Point Lisas Industrial Port Development Corporation Limited

Financial Statements

31 December 2015

(Expressed in Trinidad and Tobago Dollars)

Point Lisas Industrial Port Development Corporation Limited

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Independent Auditor's Report

To the Shareholders of
Point Lisas Industrial Port Development Corporation Limited

Report on the parent and group financial statements

We have audited the accompanying parent and consolidated financial statements of Point Lisas Industrial Port Development Corporation Limited (the Parent) and its subsidiary (together, the Group), which comprise the parent and consolidated statements of financial position as at 31 December 2015 and the parent and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and Notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the parent and consolidated financial statements

Management is responsible for the preparation and fair presentation of these parent and consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal controls 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.

Auditor's responsibility

Our responsibility is to express an opinion on these parent and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the parent and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the parent and consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the parent and consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the parent and consolidated financial statements.

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

Opinion

In our opinion, the parent and consolidated financial statements present fairly, in all material respects, the financial position of the Parent and the Group as at 31 December 2015, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

18 March 2016
Port of Spain
Trinidad, West Indies

CB Wharfe (Senior Partner), L Awai, F Aziz Mohammed, BA Hackett, H Mohammed, NA Panchoo, SW Ramirez, A West

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

Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

Parent Year ended 31 December 2014 $'000 Restated	Parent Year ended 31 December 2015 $'000		Notes	Group Year ended 31 December 2015 $'000	Group Year ended 31 December 2014 $'000 Restated
		Assets			
		Non-current assets			
544,242	608,569	Property, plant and equipment	5	608,569	544,242
1,569,633	1,571,475	Investment properties	6	1,571,475	1,569,633
41,243	--	Held to maturity assets	7.1	--	41,243
320	320	Investment in subsidiary	1.1	--	--
955	1,302	Available-for-sale financial assets	7.2	1,302	955
13,145	15,200	Deferred income tax assets	8.2	15,200	13,145
2,169,538	2,196,866			2,196,546	2,169,218
		Current assets			
12,692	14,731	Inventory	9	14,731	12,692
--	40,194	Held to maturity assets	7.1	40,194	--
22,145	28,744	Trade and other receivables	10	29,647	22,836
90	90	Taxation recoverable		829	829
55,589	66,579	Cash and cash equivalents	11	67,401	56,779
90,516	150,338			152,802	93,136
2,260,054	2,347,204	**Total assets**		2,349,348	2,262,354
		Equity and liabilities			
		Equity attributable to owners of the parent			
139,968	139,968	Stated capital	12	139,968	139,968
(32)	(32)	Unallocated ESOP shares	14	(32)	(32)
124,107	121,561	Revaluation reserves	15	121,561	124,107
1,633,973	1,709,582	Retained earnings		1,711,676	1,635,653
1,898,016	1,971,079			1,973,173	1,899,696
		Non-current liabilities			
55,195	--	Floating rate bonds 2012 - 2016	16	--	55,195
71,027	59,459	Long and medium-term borrowings	16	59,459	71,027
33,815	39,188	Retirement benefit obligation	18.1	39,188	33,815
18,763	21,615	Casual employee retirement benefit	18.2	21,615	18,763
77,273	75,624	Deferred income tax liabilities	8.2	75,624	77,273
62,340	61,267	Deferred lease rental income	19	61,267	62,340
318,413	257,153			257,153	318,413

Point Lisas Industrial Port Development Corporation Limited

Statement of Financial Position (continued)

(Expressed in Trinidad and Tobago Dollars)

Parent Year ended 31 December 2014 $'000 Restated	Parent Year ended 31 December 2015 $'000		Notes	Group Year ended 31 December 2015 $'000	Group Year ended 31 December 2014 $'000 Restated
		Current liabilities			
5,031	--	Bank overdraft	11	--	5,031
--	55,195	Floating rate bonds 2012 - 2016	16	55,195	--
4,443	13,450	Long and medium-term borrowings	16	13,450	4,443
4,248	4,217	Deferred lease rental income	19	4,217	4,248
28,543	43,582	Trade and other payables	20	43,609	29,161
1,360	2,528	Current income tax liabilities		2,551	1,362
43,625	118,972			119,022	44,245
362,038	376,125	**Total liabilities**		376,175	362,658
2,260,054	2,347,204	**Total equity and liabilities**		2,349,348	2,262,354

The Notes on pages 8 to 55 are an integral part of these parent and consolidated financial statements.

On 18 March 2016, the Board of Directors of Point Lisas Industrial Port Development Corporation Limited authorised these parent and consolidated financial statements for issue.

Comparative information in these parent and consolidated financial statements have been restated for the correction of a prior period error (see Note 3b).

_______________ Director   _______________ Director

Point Lisas Industrial Port Development Corporation Limited

Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

Parent Year ended 31 December 2014 $'000 Restated	Parent Year ended 31 December 2015 $'000		Notes	Group Year ended 31 December 2015 $'000	Group Year ended 31 December 2014 $'000 Restated
273,015	289,588	Revenue	21	289,588	273,015
(88,126)	(95,783)	Direct costs	22	(94,743)	(87,134)
184,889	193,805	**Gross profit**		194,845	185,881
108,830	71,275	Unrealised fair value gains on investment properties	6	71,275	108,830
(95,851)	(100,510)	Administrative expenses	22	(100,970)	(96,385)
(81,446)	(76,692)	Other operating expenses	22	(76,692)	(81,446)
116,422	87,878	**Operating profit**		88,458	116,880
5,748	5,318	Investment income	7.3	5,318	5,748
(6,038)	(6,546)	Finance costs		(6,548)	(6,040)
116,132	86,650	**Profit before taxation**		87,228	116,588
(1,233)	(3,647)	Taxation charge	8.1	(3,811)	(1,371)
114,899	83,003	**Profit for the year**		83,417	115,217
		Other comprehensive income			
		Items that may be subsequently reclassified to profit or loss			
(82)	(25)	Change in value of available-for-sale financial assets	7.2	(25)	(82)
		Items that will not be reclassified to profit or loss			
		Remeasurements of:			
(4,825)	(3,818)	Retirement benefit obligation	18.1	(3,818)	(4,825)
48	(153)	Casual employee retirement benefit	18.2	(153)	48
110,040	79,007	**Total comprehensive income for the year**		79,421	110,358
		Earnings per share			
		Basic earnings per share	13	211¢	291¢

The Notes on pages 8 to 55 are an integral part of these parent and consolidated financial statements.

Point Lisas Industrial Port Development Corporation Limited

Statement of Changes in Equity
(Expressed in Trinidad and Tobago Dollars)

Parent	Notes	Stated capital $'000	Revaluation reserves $'000	Investment revaluation reserves $'000	Unallocated ESOP shares $'000	Retained earnings $'000	Shareholders' equity $'000
Year ended 31 December 2015							
Balance as at 1 January 2015 - Restated		139,968	123,718	389	(32)	1,633,973	1,898,016
Transfer of revaluation reserve to retained earnings	15	--	(2,521)	--	--	2,521	--
Comprehensive income							
- Profit for the year		--	--	--	--	83,003	83,003
Other comprehensive income							
- Change in value of available-for-sale financial assets	7.2	--	--	(25)	--	--	(25)
- Remeasurements of retirement benefit obligation	18.1	--	--	--	--	(3,818)	(3,818)
- Remeasurements of casual employee retirement benefit	18.2	--	--	--	--	(153)	(153)
Transactions with owners							
- Dividends	12.1	--	--	--	--	(5,944)	(5,944)
Balance as at 31 December 2015		139,968	121,197	364	(32)	1,709,582	1,971,079
Year ended 31 December 2014							
Balance as at 1 January 2014		139,968	126,296	471	(32)	1,527,217	1,793,920
Transfer of revaluation reserve to retained earnings	15	--	(2,578)	--	--	2,578	--
Comprehensive income							
- Profit for the year (Restated – Note 3)		--	--	--	--	114,899	114,899
Other comprehensive income							
- Change in value of available-for-sale financial assets	7.2	--	--	(82)	--	--	(82)
- Remeasurements of retirement benefit obligation	18.1	--	--	--	--	(4,825)	(4,825)
- Remeasurements of casual employee retirement benefit	18.2	--	--	--	--	48	48
Transactions with owners							
- Dividends		--	--	--	--	(5,944)	(5,944)
Balance as at 31 December 2014 - Restated		139,968	123,718	389	(32)	1,633,973	1,898,016

The Notes on pages 8 to 55 are an integral part of these parent and consolidated financial statements.

