Point Lisas Industrial Port Development Corporation Limited

Parent and Consolidated Financial Statements

31 December 2022

(Expressed in Thousands of Trinidad and Tobago Dollars)

Point Lisas Industrial Port Development Corporation Limited

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Point Lisas Industrial Port Development Corporation Limited

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying parent financial statements of Point Lisas Industrial Port Development Corporation Limited (the Parent) and the consolidated financial statements of the Parent and its subsidiary (together 'the Group') which comprise the parent and consolidated statement of financial position as at 31 December 2022 and the parent and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and significant accounting policies and other explanatory information;

- Ensuring that the Group keeps proper accounting records;

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

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

- Ensuring that the system of internal control operated effectively during the reporting period;

- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and

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

In preparing these audited parent and consolidated financial statements, management utilised International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying parent and consolidated financial statements have been authorised for issue, if later.

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

President	Vice President - Business Services
23 March 2023	23 March 2023

Independent auditor's report

To the Shareholders of Point Lisas Industrial Port Development Corporation Limited

Report on the audit of the parent and consolidated financial statements

Our opinion

In our opinion, the parent financial statements and the consolidated financial statements present fairly, in all material respects, the financial position of Point Lisas Industrial Port Development Corporation Limited (the Parent) and the consolidated financial position of the Parent and its subsidiary (together 'the Group') as at 31 December 2022, and their parent and consolidated financial performance and their parent and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

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

- the parent and consolidated statement of financial position as at 31 December 2022;
- the parent and consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the parent and consolidated statement of changes in equity for the year then ended;
- the parent and consolidated statement of cash flows for the year then ended; and
- the notes to the parent and consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the parent and consolidated financial statements* section of our report.

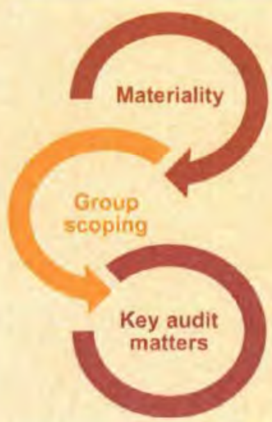
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Our audit approach

Overview



- Overall materiality: TT$23.1 million (Parent and Group), which represents approximately 0.8% of net assets.

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

- Valuation of investment properties (Parent & Group)
- Impairment assessment of non-financial assets – Berths and piers (Parent & Group)

Audit scope

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

How we tailored our group audit scope

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

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

Our 2022 audit was planned and executed having regard to the fact that the operations of the Group were largely unchanged from the prior year. In light of this, the areas of audit focus continued to be the fair value movements on investment properties and the impairment assessment of the Parent & Group's non-financial assets due to a shortfall in the market capitalisation compared to the carrying amount of net assets in the parent and consolidated financial statements.

Our audit approach (continued)

Materiality

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

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

Overall materiality	TT$23.1 million (Parent and Group)
How we determined it	Approximately 0.8% of net assets
Rationale for the materiality benchmark applied	We chose net assets as the benchmark because, in our view, it is the benchmark against which the performance of the Parent and Group is most commonly measured by users, and is a generally accepted benchmark. We chose 0.8% which is within a range of acceptable benchmark thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above TT$1,154,000, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

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

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties (Parent & Group) *Refer to note 6 to the parent and consolidated financial statements for disclosures of related accounting policies and balances* Investment properties, carried at fair value, amounted to TT$2,244 million as at 31 December 2022 for the Parent and Group, which represented 69% of their total assets. Included in the parent and consolidated statement of profit or loss and other comprehensive income is TT$25 million of fair value gains arising from the revaluation of these properties. The investment properties, principally comprising freehold and leasehold land, represent a significant portion of the asset base of the Parent and Group. Management uses an external valuation expert to value these assets annually at fair value using valuation models, which include unobservable inputs. The valuation is based upon the Income Approach and the Market Approach. The most significant inputs into these valuation models are future rental cash inflows based on the actual location and quality of the properties and supported by the terms of any existing leases and market prices of land, which incorporate extension assumptions, which are then discounted to present value. The areas which required judgement relate to the lease extension clauses, which allow for renewal for an additional 30 years, and the discount rates applied to future cash flows. The critical data inputs into the calculation are data from the lease contracts, including land size, rental rates, currency of agreement and lease tenure. The existence of significant estimation uncertainty as it pertains to the lease renewal, coupled with the material value of the properties, resulted in this being an audit focus area.	The approach to addressing the matter involved the following procedures, amongst others: • Updated our understanding of management's approach to performing the fair value assessment, including the process by which management's key assumptions and methodologies were developed and assessing their appropriateness. • Assessed the independence and competence of management's valuation expert. • Assessed the likelihood of the continued occupation and extension of the leases using available market data. • Evaluated the expert's assumptions focusing on the tenants' ability and intent to continue their operations at the leased properties, taking into account publicly available data impacting this assumption such as national gas reserves and the property's commercial attributes. Inspected, on a sample basis, historical trends of renewals of tenant leases. • Tested a sample of tenants to determine whether their rental payments were timely and whether there were any indicators that would make it unlikely that they would be able to continue with timely payments. • Compared management's discount rates to local statutory policy and to the yield of a Government of Trinidad and Tobago bond for a similar tenor, as land is considered to have minimal risk. • Tested, on a sample basis, the accuracy of the data inputs into the valuation model by verifying the size of property, rent rates, currency of agreement and rent expiry dates against signed contractual lease agreements and related addendums as applicable. • Tested the mathematical accuracy of the calculations used within the model. Based on the procedures performed, the valuation of investment properties in the parent and consolidated financial statements was, in our view, not unreasonable.

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of non-financial assets – Berths and piers (Parent & Group) *Refer to notes 3, 5 and 21 to the parent and consolidated financial statements for disclosures of related accounting policies and balances.* At the reporting date, the Parent and Group's market capitalisation was significantly less than the carrying amount of its net assets and as per Parent and Group's accounting policy, which is an indicator of potential impairment. As such, an impairment assessment was performed by management. Management determined that the port and estate operations are integrally linked and comprise a single cash generating unit. As some of the assets are already carried at fair value, the main focus of management's impairment assessment was on those assets which are not carried at fair value. In assessing potential impairment, management performed procedures to determine the recoverable amount of certain of those assets. The applicable assets related primarily to TT$219 million of berths and piers, included in property, plant and equipment on the parent and consolidated statement of financial position. Due to the specialised nature of the berths and piers, management engaged external independent valuators in 2020 who used the depreciated replacement cost (DRC) approach to determine fair value less cost of disposal for impairment purposes. In 2022, management, using internal expertise, prepared a report to demonstrate that there were no material changes in the inputs and assumptions used to determine the DRC in 2020. The 2020 report from the external valuator was referenced in management's 2022 report. The DRC approach involves estimation of the replacement cost new (RCN) defined as the current cost of a similar new asset having the nearest equivalent utility as the asset being appraised, as well as deductions for obsolescence. Significant assumptions utilised include: • Indirect costs including engineering, architect, and other professional fees • Construction finance • Entrepreneurial profit As the recoverable amount derived from the valuation of the berths and piers was higher than the total carrying amount of the assets which are not carried at fair value, management ultimately determined that no impairment provision was required. Based on the magnitude and the high degree of estimation uncertainty in assessing the fair value less cost of disposal of the assets assessed for impairment, this was an area of focus for the audit.	Our approach to addressing the matter, with the assistance of our valuation expert, involved the following procedures, amongst others: • Evaluated the method used by management to perform the impairment assessment. This included updating our understanding of the process by which management's key assumptions and methodologies were developed and assessing their appropriateness. • Assessed the competence of management's internal experts involved in the process. • Tested, on a sample basis, data used in the valuation and key assumptions such as indirect costs, berth specifications, the depreciation rates, the rates for finance cost and entrepreneurial profit to relevant source or industry data and supporting documents. • Developed an independent expectation range of the DRC and compared to management's recorded estimate. • Tested the mathematical accuracy of the calculations used within the model. Based on the procedures performed, the inputs and assumptions used in the impairment assessment of non-financial assets were, in our view, not unreasonable.

Other information

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

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

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

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

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

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

In preparing the parent and consolidated financial statements, management is responsible for assessing the Parent and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Parent or Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the parent and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent or Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent and consolidated financial statements, including the disclosures, and whether the parent and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
24 March 2023

Point Lisas Industrial Port Development Corporation Limited

Parent and Consolidated Statement of Financial Position

(Expressed in Thousands of Trinidad and Tobago Dollars)

Parent As at 31 December 2021 $	Parent As at 31 December 2022 $		Notes	Group As at 31 December 2022 $	Group As at 31 December 2021 $
		Assets			
		Non-current assets			
741,865	760,923	Property, plant and equipment	5	760,923	741,865
2,218,580	2,243,705	Investment properties	6	2,243,705	2,218,580
10,529	15,824	Deferred income tax assets	8 c.	15,824	10,529
1,863	--	Retirement benefit asset	18 a.	--	1,863
320	320	Investment in subsidiary	1 a.	--	--
897	897	Financial asset at amortised cost	7	897	897
1,994	1,771	Financial assets at fair value through other comprehensive income	7 b.	1,771	1,994
2,976,048	3,023,440			3,023,120	2,975,728
		Current assets			
17,432	19,014	Inventory	9	19,014	17,432
41,417	58,970	Trade and other receivables	10	59,934	42,533
--	--	Taxation recoverable		739	739
149,977	162,951	Cash and cash equivalents	11	163,056	150,330
208,826	240,935			242,743	211,034
3,184,874	3,264,375	**Total assets**		3,265,863	3,186,762
		Equity and liabilities			
		Equity attributable to owners of the parent			
139,968	139,968	Stated capital	12	139,968	139,968
(32)	(32)	Treasury shares	14	(32)	(32)
252,566	277,408	Revaluation reserves	15 b.	277,408	252,566
1,056	833	Investment revaluation reserve	15 c.	833	1,056
2,436,547	2,466,625	Retained earnings		2,469,176	2,438,985
2,830,105	2,884,802			2,887,353	2,832,543
		Non-current liabilities			
--	12,201	Retirement benefit obligation	18 a.	12,201	--
34,639	38,817	Casual employee retirement benefit	18 b.	38,817	34,639
97,222	84,375	Long and medium-term borrowings	16	84,375	97,222
96,317	104,436	Deferred income tax liabilities	8 c.	104,436	96,317
55,051	54,079	Deferred lease rental income	25	54,079	55,051
283,229	293,908			293,908	283,229

Point Lisas Industrial Port Development Corporation Limited

Parent and Consolidated Statement of Financial Position (continued)
(Expressed in Thousands of Trinidad and Tobago Dollars)

Parent As at 31 December 2021 $	Parent As at 31 December 2022 $		Notes	Group As at 31 December 2022 $	Group As at 31 December 2021 $
		Current liabilities			
13,264	13,294	Long and medium-term borrowings	16	13,294	13,264
4,578	4,607	Deferred lease rental income	25	4,607	4,578
48,836	63,910	Trade and other payables	20	62,839	48,270
4,862	3,854	Current income tax liabilities		3,862	4,878
71,540	85,665			84,602	70,990
354,769	379,573	**Total liabilities**		378,510	354,219
3,184,874	3,264,375	**Total equity and liabilities**		3,265,863	3,186,762

The notes on pages 15 to 73 are an integral part of these parent and consolidated financial statements.

