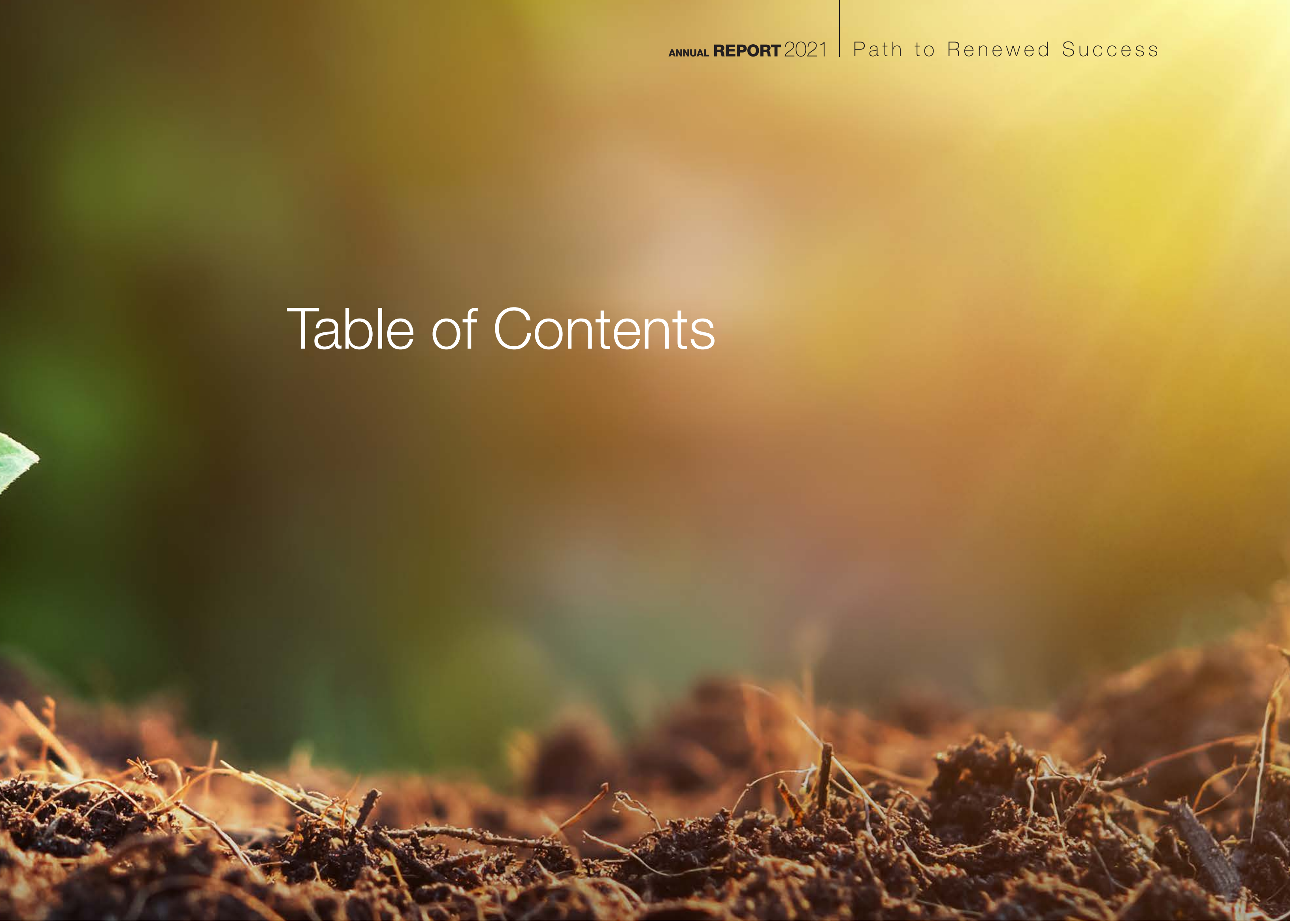
PLIPDECO

ANNUAL REPORT 2021

Path to Renewed Success

Path to Renewed Success



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2021 FINANCIAL STATEMENTS

MISSION, VISION AND VALUES

Mission

To develop, market and operate port, logistics and industrial estate infrastructure for optimal economic growth.

Vision

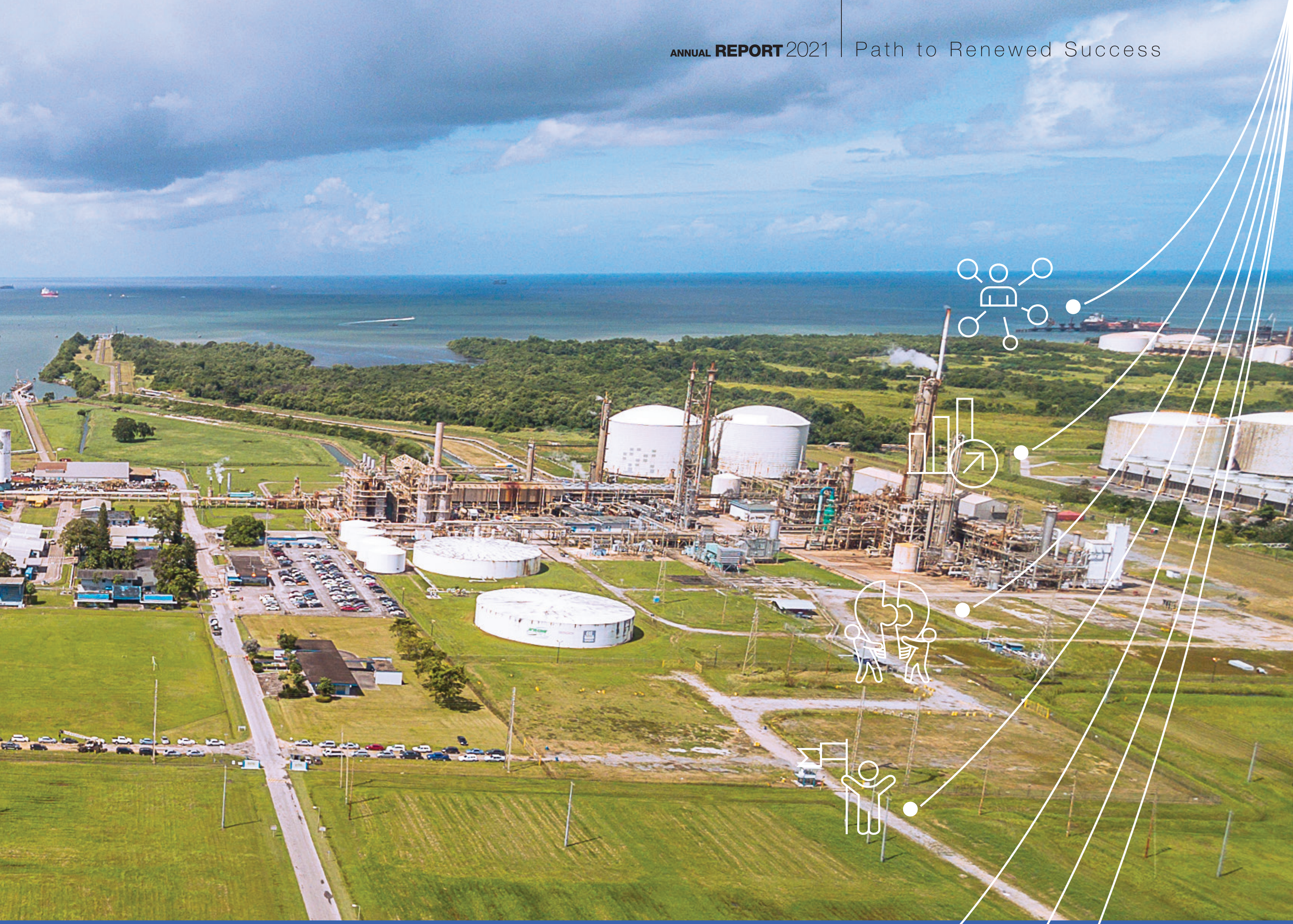
To be a global leader in port and estate management by consistently providing superior, innovative service.