Point Lisas Industrial Port Development Corporation Limited

Statement of Changes in Equity (continued)
(Expressed in Trinidad and Tobago Dollars)

Group	Notes	Stated capital $'000	Revaluation reserves $'000	Investment revaluation reserves $'000	Unallocated ESOP shares $'000	Retained earnings $'000	Shareholders' equity $'000
Year ended 31 December 2015							
Balance as at 1 January 2015 - Restated		139,968	123,718	389	(32)	1,635,653	1,899,696
Transfer of revaluation reserve to retained earnings	15	--	(2,521)	--	--	2,521	--
Comprehensive income							
- Profit for the year		--	--	--	--	83,417	83,417
Other comprehensive income							
- Change in value of available-for-sale financial assets	7.2	--	--	(25)	--	--	(25)
- Remeasurements of retirement benefit obligation	18.1	--	--	--	--	(3,818)	(3,818)
- Remeasurements of casual employee retirement benefit	18.2	--	--	--	--	(153)	(153)
Transactions with owners							
- Dividends	12.1	--	--	--	--	(5,944)	(5,944)
Balance as at 31 December 2015		139,968	121,197	364	(32)	1,711,676	1,973,173
Year ended 31 December 2014							
Balance as at 1 January 2014		139,968	126,296	471	(32)	1,528,579	1,795,282
Transfer of revaluation reserve to retained earnings	15	--	(2,578)	--	--	2,578	--
Comprehensive income							
- Profit for the year (Restated – Note 3)		--	--	--	--	115,217	115,217
Other comprehensive income							
- Change in value of available-for-sale financial assets	7.2	--	--	(82)	--	--	(82)
- Remeasurements of retirement benefit obligation	18.1	--	--	--	--	(4,825)	(4,825)
- Remeasurements of casual employee retirement benefit	18.2	--	--	--	--	48	48
Transactions with owners							
- Dividends		--	--	--	--	(5,944)	(5,944)
Balance as at 31 December 2014 - Restated		139,968	123,718	389	(32)	1,635,653	1,899,696

The Notes on pages 8 to 55 are an integral part of these parent and consolidated financial statements.

Point Lisas Industrial Port Development Corporation Limited

Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

Parent Year ended 31 December 2014 $'000 Restated	Parent Year ended 31 December 2015 $'000		Notes	Group Year ended 31 December 2015 $'000	Group Year ended 31 December 2014 $'000 Restated
35,906	59,971	**Cash generated from operating activities**	11.1	59,748	35,996
(6,842)	(5,906)	Interest paid		(5,908)	(6,844)
4,872	4,703	Interest received		4,703	4,872
33,936	58,768			58,543	34,024
(90)	--	Income tax refund		--	(90)
(2,132)	(4,859)	Income tax paid		(5,002)	(2,268)
31,714	53,909	**Net cash generated from operating activities**		53,541	31,666
		Cash flows from investing activities			
(21,719)	(29,151)	Purchases of property, plant and equipment	5	(29,151)	(21,719)
--	(372)	Purchase of available-for-sale financial asset	7.2	(372)	--
358	140	Proceeds from sale of property, plant and equipment		140	358
911	--	Increase in held to maturity assets		--	911
(20,450)	(29,383)	**Net cash used in investing activities**		(29,383)	(20,450)
		Cash flows from financing activities			
(89,340)	(4,911)	Repayment of long and medium-term borrowings		(4,911)	(89,340)
80,583	2,350	Proceeds from long and medium-term borrowings		2,350	80,583
(5,944)	(5,944)	Dividends paid		(5,944)	(5,944)
(14,701)	(8,505)	**Net cash used in financing activities**		(8,505)	(14,701)
(3,437)	16,021	**Net (decrease)/increase in cash and cash equivalents**		15,653	(3,485)
53,995	50,558	**Cash and cash equivalents at beginning of year**		51,748	55,233
50,558	66,579	**Cash and cash equivalents at end of year**	11	67,401	51,748

The Notes on pages 8 to 55 are an integral part of these parent and consolidated financial statements.

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 activities:

Industrial estate Development and maintenance of onshore infrastructure, including a Free Zone area, for the purpose of leasing.

Port operations Provision of port and cargo handling services for import, export and transhipment vesels..

a. *Investment in subsidiary*

The Group's subsidiary at 31 December 2015 consists of Point Lisas Terminals Limited which is 100% owned for $320,002 (320,002 shares of no par value) (2014: $320,002 (320,002 shares of no par value).

2 Transactions with related parties

	2015 $'000	**2014 $'000**
Labour (See Note 1)	58,823	54,890
Post retirement benefits	766	1,219
Key management compensation	2,728	3,122

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.

2 **Transactions with related parties (continued)**

a. *Principles of consolidation (continued)*

(i) *Subsidiaries (continued)*

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 isued 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.

Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated.

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 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, judgements and errors

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

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in Notes refered to below together with information about the basis of calculation for each affected line item in the financial statements. In addition, this Note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

a. *Significant estimates and judgements*

The areas involving significant estimates or judgements are:

- Estimation of fair values of land and buildings and investment property – Notes 5 and 6
- Estimation of retirement benefit pension obligation – Note 18.1
- Estimation of casual employee retirement benefit – Note 18.2
- Estimation of income taxes

Estimates and judgements 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.

Income taxes

Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax provisions in the period in which such determination is made. See Note 8.2.

b. *Correction of error in accounting for investment property transferred to own use*

At the end of December 2014, the investment property valuation inaccurately included the fair value of a lease which was surrendered effective 31 March 2014. From the date of surrender Management made the decision to retain the property for owner occupation.The correction of this error resulted in the reclassification of the associated property from investment property to owner occupied property (i.e. property, plant and equipment) at a value of $9,805,000. The fair value gain/(loss) reported in the statement of comprehensive income for 31 December 2014 was misstated by the revaluation of this property.

The effect on the statement of financial position as of 31 December 2014 and the statement of comprehensive income for the year ended 31 December 2014 is summarised in the following tables.

3 **Critical estimates, judgements and errors (continued)**

b. *Correction of error in accounting for investment property transferred to own use (continued)*

Parent statement of financial position 31 December 2014	**Property, plant and equipment $'000**	**Investment properties $'000**	**Retained earnings $'000**
As previously reported - 31 December 2014	534,437	1,579,393	(1,633,928)
Reclassification upon commencement of owner-occupation	9,805	(9,805)	--
Reversal of fair value loss upon transfer	--	45	(45)
Restated 31 December 2014	544,242	1,569,633	(1,633,973)

Parent statement of comprehensive income 31 December 2014	**Fair value gains $'000**	**Profit for the year $'000**	**Total comprehensive income for the year $'000**
As previously reported - 31 December 2014	108,785	114,854	109,995
Reversal of fair value loss upon transfer	45	45	45
Restated 31 December 2014	108,830	114,899	110,040

Consolidated statement of financial position 31 December 2014	**Property, plant and equipment $'000**	**Investment properties $'000**	**Retained earnings $'000**
As previously reported - 31 December 2014	534,437	1,579,393	(1,635,608)
Reclassification upon commencement of owner-occupation	9,805	(9,805)	--
Reversal of fair value loss upon transfer	--	45	(45)
Restated 31 December 2014	544,242	1,569,633	(1,635,653)

Consolidated statement of comprehensive income 31 December 2014	**Fair value gains $'000**	**Profit for the year $'000**	**Total comprehensive income for the year $'000**
As previously reported - 31 December 2014	108,785	115,172	110,313
Reversal of fair value loss upon transfer	45	45	45
Restated 31 December 2014	108,830	115,217	110,358

Refer to Note 13 for details of the impact of the adjustment above on earnings per share for the year ended 31 December 2014.