On 23 March 2023, the Board of Directors of Point Lisas Industrial Port Development Corporation Limited authorised these parent and consolidated financial statements for issue.

Ricardo Lewis Director   Gindy Jager Director

Point Lisas Industrial Port Development Corporation Limited

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

Parent Year ended 31 December 2021 $	Parent Year ended 31 December 2022 $		Notes	Group Year ended 31 December 2022 $	Group Year ended 31 December 2021 $
320,124	363,864	Revenue	19	363,864	320,124
(100,824)	(127,953)	Cost of providing services	22	(126,536)	(99,601)
219,300	235,911	**Gross profit**		237,328	220,523
		Unrealised fair value gains on			
24,750	25,125	investment properties	6	25,125	24,750
(116,877)	(123,243)	Administrative expenses	22	(123,972)	(117,483)
(79,372)	(90,654)	Other operating expenses	22	(90,654)	(79,372)
--	9,418	Other income	7 c.	9,418	--
47,801	56,557	**Operating profit**		57,245	48,418
1,261	--	Investment income	7 c.	--	1,261
(2,670)	(3,545)	Finance costs		(3,545)	(2,670)
46,392	53,012	**Profit before taxation**		53,700	47,009
(6,441)	(9,624)	Taxation charge	8 a.	(10,199)	(6,938)
39,951	43,388	**Profit for the year**		43,501	40,071
		Other comprehensive income			
		Items that will not be reclassified to profit or loss			
		Change in value of financial assets at fair value through other			
569	(223)	comprehensive income	7 b.	(223)	569
		Deferred tax on accelerated tax depreciation – property plant, and equipment revalued and site			
1,492	1,493	improvements	8 c.	1,493	1,492
--	26,830	Gain on revaluation of land and buildings and own site improvements		26,830	--
		Remeasurements of:			
20,873	(10,449)	Retirement benefit obligation/(asset)	18 a.	(10,449)	20,873
1,537	(398)	Casual employee retirement benefit	18 b.	(398)	1,537
64,422	60,641	**Total comprehensive income for the year**		60,754	64,542
		Earnings per share			
101¢	110¢	**Basic earnings per share**	13	110¢	102¢
101¢	110¢	**Diluted earnings per share**	13	110¢	101¢

The notes on pages 15 to 73 are an integral part of these parent and consolidated financial statements.

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

Parent	Notes	Stated capital $	Revaluation reserves $	Investment revaluation reserves $	Treasury shares $	Retained earnings $	Shareholders' equity $
Year ended 31 December 2022							
Balance as at 1 January 2022		139,968	252,566	1,056	(32)	2,436,547	2,830,105
Comprehensive income							
- Profit for the year		--	--	--	--	43,388	43,388
Other comprehensive income							
- Transfer of revaluation reserve to retained earnings	15	--	(3,481)	--	--	3,481	--
- Change in value of financial assets at fair value through other comprehensive income	7 b.	--	--	(223)	--	--	(223)
- Gains on revaluation of land, buildings and and own site improvements		--	26,830	--	--	--	26,830
- Remeasurements of retirement benefit obligation	18 a.	--	--	--	--	(10,449)	(10,449)
- Remeasurements of casual employee retirement benefit	18 b.	--	--	--	--	(398)	(398)
- Deferred tax on accelerated tax depreciation – property, plant and equipment revalued and site improvements	8 c.	--	1,493	--	--	--	1,493
Transactions with owners							
- Dividends	12 b.	--	--	--	--	(5,944)	(5,944)
Balance as at 31 December 2022		139,968	277,408	833	(32)	2,466,625	2,884,802
Year ended 31 December 2021							
Balance as at 1 January 2021		139,968	254,556	487	(32)	2,375,063	2,770,042
Comprehensive income							
- Profit for the year		--	--	--	--	39,951	39,951
Other comprehensive income							
- Transfer of revaluation reserve to retained earnings	15	--	(3,482)	--	--	3,482	--
- Change in value of financial assets at fair value through other comprehensive income	7 b.	--	--	569	--	--	569
- Deferred tax on accelerated tax depreciation – property, plant and equipment revalued and site improvements	8 c.	--	1,492	--	--	--	1,492
- Remeasurements of retirement benefit obligation	18 a.	--	--	--	--	20,873	20,873
- Remeasurements of casual employee retirement benefit	18 b.	--	--	--	--	1,537	1,537
Transactions with owners							
- Dividends		--	--	--	--	(4,359)	(4,359)
Balance as at 31 December 2021		139,968	252,566	1,056	(32)	2,436,547	2,830,105

The notes on pages 15 to 73 are an integral part of these parent and consolidated financial statements.

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

Group	Notes	Stated capital $	Revaluation reserves $	Investment revaluation reserves $	Treasury shares $	Retained earnings $	Shareholders' equity $
Year ended 31 December 2022							
Balance as at 1 January 2022		139,968	252,566	1,056	(32)	2,438,985	2,832,543
Comprehensive income							
- Profit for the year		–	–	–	–	43,501	43,501
Other comprehensive income							
- Transfer of revaluation reserve to retained earnings	15	–	(3,481)	–	–	3,481	–
- Change in value of financial assets at fair value through other comprehensive income	7 b.	–	–	(223)	–	–	(223)
- Gains on revaluation of land, buildings and and own site improvements		–	26,830	–	–	–	26,830
- Remeasurements of retirement benefit obligation	18 a.	–	–	–	–	(10,449)	(10,449)
- Remeasurements of casual employee retirement benefit	18 b.	–	–	–	–	(398)	(398)
- Deferred tax on accelerated tax depreciation – property, plant and equipment revalued and site improvements	8 c.	–	1,493	–	–	–	1,493
Transactions with owners							
- Dividends	12 b.	–	–	–	–	(5,944)	(5,944)
Balance as at 31 December 2022		139,968	277,408	833	(32)	2,469,176	2,887,353
Year ended 31 December 2021							
Balance as at 1 January 2021		139,968	254,556	487	(32)	2,377,381	2,772,360
Comprehensive income							
- Profit for the year		–	–	–	–	40,071	40,071
Other comprehensive income							
- Transfer of revaluation reserve to retained earnings	15	–	(3,482)	–	–	3,482	–
- Change in value of financial assets at fair value through other comprehensive income	7 b.	–	–	569	–	–	569
- Deferred tax on accelerated tax depreciation – property, plant and equipment revalued and site improvements	8 c.	–	1,492	–	–	–	1,492
- Remeasurements of retirement benefit obligation	18 a.	–	–	–	–	20,873	20,873
- Remeasurements of casual employee retirement benefit	18 b.	–	–	–	–	1,537	1,537
Transactions with owners							
- Dividends		–	–	–	–	(4,359)	(4,359)
Balance as at 31 December 2021		139,968	252,566	1,056	(32)	2,438,985	2,832,543

The notes on pages 15 to 73 are an integral part of these parent and consolidated financial statements.

Point Lisas Industrial Port Development Corporation Limited

Parent and Consolidated Statement of Cash Flows

(Expressed in Thousands of Trinidad and Tobago Dollars)

Parent Year ended 31 December 2021 $	Parent Year ended 31 December 2022 $		Notes	Group Year ended 31 December 2022 $	Group Year ended 31 December 2021 $
62,778	64,845	**Cash generated from operating activities**	11 c.	65,180	63,306
(3,605)	(4,017)	Interest paid		(4,019)	(3,600)
59,173	60,828			61,161	59,706
(6,425)	(13,162)	Income tax paid		(13,743)	(6,920)
52,748	47,666	**Net cash generated from operating activities**		47,418	52,786
		Cash flows from investing activities			
(34,337)	(17,098)	Purchases of property, plant and equipment	5	(17,098)	(34,337)
2,479	--	Adjustment to property, plant and equipment		--	2,479
768	733	Interest received		733	768
(31,090)	(16,365)	**Net cash used in investing activities**		(16,365)	(31,090)
		Cash flows from financing activities			
(13,255)	(12,820)	Repayment of long and medium-term borrowings		(12,820)	(13,255)
(4,359)	(5,944)	Dividends paid	12 b.	(5,944)	(4,359)
(17,614)	(18,764)	**Net cash used in financing activities**		(18,764)	(17,614)
4,044	12,537	**Net increase in cash and cash equivalents**		12,289	4,082
145,774	149,977	**Cash and cash equivalents at beginning of year**		150,330	146,090
159	437	Effects of exchange rate changes on cash and cash equivalents		437	158
149,977	162,951	**Cash and cash equivalents at end of year**	11	163,056	150,330

The notes on pages 15 to 73 are an integral part of these parent and consolidated financial statements.

(Expressed in Thousands of Trinidad and Tobago Dollars)

1 Incorporation and principal activities

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

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

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

Leasing of industrial properties	Lease of land to tenants for 30 and 96 year or longer leases.
Industrial estate Management	Development and maintenance of onshore infrastructure, such as roads, lighting, drainage and including a Free Zone area, for the purpose of leasing.
Cargo handling	Provision of cargo handling services for import, export and transhipment vessels. The Port facilitates the receipt, storage and delivery of containerised, dry and liquid bulks, breakbulk and general cargo.
Marine	Coordination of all movement of vessels at the Port and neighbouring piers, inclusive of the berthing and unberthing operations as well as mooring and unmooring services.
Warehousing	Provision of less than container load warehousing services for both import and export trade and non-trade cargo. The less than container load warehousing service for export cargo facilitates intra-regional trade.
Security	Provision of security support to tenants on the Industrial Estate and Port users. Matters relating to the Port and Ship-to-Shore activities as it relates to the International Ship and Port Facility Security (ISPS) are handled by this unit.

a. *Investment in subsidiary*

The Group's subsidiary at 31 December 2022 consists of Point Lisas Terminals Limited which is 100% owned and is carried at a value of $320 (320,002 shares of no par value) (2021: $320 (320,002 shares of no par value)).

2 Transactions with related parties

	2022 $	2021 $
Parent/Group		
Key management compensation - Post retirement benefits	593	149
Key management compensation - short term benefits	3,739	3,361
Parent		
Labour costs charged by Point Lisas Terminals Limited (See Note 1)	95,831	82,776
Balance due to Point Lisas Terminals Limited	8,977	6,855

2 Transactions with related parties (continued)

a. *Principles of consolidation*

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

(i) *Subsidiaries*

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

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary consists of the fair values of the assets transferred, the liabilities incurred to the former owners of the acquired business, equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, 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 acquiree's net identifiable assets.

