902	912	212,317
Unrealised fair value gains on investment properties	--	97,355	--	97,355
Depreciation	(30,401)	(1,044)	(1,523)	(32,968)
Repairs and maintenance	(21,502)	(497)	(2,046)	(24,045)
Other expenses – net	(60,434)	(7,077)	(52,359)	(119,870)
Finance costs	(5,555)	--	(536)	(6,091)
Profit before taxation				126,698

The revenue reported to the chief operating decision makers is measured in a manner consistent with that in the parent and consolidated statement of profit or loss and other comprehensive income.

(Expressed in Thousands of Trinidad and Tobago Dollars)

21 **Segment information (continued)**

c. *Segment assets*

	Port and Related activities $	Estate $	Support activities $	Total $
Total segment assets				
Parent				
31 December 2020	528,196	2,406,363	47,850	2,982,409
31 December 2019	554,614	2,330,119	47,791	2,932,524
Group				
31 December 2020	527,889	2,406,363	49,209	2,983,461
31 December 2019	555,822	2,330,119	47,767	2,933,708

Total assets are measured in a manner consistent with that of the parent and consolidated financial statements. These assets are allocated based on the operations of the segment. Reportable segments' assets are reconciled to total assets as follows:

PARENT 31 December 2019 $	PARENT 31 December 2020 $		GROUP 31 December 2020 $	GROUP 31 December 2019 $
2,932,524	2,982,409	Total segment assets	2,983,461	2,933,708
148,227	145,774	Cash and cash equivalents	146,090	148,581
18,521	18,259	Deferred income tax	18,259	18,521
17,833	15,649	Other assets	16,383	18,253
3,117,105	3,162,091	Total assets as per statement of financial position	3,164,193	3,119,063

Total segment assets include additions to property, plant and equipment as follows:

	Port and Related activities $	Estate $	Support activities $	Total $
Parent/ Group				
31 December 2020	6,471	1,159	1,212	8,842
31 December 2019	10,547	6,905	164	17,616

d. *Segment liabilities*

Total liabilities are centrally managed and are not allocated by segments.

(Expressed in Thousands of Trinidad and Tobago Dollars)

22 Expenses by nature

PARENT			GROUP	
2019	2020		2020	2019
$	$		$	$
181,081	171,859	Staff costs (Note 17)	171,004	180,271
32,968	33,248	Depreciation (Note 5)	33,248	32,968
16,685	11,627	Utilities	11,627	16,685
15,761	13,392	Repairs and maintenance spares utilised	13,392	15,761
8,284	10,428	Repairs and maintenance on property, plant and equipment	10,428	8,284
5,220	4,287	Other	4,285	5,221
9,592	7,360	Office expenses	7,628	9,855
2,890	5,683	Insurance	5,683	2,890
2,636	2,684	Vehicle and transport	2,684	2,636
5,490	2,683	Legal and professional fees	2,683	5,490
1,984	2,073	Communication	2,080	1,983
779	596	Marketing	596	779
829	829	Directors' remuneration	829	829
(2,200)	16,640	Bad debts/impairment	16,640	(2,200)
281,999	283,389	Total cost of providing services, administrative expenses and other operating expenses	282,807	281,452

23 Contingent liabilities

a. Customs bonds 2,250 2,950

b. The Corporation is a party to various legal actions. In the opinion of the directors, after taking appropriate legal advice, the outcome of such actions will not result in any significant additional liabilities. Provisions have been made in these parent and consolidated financial statements, where applicable.

c. The Property Tax Act of 2009 (PTA) was enacted into law by the Government of the Republic of Trinidad and Tobago (GORTT), effective from 1 January 2010. There were challenges with its implementation and GORTT implemented waivers of the tax, the last of which expired on 30 September 2017. As of present date there have been no further changes to the legislation or extension of the waivers previously granted by the GORTT. The PTA has not yet been enforced primarily due to non-completion of property valuations by the statutory authority and assessments not being sent to taxpayers. While a present obligation exists, taxpayers are unable to reliably estimate the liability as the basis for fair value at this time has not been clarified.

24 Leases

This Note provides information for leases where the Group is a lessee. For leases where the Group is a lessor, see Note 6(c).

The lease liability was not material to be presented in the parent and consolidated statement of financial position.

24 Leases (continued)

a. *Accounting policy*

The Group leases vehicles and printers. Rental contracts are typically made for fixed periods of 3 years for vehicles and a month by month basis for printers.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments(including in substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Corporation, which does not have recent third party financing, an
- makes adjustments specific to the lease, e.g. term, country, currency and security

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs

(Expressed in Thousands of Trinidad and Tobago Dollars)

24 Leases (continued)

a. *Accounting policy (continued)*

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Extension and termination options

Extension and termination options are included in the vehicles lease across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

25 Deferred lease rental income

	2020 $	2019 $
Current liability	4,577	4,820
Non-current liability	56,037	57,023
	60,614	61,843

PARENT 2019 $	PARENT 2020 $		GROUP 2020 $	GROUP 2019 $
		At beginning of year:		
5,285	5,360	30 year leases and unearned revenue	5,360	5,285
57,255	56,482	96 years and longer leases	56,482	57,255
62,540	61,842		61,842	62,540
109,205	101,860	Amounts received during the year	101,860	109,205
171,745	163,702		163,702	171,745
(109,902)	(103,088)	Income brought into account (Note 21b.)	(103,088)	(109,902)
61,843	60,614	At end of year	60,614	61,843
		Summarised as follows:		
5,360	4,905	30 year leases and unearned revenue	4,905	5,360
56,483	55,709	96 years and longer leases	55,709	56,483
61,843	60,614		60,614	61,843
(57,023)	(56,037)	Less: long-term portion	(56,037)	(57,023)
4,820	4,577	Current portion	4,577	4,820

The investment properties are leased to tenants under operating leases with rentals payable monthly. Where considered necessary to reduce credit risk, the group may obtain bank guarantees for the term of the lease.