4 **Financial risk management**

The Group has exposure to the following risks:

a. Credit risk
b. Liquidity risk
c. Market risk
   (i) Foreign exchange risk
   (ii) Interest rate risk

The 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. Management does not expect any losses from non-performance by counterparties. There was no concentration of risk due to the number and diversity of operations of the customer base.

(i) *Exposure to credit risk*

The carrying amount of financial assets represents the maximum exposure to credit risk:

Group	**Fully performing $'000**	**Past due $'000**	**Impaired $'000**	**Provision for impairment $'000**	**Total $'000**
31 December 2015					
Certificates of investment in T&T Government bonds	40,194	--	--	--	40,194
Cash at bank	67,267	--	--	--	67,267
Trade receivables	2,723	10,092	1,399	(1,399)	12,815
	110,184	10,092	1,399	(1,399)	120,276
31 December 2014					
Certificates of investment in T&T Government bonds	41,243	--	--	--	41,243
Cash at bank	56,702	--	--	--	56,702
Trade receivables	3,837	8,723	1,399	(1,399)	12,560
	101,782	8,723	1,399	(1,399)	110,505

4 **Financial risk management (continued)**

a. *Credit risk (continued)*

(ii) *Risk management*

Cash and deposits are held with a number of reputable financial institutions, in amounts varying between $7,000 and $26,000,000 (2014: $7,000 and $26,000,000). The maximum limit with any one financial institution is $50,000,000.

(iii) *Impairment analysis*

The main considerations for impairment include whether payments are in arrears for trade receivables. It is done on a specific loss component which relates to significant specific exposures (See Note 10).

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.

Group	**< 1 year $'000**	**1-2 years $'000**	**2-5 years $'000**	**More than 5 years $'000**	**Contractual cash flows $'000**	**Carrying amount $'000**
31 December 2015						
Borrowings	75,296	9,338	22,367	38,353	145,354	128,104
Trade payables	10,579	--	--	--	10,579	10,579
Total	85,875	9,338	22,367	38,353	155,933	138,683

	< 1 year $'000	**1-2 years $'000**	**2-5 years $'000**	**More than 5 years $'000**	**Contractual cash flows $'000**	**Carrying amount $'000**
31 December 2014						
Borrowings	9,997	66,026	20,553	56,961	153,537	130,665
Bank overdraft	5,031	--	--	--	5,031	5,031
Trade payables	8,369	--	--	--	8,369	8,369
Total	23,397	66,026	20,553	56,961	166,937	144,065

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 2015.

4 **Financial risk management (continued)**

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 a stable exchange currency like the US$ or in TT$.

The impact on the statement of comprehensive income at 31 December 2015 if the US$ strengthened/weakened against the TT$ by an average rate of 5% is a loss or gain of $583,465 (2014: $1,284,477) respectively.

(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 finances its operations through a mixture of retained profits and borrowings. The Group is also exposed to interest rate risk on cash held on deposit and borrowings. The Group manages the interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. At 31 December 2014 and 2015, there were no fixed rate interest borrowings for the Group. The carrying amounts and their sensitivity to interest rate fluctuations are disclosed in Note 16(d). The contractual cash flows of these floating rate borrowings are also disclosed in Note 16(e).

4 Financial risk management (continued)

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 consolidated statement of financial position) add bank overdraft less cash and cash equivalents. Total capital is calculated as 'shareholders' equity' as shown in the 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%.

The gearing ratios as at 31 December 2015 and 2014 were as follows:

Group	2015 $'000	2014 $'000 Restated
Total borrowings (including overdraft)	128,104	135,696
Less: cash and cash equivalents	(67,401)	(56,779)
Net debt	60,703	78,917
Total equity	1,973,173	1,899,696
Total capital	2,033,876	1,978,613
Gearing ratio	3%	4%

5 Property, plant and equipment – parent/group

The subsidiary has no property, plant and equipment.

	Land $'000	Own Site improvements $'000	Estate infrastructure $'000	Berths and piers $'000	Port equipment $'000	Buildings $'000	Equipment, furniture and fittings $'000	Capital work in progress $'000	Total $'000
Year ended 31 December 2015									
Opening net book amount - Restated	90,480	56,969	61,158	156,540	107,645	41,069	14,585	15,796	544,242
Additions	--	--	--	--	2,991	--	2,811	23,349	29,151
Transfers from capital work in progress	--	1,138	3,402	--	1,221	--	1,940	(7,701)	--
Transfers from investment property	68,660	--	--	--	--	--	--	--	68,660
Disposals/adjustments	--	--	--	--	--	--	(403)	--	(403)
Depreciation	--	(4,918)	(1,334)	(4,413)	(13,718)	(4,303)	(4,395)	--	(33,081)
Closing net book amount	159,140	53,189	63,226	152,127	98,139	36,766	14,538	31,444	608,569
At 31 December 2015									
Cost/valuation	159,140	63,001	83,983	220,625	243,173	45,369	67,743	31,444	914,478
Accumulated depreciation	--	(9,812)	(20,757)	(68,498)	(145,034)	(8,603)	(53,205)	--	(305,909)
Net book amount	159,140	53,189	63,226	152,127	98,139	36,766	14,538	31,444	608,569
Year ended 31 December 2014									
Opening net book amount	80,675	60,694	59,704	160,248	121,316	45,236	14,707	3,948	546,528
Additions	--	--	--	--	--	--	1,368	20,351	21,719
Transfers	--	1,169	2,772	696	350	133	3,383	(8,503)	--
Transfers from investment property (Restated – Note 3)	9,805	--	--	--	--	--	--	--	9,805
Disposals/adjustments	--	--	--	--	(115)	--	(357)	--	(472)
Depreciation	--	(4,894)	(1,318)	(4,404)	(13,906)	(4,300)	(4,516)	--	(33,338)
Closing net book amount - Restated	90,480	56,969	61,158	156,540	107,645	41,069	14,585	15,796	544,242
At 31 December 2014									
Cost/valuation - Restated	90,480	61,863	80,581	220,625	238,961	45,369	64,012	15,796	817,687
Accumulated depreciation	--	(4,894)	(19,423)	(64,085)	(131,316)	(4,300)	(49,427)	--	(273,445)
Net book amount - Restated	90,480	56,969	61,158	156,540	107,645	41,069	14,585	15,796	544,242
At 31 December 2013									
Cost/valuation	80,675	60,694	77,808	219,928	243,715	45,236	60,130	3,948	792,134
Accumulated depreciation	--	--	(18,104)	(59,680)	(122,399)	--	(45,423)	--	(245,606)
Net book amount	80,675	60,694	59,704	160,248	121,316	45,236	14,707	3,948	546,528

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 restated 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 statement of comprehensive income. The difference between depreciation based on the revalued carrying amount of the asset charged to the statement of 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 is 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 statement of 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 useful lives. Depreciation is calculated as follows:

Office equipment, furniture and fittings	-	12.5% - 25%	reducing balance basis
Motor vehicles	-	25%	reducing balance basis
Computer equipment	-	33.3%	reducing balance basis
Other assets	-	10% - 25%	reducing balance basis
Port equipment	-	6.67%	straight-line basis
Berths and piers	-	2%	straight-line basis
Own site improvements	-	5%	straight-line basis
Bridges	-	1%	straight-line basis
Estate infrastructure	-	1%	straight-line basis

Based on independent professional advice, buildings are being written off over their estimated 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 statement of comprehensive income. On disposal of revalued assets, the amounts included in the revaluation reserves are transferred to retained earnings.