Acquisition-related costs are expensed as incurred.

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

(ii) *Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

3 Critical estimates, judgments and errors

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

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

a. *Significant estimates and judgments*

The areas involving significant estimates or judgments are:

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

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

Impairment assessment of non-financial assets of the Group

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

4 Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context. The Group has exposure to the following risks:

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

b. Liquidity risk

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

d. Capital risk management

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

The Group's risk management is predominantly controlled policies approved by the board of directors. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

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 and cash equivalents, deposits with financial institutions as well as outstanding receivables. The credit quality of customers, their financial position, past experience and other factors are taken into consideration in assessing credit risk. There was no concentration of risk due to the number and diversity of operations of the customer base.

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

(i) *Risk management*

Cash and deposits are held with a number of reputable financial institutions, in amounts varying between $8 and $77,335 (2021: $9 and $61,307). The utilisation of credit limits is regularly monitored to manage the risk with trade receivables. Receivable balances are also monitored on an ongoing basis.

(ii) *Security*

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 Financial risk management (continued)

a. *Credit risk (continued)*

(iii) *Credit quality*

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

Cash at bank	2022 $	2021 $
Parent		
Cash at bank	162,866	149,892
Group		
Cash at bank	162,969	150,243

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

(iv) *Exposure to credit risk*

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

Parent	Fully performing $	Past due $	Impaired $	Provision for impairment $	Total $
31 December 2022					
Financial asset at amortised cost	897	--	--	--	897
Cash at bank	162,866	--	--	--	162,866
Trade receivables	10,617	34,257	36,721	(36,721)	44,874
Other receivables (excluding prepayments)	1,984	--	527	(527)	1,984
	176,364	34,257	37,248	(37,248)	210,621

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 Financial risk management (continued)

a. *Credit risk (continued)*

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

Parent (continued)

31 December 2021	**Fully performing $**	**Past due $**	**Impaired $**	**Provision for impairment $**	**Total $**
Financial asset at amortised cost	897	--	--	--	897
Cash at bank	149,892	--	--	--	149,892
Trade receivables	6,720	15,268	28,366	(28,366)	21,988
Other receivables (excluding prepayments)	1,561	--	527	(527)	1,561
	159,070	15,268	28,893	(28,893)	174,338

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

Group

	Fully performing $	**Past due $**	**Impaired $**	**Provision for impairment $**	**Total $**
31 December 2022					
Financial asset at amortised cost	897	--	--	--	897
Cash at bank	162,969	--	--	--	162,969
Trade receivables	10,617	34,257	36,721	(36,721)	44,874
Other receivables (excluding prepayments)	2,947	--	551	(551)	2,947
	177,430	34,257	37,272	(37,272)	211,687
31 December 2021					
Financial asset at amortised cost	897	--	--	--	897
Cash at bank	150,243	--	--	--	150,243
Trade receivables	6,720	15,268	28,366	(28,366)	21,988
Other receivables (excluding prepayments)	2,677	--	551	(551)	2,677
	160,537	15,268	28,917	(28,917)	175,805

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

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

The Group has two types of financial assets that are subject to the expected credit loss model

- Trade receivables
- Financial assets at amortised cost

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 **Financial risk management (continued)**

a. *Credit risk (continued)*

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

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables. To measure the lifetime loss allowance, the Group first considers whether any individual customer accounts require specific provisions. Loss rates are then assigned to these accounts based on various qualitative and quantitative factors. All other non-specific trade receivables are then grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 54 months before 30 June 2022 and the corresponding historical credit losses experienced within this period.

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

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

<u>Summary of ECL calculations</u>

The movement in the provision for expected credit losses for trade receivables is as follows. This includes specific provisions of $34,995 (2021: $27,904).

	2022 $	2021 $
Opening loss allowance as at 1 January	28,366	17,738
Increase in loss allowance recognised in profit or loss during the year	8,355	10,628
Balance at end of year	36,721	28,366

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

	2022	2021
Net changes to provisions for the year per above	8,355	10,628

Financial assets at amortised cost

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The financial assets at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months' expected losses.

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 Financial risk management (continued)

b. *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Group's liquidity risk management process is measured and monitored by senior management personnel. This process includes:

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

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

Parent

	< 1 year $	1-2 years $	2-5 years $	More than 5 years $	Contractual cash flows $	Carrying amount $
31 December 2022						
Borrowings	17,989	86,709	1,839	81	106,618	97,669
Deferred lease rental income	4,577	983	2,949	50,177	58,686	58,686
Trade payables	6,908	--	--	--	6,908	6,908
Due to subsidiary	8,977	--	--	--	8,977	8,977
Other payables (excluding statutory liabilities)	46,659	--	--	--	46,659	46,659
Total	85,110	87,692	4,788	50,258	227,848	218,899

	< 1 year $	1-2 years $	2-5 years $	More than 5 years $	Contractual cash flows $	Carrying amount $
31 December 2021						
Borrowings	16,512	16,138	86,532	15	119,197	110,486
Deferred lease rental income	4,578	983	2,949	51,119	59,629	59,629
Trade payables	2,596	--	--	--	2,596	2,596
Due to subsidiary	6,855	--	--	--	6,855	6,855
Other payables (excluding statutory liabilities)	38,058	--	--	--	38,058	38,058
Total	68,599	17,121	89,481	51,134	226,335	217,624

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 Financial risk management (continued)

b. *Liquidity risk (continued)*

Group

	< 1 year $	1-2 years $	2-5 years $	More than 5 years $	Contractual cash flows $	Carrying amount $
31 December 2022						
Borrowings	17,989	86,709	1,839	81	106,618	97,669
Deferred lease rental income	4,577	983	2,949	50,177	58,686	58,686
Trade payables	6,908	--	--	--	6,908	6,908
Other payables (excluding statutory liabilities)	50,437	--	--	--	50,437	50,437
Total	79,911	87,692	4,788	50,258	222,649	213,700

	< 1 year $	1-2 years $	2-5 years $	More than 5 years $	Contractual cash flows $	Carrying amount $
31 December 2021						
Borrowings	16,512	16,138	86,532	15	119,197	110,486
Deferred lease rental income	4,578	983	2,949	51,119	59,629	59,629
Trade payables	2,596	--	--	--	2,596	2,596
Other payables (excluding statutory liabilities)	41,054	--	--	--	41,054	41,054
Total	64,740	17,121	89,481	51,134	222,476	213,765

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 2022 and 2021.

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 US$ balances.
- Invoicing only in US$ or in TT$ currency.

4 **Financial risk management (continued)**

c. *Market risk (continued)*

(i) *Foreign exchange risk (continued)*

There were no changes in the policies and procedures for managing foreign currency risk compared with prior year. The impact on the parent and consolidated statement of profit or loss and other comprehensive income at 31 December 2022 if the US$ strengthened/weakened against the TT$ by an average rate of 5% is an increase/decrease in profits of $4,367 (2021: $3,080) respectively, mainly as a result of foreign exchange losses/gains on translation of US dollar denominated cash and cash equivalents and borrowings.

(ii) *Interest rate risk*

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

At 31 December 2022 and 2021, there were no fixed rate interest borrowings for the Group. The sensitivity to interest rate fluctuations are disclosed in Note 16 d. The contractual cash flows and carrying amounts of these floating rate borrowings are also disclosed in Note 16 e.

(iii) *Price risk*

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

d. *Capital risk management*

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

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

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

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 Financial risk management (continued)

d. *Capital risk management (continued)*

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

The parent/Group has no gearing as at 31 December 2022 and 2021 as cash exceeded borrowings.

Parent	2022 $	2021 $
Net cash	(65,282)	(39,491)
Total equity	2,884,802	2,830,105
Total capital	2,819,520	2,790,614
Gearing ratio	N/A	N/A
Cash and cash equivalents	162,951	149,977
Borrowings – repayable within one year (including overdraft)	(13,294)	(13,264)
Borrowings – repayable after one year	(84,375)	(97,222)
Net cash	65,282	39,491
Cash	162,951	149,977
Gross debt – variable interest rates	(97,669)	(110,486)
Net cash	65,282	39,491

	Other assets	Liabilities from financing activities		
	Cash/ bank overdraft $	Borrowing due within 1 year $	Borrowing due after 1 year $	Total $
Net debt as at 1 January 2021	145,774	(13,263)	(110,478)	22,033
Cash flows	4,044	--	13,255	17,299
Foreign exchange adjustments	159	(1)	1	159
Net debt as at 1 January 2022	149,977	(13,264)	(97,222)	39,491
Cash flows	12,537	--	12,820	25,357
Foreign exchange adjustments	437	(30)	27	434
Net cash as at 31 December 2022	162,951	(13,294)	(84,375)	65,282

Cash exceeds borrowings so there is no net debt and therefore no gearing.

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 **Financial risk management (continued)**

d. *Capital risk management (continued)*

	2022 $	2021 $
Group		
Net cash	(65,387)	(39,844)
Total equity	2,887,353	2,832,543
Total capital	2,821,966	2,792,699
Gearing ratio	N/A	N/A
Cash and cash equivalents	163,056	150,330
Borrowings – repayable within one year (including overdraft)	(13,294)	(13,264)
Borrowings – repayable after one year	(84,375)	(97,222)
Net cash	65,387	39,844
Cash	163,056	150,330
Gross debt – variable interest rates	(97,669)	(110,486)
Net cash	65,387	39,844

	Other assets	Liabilities from financing activities		
	Cash/ bank overdraft $	Borrowing due within 1 year $	Borrowing due after 1 year $	Total $
Net debt as at 1 January 2021	146,090	(13,263)	(110,478)	22,349
Cash flows	4,082	--	13,255	17,337
Foreign exchange adjustments	158	(1)	1	158
Net debt as at 1 January 2022	150,330	(13,264)	(97,222)	39,844
Cash flows	12,289	--	12,820	25,109
Foreign exchange adjustments	437	(30)	27	434
Net cash as at 31 December 2022	163,056	(13,294)	(84,375)	65,387

Cash exceeds borrowings so there is no net debt and therefore no gearing.

Loan covenants

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

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

The Parent and Group has complied with these covenants throughout the reporting period.

Parent
As at 31 December 2022, the maximum total liabilities/ tangible net worth ratio was 0.05 (0.05 as at 31 December 2021) and the debt service coverage ratio was 3.94 (3.63 as at 31 December 2021).

Group
As at 31 December 2022, the maximum total liabilities/ tangible net worth ratio was 0.05 (0.05 as at 31 December 2021) and the debt service coverage ratio was 3.98 (3.67 as at 31 December 2021).