Values

Integrity
We will act with honesty, without compromising the truth and be personally accountable for the highest standards of behaviour.

Innovation
We will convert knowledge and ideas to new approaches that will revolutionise the way we work.

Equity
We are committed to acting with equity when dealing with our employees and other stakeholders, so that we continue to maintain the trust and confidence of those with whom we do business.



Service Excellence
We will provide our customers with service and professionalism that far surpasses their expectations.

Health, Safety and Environment
We are committed to ensuring that the working environment is safe and that all individuals take responsibility for achieving this.

Corporate Information

DIRECTORS

Mr. Daniel Dookie (Chairman)
Mr. Richardo Garcia
Mr. Haydn Jones
Mr. Ricardo Lewis
Mr. Sunil Maharaj
Ms. Cindy Manson
Ms. Ayanna Miguel
Mr. St. Clair O'Neil

CORPORATE SECRETARY

Ms. Richelle Lyman

REGISTERED OFFICE

PLIPDECO House
Orinoco Drive
Point Lisas Industrial Estate
Point Lisas, Couva
Trinidad, West Indies
Telephone: (868) 636 2201/2202
Facsimile: (868) 636 4008
Website: www.plipdeco.com

BANKERS

Republic Bank Limited
Southern Main Road
Couva
Trinidad, West Indies

First Citizens Bank Limited
Orinoco Drive
Point Lisas Industrial Estate
Point Lisas, Couva
Trinidad, West Indies

AUDITORS

PricewaterhouseCoopers (PwC)
11-13 Victoria Avenue
Port of Spain
Trinidad, West Indies

REGISTRAR

Trinidad and Tobago
Central Depository Limited
10th Floor, Nicholas Towers
63-65 Independence Square
Port of Spain
Trinidad, West Indies

Notice of Annual Meeting

NOTICE IS HEREBY GIVEN that the **Fifty-Fifth (55th) Annual Meeting of Shareholders** of the Point Lisas Industrial Port Development Corporation Limited ("the Corporation") will be held on **Thursday, July 14th, 2022 commencing at 2:00 p.m.** at the Couva/Point Lisas Chamber of Commerce, Camden Road, Couva, for the following purposes:

ORDINARY BUSINESS:

1. To receive and consider the Report of the Directors and the Group's Audited Financial Statements for the financial year ended December 31st, 2021 together with the Report of the Auditors thereon and to note the final dividend.
2. To elect Directors.
3. To appoint Auditors of the Company and authorise the Directors to fix their remuneration and expenses for the ensuing year.

BY ORDER OF THE BOARD

Richelle Lyman

Richelle Lyman
Corporate Secretary

April 1st, 2022

Notes

1. No service contracts were entered into between the Company and any of its Directors.
2. A member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his or her stead. Such Proxy need not also be a member of the Company.
3. Attached is a Proxy Form which must be completed, signed and then deposited with the Secretary of the Company not less than 48 hours before the time fixed for holding the meeting.

Mr. Daniel Dookie
Chairman

Mr. Richardo Garcia

Mr. Ricardo Lewis

Mr. Haydn Jones

BOARD OF DIRECTORS

Path to Renewed Success

Mr. Sunil Maharaj

Ms. Ayanna Miguel

Ms. Cindy Manson

Mr. St. Clair O'Neil

Path to Renewed Success

PRINCIPAL OFFICERS

Mr. Ernest Ashley Taylor
President

Mr. Averne Pantin
Vice President,
Technical Services

Mr. Curtis Dennie
Vice President,
Port Operations

Mr. Niegel Subiah
Vice President,
Business Services

Ms. Richelle Lyman
Corporate Secretary

Mr. Daniel Dookie
Chairman

CHAIRMAN'S REPORT

VISION STATEMENT

To be a global leader in port and estate management by consistently providing superior, innovative service.

ECONOMIC OVERVIEW

The impact of the COVID-19 pandemic continued to permeate global economies during 2021, much the same way that it affected many countries during 2020. Despite the preceding, global GDP growth according to the World Bank *Global Economic Prospects* Report was 5.5%, representing a substantial increase over 2020 when the global GDP contracted by 3.4%. All market groupings saw positive growth, with the East Asia and Pacific bloc recording the highest growth of 7.1%. Growth in the Latin American Market was 6.7%. By comparison, according to Fitch Solutions, the Caribbean growth rate was 5.16%, with Guyana as expected experiencing the highest in the Caribbean with growth of 19.9%.

The largely positive economic performance internationally was spurred on by the emergence from restrictions and lockdown measures and the surge in demand for goods and services thereafter. The worldwide economic outlook into 2022 calls for further growth as countries further relax pandemic measures and businesses return to normal operations. The World Bank predicts further GDP growth in 2022 of 4.1%, while Fitch Solutions has it pegged slightly lower at 3.6%. Caribbean growth is expected to average 5.7% with Guyana having the highest projected growth at 40.5% and Trinidad and Tobago at 3.4%.

A number of issues will continue to produce strong headwinds to growth. This will include the high cost of shipping, delays in shipping, bottlenecks in the supply chain and labour shortages. The preceding have all been contributing to high inflation rates that were experienced in 2021 and will continue to be felt in 2022. Global inflation in 2021 was 4.4% and is expected to grow in 2022 to 6.2%. For Trinidad and Tobago, inflation was at 2.3% in 2021 and is expected to grow to 3.1% in 2022.

According to the United Nations Conference on Trade and Development (UNCTAD), the value of global trade was at a record level of $28.5 trillion in 2021, representing an increase of 25% over 2020 and 18% higher than 2019 before the onset of the pandemic. Although growth in trade was experienced in all the major trade groupings, it was more pronounced across the developing nations. Trade growth for 2022 is expected to slow in comparison to 2021. The reason for this is due to increasing fuel costs and continuing logistical disruptions.

Based on the preceding, the overall economic outlook for Trinidad and Tobago and the region remains positive. However, it is important to maintain its fiscal posture to capitalise on the improving economic climate.

FINANCIAL PERFORMANCE

Despite the second consecutive year of the pandemic, the Corporation maintained its trajectory of improved financial performance.

Chairman's Report (continued)

Group Revenue amounted to $320m, an increase of $13.6m or 4% over 2020. The growth in revenue was mainly due to a significant increase in General Cargo throughput of 23%. The increase in revenue however, was tempered by increases in Direct Costs and Administrative Expenses of 6.5% and 2.2% respectively.