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

b. *Significant fair value estimate*

The land, buildings and own site improvements were last revalued on 31 December 2013 by independent professional qualified valuers,Raymond & Pierre Chartered Valuation Surveyors. .

The following table analyses the non-financial assets carried at fair value. The different levels of fair value measurements have been defined in Note 24.c:

Fair value measurements using

	Quoted prices in active markets for identical assets (level 1) $'000	**Significant other observable inputs (level 2) $'000**	**Significant unobservable inputs (level 3) $'000**
As at 31 December 2015			
Recurring fair value measurements			
- Land	--	--	159,140
- Buildings	--	--	45,236
- Own site improvements	--	--	60,694

There were no transfers between levels 1 and 2 during the year.

Transfers between levels 2 and 3

The Company'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 Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. Changes in Level 2 and 3 fair values are analysed at each reporting date. As part of this assessment, the team reviews the reasons for the fair value movements.

In the current year, the classification was changed to level 3 as there is no observable market data for the assumptions used by the external valuator.

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.

5 Property, plant and equipment (continued)

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:

	2015 $'000	2014 $'000
Cost	98,906	97,279
Accumulated depreciation	(56,846)	(54,706)
Net carrying amount	42,060	42,573

d. *Assets pledged as security*

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

e. *Capital commitments*

	2015 $'000	2014 $'000
Authorised and contracted for and not provided for in the financial statements	37,190	38,342

f. *Depreciation charge*

Depreciation expense has been included in 'other operating expenses' in the statement of comprehensive income.

6 Investment properties

PARENT			GROUP	
2014 $'000 Restated	**2015 $'000**		**2015 $'000**	**2014 $'000 Restated**
		30 year leases:		
1,410,260	1,509,285	At beginning of year	1,509,285	1,410,260
(9,805)	(68,660)	Transfer to owner-occupied property (Note 5)	(68,660)	(9,805)
108,830	71,275	Unrealised fair value gains	71,275	108,830
1,509,285	1,511,900	At end of year	1,511,900	1,509,285
60,348	59,575	96 years and longer leases	59,575	60,348
1,569,633	1,571,475	At the end of year	1,571,475	1,569,633

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. Investment properties are carried at fair value, representing open market value determined annually by independent external valuators. The fair value of investment properties reflects rental income from current leases and assumptions about rental income from future leases in light of current market conditions. Changes in fair value are recorded in the statement of comprehensive income.

b. *Significant fair value estimate*

The Group's investment properties were valued at 31 December 2015 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 valuer.

Thirty year leases are stated at fair value. 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 Investment Method and Direct Capital Comparison Method.

6 Investment properties (continued)

b. *Significant fair value estimate (continued)*

Under the Investment Method, the estimated net rental income from a property by a years 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 rate of 5%. The valuation also assumes that all tenants will 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.

The following table analyses the non-financial assets carried at fair value. The different levels of fair value measurements have been defined in Note 24.d:

	Quoted prices in active markets for identical assets (level 1) $'000	Significant other observable inputs (level 2) $'000	Significant unobservable inputs (level 3) $'000
As at 31 December 2015			
Recurring fair value measurements			
- Investment properties	--	--	1,511,900
As at 31 December 2014			
Recurring fair value measurements			
- Investment properties - Restated	--	--	1,509,285

There were no tranfers between levels 1 and 2 during the year. In the current year, the classification was changed to level 3 as there is no observable market data for the assumptions used by the external valuation.

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.

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 judgement of the valuators prior to being reviewed and adopted by Management.

c. *Other disclosures*

PARENT 2014 $'000	PARENT 2015 $'000		GROUP 2015 $'000	GROUP 2014 $'000
		The following amounts have been recognised in the statement of comprehensive income		
75,480	75,239	Lease rental income (Note 21 (b))	75,239	75,480
(1,710)	(1,822)	Costs arising from investment properties	(1,822)	(1,710)

7 Financial assets (excluding cash and cash equivalents)

PARENT			GROUP	
2014 $'000	2015 $'000		2015 $'000	2014 $'000
41,243	40,194	Held to maturity assets (Note 7.1)	40,194	41,243
955	1,302	Available-for-sale assets (Note 7.2)	1,302	955
12,560	12,815	Trade receivables (Note 10)	12,815	12,560
54,758	54,311		54,311	54,758

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

		Non-current assets		
41,243	--	Held to maturity assets	--	41,243
		Current assets		
--	40,194	Held to maturity assets	40,194	--
955	1,302	Available-for-sale assets	1,302	955
12,560	12,815	Trade receivables (included in Note 10)	12,815	12,560
54,758	54,311		54,311	54,758

a. *Accounting policy*

(i) *Classification*

The Group classifies its financial assets in the following categories:

- loans and receivables, (Note 10)
- held-to-maturity investments (Note 7.1), and
- available-for-sale financial assets (Note 7.2).

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

(ii) *Reclassification*

The Group may choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification

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

a. *Accounting policy (continued)*

(ii) *Reclassification (continued)*

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

(iii) *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.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

(iv) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised as follows:

- for available-for-sale financial assets that are monetary securities denominated in a foreign currency – translation differences related to changes in the amortised cost of the security are recognised in profit or loss and other changes in the carrying amount are recognised in other comprehensive income
- for other monetary and non-monetary securities classified as available-for-sale – in other comprehensive income

(v) *Impairment*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

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

a. *Accounting policy (continued)*

(v) *Impairment (continued)*

Assets carried at amortised cost:

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Impairment testing of trade receivables is described in Note 10.

Assets classified as available-for-sale:

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss.
Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

(vi) *Income recognition*

Interest income:

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Dividends:

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

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

7.1 *Held to maturity assets*

PARENT			GROUP	
2014	2015		2015	2014
$'000	$'000		$'000	$'000
		Non-current assets		
41,243	--	Held to maturity assets	--	41,243
		Current assets		
--	40,194	Held to maturity assets	40,194	--
41,243	40,194		40,194	41,243

Held to maturity investments consist of Certificates of Investment in Trinidad & Tobago Government Bonds (Note 16).

7.2 *Available-for-sale financial assets*

PARENT			GROUP	
2014	2015		2015	2014
$'000	$'000		$'000	$'000
1,037	955	At beginning of year	955	1,037
--	372	Purchase	372	--
(82)	(25)	Change in value transferred to equity	(25)	(82)
955	1,302	At end of year	1,302	955

Available-for-sale financial assets 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 24.c.

7.3 *Investment income*

PARENT			GROUP	
2014	2015		2015	2014
$'000	$'000		$'000	$'000
4,872	4,703	Interest income – tax exempt	4,703	4,872
876	615	Other income	615	876
5,748	5,318		5,318	5,748

8 Taxation

8.1 *Taxation charge*

PARENT			GROUP	
2014 $'000	**2015 $'000**		**2015 $'000**	**2014 $'000**
3,286	6,348	Corporation tax	6,348	3,286
(90)	(321)	Prior year over accrual for tax	(321)	(90)
--	--	Business levy - current year	164	138
(1,963)	(2,380)	Deferred income tax (Note 8.2)	(2,380)	(1,963)
1,233	3,647		3,811	1,371

The tax charge differs from the theoretical amount that would arise using the basic tax rate of 25% (2014 - 25%) as follows:

PARENT			GROUP	
2014 $'000	**2015 $'000**		**2015 $'000**	**2014 $'000**
116,132	86,650	Profit before taxation	87,228	116,588
29,033	21,663	Tax calculated at applicable tax rate	21,807	29,147
(28,443)	(18,994)	Allowances/income not subject to tax	(18,994)	(28,443)
547	660	Expenses not deductible for tax	660	564
(90)	(321)	Prior year over accrual for tax	(321)	(90)
186	639	Other differences	495	55
--	--	Business levy	164	138
1,233	3,647		3,811	1,371

(a) *Accounting policy*

The tax expense for the period comprises current and deferred income tax. Tax is recognised in the statement of 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 substantially 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 consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially 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 liabilities and when the deferred income tax asset and liabilities relate to income taxes levied by the same taxation authority.