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 **Financial risk management (continued)**

e. *Financial instruments by category*

Parent	**2022 $**	**2021 $**

Financial assets

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

Trade receivables	44,874	21,988
Other receivables (excluding prepayments)	1,984	1,561
Cash at bank	162,866	149,892
	209,724	173,441
Financial asset at amortised cost	897	897
Financial assets at fair value through other comprehensive income	1,771	1,994
	212,392	176,332

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

Other financial liabilities

Liabilities as per parent statement of financial position

Trade payables	6,908	2,596
Other payables (excluding statutory liabilities)	46,659	38,058
Due to subsidiary	8,977	6,855
Borrowings	97,669	110,486
	160,213	157,995

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

Group

Financial assets

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

Trade receivables	44,874	21,988
Other receivables (excluding prepayments)	2,947	2,677
Cash at bank	162,969	150,243
	210,790	174,908
Financial asset at amortised cost	897	897
Financial assets at fair value through other comprehensive income	1,771	1,994
	213,458	177,799

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 Financial risk management (continued)

e. *Financial instruments by category (continued)*

Group (continued)	2022 $	2021 $
Other financial liabilities		
Liabilities as per consolidated statement of financial position		
Trade payables	6,908	2,596
Other payables (excluding statutory liabilities)	50,437	41,054
Borrowings	97,669	110,486
	155,014	154,136

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

Point Lisas Industrial Port Development Corporation Limited

5 Property, plant and equipment – Parent/Group

The subsidiary has no property, plant and equipment.

	Land $	Own Site improvements $	Estate infrastructure $	Berths and piers $	Port equipment $	Buildings $	Equipment, furniture and fittings $	Capital work in progress $	Total $
Year ended 31 December 2022									
Opening net book amount	255,620	65,113	59,764	225,207	62,468	47,148	13,964	12,581	741,865
Additions	–	400	2,055	–	565	–	3,986	10,092	17,098
Transfers from capital work in progress	–	46	467	495	3,689	–	690	(5,387)	–
Revaluation	–	25,575	–	–	–	12,753	–	–	38,328
Disposals/adjustments	–	–	–	(370)		–	(131)	(2,270)	(2,771)
Depreciation	–	(6,211)	(800)	(6,652)	(13,288)	(2,150)	(4,496)	–	(33,597)
Closing net book amount	255,620	84,923	61,486	218,680	53,434	57,751	14,013	15,016	760,923
At 31 December 2022									
Cost/valuation	255,620	84,923	81,057	325,533	266,771	57,751	97,351	15,016	1,184,022
Accumulated depreciation	–	–	(19,571)	(106,853)	(213,337)	–	(83,338)	–	(423,099)
Net book amount	255,620	84,923	61,486	218,680	53,434	57,751	14,013	15,016	760,923
Year ended 31 December 2021									
Opening net book amount	255,620	71,121	59,927	204,706	69,442	49,298	14,364	18,819	743,297
Additions	–	–	–	–	1,015	–	2,317	31,005	34,337
Transfers from capital work in progress	–	303	622	26,480	5,299	–	2,060	(34,764)	–
Disposals/adjustments	–	–	–	–	–	–	(149)	(2,479)	(2,628)
Depreciation	–	(6,311)	(785)	(5,979)	(13,288)	(2,150)	(4,628)	–	(33,141)
Closing net book amount	255,620	65,113	59,764	225,207	62,468	47,148	13,964	12,581	741,865
At 31 December 2021									
Cost/valuation	255,620	77,726	78,535	325,407	262,517	51,455	92,909	12,581	1,156,750
Accumulated depreciation	–	(12,613)	(18,771)	(100,200)	(200,049)	(4,307)	(78,945)	–	(414,885)
Net book amount	255,620	65,113	59,764	225,207	62,468	47,148	13,964	12,581	741,865
At 1 January 2021									
Cost/valuation	255,620	77,424	77,913	298,928	256,203	51,454	90,944	18,819	1,127,305
Accumulated depreciation	–	(6,303)	(17,986)	(94,222)	(186,761)	(2,156)	(76,580)	–	(384,008)
Net book amount	255,620	71,121	59,927	204,706	69,442	49,298	14,364	18,819	743,297

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 periodic, but at least triennial, valuations by external independent valuators, less subsequent depreciation for buildings and own site improvements (land is not depreciated). Independent valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is adjusted to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation of land, own site improvements and buildings are recognised, net of tax, in other comprehensive income and accumulated in revaluation reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the parent and consolidated statement of profit or loss and other comprehensive income. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the parent and consolidated statement of profit or loss and other comprehensive income and depreciation based on the asset's original cost, net of tax, is reclassified from "revaluation reserve" to "retained earnings". See Note 15.

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

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

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

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

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included within the parent and consolidated statement of profit or loss and other comprehensive income. When revalued assets are sold, it is Group policy to transfer any amounts included in revaluation reserves in respect of those assets to retained earnings.

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

b. *Significant fair value estimate*

The land, buildings and own site improvements were last revalued on 31 December 2022 by independent professional qualified valuers, Raymond & Pierre Chartered Valuation Surveyors.

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

	Quoted prices in active markets for identical assets (level 1) $	Significant other observable inputs (level 2) $	Significant unobservable inputs (level 3) $
As at 31 December 2022			
Recurring fair value measurements			
- Land	--	--	255,620
- Own site improvements	--	--	84,923
- Buildings	--	--	57,751

	Quoted prices in active markets for identical assets (level 1) $	Significant other observable inputs (level 2) $	Significant unobservable inputs (level 3) $
As at 31 December 2021			
Recurring fair value measurements			
- Land	--	--	255,620
- Own site improvements	--	--	65,113
- Buildings	--	--	47,148

There were no transfers between levels during the year.

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

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

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

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

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

5 Property, plant and equipment (continued)

b. *Significant fair value estimate (continued)*

	Land $	Own site improvements $	Buildings $	Total $
Opening balance 1 January 2022	255,620	65,113	47,148	367,881
Additions/transfers/ revaluation	--	26,021	12,753	38,774
Amounts recognised in profit or loss - Depreciation	--	(6,211)	(2,150)	(8,361)
Closing balance 31 December 2022	255,620	84,923	57,751	398,294

	Land $	Own site improvements $	Buildings $	Total $
Opening balance 1 January 2021	255,620	71,121	49,298	376,039
Additions/transfers/ revaluation	--	303	--	303
Amounts recognised in profit or loss - Depreciation	--	(6,311)	(2,150)	(8,461)
Closing balance 31 December 2021	255,620	65,113	47,148	367,881

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:

	2022 $	2021 $
Cost	211,941	211,508
Accumulated depreciation	(81,896)	(79,266)
Net carrying amount	130,045	132,242

d. *Assets pledged as security*

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

5 Property, plant and equipment (continued)

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

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

The most significant asset groups included on the statement of financial position are investment properties of $2,243,705 and property, plant and equipment (PP&E) of $760,923.

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

Land, buildings and site improvements of $398,294 within PP&E are also carried at fair value in accordance with the Group's accounting policies based on periodic independent valuations.

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

In determining the fair value less cost of disposal for impairment, management utilised valuation techniques to estimate the price at which an orderly transaction to sell the asset would take place between market participants at the measurement date under current market conditions. In carrying out this review, management utilized the work performed by independent external valuators in 2020 to determine a fair value for certain assets. In 2022, management, rolled forward the 2020 information to the current year after due consideration by internal engineering personnel of the relevant facts and circumstances applicable.

Due to the specialised nature of the port's berths and piers, management engaged external independent valuators for the valuation in 2020 using the depreciated replacement cost (DRC) approach. Management considered this to be the most reliable method given relevant information, such as sales or rental transactions, is not readily available due to there being no public active market for specialised assets of this nature.

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

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

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

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

	2022	
	Increase in rate $	**Decrease in rate $**
Change in indirect cost – 5% (Decrease)/increase in fair value	(15,562)	15,562
Change in finance cost – 1% (Decrease)/increase in fair value	(7,158)	7,158
Change in entrepreneurial profit – 5% (Decrease)/increase in fair value	(20,401)	20,401

	2021	
	Increase in rate $	**Decrease in rate $**
Change in indirect cost – 5% (Decrease)/increase in fair value	(15,562)	15,562
Change in finance cost – 1% (Decrease)/increase in fair value	(7,158)	7,158
Change in entrepreneurial profit – 5% (Decrease)/increase in fair value	(20,401)	20,401

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

f. *Capital commitments*

The Group has $8,342 (2021: $1,759) in capital commitments as at 31 December 2022.

g. *Depreciation charge*

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

h. *Borrowing cost capitalised*

Included within the additions during the year is borrowing cost of $862 (2021: $968). The capitalisation rate is the interest rate applicable to the specific borrowing for the rehabilitation of the berths, in this case 3% (2021: 3%).

(Expressed in Thousands of Trinidad and Tobago Dollars)

6 Investment properties

PARENT			GROUP	
2021 $	2022 $		2022 $	2021 $
		As at 1 January		
2,136,610	2,165,990	30 year leases	2,165,990	2,136,610
57,220	52,590	96 years and longer leases	52,590	57,220
2,193,830	2,218,580		2,218,580	2,193,830
24,750	25,125	Unrealised fair value gains	25,125	24,750
2,218,580	2,243,705	As at 31 December	2,243,705	2,218,580

a. *Accounting policy*

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

b. *Significant fair value estimate*

The Group's investment properties were valued at 31 December 2022 by independent professional qualified valuers, Raymond & Pierre Chartered Valuation Surveyors, who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued.

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

At each financial reporting date the Finance department:

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

The market value represents the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. For all investment properties, their current use equates to the highest and best use. The valuation is based on both the Income Method for leased properties and Market Approach for land.

Under the Income Approach Method, the estimated net rental income from a property by a year's purchase (multiplier) is calculated to arrive at a capital value for the property. The net income is derived from an estimated gross income less outgoings i.e. rates, insurance, repairs and management allowance. The present value is obtained by discounting at the risk free rates of 2.5%, 3.5% and 5%. The valuation for the 30 year leases also assumes that all tenants have renewal clauses in their current leases which will extend the lease for an additional 30 years. Under the Market Approach Method, the sales of comparable acreage of the properties are analysed to determine a value for the leased land under consideration.

(Expressed in Thousands of Trinidad and Tobago Dollars)

6 **Investment properties (continued)**

b. *Significant fair value estimate (continued)*

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

	Quoted prices in active markets for identical assets (level 1) $	Significant other observable inputs (level 2) $	Significant unobservable inputs (level 3) $
As at 31 December 2022			
Recurring fair value measurements			
- Investment properties	--	--	2,243,705
As at 31 December 2021			
Recurring fair value measurements			
- Investment properties	--	--	2,218,580

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

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

c. *Other disclosures*

PARENT 2021 $	PARENT 2022 $		GROUP 2022 $	GROUP 2021 $
		The following amounts have been recognised in the parent and consolidated statement of profit or loss and other comprehensive income		
103,867	104,634	Lease rental income (Note 19)	104,634	103,867
(1,442)	(1,416)	Direct costs from investment properties	(1,416)	(1,442)

d. *Sensitivity analysis*

The calculation of the fair value of investment properties is sensitive to the assumptions used. The following table summarises how the fair value as at 31 December 2022 and 2021 would have changed as a result of a change in the discount rates used of 2.5%, 3.5% and 5%.