Although the Group is exposed to changes in the residual value at the end of the current leases, the group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

(Expressed in Thousands of Trinidad and Tobago Dollars)

25 Deferred lease rental income (continued)

	2020 $	2019 $
Within 1 year	4,577	4,820
Between 1 and 2 years	983	1,050
Between 2 and 3 years	983	1,050
Between 3 and 4 years	983	1,050
Between 4 and 5 years	983	1,254
Later that 5 years	52,105	52,619
	60,614	61,843

26 Significant accounting policies

This Note provides a list of the significant accounting policies adopted in the preparation of these parent and consolidated financial statements to the extent they have not already been disclosed in the other Notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Point Lisas Industrial Port Development Corporation Limited and its subsidiary, Point Lisas Terminals Limited.

a. *Basis of preparation*

(i) *Compliance with IFRS*

The parent and consolidated financial statements of Point Lisas Industrial Port Development Corporation Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to Companies reporting under IFRS. The parent and consolidated financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

(ii) *Historical cost convention*

The parent and consolidated financial statements have been prepared on a historical cost basis, except for the following:

- the revaluation of land, buildings and own site improvements – measured at fair value,
- investment properties – measured at fair value,
- financial assets at fair value through other comprehensive income – measured at fair value, and
- defined benefit pension plans – plan assets measured at fair value.

(iii) *New standards, amendments and interpretations adopted by the Group*

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

- Definition of Material – amendments to IAS 1 and IAS 8
- Revised Conceptual Framework for Financial Reporting

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(Expressed in Thousands of Trinidad and Tobago Dollars)

26 **Significant accounting policies (continued)**

a. *Basis of preparation (continued)*

(iv) *New standards, amendments and interpretations not yet adopted by the Group*

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Title	**Key Requirements**	**Effective Date**
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (eg the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. - In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.	1 January 2022 [possibly deferred to 1 January 2023]
Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16	The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.	1 January 2022

(Expressed in Thousands of Trinidad and Tobago Dollars)

26 **Significant accounting policies (continued)**

a. *Basis of preparation (continued)*

(iv) *New standards, amendments and interpretations not yet adopted by the Group (continued)*

Title	Key Requirements	Effective Date
Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37	The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.	1 January 2022
Annual Improvements to IFRS Standards 2018–2020	The following improvements were finalised in May 2020: • IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities. • IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives. • IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. • IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.	1 January 2022

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

b. *Foreign currency translation*

(i) *Functional and presentation currency*

Items included in the parent and consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These parent and consolidated financial statements are presented in Trinidad and Tobago dollars, which is the Parent and Group's functional and presentation currency.

26 **Significant accounting policies (continued)**

b. *Foreign currency translation (continued)*

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the parent and consolidated statement of profit or loss and other comprehensive income.

Foreign exchange gains and losses that relate to borrowings are presented in the parent and consolidated statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the parent and consolidated statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

c. *Fair value hierarchy*

Judgments and estimates are made in determining the fair values for items measured at fair value in the parent and consolidated financial statements. The valuation methods used by management were classified into the following levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

d. *Property, plant and equipment (Note 5 a.)*

e. *Investment properties (Note 6 a.)*

f. *Financial assets (Note 7 a.)*

g. *Current and deferred income tax (Note 8 b.)*

h. *Inventory (Note 9 a.)*

i. *Trade receivables (Note 10 a.)*

j. *Cash and cash equivalents (Note 11 a.)*

26 Significant accounting policies (continued)

k. *Impairment of non- financial assets*

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

l. *Share capital (Note 12 a.)*

m. *Borrowings (Note 16 a.)*

n. *Employee benefits*

- *Termination benefits (Note 17 a.)*
- *Bonus plans (Note 17 a.)*
- *Employee share ownership plan (Note 17 a. and 14 a.)*
- *Pension obligations (Note 18 a. (i))*
- *Casual employee retirement benefit (Note 18 b. (i))*

o. *Revenue recognition (Note 19 a.)*

p. *Trade payables (Note 20 a.)*

q. *Provisions (Note 20 a.)*

r. *Segment reporting (Note 21 a.)*

s. *Leases (Note 24 a.)*

t. *Rounding of amounts*

All amounts disclosed in the parent and consolidated financial statements and notes have been rounded to the nearest thousand currency units unless otherwise stated.

27 Impact of COVID 19

While there has been a significant disruption in general international and local trading conditions as well as significant declines in the spot price for crude oil and global stock markets as a result of the Coronavirus (COVID-19) pandemic, COVID 19 did not have material impact on the Parent and Group as the Parent and Group's activities are considered essential services in Trinidad and Tobago.