8 Taxation (continued)

8.2 *Deferred taxation*

PARENT 2014 $'000	PARENT 2015 $'000		GROUP 2015 $'000	GROUP 2014 $'000
67,684	64,128	At beginning of year	64,128	67,684
(1,609)	(1,273)	Tax on remeasurement of defined benefit obligation recognised in other comprehensive income (Note 18.1)	(1,273)	(1,609)
16	(51)	Tax on remeasurement of casual employee retirement benefit recognised in other comprehensive income (Note 18.2)	(51)	16
(1,963)	(2,380)	Charge for the year (Note 8.1)	(2,380)	(1,963)
64,128	60,424	At end of year	60,424	64,128

The deferred income tax (asset)/liability in the statement of financial position and the deferred income tax charge/(credit) in the statement of comprehensive income are attributable to the following:

Parent/group	2014 $'000	Charge to OCI $'000	Charge/ (credit) to SOCI $'000	2015 $'000
Year ended 31 December 2015				
Deferred income tax liabilities				
Accelerated tax depreciation	66,517	--	(809)	65,708
Revaluation of buildings and own site improvements	10,756	--	(840)	9,916
	77,273	--	(1,649)	75,624
Deferred income tax assets				
Casual employee retirement benefit	(4,691)	(51)	(661)	(5,403)
Retirement benefit obligation	(8,454)	(1,273)	(70)	(9,797)
	(13,145)	(1,324)	(731)	(15,200)
Net deferred income tax liabilities	64,128	(1,324)	(2,380)	60,424

8 Taxation (continued)

8.2 *Deferred taxation (continued)*

Parent/group

	2013 $'000	Charge to OCI $'000	Charge/ (credit) to SOCI $'000	2014 $'000
Year ended 31 December 2014				
Deferred income tax liabilities				
Accelerated tax depreciation	66,832	--	(315)	66,517
Revaluation of buildings and own site improvements	11,714	--	(958)	10,756
	78,546	--	(1,273)	77,273
Deferred income tax assets				
Casual employee retirement benefit	(4,131)	16	(576)	(4,691)
Retirement benefit obligation	(6,731)	(1,609)	(114)	(8,454)
	(10,862)	(1,593)	(690)	(13,145)
Net deferred income tax liabilities	67,684	(1,593)	(1,963)	64,128

9 Inventory

The inventory balance comprises consumable maintenance spares and is shown net of provision for obsolete spares of $1,669,000 (2014: $1,669,000).

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 2014 $'000	PARENT 2015 $'000		GROUP 2015 $'000	GROUP 2014 $'000
13,959	14,214	Trade receivables	14,214	13,959
(1,399)	(1,399)	Less: provision for impairment	(1,399)	(1,399)
12,560	12,815	Trade receivables – net	12,815	12,560
4,511	9,329	Other receivables and prepayments	10,232	5,202
5,074	6,600	Value added tax	6,600	5,074
22,145	28,744		29,647	22,836

10 Trade and other receivables (continued)

a. *Accounting policy*

Loans and receivables are non-deriviative 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 less provision for impairment. A provision for impairment of trade and other receivables is established where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Trade receivables that are less than 3 months past due are not considered impaired. Payments on invoices are due 30 days after issue. The creation and release of provision for impaired receivables have been included in 'administrative expenses' in the statement of comprehensive income. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivables are impaired. 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 statement of 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 finance costs in the statement of 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.

c. *Impairment and risk exposure*

Trade receivables of $10,092,000 (2014: $8,723,000) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default. The ageing analysis of trade receivables in arrears is as follows:

	2015 $'000	2014 $'000
Up to 1 month	1,908	945
1 to 2 months	451	729
Over 2 months	7,733	7,049
	10,092	8,723

As of 31 December 2015, trade receivables of $1,399,000 (2014: $1,399,000) were impaired and fully provided for. The individually impaired receivables mainly relate to customers, which are in unexpectedly difficult economic situations or have disputed invoiced amounts. The ageing of these receivables is as follows:

	2015 $'000	2014 $'000
Over 12 months	1,399	1,399

10 **Trade and other receivables (continued)**

c. *Impairment and risk exposure (continued)*

Movements on the Group's provision for impairment of trade receivables are as follows:

	2015 $'000	2014 $'000
At 1 January	1,399	18
New provision	--	1,381
At 31 December	1,399	1,399

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

11 **Cash and cash equivalents**

PARENT 2014 $'000	PARENT 2015 $'000		GROUP 2015 $'000	GROUP 2014 $'000
5,718	11,110	Restricted cash	11,110	5,718
8,917	18,434	Current bank and cash balances	19,256	10,107
40,954	37,035	Short-term bank deposits	37,035	40,954
55,589	66,579	Cash at bank and on hand	67,401	56,779
(5,031)	--	Bank overdraft	--	(5,031)
50,558	66,579		67,401	51,748

a. *Accounting policy*

For the purpose of presentation in the 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 statement of financial position.

b. *Restricted cash*

Restricted cash represents funds from matured certificates of investment in Trinidad and Tobago Investment Bonds (Note 7.1) which will be used solely to repay the floating rate bonds at the redemption date (see Note 16). This restriction is internally enforced to ensure the funds are available upon the loan redemption date.

c. *Financial risk management*

The effective interest rates on cash and short-term deposits were between 0.8% and 1.32% (2014: 0.8% and 1.25%) per annum. Short term deposits have original maturities of three months or less.

The Corporation has unsecured overdraft facilities of $30,000,000. Interest is charged at the average rate of 8.25% per annum (2014: 6.75% per annum).

11 Cash and cash equivalents (continued)

11.1 *Cash generated from operating activities*

PARENT 2014 $'000 Restated	PARENT 2015 $'000		GROUP 2015 $'000	GROUP 2014 $'000 Restated
116,132	86,650	Profit before taxation	87,228	116,588
(108,830)	(71,275)	Unrealised fair value gains on investment properties	(71,275)	(108,830)
33,338	33,081	Depreciation	33,081	33,338
114	263	Loss on disposal of property, plant and equip.	263	114
154	--	Decrease in other non-current assets	--	154
1,146	(2,039)	(Increase)/decrease in inventory	(2,039)	1,146
4,515	(5,550)	(Increase)/decrease in trade and other receivables	(5,762)	4,498
455	282	Net movement in retirement benefit obligation	282	455
2,305	2,648	Net movement in casual employee retirement benefit	2,648	2,305
1,970	1,203	Interest (net)	1,205	1,972
287	(331)	(Decrease)/increase in deferred lease rental income	(331)	287
(15,680)	15,039	Increase/(decrease) in trade and other payables	14,448	(16,031)
35,906	59,971	Cash generated from operations	59,748	35,996

12 Stated capital

PARENT 2014 $'000	PARENT 2015 $'000		GROUP 2015 $'000	GROUP 2014 $'000
		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:		
139,968	139,968	39,625,684 ordinary shares 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.

12 Stated capital (continued)

a. *Accounting policy (continued)*

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.

12.1 *Dividends declared and payable*

On 19 March 2015, the Board of Directors approved a final dividend of 15¢ per share, amounting to $5,944,000 in respect of the year ended 31 December 2014. This is reflected in these financial statements.

On 18 March 2016, the Board of Directors approved a final dividend of 10¢ per share, amounting to $3,963,000 in respect of the year ended 31 December 2015. This is not reflected in the statement of changes in equity.

13 Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares in issue during the year.