	2022	
	1% pa increase $	**1% pa decrease $**
(Decrease)/increase in fair value	(340,780)	459,200
	2021	
	1% pa increase $	**1% pa decrease $**
(Decrease)/increase in fair value	(336,665)	466,350

(Expressed in Thousands of Trinidad and Tobago Dollars)

6 Investment properties (continued)

e. *Notification of vesting or lease of state land*

The Group was informed on 16 November 2021 by the Ministry of Agriculture, Lands and Fisheries of the vesting or lease by the State of a parcel of approximately 530 acres of State land subject to verification of title and encumbrances and management by the Group of unauthorized occupants and parties claiming an interest in the parcel. No progress was made on this in 2022.

7 Financial assets (excluding cash and cash equivalents)

PARENT			GROUP	
2021 $	2022 $		2022 $	2021 $
897	897	Financial asset at amortised cost	897	897
		Financial assets at fair value through		
1,994	1,771	other comprehensive income	1,771	1,994
21,988	44,874	Trade receivables (Note 10)	44,874	21,988
1,561	1,984	Other receivables (excluding prepayments)	2,947	2,677
26,440	49,526		50,489	27,556

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

		Non-current assets		
897	897	Financial asset at amortised cost	897	897
		Financial assets at fair value through		
1,994	1,771	other comprehensive income	1,771	1,994
		Current assets		
21,988	44,874	Trade receivables (Note 10)	44,874	21,988
1,561	1,984	Other receivables (excluding prepayments)	2,947	2,677
26,440	49,526		50,489	27,556

a. (i) *Financial assets*

Classification

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

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

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

Recognition and derecognition

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

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

Measurement

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

Debt instruments at amortised cost

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

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

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the parent and consolidated statement of profit or loss and other comprehensive income.

Equity instruments

Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the parent and consolidated statement profit or loss and other comprehensive income as other income when the Group's right to receive payments is established.

Impairment

Refer to Note 4 a.(iv)).

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

PARENT			GROUP	
2021 $	2022 $		2022 $	2021 $
1,425	1,994	At beginning of year	1,994	1,425
569	(223)	Change in value transferred to equity	(223)	569
1,994	1,771	At end of year	1,771	1,994

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

c. *Investment and other income*

PARENT 2021 $	PARENT 2022 $		GROUP 2022 $	GROUP 2021 $
769	808	Interest income – tax exempt	808	769
492	8,610	Other income	8,610	492
1,261	9,418		9,418	1,261

(Expressed in Thousands of Trinidad and Tobago Dollars)

8 Taxation

a. *Taxation charge*

PARENT 2021 $	PARENT 2022 $		GROUP 2022 $	GROUP 2021 $
10,858	12,854	Corporation tax	12,854	10,858
(2,300)	(697)	Prior year under accrual for tax	(697)	(2,300)
--	--	Business levy - current year	575	497
(2,117)	(2,533)	Deferred income tax (Note 8 c.)	(2,533)	(2,117)
6,441	9,624		10,199	6,938

The tax charge differs from the theoretical amount that would arise using the basic tax rate of 30% (2021: 30%) as follows:

PARENT 2021 $	PARENT 2022 $		GROUP 2022 $	GROUP 2021 $
46,392	53,012	Profit before taxation	53,700	47,009
13,918	15,904	Tax calculated at applicable tax rate	16,110	14,103
(7,888)	(8,160)	Allowances/income not subject to tax	(8,160)	(7,888)
1,295	1,286	Expenses not deductible for tax	1,286	1,295
(2,300)	(697)	Prior year over accrual for tax	(697)	(2,300)
1,416	1,291	Other movements	1,085	1,231
--	--	Business levy	575	497
6,441	9,624		10,199	6,938

b. *Accounting policy*

The income tax expense for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent and consolidated financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax asset and liabilities relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(Expressed in Thousands of Trinidad and Tobago Dollars)

8 **Taxation (continued)**

b. *Accounting policy (continued)*

Current and deferred tax is recognised in profit or loss, 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.

c. *Deferred taxation*

PARENT			GROUP	
2021 $	**2022 $**		**2022 $**	**2021 $**
79,793	85,788	At beginning of year	85,788	79,793
(1,492)	(1,493)	Accelerated tax depreciation – property plant, and equipment revalued and own site improvements	(1,493)	(1,492)
8,946	(4,478)	Tax on remeasurement of defined benefit obligation recognised in other comprehensive income (Note 18 a.)	(4,478)	8,946
659	(170)	Tax on remeasurement of casual employee retirement benefit recognised in other comprehensive income (Note 18 b.)	(170)	659
--	11,498	Tax on gains on revaluation of buildings and and own site improvements	11,498	--
(2,118)	(2,533)	Credit for the year (Note 8 a.)	(2,533)	(2,118)
85,788	88,612	At end of year	88,612	85,788

Deferred income taxes are calculated in full, on temporary differences under the liability method using a principal tax rate of 30%. Fair value gains and losses are not taxable and deductible respectively under the applicable tax law in Trinidad and Tobago. The deferred income tax (asset)/liability in the parent and consolidated statement of financial position and the deferred income tax charge/(credit) in the parent and consolidated statement of profit or loss and other comprehensive income are attributable to the following:

(Expressed in Thousands of Trinidad and Tobago Dollars)

8 Taxation (continued)

c. *Deferred taxation (continued)*

Parent/Group

	2021 $	Charge to OCI $	Credit to SOCI $	2022 $
Year ended 31 December 2022				
Deferred income tax liabilities				
Retirement benefit obligation/(asset)	558	(4,478)	3,920	--
Tax on gains on revaluation of buildings and and own site improvements	--	11,498	--	11,498
Accelerated tax depreciation – property, plant and equipment carried at cost	70,746	--	(1,328)	69,418
Accelerated tax depreciation – property, plant and equipment revalued and own site improvements	25,013	(1,493)	--	23,520
	96,317	5,527	2,592	104,436
Deferred income tax assets				
Casual employee retirement benefit	(10,391)	(170)	(1,083)	(11,644)
Retirement benefit obligation/(asset)	--	--	(3,661)	(3,661)
Change in general provision of trade receivables under IFRS 9	(138)	--	(381)	(519)
	(10,529)	(170)	(5,125)	(15,824)
Net deferred income tax liabilities	85,788	5,357	(2,533)	88,612

Parent/Group

	2020 $	Charge to OCI $	Credit to SOCI $	2021 $
Year ended 31 December 2021				
Deferred income tax liabilities				
Retirement benefit obligation/(asset)	--	--	558	558
Accelerated tax depreciation – property, plant and equipment carried at cost	71,547	--	(801)	70,746
Accelerated tax depreciation – property, plant and equipment revalued and own site improvements	26,505	(1,492)	--	25,013
	98,052	(1,492)	(243)	96,317
Deferred income tax assets				
Casual employee retirement benefit	(10,177)	659	(873)	(10,391)
Retirement benefit obligation/(asset)	(8,144)	8,946	(802)	--
Change in general provision of trade receivables under IFRS 9	62	--	(200)	(138)
	(18,259)	9,605	(1,875)	(10,529)
Net deferred income tax liabilities	79,793	8,113	(2,118)	85,788

(Expressed in Thousands of Trinidad and Tobago Dollars)

9 Inventory

The inventory balance comprises consumable maintenance spares and is shown net of provision for obsolete spares of $1,829 (2021: $1,829).

a. *Accounting policy*

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

10 Trade and other receivables

PARENT			GROUP	
2021 $	2022 $		2022 $	2021 $
50,354	81,595	Trade receivables	81,595	50,354
(28,366)	(36,721)	Less: provision for impairment	(36,721)	(28,366)
21,988	44,874	Trade receivables – net	44,874	21,988
5,555	8,160	Other receivables and prepayments	9,148	6,695
(527)	(527)	Less: provision for impairment	(551)	(551)
14,401	6,463	Value added tax	6,463	14,401
41,417	58,970		59,934	42,533

a. *Accounting policy*

Trade receivables are amounts due from customers for rental fees or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Refer to Note 4 a.(iv) for the Group's accounting policy for the impairment of trade receivables. The creation and release of provision for impaired receivables have been included in 'administrative expenses' in the parent and consolidated statement of profit or loss and other comprehensive income. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the parent and consolidated statement of profit or loss and other comprehensive income.

Other receivables are amounts that generally arise from transactions outside the usual operating activities of the Group and prepayments are payments made in advance to suppliers.

b. *Fair value of trade and other receivables*

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

10 Trade and other receivables (continued)

c. *Impairment and risk exposure*

Parent/Group	Current $	More than 30 days Past due $	More than 60 days past due $	More than 90 days past due $	Total $
31 December 2022					
Expected credit loss rate	1.03%	2.08%	5.48%	58.74%	
Gross carrying amount					
Trade receivables	10,728	6,756	2,233	61,878	81,595
Loss allowance	111	140	122	36,348	36,721
31 December 2021					
Expected credit loss rate	0.96%	1.72%	3.68%	70.14%	
Gross carrying amount					
Trade receivables	6,785	2,501	825	40,243	50,354
Loss allowance	65	43	31	28,227	28,366

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

Sensitivity analysis

The calculation of the ECL for trade receivables is sensitive to the assumptions used, specifically the forward looking rate. The following table summarises how the ECL as at 31 December 2022 and 31 December 2021 would have changed as a result of an increase in the forward looking rate used of 5% and 10%.

	2022	
	5% increase $	10% increase $
Increase in ECL	86	173

	2021	
	5% increase $	10% increase $
Increase in ECL	28	57

11 Cash and cash equivalents

PARENT			GROUP	
2021 $	2022 $		2022 $	2021 $
86,693	95,440	Current bank and cash balances	95,545	87,046
63,284	67,511	Short-term bank deposits	67,511	63,284
149,977	162,951	Cash at bank and on hand	163,056	150,330

a. *Accounting policy*

For the purpose of presentation in the parent and consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, short-term, highly liquid bank deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown in current liabilities in the parent and consolidated statement of financial position.

(Expressed in Thousands of Trinidad and Tobago Dollars)

11 Cash and cash equivalents (continued)

b. *Financial risk management*

The effective interest rates on cash and short-term deposits were between 0.075% and 1.2% (2021: 0.15% and 1.20%) per annum.