The Corporation generated a Group Profit Before Tax, exclusive of Fair Value Gains of $22.3m representing an increase in profit of 14.4% over 2020 when the Profit Before Tax was $19.4m. Fair Value Gains for the year was $24.8m resulting from increases in the fair value of investment properties on the Industrial Estate due to rent reviews and lease renewals during the year.

Earnings Per Share (EPS) were $1.02 while Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA), exclusive of Fair Value Gains were $58m. The comparable EPS and EBITDA for 2020 were $2.21 and $57.8m respectively.

The results further underscored the ability of the Board and Management to respond to an evolving business and economic environment while staying focused on the achievement of strategic objectives. The performance of the Corporation is also noteworthy when placed into the context of the country's ongoing economic challenges prior to 2020 and further exacerbated by the COVID-19 pandemic.

MARITIME AND SHIPPING

While the biggest issue affecting the global economy and consequently the maritime industry continued to be the direct impact of the COVID-19 pandemic, the effects were not as pronounced as in 2020. What was evident however, were the significant knock-on effects that had a subsequent impact on the business of trade.

The supply chain disruptions continue to be a real problem due to factory shutdowns or operating curtailments in China, as well as capacity constraints in shipping, or lines struggling to deal with the surge in demand. The congestion issues at all major ports globally further exacerbated the problem as importers and shippers endeavoured to get their goods cleared or transhipped on a timely basis. Drewry Shipping Insight analysis showed a 17% reduction in port capacities due to productivity and congestion issues in 2021. This is expected to improve slightly in 2022 to 15%.

With these headwinds, the surge in freight rates that started in late 2020 and perpetuated into 2021 is not expected to subside before 2023 based on current projections.

Despite the preceding, UNCTAD's *Review of Maritime Transport 2021* estimated a growth in Maritime trade of 4.3%. This may slow slightly during 2022 and beyond due to the growing risks and uncertainty in global economies.

THE ENERGY SECTOR AND INDUSTRIAL ESTATE

The Ministry of Energy and Energy Industries *Monthly Bulletin* 2021 showed daily average natural gas production of 2,579 mmscf/d. This represented a further reduction of 15.2% from 2020 when the average daily production was 3,044 mmscf/d. Average production output in 2019 was 3,588 mmscf/d.

Chairman's Report (continued)

The main commodities produced on the Industrial Estate are ammonia and methanol. Ammonia production fell slightly by 2.7% to 4.9 million metric tonnes while methanol production rose by 29.4% to 5.5 million metric tonnes. Even though the overall output of natural gas decreased, it is apparent that the closure of Train I at Atlantic allowed more gas to be diverted to the plants on the Industrial Estate.

The ability of the ammonia plants to more or less maintain production output despite the substantial drop in natural gas production bodes well in the context of a substantial increase in the price of the commodity on the global market. While ammonia prices averaged $188 per tonnes in 2020, there was a surge in prices to an almost six-fold increase by the end of 2021.

Current projections are for the trend in commodity prices to continue due to increases in natural gas prices, rising economies bringing with it increased demand and also the current situation in Ukraine and Russia.

Both Ukraine and Russia are major producers of ammonia supplying a combined total of over 18 million tonnes per annum. The Russian supply into the world market has been disrupted due to sanctions while the Ukraine supply would have been directly impacted by their ability to produce due to the war.

Like ammonia, global methanol prices also rose in 2021 albeit at a lower rate. Average price per tonne of methanol in 2020 was $295. During the final quarter of 2021, methanol prices rose as high as $645 per tonne in the USA and $604 per tonne in Europe. Like with ammonia, the rise in prices and increased output has been a definite positive for the plants on the Industrial Estate.

The positives have to be tempered with the fact that a number of plants have been taken offline due to supply availability or inability to finalise gas contracts. These include the Methanol Holdings - M1 Plant, Methanex Titan Plant and Yara.

The sale of the ArcelorMittal facility is yet to be concluded following its closure in 2016. The liquidator is yet to finalise a deal with the current potential buyer who is in the process of establishing power and gas supply agreements with T&TEC and NGC respectively.

Overall, the forecast for the Estate remains positive as companies are able to benefit from increasing commodity prices and the availability of gas expected to stabilise.

STRATEGIC OVERVIEW AND OUTLOOK

With the launch of the Corporation's new three-year Strategic Plan, there has been a renewed thrust by the Board and Management to drive sustainable change. Certain adjustments had to be made however, in the wake of the COVID-19 pandemic from an operational perspective. As restrictions such as the State of Emergency (SoE) and workplace guidelines were lifted, some level of normalcy was subsequently restored.

The focus continues to be a Balanced Scorecard approach with emphasis being placed on all major lines of business. We are happy to announce that in the final quarter of 2021, we obtained formal notification that Cabinet approved the lease of 530 acres of land to PLIPDECO to facilitate further industrial development. This for us is quite historic in nature as it represents the first opportunity for such a major expansion since the Industrial Estate was initially established. The location of the new parcel is contiguous with the existing Estate and situated at North Point Lisas.

The timing of this is also significant given the interest shown by a number of companies in the industrial sector in setting up operations in Point Lisas and the fact that the current Estate is almost full. Discussions are to continue with the Government on the commercial terms, consistent with PLIPDECO's 15-year build-out and development plan.

The expansion of the logistics services is a core component of our development and revenue growth plans. While movement in this area has been slower than originally anticipated due to COVID and lower than expected demand, there has been a spike in interest from the last quarter of 2021. Much of the interest has centred around the use of warehouse space for both bonded and non-bonded cargo. In fact, the year ended with the organisation entering into an agreement with one of the largest Estate tenants for the receipt, storage and delivery of cargo to be utilised during a major plant turnaround.

The logistics product is being further refined to not only provide warehousing space but also fully managed warehouse services, transportation and brokerage. Current market share for LCL warehouse services is 35%.

Port operations had to continually adjust to cater to the requirements and restrictions due to COVID. Despite that, the Port was still able to adequately service its customers, albeit with a reduced level of efficiency. With vessel operations for example, the SoE resulted in shortened shift arrangements and this in turn impacted the productivity and completion time of vessels.

The shortened gate hours due to the SoE also impacted the turnaround time for trucks. Port labour costs were also negatively affected not only from extended hours to complete vessels but unavailability of workers due to illness from COVID and/or the requirement to be in quarantine, thus sending up overtime costs.

The Port has managed to gain considerable ground in the domestic containerised cargo market due to its service and marketing efforts, as well as the marketing efforts of the shipping lines. This was accomplished despite the rates for handling and storage of containerised cargo being higher than that of Port of Spain.

The Port of Point Lisas continues to carry the majority of the domestic containerised cargo market. As of the end of the last quarter of the year, the Port of Point Lisas held 57.5% of the market share compared with the Port of Port of Spain which held 42.5% market share.

Chairman's Report (continued)

There are ambitious plans to further differentiate the Port through superior service, technology and infrastructure along with a sustainable cost model. To accomplish this, a number of initiatives have already been implemented and several more are planned. One of the flagship projects in support of the preceding is the implementation of an Automated Gate System. The new technology driven system which will be a major business differentiator will drastically reduce the processing time at the gates for the over 500 daily transactions.