	GROUP	
	2015 $'000	2014 $'000 Restated
Basic earnings per share		
Profit for the year	83,417	115,217
Weighted average number of shares (excluding treasury shares) 39,619,607 (2014 - 39,619,607)		
Basic earnings per share – as restated		
- Including fair value gains	211¢	291¢
- Excluding fair value gains	31¢	16¢
Basic earnings per share – as previously reported		
- Including fair value gains		291¢
- Excluding fair value gains		16¢

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

	No of shares	2015 $'000	2014 $'000
Fair value of shares held – unallocated	6	34	34
Fair value of shares held – allocated	224	829	829
	230	863	863
Cost of unallocated ESOP shares		32	32
Charge to earnings for shares allocated to employees		--	--

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 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 'Unallocated ESOP Shares'. Any further dealings in the shares will be credited against the same account at fair value. The fair value of shares was derived from the closing market price prevailing on the Trinidad and Tobago Stock Exchange at the year-end.

15 Revaluation reserves

PARENT 2014 $'000	PARENT 2015 $'000		GROUP 2015 $'000	GROUP 2014 $'000
126,767	124,107	At beginning of year	124,107	126,767
(82)	(25)	Fair value gain/(loss) of available-for-sale financial assets (Note 7.2)	(25)	(82)
(2,578)	(2,521)	Transfer to retained earnings (net of tax)	(2,521)	(2,578)
124,107	121,561	At end of year	121,561	124,107

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 non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings (Note 5).

Available-for-sale financial assets:

Changes in the fair value and exchange differences arising on translation of investments that are classified as available-for-sale financial assets (eg equities), are recognised in other comprehensive income and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired (Note 7.2).

16 Financial liabilities (excluding trade payables and accruals)

PARENT			GROUP	
2014	2015		2015	2014
$'000	$'000		$'000	$'000
55,195	55,195	Floating rate bonds 2012 – 2016 (b)(i)	55,195	55,195
75,470	72,909	First Citizens Bank Limited (b)(ii)	72,909	75,470
130,665	128,104		128,104	130,665

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

PARENT 2014 $'000	PARENT 2015 $'000		GROUP 2015 $'000	GROUP 2014 $'000
		Non-current liabilities		
55,195	--	Floating rate bonds 2012 – 2016	--	55,195
71,027	59,459	Long and medium-term borrowings	59,459	71,027
126,222	59,459		59,459	126,222
		Current liabilities		
--	55,195	Floating rate bonds 2012 – 2016	55,195	--
4,443	13,450	Long and medium-term borrowings	13,450	4,443
130,665	128,104		128,104	130,665

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 statement of 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 a 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) *Floating rate bonds 2012 – 2016*

The parent company raised via an issue of bonds the sum of $55,195,094 on 30 May 1994 through Citibank (Trinidad and Tobago) Limited, from which $49,776,497 was used to repay bonds managed by Clico Investment Bank Limited and RBTT Merchant Bank Limited. The balance of $5,418,597 was invested by the trustee in Certificates of Investment in Trinidad and Tobago Government Bonds yielding interest at 11% per annum (Note 7.1). This shall fully provide for repayment of the loan at the redemption date. The bonds are redeemable at par on 30 November 2016 subject to a conditional prepayment option on or after 30 November 2012. This option has not been exercised up to 31 December 2015.

16 **Financial liabilities (excluding trade payables and accruals) (continued)**

b. *Loan agreements (continued)*

(i) *Floating rate bonds 2012 – 2016 (continued)*

Citibank (Trinidad and Tobago) Limited retired as trustees and a new trust deed was executed between RBC Trust (Trinidad and Tobago) Limited and Point Lisas Industrial Port Development Corporation Limited. Consequently, the charge by way of mortgages over certain freehold lands of the parent company, leases granted by the parent company in respect thereof and the rents arising therefrom, was executed in favour of RBC Trust (Trinidad and Tobago) Limited to be exercised in event of default of payment.

Interest is payable semi-annually at a floating rate set at 1% per annum below the average prime rate of licensed commercial banks. The rate is set at the beginning of each interest period, that is, 30 May and 30 November of each year. The rate in effect at 31 December 2015 was 7.1875% (2014: 6.5%).

(ii) *First Citizens Bank Limited*

On 30 June 2015, the Corporation established four (4) Term Loan facilities with First Citizens Bank Limited as follows:

Facility (i) is for TT$5,000,000 to provide financing assistance for the purchase of vehicles. As at 31 December 2015 TT$2,237,510 was drawndown. The drawdown facility expired on 31 January 2016. The financing arrangement allows for a full drawdown of the loan to be repayable via blended monthly amortised payments of principal and interest of $32,775 using an amortised period of 7 years with a bullet payment at the end of year 5 for $917,579. The interest rate is Prime less 2.25% per annum subject to a floor rate of 6% per annum. The schedule of repayment on the drawn balance is reflected in Note 16 e.

Facility (ii) is for US$12,390,428 of which US$10,371,945 was drawn down to settle exisiting loans. The financing arrangement allows for a full drawdown of the loan to be repayable over 9 years by 17 semi-annual principal instalments of US$413,014 and a final bullet payment of US$2,524,680. 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 schedule of repayment on the drawn balance is reflected in Note 16 e.

Facility (iii) is for TT$117,743,430 of which TT$9,520,123 was drawn down 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. The repayment is based on the full loan amount as opposed to the amount drawn,therefore on 31 December 2015 there will only be two semi-annual principal installments of TT$3,924,781 with a final bullet payment of TT$1,670,561.The interest rate is Prime less 4.5% per annum subject to a floor rate of 3% per annum. The schedule of repayment on the drawn balance is reflected in Note 16 e.

Facility (iv) is for TT$15,000,000 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.

16 **Financial liabilities (excluding trade payables and accruals) (continued)**

b. *Loan agreements (continued)*

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

Security on Facilities (i) and (iv) is a Debenture Charge stamped to cover the aggregate amount of $20,000,000 over the fixed and floating assets of the Corporation. This is subject to the existing Mortgage charges held over forty-four (44) acres commercial land in favour of RBC Trust (Trinidad & Tobago) Limited to secure floating rate bonds to the extent of $55,000,000 due in 2016.

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. This is subject to the existing Mortgage charges held over forty-four (44) acres commercial land in favour of RBC Trust (Trinidad & Tobago) Limited to secure floating rate bonds to the extent of $55,000,000 due in 2016.

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:

	2015 $'000	**2014 $'000**
US dollar	61,281	65,950
TT dollar	66,823	64,715
	128,104	130,665

d. *Sensitivity analysis - variable rate instruments*

	Increase/decrease In US LIBOR %	**(Decrease)/increase effect on profit $'000**
2015	+20	(20)
	-15	15
2014	+20	(18)
	-15	13

16 **Financial liabilities (excluding trade payables and accruals) (continued)**

e. *Contractual cash flows of floating rate borrowings*

Group	< 1 year $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000	Contractual cash flows $'000	Carrying amount $'000
31 December 2015						
Borrowings	75,296	9,338	22,367	38,353	145,354	128,104

	< 1 year $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000	Contractual cash flows $'000	Carrying amount $'000
31 December 2014						
Borrowings	9,997	66,026	20,553	56,961	153,537	130,665

17 **Staff costs**

PARENT 2014 $'000	PARENT 2015 $'000		GROUP 2015 $'000	GROUP 2014 $'000
147,535	156,024	Wages, salaries and benefits	155,363	147,000
11,299	13,168	Retirement benefit obligation expense (Note 18.1)	13,168	11,299
2,935	3,116	Casual employee retirement benefit expense (Note 18.2)	3,116	2,935
161,769	172,308		171,647	161,234

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.

17 **Staff costs (continued)**

a. *Accounting policy (continued)*

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 18.1a)
Casual employee retirement benefit (Note 18.2a)

18 **Long term employee benefits**

18.1 *Retirement benefit obligations*

The Group operates a defined benefit pension plan for its eligible employees. 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 tp 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 company, taking account of the recommendations of independent qualified actuaries.