The Group has unsecured overdraft facilities of $20,000. Interest is charged at the average rate of 6.5% per annum (2021: 8.25% per annum).

c. *Cash generated from operating activities*

PARENT			GROUP	
2021 $	2022 $		2022 $	2021 $
46,392	53,012	Profit before taxation	53,700	47,009
		Adjustments for:		
(24,750)	(25,125)	Unrealised fair value gains on investment properties (Note 6)	(25,125)	(24,750)
33,141	33,597	Depreciation (Note 5)	33,597	33,141
149	2,771	Loss on disposal of property, plant and equipment	2,771	149
2,670	2,883	Interest expense	2,883	2,670
(768)	(808)	Interest income	(808)	(768)
14,704	12,194	Pension expense in retirement benefit obligation	12,194	14,704
(13,897)	(13,057)	Company contributions paid in retirement benefit obligation	(13,057)	(13,897)
4,547	4,396	Net benefit cost in casual employee retirement benefit	4,396	4,547
(1,636)	(786)	Lumpsums paid in casual employee retirement benefit	(786)	(1,636)
60,552	69,077		69,765	61,169
		Change in operating assets and liabilities:		
10,628	8,355	Increase in provision for trade receivables	8,355	10,630
(1,533)	(1,582)	Increase in inventory	(1,582)	(1,533)
(9,655)	(25,908)	Increase in trade and other receivables	(25,756)	(9,406)
(212)	(171)	Decrease in deferred lease rental income	(171)	(212)
2,998	15,074	Increase in trade and other payables	14,569	2,658
62,778	64,845	Cash generated from operating activities	65,180	63,306

(Expressed in Thousands of Trinidad and Tobago Dollars)

12 Stated capital

PARENT 2021 $	PARENT 2022 $		GROUP 2022 $	GROUP 2021 $
		Authorised:		
		An unlimited number of ordinary shares of no par value		
		An unlimited number of preference shares of no par value		
		Issued and fully paid:		
		39,625,684 ordinary shares		
139,968	139,968	of no par value	139,968	139,968

a. *Accounting policy*

Share capital

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

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

Dividend distribution

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

b. *Dividends declared and payable*

On 23 March 2023, the Board of Directors approved a final dividend of 17¢ per share, amounting to $6,736 in respect of the year ended 31 December 2022. On 24 March 2022, the Board of Directors approved a final dividend of 15¢ per share, amounting to $5,944 in respect of the year ended 31 December 2021.

13 Earnings per share

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

13 Earnings per share (continued)

	PARENT	
	2022 $	2021 $
Profit for the year	43,388	39,951
Weighted average number of shares (excluding treasury shares) 39,395,684 (2021: 39,395,684)		
Basic earnings per share	110¢	101¢
Weighted average number of shares (including allocated shares) 39,619,684 (2021: 39,619,684)		
Diluted earnings per share	110¢	101¢

	GROUP	
	2022 $	2021 $
Profit for the year	43,501	40,071
Weighted average number of shares (excluding treasury shares) 39,395,684 (2021: 39,395,684)		
Basic earnings per share	110¢	102¢
Weighted average number of shares (including allocated shares) 39,619,684 (2021: 39,619,684)		
Diluted earnings per share	110¢	101¢

14 Employee share ownership plan (ESOP) – Parent/Group

	No of shares	2022 $	2021 $
Fair value of shares held – unallocated	6,000	34	34
Fair value of shares held – allocated	224,000	829	829
	230,000	863	863
Cost of unallocated ESOP shares		32	32

a. *Accounting policy*

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

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

14 Employee share ownership plan (ESOP) – Parent/Group (continued)

a. *Accounting policy (continued)*

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

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

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

15 Revaluation reserves

a. *Nature and purpose of revaluation reserves*

The revaluation reserves include the following amounts:

Revaluation surplus – property, plant and equipment:

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

Financial assets at fair value through other comprehensive income:

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

PARENT			GROUP	
2021 $	2022 $		2022 $	2021 $
255,043	253,622	At beginning of year	253,622	255,043
--	26,830	Gains on revaluation of land, buildings and and own site improvements	26,830	--
569	(223)	Fair value loss of financial assets at fair value through other comprehensive income (Note 7 b.)	(223)	569
1,492	1,493	Deferred tax on accelerated tax depreciation – property, plant and equipment revalued and site improvements	1,493	1,492
(3,482)	(3,481)	Transfer/adjustment to retained earnings	(3,481)	(3,482)
253,622	278,241	At end of year	278,241	253,622

b. *Property, plant and equipment*

254,556	252,566	At beginning of year	252,566	254,556
--	26,830	Gains on revaluation of land, buildings and and own site improvements	26,830	--
1,492	1,493	Deferred tax on accelerated tax depreciation – property, plant and equipment revalued and site improvements	1,493	1,492
(3,482)	(3,481)	Transfer/adjustment to retained earnings	(3,481)	(3,482)
252,566	277,408	At end of year	277,408	252,566

(Expressed in Thousands of Trinidad and Tobago Dollars)

15 Revaluation reserves (continued)

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

PARENT			GROUP	
2021 $	2022 $		2022 $	2021 $
487	1,056	At beginning of year	1,056	487
569	(223)	Fair value gain of financial assets at fair value through other comprehensive income (Note 7 b.)	(223)	569
1,056	833	At end of year	833	1,056

16 Long and medium-term borrowings

110,046	96,677	First Citizens Bank Limited	96,677	110,046
440	403	Ansa Merchant Bank Limited	403	440
	589	Massy Finance GFC Ltd.	589	
110 486	97 669		97,669	110,486

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

		Non-current liabilities		
97,222	84,375	Long and medium-term borrowings	84,375	97,222
		Current liabilities		
13,264	13,294	Long and medium-term borrowings	13,294	13,264
110,486	97,669		97 669	110,486

a. *Accounting policy*

Recognition and measurement

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

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

b. *Loan agreements*

(i) *First Citizens Bank Limited*

Facility (i) was for TT$5,000 which was fully repaid.

16 Long and medium-term borrowings (continued)

b. *Loan agreements (continued)*

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

Facility (ii) is for US$12,390 of which US$10,372 was drawn down to settle existing loans. The financing arrangement allows for a full drawdown of the loan to be repayable over 10 years by 19 semi-annual principal payments of US$346 and a final bullet payment of US$3,668. The interest rate is Libor plus 2.6743% per annum, to be reset semi-annually subject to a floor rate of 3% per annum. The current effective interest rate per annum is 7.86% (2021:3%). The schedule of repayment on the drawn balance is reflected in Note 16 e. The balance as at 31 December 2022 was TT$31,723.

Facility (iii) is for TT$117,743 which was fully drawn as at 31 December 2016 for infrastructural work to the Port. The financing arrangement allows for a full drawdown of the loan to be repayable over 10 years with a one year moratorium on principal. The repayment terms consist of semi-annual principal payments of TT$3,925 and a final bullet payment of TT$51,022. The interest rate is Prime less 4.5% per annum to be reset annually. The current effective interest rate per annum is 3% (2021 3%). The schedule of repayment on the drawn balance is reflected in Note 16 e. The balance as at 31 December 2022 was TT$62,796.

Facility (iv) is for TT$15,000 to be drawn in either Trinidad & Tobago Dollars or equivalent United States Dollars. This facility is to assist with working capital requirements. Interest payments to be serviced monthly; principal to be repaid within ninety (90) days of each drawdown. The interest rate for amounts drawn in Trinidad & Tobago Dollars is Prime less 1.0% per annum subject to a floor rate of 6% per annum. The current effective rate is 6.5% (2021: 6.5%) per annum. There was no drawdown of this facility at year end.

Facility (v) is for US$800 which was fully drawn as at 31 October 2016. The financing arrangement allows for a full drawdown of the loan to be repayable over 5 years. The repayment terms consist of semi-annual principal payments of US$40. The interest rate is Libor plus 2.6743% per annum, to be reset semi-annually subject to a floor rate of 3% per annum. The current effective interest rate per annum is 7.36% (2021: 3%). The balance as at 31 December 2022 was TT$2,157.

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

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

Assignment of all risk insurance.

Each letter of credit to be fully secured by cash held in an account at Frist Citizens Bank, the aggregate value of the letters not to exceed US$10,000.

(ii) *Ansa Merchant Bank Limited*

On 1 October 2017 and 30 November 2017, the Corporation established hire purchase facilities with Ansa Merchant Bank Limited to purchase 3 new vehicles. The repayment terms consist of monthly principal and interest payments of TT$12. The balance as at 31 December 2022 was TT$403. The interest rate range from 7.5% to 9.84% (2021: 7.5% to 9.84%).

(iii) *Massy Finance GFC Ltd.*

On 24 June 2022, the Corporation established hire purchase facilities with Massy Finance GFC Ltd. to purchase 3 new vehicles. The repayment terms consist of monthly principal and interest payments of TT$9. The balance as at 31 December 2022 was TT$581. The interest rate range from 5.75% to 5.86%.

(Expressed in Thousands of Trinidad and Tobago Dollars)

16 Long and medium-term borrowings (continued)

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:

	2022 $	2021 $
US dollar	33,884	39,203
TT dollar	63,785	71,283
	97,669	110,486

d. *Sensitivity analysis - variable rate instruments*

	Increase/(decrease) in PRIME %	(Decrease)/increase effect on profit $
2022	+20	419
	-15	(314)
2021	+20	466
	-15	(349)

	Increase/(decrease) in LIBOR %	(Decrease)/increase effect on profit
2022	+20	397
	-15	(298)
2021	+20	262
	-15	(197)

e. *Contractual cash flows of floating rate borrowings*

Group	< 1 year $	1-2 years $	2-5 years $	More than 5 years $	Contractual cash flows $	Carrying amount
31 December 2022						
Borrowings	17 989	86,709	1 839	81	106 618	97 669

	< 1 year $	1-2 years $	2-5 years $	More than 5 years $	Contractual cash flows $	Carrying amount $
31 December 2021						
Borrowings	16,512	16,138	86,532	15	119,197	110,486

f. *Compliance with loan covenants*

The Group has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 reporting period. Refer to Note 4 d. for details.

(Expressed in Thousands of Trinidad and Tobago Dollars)

17 Staff costs

PARENT			GROUP	
2021	2022		2022	2021
$	$		$	$
160,811	196,402	Wages, salaries and benefits	195,386	159,911
14,704	12,194	Retirement benefit obligation/(asset) expense (Note 18 a.)	12,194	14,704
4 547	4,396	Casual employee retirement benefit expense (Note 18 b.)	4 396	4 547
180,062	212 992		211 976	179,162

a. *Accounting policy*

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented within trade and other payables in the parent and consolidated financial statements.

Other long-term employee benefit obligations

The Group also has liabilities for annual leave. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to current wage and salary levels and leave days outstanding.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Termination benefits

Benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. 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 liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

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.