Other benefits include:

- Reduced gate manning requirements;
- Enhanced security control; and
- Improved accuracy of data capture.

The tender for selection of a system supplier was executed during the year with the selection and award process to be concluded to allow implementation during 2022.

Major infrastructural projects completed in 2021 include the rehabilitation of Berth #5 which consisted of repairs to the underside of the berth, as well as the pile structures and the emergency works on Berth #2. For 2022, the long awaited RTG Bay repairs will commence. This is the most comprehensive repair works to be undertaken since the Port was constructed. The aforementioned infrastructural works are inherently critical to allow the port operations to continue safely and efficiently.

Changes to the labour structure were implemented during the year in collaboration with the Union. This included adjustments in the shift structure and manning levels to facilitate reduced and more competitive labour costs. The support and cooperation of the Union were pivotal in achieving this objective.

The investments being made in technology, systems, infrastructure, equipment and people are done at a high cost to PLIPDECO. In addition, the cost of doing business for PLIPDECO has been increasing due to salaries and wages, as well as the cost to procure day-to-day goods and services.

Further adjustments to the Port Tariff are to be implemented during 2022 to assist in covering the costs of the preceding while also bringing the rate structure closer in line with other competitor ports in the region.

GOVERNMENT, REGULATORY AND COMPLIANCE FRAMEWORK

From a governmental, regulatory and legislative framework, there seems to be many positive changes on the horizon. The much anticipated implementation of the Trinidad and Tobago Revenue Authority (TTRA) and the full proclamation of the Procurement Act are but two of the more important regulatory adjustments that will transform how businesses function.

Recent pronouncements have been made on the TTRA, so it is hoped that implementation will be done during the year, bringing with it genuine Customs reform, along with more effective trade facilitation.

The remaining Procurement Regulations were passed in both the Upper and Lower Houses. It is anticipated that the President will be in a position to proclaim the Act by the end of the second quarter.

The Government's port reform plans have implications for PLIPDECO with the decision made to divest the operations of the Port of Port of Spain. In November, an Expression of Interest was issued and PLIPDECO along with other interested parties in the regional and international sector submitted responses. A decision is expected to be made by the end of the second quarter on next steps.

The Corporation continues to be proud of the strides it has made in the governance domain. For the eighth consecutive year, the Caribbean Information and Credit Rating Services Limited (CariCRIS) assigned an A+ rating to PLIPDECO. Additionally, the organisation's ISO 9001:2015 Quality Management System received re-certification from the Lloyd's Register Quality Assurance following their annual recertification audit.

During the latter half of the year, the Corporation ushered in a new Board of Directors. In addition, the Annual Meeting of Shareholders was held virtually for the first time in the Company's history due to COVID-19 pandemic and the restrictions placed on public gatherings. The meeting was chaired by the new Chairman of the Board of Directors.

COVID-19 PANDEMIC

Much like 2020, considerable effort and resources were expended toward effective management of the virus. Apart from the implementation of a number of infrastructural and procedural changes, Management in conjunction with the Union, implemented a COVID-19 Task Force with the responsibility of meeting and jointly deliberating on COVID-related issues that were directly impacting the employee population.

Management also sought to increase awareness through various outreach mechanisms such as bulk SMS texts, social media and memoranda. Another key initiative was the coordination of various vaccination drives to increase the number of persons vaccinated. Approximately 62% of the employee population is now fully vaccinated.

PAYMENT OF DIVIDENDS

In recognition of the Corporation's improved financial performance and to provide a further return to Stakeholders, the Board of Directors has recommended a Dividend Payment of 15 cents per share.

APPRECIATION TO STAKEHOLDERS

On behalf of the Board and Management, I would like to thank the Government, shareholders, employees, shipping lines, agents, unions and the business community for the support given and in trusting us with the leadership of PLIPDECO.

We look forward to your continuing support in realising our goals and overcoming the many challenges that may lie ahead.

Daniel Dookie

Daniel Dookie
Chairman

Mr. Ernest Ashley Taylor
President

PRESIDENT'S REPORT

MISSION STATEMENT

To develop, market and operate port, logistics and industrial estate infrastructure for optimal economic growth.

OPERATIONAL REVIEW

Cargo Performance – Containerised

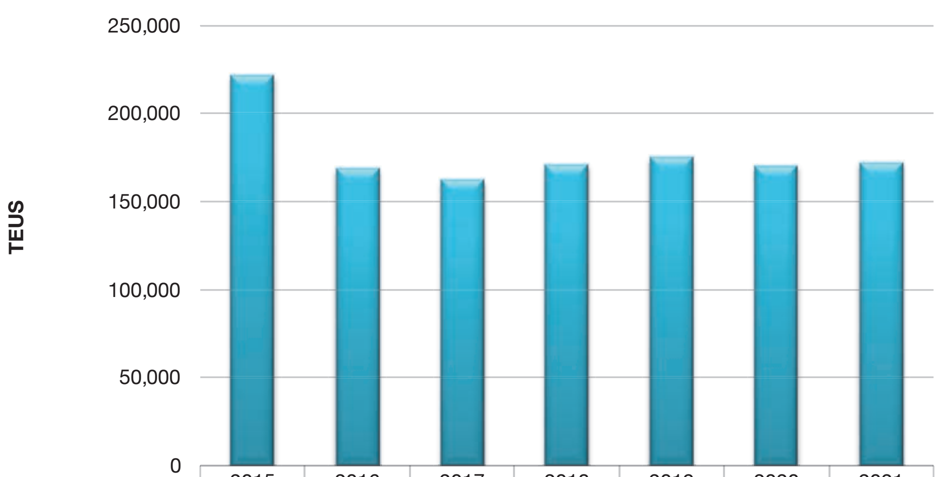
The throughput of containerised cargo remained below pre-COVID levels with a slight overall increase of 1% to reach 172,356 teus for the year, compared with 170,408 teus in 2020. The comparable pre-COVID throughput was 175,376 in 2019.

The increase for the year was accounted for by 2% and 1% increases in import and exports respectively. The preceding was tempered by a decrease in transhipment of 7%.

Most of the major shipping lines recorded growth in throughput, where five saw upward movement and four declined. The largest improvement was Maersk that experienced an increase of 16%. The largest decline was Crowley that saw a reduction of 40% or 4,935 teus. The performance of Crowley has continued to suffer on a year-on-year basis since the purchase of Seafreight and the subsequent decision to withdraw their own vessels from rotation and instead do slot chartering.

The top three shipping lines by volume were Seaboard, Tropical and Maersk collectively accounting for 70% of the overall containerised volumes. This is up 4% over the previous year due to significant increases in throughput of Tropical and Maersk.