	2015 $'000	2014 $'000
Net liability in the statement of financial position (Parent/Group)		
Present value of defined benefit obligation	188,278	173,534
Fair value of assets	(149,090)	(139,719)
Net defined benefit obligation	39,188	33,815
Reconciliation of opening and closing statement of financial position entries		
Opening net defined benefit obligation	33,815	26,926
Pension expense	13,168	11,299
Re-measurements recognised in other comprehensive income	5,091	6,434
Company contributions paid	(12,886)	(10,844)
Closing net defined benefit obligation	39,188	33,815

18 Long term employee benefits (continued)

18.1 *Retirement benefit obligations (continued)*

a. *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 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.

b. *Movement in present value of defined benefit obligation*

	2015 $'000	2014 $'000
Defined benefit obligation at start of year	173,534	153,204
Current service cost	11,330	9,806
Interest cost	8,529	7,566
Members' contributions	2,725	2,895
Experience adjustments	(1,850)	3,896
Benefits paid	(5,990)	(3,833)
Defined benefit obligation at end of year	188,278	173,534

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

	2015	2014
Active members	72%	76%
Deferred members	5%	5%
Pensioners	23%	19%
The weighted average duration of the defined benefit obligation at year end	16.5yrs	16.6yrs

96% of the benefits for active members are vested.
31% of the defined benefit obligation for active members is conditional on future salary increases.

18 Long term employee benefits (continued)

18.1 *Retirement benefit obligations (continued)*

c. *Movement in fair value of plan assets*

	2015 $'000	2014 $'000
Plan assets at start of year	139,719	126,278
Expected return on plan assets	7,211	6,547
Actuarial (gain)/loss	(6,941)	(2,538)
Company contributions	12,886	10,844
Members' contributions	2,725	2,895
Benefits paid	(5,990)	(3,833)
Expense allowance	(520)	(474)
Plan assets at end of year	149,090	139,719
Actual return on plan assets	(1,111)	4,009
Asset allocation		
Locally listed equities	25,414	24,885
Overseas equities	13,147	11,693
Government bonds	39,952	41,248
Corporate bonds	51,401	50,195
Cash and cash equivalents	14,882	7,100
Other (immediate annuity policies)	4,294	4,598
Fair value of plan assets at end of year	149,090	139,719

The asset values as at 31 December 2015 were provided by the Plan's Investment Manager (First Citizens Asset Management Limited). Overseas equities have quoted prices in active markets. Local equities also have quoted prices but the market is relatively 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.

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 & 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.

d. *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 $12.1 million to the pension plan during 2016.

18 Long term employee benefits (continued)

18.1 *Retirement benefit obligations (continued)*

e. *Expense recognised in the statement of comprehensive income*

	2015 $'000	2014 $'000
Current service cost	11,330	9,806
Net Interest on net defined benefit liability	1,318	1,019
Administration expense allowance	520	474
Pension expense (Note 17)	13,168	11,299

f. *Remeasurements recognised in other comprehensive income*

Experience losses	5,091	6,434
Deferred income tax (Note 8.2)	(1,273)	(1,609)
Total amount recognised in other comprehensive income	3,818	4,825
Actuarial losses recognised in the statement of comprehensive income in the year	5,091	6,434

g. *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 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.

	Per annum	Per annum
Summary of principal assumptions		
Discount rate	5.00%	5.00%
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 2015.

18 Long term employee benefits (continued)

18.1 *Retirement benefit obligations (continued)*

g. *Significant accounting estimate (continued)*

Assumptions regarding future mortality are based on published mortality tables. The life expectancies underlying the value of the defined benefit obligation as at 31 December 2014 are as follows:

	2015	**2014**
Life expectancy at age 60 for current pensioner in years		
Male	21	21
Female	25.1	25.1
Life expectancy at age 60 for current members age 40 in years		
Male	21.4	21.4
Female	25.4	25.4

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 2015 would have changed as a result of a change in the assumptions used.

	1% pa increase $'000	**1% pa decrease $'000**
Discount rate	(26,327)	33,624
Future salary increases	10,981	(9,570)

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at 31 December 2015 by $2.675 million.

These sensitivities were computed by re-calculating the defined benefit obligations using the revised assumptions.

18 Long term employee benefits (continued)

18.2 *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. Lumpsums will be paid as they fall due.

	2015 $'000	**2014 $'000**
Net liability in the statement of financial position (parent/group)		
Present value of casual employee retirement benefit obligation	21,615	18,763
Reconciliation of opening and closing statement of financial position entries		
Opening net retirement benefit liability	18,763	16,522
Net benefit cost	3,116	2,935
Re-measurements recognised in other comprehensive income	204	(64)
Lump sums paid	(468)	(630)
Closing casual employee retirement benefit liability	21,615	18,763

a. *Accounting policy*

The liability recognised in the 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 equity in other comprehensive income in the period in which they arise.

b. *Funding*

The Group pays the termination lump sums as they fall due. The Group expects to pay lump sums of $0.402 million in 2016.

18 Long term employee benefits (continued)

18.2 *Casual employee retirement benefit (continued)*

c. *Movement in present value of casual employee retirement benefit obligation*

	2015 $'000	2014 $'000
Obligation at start of year	18,763	16,522
Current service cost	2,189	2,124
Interest cost	927	811
Experience adjustments	204	(64)
Benefits paid	(468)	(630)
Obligation at end of year	21,615	18,763

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

	2015	2014
Casual employees	95%	97%
Former casual employees made permanent	4%	2%
Outstanding benefits	1%	1%
The weighted average duration of the retirement benefit obligation at year end	15.8yrs	16.2yrs

12% of the benefits are vested.

45% of the retirement obligation is conditional on future salary increases.

d. *Expense recognised in the statement of comprehensive income*

	2015 $'000	2014 $'000
Current service cost	2,189	2,124
Net interest on net retirement benefit liability	927	811
Casual employee retirement benefit expense (Note 17)	3,116	2,935

e. *Re-measurements recognised in other comprehensive income*

	2015	2014
Experience losses/(gains)	204	(64)
Deferred income tax (Note 8.2)	(51)	16
Total amount recognised in other comprehensive income	153	(48)

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

18.2 *Casual employee retirement benefit (continued)*

f. *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.

Summary of principal assumptions	**2015**	**2014**
Discount rate	5.00%	5.00%
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.

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 2015 would have changed as a result of a change in the assumptions used.

	1% pa increase	**1% pa decrease**
	$'000	**$'000**
Discount rate	(2,929)	3,612
Future salary increases	3,495	(2,877)

These sensitivities were computed by re-calculating the casual employee retirement benefit obligation using the revised assumptions.

19 Deferred lease rental income

PARENT 2014 $'000	PARENT 2015 $'000		GROUP 2015 $'000	GROUP 2014 $'000
		At beginning of year:		
5,953	6,240	30 year leases and unearned revenue	6,240	5,953
61,121	60,348	96 years and longer leases	60,348	61,121
67,074	66,588		66,588	67,074
74,994	74,135	Amounts received during the year	74,135	74,994
142,068	140,723		140,723	142,068
(75,480)	(75,239)	Income brought into account	(75,239)	(75,480)
66,588	65,484	At end of year	65,484	66,588
		Summarised as follows:		
6,240	5,909	30 year leases and unearned revenue	5,909	6,240
60,348	59,575	96 years and longer leases	59,575	60,348
66,588	65,484		65,484	66,588
(62,340)	(61,267)	Less: long-term portion	(61,267)	(62,340)
4,248	4,217	Current portion	4,217	4,248

a. *Accounting policy*

Refer to Note 21 a.

20 Trade and other payables

PARENT 2014 $'000	PARENT 2015 $'000		GROUP 2015 $'000	GROUP 2014 $'000
8,369	10,579	Trade payables	10,579	8,369
18,305	26,759	Other payables and accruals	33,030	20,792
26,674	37,338		43,609	29,161
1,869	6,244	Due to subsidiary	--	--
28,543	43,582		43,609	29,161

a. *Accounting policy*

Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

20 Trade and other payables (continued)

a. *Accounting policy (continued)*

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.

21 Segment information – group

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.

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.

21 **Segment information – group (continued)**

a. *Accounting policy (continued)*

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Group's activities. Revenue represents the amounts earned for lease rents, port and warehousing services and management fees, and is shown net of value added tax, discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity and when specific criteria have been met as follows:

(i) *Port operations*

The fees for services are recognised in the period in which the services are provided.