(Expressed in Thousands of Trinidad and Tobago Dollars)

17 **Staff costs (continued)**

a. *Accounting policy (continued)*

Post retirement benefits

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

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

18 Long term employee benefits

a. *Retirement benefit obligation/(asset)*

The Group operates a defined benefit pension plan for its eligible employees regulated by the Insurance Act Chapter 84:01 of Trinidad and Tobago. The plan is a final salary pension plan which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. The plan is operated in accordance with a Trust Deed between the parent company and First Citizens Trustee Services Limited dated 19 July 1985. Fund managers appointed by the trustees of the plan administer the funds of the plan. The pension plan is generally funded by payments from employees and the parent company, taking account of the recommendations of independent qualified actuaries. The Plan was closed to new entrants from 1 May 2021 but the rule amendment to formally give effect to this has not yet been approved and registered.

A defined contribution plan is currently in the process of being established. The rules of this plan has been submitted to the Board of Inland Revenue (BIR) for review and approval. This was not yet provided. Deductions from employees have not commenced. All new eligible members will be joining the defined contribution plan.

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

	2022 $	2021 $
Net liability/(asset) in the parent and consolidated statement of financial position (parent/group)		
Present value of defined benefit obligation	277,102	257,999
Fair value of assets	(264,901)	(259,862)
Net defined benefit liability/*(asset)*	12,201	(1,863)
Reconciliation of opening and closing parent and consolidated statement of financial position entries (parent/group)		
Opening defined benefit liability	(1,863)	27,149
Pension expense	12,194	14,704
Re-measurements recognised in other comprehensive income	14,927	(29,819)
Company contributions paid	(13,057)	(13,897)
Closing defined benefit liability/*(asset)*	12,201	(1,863)

(i) *Accounting policy*

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

The liability or asset recognised in the parent and consolidated statement of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

(Expressed in Thousands of Trinidad and Tobago Dollars)

18 Long term employee benefits (continued)

a. *Retirement benefit obligation/(asset) (continued)*

(i) *Accounting policy (continued)*

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. The last full valuation was done for the year ended 31 December 2019 on 3 September 2020. 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.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the parent and consolidated statement of profit or loss and other comprehensive income.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the parent and consolidated statement of changes in equity and in the parent and consolidated statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

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

	2022 $	2021 $
Defined benefit obligation at start of year	257,999	258,969
Current service cost	11,709	12,620
Interest cost	15,610	14,448
Members' contributions	3,219	3,106
Experience adjustments	(917)	(4,519)
Actuarial losses	--	(18,445)
Benefits paid	(10,518)	(8,180)
Defined benefit obligation at end of year	277,102	257,999

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

	2022	2021
Active members	68%	67%
Deferred members	3%	3%
Pensioners	29%	30%
The weighted average duration of the defined benefit obligation at year end	14.2yrs	14.3yrs

97% (2021: 97%) of the active member benefits are vested.
27% (2021: 28%) of the active member defined benefit obligation is conditional on future salary increases.

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

a. *Retirement benefit obligation/(asset) (continued)*

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

	2022 $	2021 $
Plan assets at start of year	259,862	231,820
Interest income	15,744	12,973
Return on plan assets, excluding interest income	(15,844)	6,855
Company contributions	13,057	13,897
Members' contributions	3,219	3,106
Benefits paid	(10,518)	(8,180)
Expense allowance	(619)	(609)
Fair value of plan assets at end of year	264,901	259,862
Actual return on plan assets	(100)	19,828
Asset allocation		
Locally listed equities	49,236	52,134
Overseas equities	23,673	28,358
Government bonds	105,507	91,682
Corporate bonds	61,330	67,052
Cash and cash equivalents	21,600	16,820
Other (immediate annuity policies)	3,555	3,816
Fair value of plan assets at end of year	264,901	259,862

The asset values as at 31 December 2022 were provided by the Plan's Investment Manager (First Citizens Trustee Services Limited). Overseas equities have quoted prices in active markets. Local equities also have quoted prices but the market is illiquid. The Investment Manager calculates the fair value of the Government bonds and corporate bonds by discounting expected future proceeds using a constructed yield curve. The value of the Plan's annuity policies with a local financial institution 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 the local financial institution'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 70% of the assets must be invested in Trinidad and Tobago and no more than 50% in equities) and the availability of suitable investments. There are no asset-liability matching strategies used by the Plan other than the decision to purchase immediate annuity policies to secure some pensions in payment and in deferment.

(iv) *Funding*

The Group meets the balance of the cost of funding of the defined benefit pension plan and the Group must pay contributions at least equal to those paid by members, which are fixed. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the plan and the assumptions used to determine the funding required may differ from those set out above. The Group expects to pay $14,000 to the pension plan during 2023.

(Expressed in Thousands of Trinidad and Tobago Dollars)

18 Long term employee benefits (continued)

a. *Retirement benefit obligation/(asset)(continued)*

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

	2022 $	2021 $
Current service cost	11,709	12,620
Net interest on net defined benefit liability	(134)	1,475
Administration expense allowance	619	609
Pension expense (Note 17)	12,194	14,704

(vi) *Remeasurements recognised in other comprehensive income*

	2022	2021
Experience gains/(losses)	14,927	(29,819)
Deferred income tax (Note 8 c.)	(4,478)	8,946
Total amount recognised in other comprehensive income	10,449	(20,873)

(vii) *Significant accounting estimate*

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

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

Summary of principal assumptions	2022 Per annum	2021 Per annum
Discount rate	6.00%	6.00%
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 2022.

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

	2022	2021
Life expectancy at age 60 for current pensioner in years		
Male	21.9	21.8
Female	26.1	26.1
Life expectancy at age 60 for current members age 40 in years		
Male	22.7	22.7
Female	27.1	27.0

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

a. *Retirement benefit obligation/(asset) (continued)*

(vii) *Significant accounting estimate (continued)*

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 2022 and 2021 would have changed as a result of a change in the assumptions used.

	Impact on defined benefit obligation					
	Change in Assumptions		**Increase in assumptions**		**Decrease in assumptions**	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Discount rate	1%pa	1%pa	-12.0%	-12.1%	+15.0%	+15.1%
Future salary increases	1%pa	1%pa	+5.1%	+5.2%	-4.6%	-4.7%
Life expectancy	1 year	1 year	+1.3%	+1.3%	-1.3%	-1.3%

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

b. *Casual employee retirement benefit*

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

	2022 **$**	**2021** **$**
Net liability in the parent and consolidated statement of financial position (parent/group)		
Present value of casual employee retirement benefit obligation	38,817	34,639
Reconciliation of opening and closing statement of financial position entries (parent/group)		
Opening net retirement benefit liability	34,639	33,924
Net benefit cost	4,396	4,547
Re-measurements recognised in other comprehensive income	568	(2,196)
Lump sums paid	(786)	(1,636)
Closing casual employee retirement benefit liability	38,817	34,639

(i) *Accounting policy*

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

The casual employee retirement benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

(Expressed in Thousands of Trinidad and Tobago Dollars)

18 Long term employee benefits (continued)

b. *Casual employee retirement benefit (continued)*

(i) *Accounting policy (continued)*

The 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.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

(ii) *Funding*

The Group pays the termination lump sums as they fall due. The Group expects to pay lump sums of $2,833 in 2023 ($1,489 in 2022).

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

	2022 $	2021 $
Obligation at start of year	34,639	33,924
Current service cost	2,274	2,654
Interest cost	2,122	1,893
Experience adjustments	568	(2,196)
Benefits paid	(786)	(1,636)
Obligation at end of year	38,817	34,639

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

	2022	2021
Casual employees	85%	88%
Former casual employees made permanent	12%	9%
Outstanding benefits	3%	3%
The weighted average duration of the retirement benefit obligation at year end	13.1yrs	13.4yrs

16% (2021: 16%) of the benefits are vested.
39% (2021: 40%) of the retirement obligation is conditional on future salary increases.

(Expressed in Thousands of Trinidad and Tobago Dollars)

18 Long term employee benefits (continued)

b. *Casual employee retirement benefit (continued)*

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

	2022 $	2021 $
Current service cost	2,274	2,654
Net interest on net retirement benefit liability	2,122	1,893
Casual employee retirement benefit expense (Note 17)	4,396	4,547

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

Experience gains	568	(2,196)
Deferred income tax (Note 8 c.)	(170)	659
Total amount recognised in other comprehensive income	398	(1,537)

(vi) *Significant accounting estimate*

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

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

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

	2022 Per annum	2021 Per annum
Summary of principal assumptions		
Discount rate	6.00%	6.00%
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.

(Expressed in Thousands of Trinidad and Tobago Dollars)

18 Long term employee benefits (continued)

b. *Casual employee retirement benefit (continued)*

(vi) *Significant accounting estimate (continued)*

Sensitivity analysis

The calculation of the casual employee retirement benefit obligation is sensitive to the assumptions used. The following table summarises how the retirement benefit obligation as at 31 December 2022 and 2021 would have changed as a result of a change in the assumptions used.

	Impact on casual employee retirement benefit obligation					
	Change in Assumptions		Increase in assumptions		Decrease in assumptions	
	2022	2021	2022	2021	2022	2021
Discount rate	1%pa	1%pa	-11.3%	-11.6%	+13.5%	+13.9%
Future salary increases	1%pa	1%pa	+11.6%	+13.3%	-9.9%	-11.2%

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

19 Revenue

a. *Accounting policy*

Revenue recognition

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

Revenue from port and warehousing services and management fees is recognised in accordance with IFRS 15 and is recognised in the accounting period in which the services are rendered. Revenue is governed by an established tariff. The tariff details all services offered by the Group - Port and Warehouse. Revenue from providing services, for marine, mooring and unmooring, container handling, and storage rent etc. are recognised in the accounting period in which the services are rendered.

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

19 Revenue (continued)

b. *Disaggregation of revenue from contracts with customers*

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

	Port and related activities $	Support activities $	Total $
Year ended 31 December 2022			
Revenue	257,355	1,875	259,230
Timing of revenue recognition			
At a point in time	257,355	1,875	259,230
Year ended 31 December 2021			
Revenue	214,313	1,944	216,257
Timing of revenue recognition			
At a point in time	214,313	1,944	216,257

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

c. *Revenue from lease income*

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term (Note 24 and 25). The respective leased assets are included in the balance sheet based on their nature.

Revenue from estate was $104,634 (2021: $103,867).

d. *Liabilities related to contracts with customers*

The Group has no liabilities related to contracts with customers.