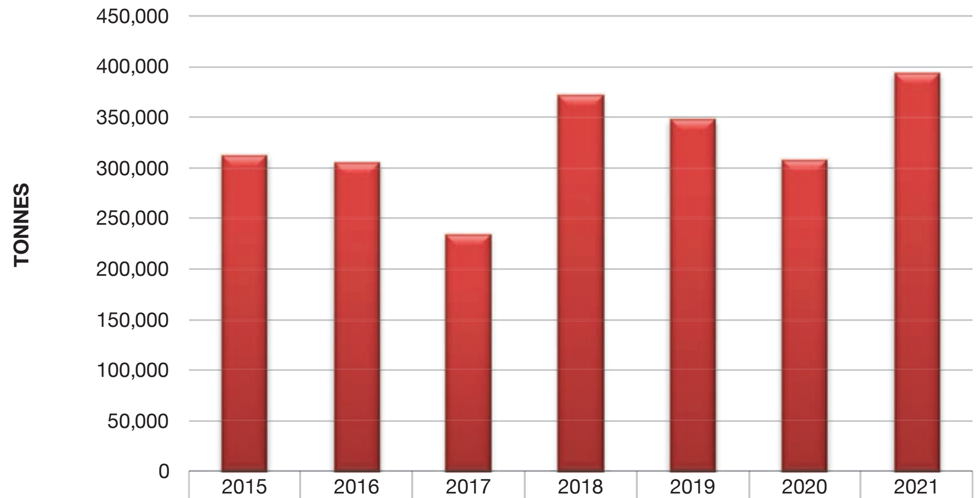
Containerised Cargo



	2015	2016	2017	2018	2019	2020	2021
Containerised Cargo (TEUS)	221,836	168,723	162,498	170,951	175,376	170,408	172,356

President's Report (continued)

General Cargo



	2015	2016	2017	2018	2019	2020	2021
General Cargo (Tonnes)	312,757	304,823	234,487	371,955	348,052	308,250	393,687

Cargo Performance – General Cargo

General Cargo tonnage handled increased by 28% to 393,687 tonnes representing the highest throughput since 2008 when 488,385 tonnes were handled. The increase in the General Cargo is attributed to improved throughput of 32% for bulk cargo and steel and a 22% increase in pallets and boxes. Just over 97% of the cargo handled were imports.

Overall, General Cargo throughput was boosted by the more frequent utilisation of the ISCOTT Dock. In fact, the arrangement entered into for the use of the Dock realised an additional cargo throughput of 41k tonnes during the last quarter of the year.

Vessel Productivity

While there has been a continuous improvement in productivity for containerised operations for the last few years, there was a noticeable drop in 2021. Gross Productivity decreased by 10.6% to 19.7 moves per hour while Net Productivity decreased by 6.6% to 27.1 moves per hour. The reasons for the decreases in productivity were varied in nature.

The State of Emergency imposed severe restrictions on the movement of persons as a result, adjustments had to be made to shorten the standard shift hours. This ultimately affected the ability to complete vessels on a timely basis. Additionally, and especially during the latter half of the year, there were spikes in the number of COVID-19 positive employees or persons who were required to be on quarantine. This impacted resource capability and accessibility and consequently, vessel productivity.

Challenges with more inefficient storage of containers on-board vessels by shipping lines, consistent with the rising port throughput demands and some port equipment reliability issues were also contributing factors.

Engineering Maintenance

There was a marginal overall improvement in equipment availability to 85%. This represents a continuance of the year-on-year improvements dating back to 2017 when average equipment availability for the year was 74%. Maintenance activities would also have been affected by the pandemic due to the impact on resource availability and adjustments to shift arrangements. The global supply chain issues also affected the ability to get parts on a timely basis and consequently restoring equipment back into service.

While corrosion control is a constant part of the equipment maintenance, the major corrosion project on the Gantry Cranes was delayed once more due to the resource availability and planning challenges due to COVID.

The asset replacement and procurement programme also continued with the purchase of two new pieces of equipment. An Empty Container Handler to add to the existing fleet of units was procured and would greatly enhance the yard management capability as well as service to customers such as vessels and trucking companies. A 185ft manlift was also procured and will greatly enhance the ability of the maintenance team to repair and inspect equipment and infrastructure at height. Both pieces of equipment were subsequently commissioned into service in January 2022.

Warehousing and Logistics

The number of containers unstuffed at the LCL Warehouse increased by 15% to 2,065 to be the highest number since 2017. The number of deliveries made also saw a significant upward movement of 32% to 21,494 deliveries. This was also the highest number of deliveries made since 2017, further signalling a return to some level of normalcy in this segment of the market. Importation of tyres decreased slightly by 1.5% to 262 teus, while LCL exports to regional territories decreased by 7% to 116 teus.

Efforts at growing Warehouse occupancy and services began to bear some fruit with the signing of a contract with one of the major Industrial Estate tenants for the storage and delivery of products to be utilised during their plant turnaround.

Container Examination Station (CES)/ Scanning Operations

For the year, 36,009 FCL containers were delivered from the Port and from that number, approximately 10% or 3,650 were sent to the CES for further inspection.

Due to the non-functionality of the two container scanners at the Port, no containers were scanned for the year. Based on discussions with Customs, there is consideration toward purchasing of new units for use at both ports to boost the inspection capability of Customs.

President's Report (continued)

Harbour and Marine Management

The number of vessels handled by the Harbour and Marine Department at the PLIPDECO berths and the Savonetta Piers had contrasting trends. At PLIPDECO, there were 587 vessel calls for the year, representing a 13% decline over the previous year. This number suggests that vessels were actually carrying more cargo as cargo throughput reports previously showed there was a 1% increase and a 28% increase in containerised and general cargo, respectively.

By comparison, there was an 8% increase in the number of vessels calling at the Savonetta Piers where the vessels exporting ammonia and methanol make their regular visits. This number appears expected and consistent based on the substantial increase in methanol exports and slight decline in ammonia exports, as reported by the Ministry of Energy and Energy Industries in their *Monthly Bulletin* 2021.

Industrial Estate Operations

Management of the Industrial Estate plays a key role in the operations of PLIPDECO from both a revenue management and compliance perspective.

Revenue management involves ensuring that lease rental invoices are generated in a timely manner and ensuring that payments are received by the required due dates. Also just as important, is the completion of rent reviews and lease renewals prior to the roll-over dates to enable the invoices with the correctly updated rates to be disseminated. For the year, 15 rent reviews and four lease renewals were executed.

The Service Charge which forms part of invoices generated is applied to all Estate Tenants for maintenance and upkeep of common areas such as roadways, verges, drainage, common areas as well as security. Following a recently concluded audit, tenants were advised of an impending increase to take effect from the 2022 Financial Year.

The compliance monitoring consists of ensuring that there is full adherence to environmental covenants as per the terms of each tenant's lease. Audits are conducted by a joint Estate Management and HSE team. For the year, 20 out of 22 planned audits were completed.

Infrastructure

Properly maintained infrastructure is not only important for the safety, well-being and comfort of employees and stakeholders, but also critical for safe and efficient operations. Apart from the standard repair and maintenance work carried out on different aspects of the infrastructure such as roadways, drainage systems, structures and paved areas, two major rehabilitative type projects were undertaken. These projects were:

- Emergency repair works to Berth #2 to stabilise the structure and prevent further deterioration, as well as protect the integrity of adjoining structure; and
- Rehabilitation to Berth #5 which consisted of repairs to both the underside of the berth and pile structures.

People, Process and Technology

Despite the challenges posed by the COVID-19 pandemic and the inability of many trainers or institutions to facilitate training programmes, the organisation was able to fulfil many of its training objectives. This was done through a combination of online training as well as training conducted by in-house facilitators. The training covered a range of areas that included soft skills development, technical competencies and operator training.