(ii) *Estate operations*

Lease rental income

Revenue earned as rental income is recognised on an accrual basis in accordance with the terms of the individual lease agreements with tenants. Lease premiums are deferred and recognised as revenue over the term of the lease.

Investment property lease premiums

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

Commitment fees received on all leases are taken into income upon receipt.

21 Segment information – group (continued)

b. *Segment operations*

	Port and related activities $'000	Estate $'000	Unallocated $'000	Total $'000
Year ended 31 December 2015				
Revenue	213,009	75,239	1,340	289,588
Gross profit	118,266	75,239	1,340	194,845
Unrealised fair value gains on investment properties	--	71,275	--	71,275
Depreciation	(27,585)	(1,822)	(3,674)	(33,081)
Other expenses – net	(74,674)	(5,091)	(59,498)	(139,263)
Finance costs	(3,412)	(2,451)	(685)	(6,548)
Profit before taxation				87,228
Year ended 31 December 2014 – Restated				
Revenue	196,125	75,480	1,410	273,015
Gross profit	108,991	75,480	1,410	185,881
Unrealised fair value gains on investment properties	--	108,830	--	108,830
Depreciation	(28,054)	(1,710)	(3,574)	(33,338)
Other expenses – net	(85,099)	(1,935)	(51,711)	(138,745)
Finance costs	(2,850)	(2,303)	(887)	(6,040)
Profit before taxation				116,588

The revenue reported to the chief operating decision makers is measured in a manner consistent with that in the statement of comprehensive income.

c. *Segment assets*

	Port and related activities $'000	Estate $'000	Unallocated $'000	Total $'000
Total segment assets				
31 December 2015	460,829	1,721,685	39,952	2,222,466
31 December 2014 - Restated	472,681	1,648,999	25,418	2,147,098

Total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment.

21 **Segment information – group (continued)**

c. *Segment assets (continued)*

Reportable segments' assets are reconciled to total assets as follows:

	31 December 2015 $'000	31 December 2014 $'000 Restated
Total segment assets	2,222,466	2,147,098
Cash and cash equivalents	67,401	56,779
Held to maturity investments	40,194	41,243
Deferred income tax	15,200	13,145
Other assets	4,087	4,089
Total assets as per statement of financial position	2,349,348	2,262,354

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

	Port and related activities $'000	Estate $'000	Other $'000	Total $'000
31 December 2015	9,059	3,603	16,489	29,151
31 December 2014	15,848	2,892	2,979	21,719

d. *Segment liabilities*

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

22 **Expenses by nature**

PARENT 2014 $'000	PARENT 2015 $'000		GROUP 2015 $'000	GROUP 2014 $'000
161,769	172,308	Staff costs (Note 17)	171,647	161,234
33,338	33,081	Depreciation	33,081	33,338
19,044	14,578	Repairs and maintenance spares utilised	14,578	19,044
11,905	12,455	Repairs and maintenance on property, plant and equipment	12,455	11,905
11,932	11,275	Accommodation	11,275	11,932
5,755	8,628	Office expenses	8,699	5,822
4,591	6,505	Other	6,505	4,591
5,227	5,303	Insurance	5,303	5,227
3,051	3,061	Vehicle and transport	3,061	3,051
1,993	1,900	Communication	1,910	2,003
2,198	1,688	Legal and professional fees	1,688	2,198
1,351	1,613	Marketing	1,613	1,351
1,069	582	Directors' remuneration	582	1,069
2,200	8	Bad debts	8	2,200
265,423	272,985	Total direct cost, administrative expenses and other operating expenses	272,405	264,965

23 Contingent liabilities

	2015 $'000	2014 $'000
23.1 Customs bonds	2,316	2,316

23.2 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 and therefore no provision has been made in these financial statements.

24 Summary of 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*

These parent and consolidated financial statements 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 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,
- available-for-sale financial assets – 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 2015:

- Annual Improvements to IFRSs – 2010-2012 Cycle and 2011 – 2013 Cycle.
- Defined Benefit Plans: Employee Contributions – Amendments to IAS 19.

The adoption of the improvements made in the 2010-2012 Cycle has required additional disclosures in our segment Note. Other than that, the adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

The Group also elected to adopt the following early:

- Disclosure Initiative: Amendments to IAS 1.

This amendment merely clarify the existing requirements, hence it does not affect the Group's accounting policies or any of the disclosures.

24 Summary of significant accounting policies (continued)

a. *Basis of preparation (continued)*

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

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods and have not been early adopted by the Group. The Group is yet to assess the impact of these new standards.

Financial reporting standard and effective date	***Nature of change***
IFRS 1 **IAS 27** Effective for years beginning on or after 1 January 2016	**Equity method in separate financial statements** Amends IAS 27 to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. Amends IFRS 1 to permit use of the business combinations exemption for investments in subsidiaries accounted for using the equity method in the separate financial statements of the first-time adopter.
IFRS 9 Effective for years beginning or after 1 January 2018	**Financial instruments** The final version of IFRS 9 was issued in July 2014 and includes (i) a third measurement category for financial assets - fair value through other comprehensive income; (ii) a single, forward-looking 'expected loss' impairment model; and (iii) a mandatory effective date for IFRS 9 of annual periods beginning on or after 1 January 2018.
IFRS 15 Effective for first interim periods within years beginning on or after 1 January 2017	New standard on revenue recognition, superceeding IAS 18, IAS 11, and related interpretations. The objective of IFRS 15 is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.

24 **Summary of significant accounting policies (continued)**

a. *Basis of preparation (continued)*

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

IFRS 15 (continued) Effective for first interim periods within years beginning on or after January 1, 2017	**Revenue from contracts with customers (continued)** Almost all entities will be affected to some extent by the significant increase in required disclosures. But the changes extend beyond disclosures and the effect on entities will vary depending on industry and current accounting practices. Entities will need to consider changes that might be necessary to information technology systems, processes and internal controls to capture new data and address changes in financial reporting.
Annual improvements project 2013 The improvements are generally effective for 2015 calendar years. Refer to the effective date of each amendment in the IFRS affected.	**Improves and amends existing standards, basis of conclusions and guidance** **IFRS 3** Business combinations **IFRS 13** Fair value measurements **IAS 40** Investment property
Annual improvements project 2012-2014 The improvements are generally effective for 2016 calendar years. Refer to the effective date of each amendment in the IFRS affected.	**Improves and amends existing standards, basis of conclusions and guidance** **IFRS 5** Non-current assets held for sale and discontinued operations **IFRS 7** Financial instruments: Disclosures **IAS 19** Employee Benefits **IAS 34** Interim financial reporting

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.

24 Summary of significant accounting policies (continued)

b. *Foreign currency translation*

(i) *Functional and presentation currency*

Items included in the 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 consolidated financial statements are presented in Trinidad and Tobago dollars, which is the Group's functional and presentation currency.

(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 statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the 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 heirarchy*

Judgements and estimates are made in determining the fair values for items measured at fair value in the 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. *Leases*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

g. *Financial assets (Note 7 a)*

24 **Summary of significant accounting policies (continued)**

h. *Current and deferred income tax (Note 8 a)*

i. *Inventory (Note 9 a)*

j. *Trade receivables (Note 10 a)*

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

l. *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.

m. *Share capital (Note 12 a)*

n. *Borrowings (Note 16 a)*

o. *Trade payables (Note 20 a)*

p. *Provisions (Note 20 a)*

q. *Employee benefits*

- *Termination benefits (Note 17 a)*
- *Bonus plans (Note 17 a)*
- *Employee share ownership plan (Note 17 a)*
- *Pension obligations (Note 18.1 a)*
- *Casual employee retirement benefit (Note 18.2 a)*

r. *Segment reporting (Note 21 a)*

s. *Revenue recognition (Note 21 a)*