20 Trade and other payables

PARENT			GROUP	
2021 $	2022 $		2022 $	2021 $
2,596	6,908	Trade payables	6,908	2,596
1,327	1,366	Statutory liabilities	5,495	4,621
38,058	46,659	Other payables and accruals	50,436	41,053
41,981	54,933		62,839	48,270
6,855	8,977	Due to subsidiary	--	--
48,836	63,910		62,839	48,270

20 Trade and other payables (continued)

a. *Accounting policy*

Trade payables

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

Provisions

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

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

b. *Fair value of trade payables*

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

21 Segment information

a. *Accounting policy*

Segments

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

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

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

21 Segment information (continued)

a. *Accounting policy (continued)*

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

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

b. *Segment operations*

Parent

	Port and related activities $	Estate $	Support activities $	Total $
Year ended 31 December 2022				
Revenue	257,355	104,634	1,875	363,864
Gross profit	129,402	104,634	1,875	235,911
Unrealised fair value gains on investment properties	--	25,125	--	25,125
Depreciation	(29,816)	(1,416)	(2,365)	(33,597)
Repairs and maintenance	(33,573)	(569)	(3,059)	(37,201)
Other expenses – net	(57,935)	(11,847)	(63,899)	(133,681)
Finance costs	(2,903)	--	(642)	(3,545)
Profit before taxation				53,012
Year ended 31 December 2021				
Revenue	214,313	103,867	1,944	320,124
Gross profit	113,489	103,867	1,944	219,300
Unrealised fair value gains on investment properties	--	24,750	--	24,750
Depreciation	(29,803)	(1,442)	(1,896)	(33,141)
Repairs and maintenance	(23,439)	(320)	(3,558)	(27,317)
Other expenses – net	(55,311)	(15,920)	(63,299)	(134,530)
Finance costs	(2,329)	--	(341)	(2,670)
Profit before taxation				46,392

(Expressed in Thousands of Trinidad and Tobago Dollars)

21 Segment information (continued)

b. *Segment operations (continued)*

Group

	Port and related activities $	Estate $	Support activities $	Total $
Year ended 31 December 2022				
Revenue	257,355	104,634	1,875	363,864
Gross profit	130,818	104,634	1,876	237,328
Unrealised fair value gains on investment properties	--	25,125	--	25,125
Depreciation	(29,816)	(1,416)	(2,365)	(33,597)
Repairs and maintenance	(33,573)	(569)	(3,059)	(37,201)
Other expenses – net	(58,664)	(11,847)	(63,899)	(134,410)
Finance costs	(2,903)	--	(642)	(3,545)
Profit before taxation				53,700
Year ended 31 December 2021				
Revenue	214,313	103,867	1,944	320,124
Gross profit	114,712	103,867	1,944	220,523
Unrealised fair value gains on investment properties	--	24,750	--	24,750
Depreciation	(29,803)	(1,442)	(1,896)	(33,141)
Repairs and maintenance	(23,439)	(320)	(3,558)	(27,317)
Other expenses – net	(55,917)	(15,920)	(63,299)	(135,136)
Finance costs	(2,329)	--	(341)	(2,670)
Profit before taxation				47,009

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

21 Segment information (continued)

c. *Segment assets*

Total segment assets	Port and Related activities $	Estate $	Support activities $	Total $
Parent				
31 December 2022	564,040	2,458,433	49,112	3,071,585
31 December 2021	537,252	2,421,882	43,316	3,002,450
Group				
31 December 2022	563,720	2,458,433	50,075	3,072,228
31 December 2021	536,966	2,421,882	44,398	3,003,246

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

PARENT 31 December			GROUP 31 December	
2021 $	2022 $		2022 $	2021 $
3,002,450	3,071,585	Total segment assets	3,072,228	3,003,246
149,977	162,951	Cash and cash equivalents	163,056	150,330
10,529	15,824	Deferred income tax	15,824	10,529
21,918	14,015	Other assets	14,755	22,657
3,184,874	3,264,375	Total assets as per statement of financial position	3,265,863	3,186,762

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

Parent/ Group	Port and Related activities $	Estate $	Support activities $	Total $
31 December 2022	9,753	2,330	5,015	17,098
31 December 2021	32,114	40	2,183	34,337

d. *Segment liabilities*

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

22 Expenses by nature

PARENT			GROUP	
2021 $	2022 $		2022 $	2021 $
180,062	212,992	Staff costs (Note 17)	211,976	179,162
33,141	33,597	Depreciation (Note 5)	33,597	33,141
27,317	37,201	Repairs and maintenance	37,201	27,317
14,149	15,604	Utilities	15,604	14,149
12,004	13,395	Office expenses	13,718	12,283
10,628	8,355	Bad debts/impairment	8,355	10,628
4,935	6,612	Other	6,612	4,935
4,766	4,251	Insurance	4,251	4,766
3,249	2,017	Legal and professional fees	2,017	3,249
3,216	3,296	Vehicle and transport	3,296	3,216
2,112	2,129	Communication	2,134	2,116
829	829	Directors' remuneration	829	829
665	1,572	Marketing	1,572	665
297,073	341,850	Total cost of providing services, administrative expenses and other operating expenses	341,162	296,456

23 Contingent liabilities

a. Customs bonds	3,950	4,750

(i) The Group has approved bond facilities with First Citizens Bank Limited of $3,000, Scotiabank Trinidad and Tobago Limited of $5,700 and with Republic Bank Limited of $2,000.

(ii) The bonds held with Scotiabank Trinidad and Tobago Limited are secured in the amount of $3,200.

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

c. The Property Tax Act of 2009 (PTA) was enacted into law by the Government of the Republic of Trinidad and Tobago (GORTT), effective from 1 January 2010. There were challenges with its implementation and GORTT implemented waivers of the tax, the last of which expired on 30 September 2017. At present, there is a Tax amnesty granted by the GORTT for the period 14 November 2022 to 17 March 2023. The PTA has not yet been enforced primarily due to non-completion of property valuations by the statutory authority and assessments not being sent to taxpayers. While a present obligation exists, taxpayers are unable to reliably estimate the liability as the basis for fair value at this time has not been clarified.

24 Leases

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

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

24 **Leases (continued)**

a. *Accounting policy*

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

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

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

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

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

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

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

To determine the incremental borrowing rate, the Group:

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

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

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

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

24 Leases (continued)

a. *Accounting policy (continued)*

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Group revalues its land and buildings that are presented within property, plant and equipment. There are no right-of-use buildings held by the Group.

Extension and termination options

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

25 Deferred lease rental income - Parent/Group

	2022 $	2021 $
Current portion	4,607	4,578
Non-current portion	54,079	55,051
	58,686	59,629

PARENT 2021 $	PARENT 2022 $		GROUP 2022 $	GROUP 2021 $
		At beginning of year:		
4,905	4,694	30 year leases and unearned revenue	4,694	4,905
55,709	54,936	96 years and longer leases	54,936	55,709
60,614	59,630		59,630	60,614
102,882	103,690	Amounts received during the year	103,690	102,882
163,496	163,320		163,320	163,496
(103,867)	(104,634)	Income brought into account (Note 21b.)	(104,634)	(103,867)
59,629	58,686	At end of year	58,686	59,629
		Summarised as follows:		
4,693	4,523	30 year leases and unearned revenue	4,523	4,693
54,936	54,163	96 years and longer leases	54,163	54,936
59,629	58,686		58,686	59,629
(55,051)	(54,079)	Less: non-current portion	(54,079)	(55,051)
4,578	4,607	Current portion	4,607	4,578

(Expressed in Thousands of Trinidad and Tobago Dollars)

25 Deferred lease rental income (continued)

	2022 $	2021 $
Within 1 year	4,607	4,578
Between 1 and 2 years	983	983
Between 2 and 3 years	983	983
Between 3 and 4 years	983	983
Between 4 and 5 years	983	983
Later that 5 years	50,147	51,119
	58,686	59,629

a. *Accounting policy*

Refer to Note 19 a.

26 Significant accounting policies

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

a. *Basis of preparation*

(i) *Compliance with IFRS*

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

(ii) *Historical cost convention*

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

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

(iii) *New and amended standards adopted by the Group*

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2022:

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018-2020, and
- Reference to the Conceptual Framework – Amendments to IFRS 3.

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

26 Significant accounting policies (continued)

a. *Basis of preparation (continued)*

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

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Title	Key Requirements	Effective Date
Classification of Liabilities as Current or Non current – Amendments to IAS 1	The narrow-scope amendments to IAS 1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors.* ** Since approving these amendments, the IASB has issued an exposure draft proposing further changes and the deferral of the amendments until at least 1 January 2024.	1 January 2023 (deferred from 1 January 2022)**
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	The IASB amended IAS 1 to require entities to disclose their *material* rather than their *significant* accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 *Making Materiality Judgements* to provide guidance on how to apply the concept of materiality to accounting policy disclosures.	1 January 2023

26 **Significant accounting policies (continued)**

a. *Basis of preparation (continued)*

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

Title	Key Requirements	Effective Date
Definition of Accounting Estimates – Amendments to IAS 8	The amendment to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	The amendments to IAS 12 *Income Taxes* require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with: • right-of-use assets and lease liabilities, and • decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.	1 January 2023

26 **Significant accounting policies (continued)**

b. *Foreign currency translation*

(i) *Functional and presentation currency*

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

(ii) *Transactions and balances*

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

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

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

c. *Fair value hierarchy*

Judgments and estimates are made in determining the fair values for items recognised and measured at fair value in the parent and consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows:

Level 1 - The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

Level 2 - The fair value of financial instruments that are not traded in an active market (e.g. over-the counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3 - One or more of the significant inputs is not based on observable market data. This is the case for unlisted equity securities.

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

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

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

26 **Significant accounting policies (continued)**

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

h. *Inventory (Note 9 a.)*

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

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

k. *Impairment of non- financial assets*

Assets 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 separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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

m. *Borrowings (Note 16 a.)*

n. *Employee benefits*

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

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

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

q. *Provisions (Note 20 a.)*

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

s. *Leases (Note 24 a.)*

t. *Rounding of amounts*

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

27 **Impact of COVID 19**

While there has been a significant disruption in general international and local trading conditions as a result of the Coronavirus (COVID-19) pandemic, COVID 19 did not have material impact on the Group as the Group's activities are considered essential services in Trinidad and Tobago. Restrictions were reduced in 2022 compared to the prior year.

28 Subsequent events

Subsequent to the period end, there were no events requiring adjustments or disclosures.

29 Impact of Russia's invasion of Ukraine

On February 24, 2022, Russia launched a full-scale invasion of Ukraine. The invasion has and may continue to have a substantial impact on several industries which can impact global imports and exports as well as international energy prices.

Capital markets reacted to the economic effects of economic and other sanctions, which included a material increase in commodity prices, which could add to already high inflationary pressures, challenging efforts by the global central banks to curb inflation.

While the Group does not have operations in Russia and Ukraine, the extent and duration of the impact of the invasion, including the resulting sanctions levied against Russia, on global and local economies, financial markets is uncertain and ever evolving and has the potential to adversely affect the Group's operations.