The completion and roll-out of the online Performance Management System has seen its first full year of implementation and has been quite timely given the restrictions that had been placed on face-to-face contact. The System was rolled out to 44 members of staff under the Management and non-unionised groupings. This platform serves to make the process of Performance Management more dynamic in nature and reduces the level of subjectivity in the appraisal process thereby placing a more direct emphasis and link between employee performance and Company objectives.

From a cost management, competitiveness and productivity standpoint, the organisation has sought to continually improve the port labour structure and shift arrangements. Through discussions and collaboration with the Union, the organisation was successful in implementing some new measures that resulted in:

- The reduction of guaranteed overtime payments;
- Reduced number of operators; and
- Flexible shift arrangements to maximise shift utilisation and to coincide with vessel requirements.

Technology, its development, use and integration into the fabric of the operations has been pivotal to the efficiency improvements at PLIPDECO over the years. A Computerised and General Cargo Management System was implemented and represented a substantial improvement over the manual method used for discharge, storage and delivery of the over 300k tonnes of general cargo handled annually. The new system has significantly increased the efficiency and accuracy of data capture with the utilisation of wireless handheld units.

Health, Safety and Environment (HSE)

The Human Resources and HSE Departments played exceedingly critical roles in assisting and guiding the organisation through the last two years of the pandemic. Key initiatives included the following:

- Coordinating the implementation of infrastructure such as sneeze guards at different locations, wash sinks, and hand sanitisation dispensers;
- Managing and coordinating the staff rotation process across the different departments;
- With support from the Security Services strict enforcement of protocols such as wearing of masks, social distancing and temperature screening;
- Increased coordination of sanitisation of offices and common areas with support from the Civil Maintenance team;
- Ongoing communication programme through social media, staff memoranda, notices and one-on-one communication;
- Mandatory antigen testing;
- Rigorous contact tracing process; and
- Coordination of various vaccination drives.

President's Report (continued)

As of December 31st, 2021, approximately 483 employees were fully vaccinated, representing 54% of the overall employee population.

The HSE Department also has the standard responsibility of promoting a safe and healthy work environment for all stakeholders. There was a 50% reduction in the number of major incidents (bodily injury and damage to equipment, vehicle or property) reported in 2021 to nine. Bodily injuries decreased by 28% while damage to equipment, vehicle or property decreased by 64%.

The reductions in the recorded statistics are attributable to the reduction and risk management initiatives such as lessons learnt reviews, root cause analysis, job hazard analysis and staff reorientation.

Security

The Security Department also played a key support role in helping to manage security on the Industrial Estate and the Port during the pandemic. Personnel assisted in ensuring that there was full compliance with temperature scanning, mask wearing, social distancing and congregating protocols. In addition, gangways on vessels were continuously manned to ensure that unauthorised personnel did not disembark or board. The Department also managed the control and distribution of curfew passes to employees.

EXPECTATIONS FOR 2022

Engineering Maintenance

The major corrosion works that were originally scheduled to be done on the Gantry Cranes but were delayed due to COVID restrictions have been rescheduled to be completed during the year. This will be done alongside the corrosion work on the other pieces of equipment which have now been integrated into the preventative maintenance programme. The other major equipment repair work planned for the year is the restoration into service of RTG #2 which was delayed due to the long lead times in receiving replacement parts.

Equipment procurement for 2022 includes a Spare Spreader bar for the two mobile cranes currently in use and three new Port trucks as part of the phased replacement of the existing fleet.

Infrastructure

Following on from the major berth works completed during 2021, there is an even more aggressive infrastructural plan for 2022. The most important project for the year is expected to be the rehabilitation of the RTG Bays which will be the biggest upgrade work to be done since the Port was constructed.

Other infrastructure projects include the following:

- Repairs to Port Roadways;
- Repairs to Estate Roadways;
- Overhaul to Cargo Shed at Berth #3;
- Repairs to roof at Port Administration Building;
- New Entrance/Exit Facility at the Port away from the existing in-gate to cater to private vehicles; and
- Standby Generator to support the Automated Gate System.

People, Processes and Technology

The completion of the changes to the online Performance Management System will be completed by the end of the second quarter. The changes to be addressed are consistent with recommendations coming out of the Pilot roll-out in 2021. The second phase being rolled-out is the Unionised Supervisory group consisting of 29 persons. Following completion of this phase, the remaining categories of staff will be brought on board.

As part of its ongoing process of cost management and efficiency improvement, the organisation contracted the services of a consulting firm to review the operations of the support services departments. The report has been completed and an implementation plan for the recommendations is being developed for execution. The changes to be made based on the findings are expected to assist in repositioning the Company and in making it more competitive and commercially driven.

The Company for decades has maintained a Defined Benefit Pension Plan for permanent employees. Following a comprehensive review with assistance from our Actuaries, a decision was taken to migrate to a Defined Contribution Plan. Going forward, new employees shall be enrolled in the new plan while existing employees will be given the option to stay on the current plan or migrate to the new one.

Discussions are expected to commence with the Unions on new Collective Bargaining Agreements. These will cover hourly paid, monthly paid and supervisory staff under the SWWTU and security officers under the Estate Police Association. Management is confident that these discussions can be concluded by the end of the fourth quarter.

The process and technology-related initiatives are inextricably linked and represent a continuation of a key focal point for the Company over the last decade.

In furtherance of the preceding, an Online Payment System is to be implemented and this will not only streamline the payment process in all the revenue collection areas but also improve the speed and accuracy of the reconciliations. This will also be an important component in facilitating full functionality of the Automated Gate System that is to be implemented during the year.

The Automated Gate System is one of the major flagship projects that will fundamentally change operations at PLIPDECO and will, in our view mark the commencement of a process of high-tech systems automation at the Port. Important benefits to accrue from the Gate Automation

President's Report (continued)

include substantially reduced processing time at the gates, a more secure system for processing of transactions and reduced labour costs associated with gate transactions.

It is important that companies such as PLIPDECO keep up-to-date with a rapidly changing and demanding business environment. In this regard, it is a fundamental requirement that the appropriate enterprise systems are continuously upgraded or deployed.

The Navis (Port) Terminal Operating System will be upgraded to the latest Cloud version and represents a major shift for the Corporation since Navis was initially implemented in 2006 with the on-premises server based version. All versions up to this point necessitated the maintenance and upkeep of in-house servers that required periodic replacement to ensure reliability and hardware support was maintained. The Navis Cloud Version will not only reduce operational and maintenance costs but will enhance system flexibility and promote better vendor responsiveness.

PLIPDECO also plans to acquire a new Computerised Maintenance Management System (CMMS). The decision to upgrade from the current system is to ensure the aforementioned objectives for enterprise systems are maintained and to also put the Company in a position to better manage and maintain its diverse equipment fleet and inventory of spare parts.

A true integration of people with technology is the procurement of an Operator Equipment Training Simulator. The simulator will provide training for equipment operators in a controlled life-like immersive environment. This will not only improve the quality and frequency of training but also reduce poor decision-making, enhance productivity and increase safety during actual operations. The Corporation also plans to take advantage of the potential to utilise the simulator as a revenue earner by providing training services to external parties.

I wish to thank the Board, employees, shareholders, and stakeholders for the continued confidence and trust placed in the management team.

There are indeed exciting times ahead for PLIPDECO and we look forward to working closely with all our stakeholders in this next phase of the Company's growth and development.

Ernest Ashley Taylor
President

Path to Renewed Success

"Coming together is a beginning; keeping together is progress; working together is success." – Henry Ford

Directors' Report

Your Directors have pleasure in presenting their Report and the Audited Financial Statements for the financial year ended December 31st, 2021.

FINANCIAL HIGHLIGHTS ($'000)

	GROUP	
	December 31, 2021	**December 31, 2020**
Turnover	320,124	306,526
Profit before Taxation (excluding Fair Value Gains)	22,259	19,447
Taxation	(6,938)	(8,247)
Profit after Taxation (excluding Fair Value Gains)	15,321	11,200
Dividend	(5,944)	(4,359)
Retained Earnings	2,438,985	2,377,381
Earnings per Share	$1.02	$2.21

Dividends

The Directors declared a final dividend of fifteen cents (15¢) per share for the financial year. The dividend will be paid on May 24th, 2022 to shareholders whose names appear on the Register of members of the Corporation at the Record Date of May 7th, 2022.

Directors

Mr. Daniel Dookie, Mr. Richardo Garcia, Mr. Haydn Jones, Mr. Ricardo Lewis, Mr. Sunil Maharaj, Ms. Cindy Manson, Ms. Ayanna Miguel and Mr. St. Clair O'Neil retire by rotation and being eligible offer themselves for re-election.

Auditors

The Auditors, PricewaterhouseCoopers, retire and being eligible offer themselves for re-appointment.

Directors', Senior Officers' and connected Persons' Interests

Set out on the following page are the Directors, Senior Officers and their connected persons with interests in the shares of Point Lisas Industrial Port Development Corporation Limited.

Directors and Senior Officers	Shareholdings	Connected Persons Shareholdings
Mr. Daniel Dookie	Nil	Nil
Mr. Richardo Garcia	Nil	Nil
Mr. Haydn Jones	Nil	Nil
Mr. Ricardo Lewis	Nil	Nil
Mr. Sunil Maharaj	Nil	Nil
Ms. Cindy Manson	Nil	Nil
Ms. Ayanna Miguel	Nil	Nil
Mr. St. Clair O'Neil	Nil	Nil
Mr. Ernest Ashley Taylor	4,000	Nil
Mr. Averne Pantin	Nil	Nil
Mr. Curtis Dennie	Nil	Nil
Mr. Niegel Subiah	543	Nil
Ms. Richelle Lyman	Nil	Nil

HOLDERS OF THE TEN (10) LARGEST BLOCKS OF SHARES

Issued Share Capital: *39,625,684*

Name	Balance	Percentage
The Minister of Finance	20,210,297	51.00%
Masa Investments	3,033,480	7.66%
Chan Ramlal Limited	2,644,896	6.67%
Republic Bank Limited	1,158,267	2.92%
Tatil Life Assurance Limited	1,125,076	2.84%
Bourse Nominee Account	1,004,159	2.53%
Atlantic Investments Company Limited	1,000,000	2.52%
Olympic Manufacturing Limited	500,000	1.26%
Mr. Riyad Khan	500,000	1.26%
RBC Trust (Trinidad & Tobago) Limited	313,153	0.79%

BY ORDER OF THE BOARD

Richelle Lyman

Richelle Lyman
Corporate Secretary
April 1st, 2022

Corporate Governance Report

The Board of Directors of Point Lisas Industrial Port Development Corporation Limited (PLIPDECO) is committed to the continued development of a successful commercial enterprise grounded in good governance. In this regard, PLIPDECO has aligned its operations to the principles outlined in the Trinidad and Tobago Corporate Governance Code 2013 as follows:

(1) Establish a Framework for Effective Corporate Governance

Every company should be headed by an effective Board, which is collectively responsible for the long-term success of the Company.

The Board of Directors is cognisant of the need to adhere to good corporate governance in pursuit of the achievement of its vision and mission. In this regard, the Board has met regularly to review the operations, and policies aimed at improving company performance. The Board meets monthly for ordinary meetings. Should the attention of the Board be required for specific governance, risk, or strategic matters, Extraordinary Meetings of the Board are scheduled as and when necessary. Committees of the Board meet quarterly or as they may deem necessary.

All matters requiring the input of the Board are submitted at least three working days prior to the meeting to allow sufficient time to review the material so that matters could be thoroughly ventilated at the meetings.

The Board currently comprises eight (8) members all of whom are independent of Management. This ensures that decisions are unbiased and are in the best interest of the Corporation.

The President is responsible for the efficient and effective management of the operations of the Corporation and is accountable to the Board of Directors. He is also responsible for executing the strategic goals and objectives, consistent with the mission and vision of the organisation.

Directors' Remuneration

PLIPDECO is classified as a Group A Company and as such Directors are compensated according to the rates outlined in the State Enterprise Performance Monitoring Manual.

Corporate Secretary

The work of the Board is supported by the Corporate Secretary whose role is to ensure the smooth working of the Board through the provision of information based on knowledge of the law and regulations. The Corporate Secretary's duties include ensuring the integrity of the governance framework, ensuring compliance with the statutory and regulatory requirements which include but are not limited to complying with the requirements of the Trinidad and Tobago Stock Exchange and the Trinidad and Tobago Securities and Exchange Commission, acting as an adviser to the Directors and where necessary, liaising with management in implementing decisions made by the Board of Directors.

(2) Strengthen the Composition and Performance of Board and Committees

There should be a balance of independence and diversity of skills, knowledge, experience, perspectives, and gender among Directors so that the Board works effectively.

The Board delegates specific responsibilities to Board Committees. Each Committee is authorised to investigate matters falling under its purview and to make recommendations to the Board based on the findings from their analysis and where necessary conduct investigations. To assist the Board in fulfilling its mandate, the following Board Committees have been established:

Each Committee is governed by a Charter that outlines the Terms of Reference of the Committee and sets out its responsibilities. The Terms of Reference are reviewed annually by the respective Committees and subsequently approved by the Board. All meetings of the Committees are reported in writing or orally at the next Board meeting.

Appointment of Directors

Directors are appointed annually by the Shareholders at the Annual Meeting. In accordance with the Articles, all Directors are eligible for re-election.

	Audit Committee	Human Resource Committee	Finance & Investment Committee	Board Tenders Committee	Security Committee
Richardo Garcia		✓		Chair	Chair
Haydn Jones		Chair		✓	
Ricardo Lewis	✓				✓
Sunil Maharaj			Chair		
Cindy Manson	Chair		✓		
Ayanna Miguel	✓	✓			✓
St. Clair O'Neil			✓	✓	

Corporate Governance Report (continued)

(3) Reinforce Loyalty and Independence

All Directors should act honestly and in good faith, in the best interest of the Company, ahead of other interests.

All Directors and Senior Management are legally required to:

i. Act honestly and in good faith in the best interest of the Company and to
ii. Exercise the care, diligence, and skills that a reasonably prudent person would exercise in comparable circumstances.

The Board of Directors are non-executive and as such, they offer an independent view to the deliberations of Management.

(4) Foster Accountability

The Board should present an accurate, timely, balanced, and understandable assessment of the Company's performance, position, and prospects.

All material changes affecting the Corporation are disclosed promptly in accordance with the legislative requirements. Every quarter, interim unaudited financial statements as well as the audited financial statements are published in the daily newspapers for the first three quarters and fourth quarter respectively. These financial statements are accessible on the Corporation's website.

At each Annual Meeting of Shareholders, the Board and Management report on the Corporation's performance during the year under review. The External Auditors also report on key audit matters which were identified during the audit of the financial statements.

Additionally, to promote transparency and accountability throughout the Corporation and to promote shareholder confidence, policies and procedures are continuously being developed to guide all aspects of the Corporation's operations.

The External Auditors

The External Auditors are appointed by the Shareholders at the Annual General Meeting on the recommendation of the Board of Directors. The External Auditors have direct access to the Chairman of the Audit Committee and the Chairman of the Board. The External Auditors are periodically invited to attend the meetings of the Audit Committee during which important matters relevant to the external annual audit and quarterly reviews are discussed and they provide their independent, professional perspective.

The Internal Auditor

The Internal Auditor provides an independent view of the Corporation's operations and systems of internal control. The Internal Audit department is led by the Chief Internal Auditor who reports to the Chairman of the Audit Committee and administratively to the President. The work of the department is guided by an Audit Charter which is approved by the Audit Committee.

Risk Management

The Board of Directors is accountable for the overall performance of the organisation, corporate governance, and risk oversight. More specifically, the Board is responsible for overseeing the following:

i. Strategy: Ensuring that appropriate strategies are being pursued and executed effectively.
ii. Management: Ensuring that there is a competent Management Team to lead the organisation.
iii. Board Effectiveness: Ensuring that the Board's performance is effective and that it capitalises on the diverse skills, experience, and competencies of the directors.
iv. Audit: Ensuring that there are sufficient internal controls to ensure transparency and good governance in the organisation.
v. Risk and Compliance: Ensuring that the Company is prudently managing its risks across the organisation as well as fulfilling its compliance requirements.

(5) Strengthening Relationships with Shareholders

The Board should promote constructive relationships with all shareholders that facilitate the exercise of their ownership rights and encourage their engagement with the Corporation.

The Shareholders' role in governance is to appoint the Directors and the External Auditors and to satisfy themselves that an appropriate governance structure is in place and that the Corporation is run in the best interest of the Shareholders and stakeholders. The Corporation continues to strive to ensure this relationship is strengthened through the publication of timely financial statements.

At the Annual General Meeting and Special Meetings, all Shareholders are permitted the opportunity to engage in dialogue with the Board, Management, and External Auditors and may pose questions on pertinent issues relating to the performance of the Corporation. The financial performance of the Corporation is available through the publication of the Annual Report, the Corporation's website, and via print media.

In the pursuit of good governance, the Board and Management must be aware of the totality of issues that should be considered when making decisions on behalf of the Corporation. In addition to the principles of the Corporate Governance Code, as a publicly listed company, PLIPDECO adheres to the rules of the Trinidad and Tobago Stock Exchange Commission, the Trinidad and Tobago Stock Exchange, and the Trinidad and Tobago Central Depository.

2021 FINANCIAL STATEMENTS

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 2021 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
24 March 2022	24 March 2022

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 2021, 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 2021;
- the parent and consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the parent and consolidated statement of changes in equity for the year then ended;
- the parent and consolidated statement of cash flows for the year then ended; and
- the notes to the parent and consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

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

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

Our audit approach

Overview

- Overall materiality: TT$22.6 million, 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 (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 2021 audit was planned and executed having regard to the fact that the operations of the Group were largely unchanged from the prior year, notwithstanding COVID-19 which did not have a material impact, as the Group's activities are considered essential services in Trinidad and Tobago. In light of this, the areas of audit focus continued to be the fair value movements on investment properties and the impairment assessment of the Parent & Group's non-financial assets due to a shortfall in the market capitalisation compared to the carrying amount of net assets in the 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 Group materiality	TT$22.6 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 parent and group audits above TT$1,132,000, 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 judgement, 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 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$2,219 million as at 31 December 2021 for the Parent and Group, which represented 70% 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, with the assistance of an auditor's expert, involved the following procedures, amongst others: ● Updated our understanding of management's approach to performing the fair value assessment. This included updating our understanding of the process by which management's key assumptions and methodologies were developed and assessing their appropriateness. ● Assessed the independence and competence of management's valuation expert. ● Assessed the likelihood of the continued occupation and extension of the leases using available market data and evaluated the expert's assumptions focusing on the tenants' ability and intent to continue their operations at the leased properties, taking into account publicly available data impacting this assumption such as national gas reserves and the property's commercial attributes. Inspected, on a sample basis, historical trends of renewals of tenant leases. ● Tested a sample of tenants to determine whether their rental payments were timely and whether there were any indicators that would make it unlikely that they would be able to continue with timely payments. ● Compared management's discount rates to local statutory policy and to the yield of a Government of Trinidad and Tobago bond for a similar tenor, as land is considered to have minimal risk. ● Tested, on a sample basis, the accuracy of the data inputs into the valuation model by verifying the size of property, rent rates, currency of agreement and rent expiry dates against signed contractual lease agreements and related addendums as applicable. ● 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 matter	How our audit addressed the key audit matter
Impairment assessment of non-financial assets (Parent & Group) *Refer to notes 3, 5 and 21 to the parent and consolidated financial statements for disclosures of related accounting policies and balances.* At the reporting date, the Parent & Group's market capitalisation was significantly less than the carrying amount of its net assets and as per Parent and Group's accounting policy, this is an indicator of potential impairment. As such, an impairment assessment was performed by management. Management determined that the port and estate operations are integrally linked and comprise a single cash generating unit. As some of the assets are already carried at fair value, the main focus of management's impairment assessment was on those assets which are not carried at fair value. In assessing potential impairment, management performed procedures to determine the recoverable amount of certain of those assets. This related primarily to TT$225 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 2021, management, using internal expertise, prepared a report to demonstrate that there been 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 2021 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 no impairment provision was required. Based on the magnitude and the high degree of estimation uncertainty in assessing the fair values less cost of disposal of the assets assessed for impairment, this was an area of focus for the audit.	Our approach to addressing the matter, with the assistance of our valuation expert, involved the following procedures, amongst others: ● Evaluated the method used by management to perform the impairment assessment. This included updating our understanding of the process by which management's key assumptions and methodologies were developed and assessing their appropriateness. ● Assessed the competence of those involved in the process. ● Agreed certain information used in the valuation inputs and 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 judgement 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
25 March 2022

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 2020 $	Parent As at 31 December 2021 $		Notes	Group As at 31 December 2021 $	Group As at 31 December 2020 $
		Assets			
		Non-current assets			
743,297	741,865	Property, plant and equipment	5	741,865	743,297
2,193,830	2,218,580	Investment properties	6	2,218,580	2,193,830
18,259	10,529	Deferred income tax assets	8 c.	10,529	18,259
--	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
1,425	1,994	Financial assets at fair value through other comprehensive income	7 b.	1,994	1,425
2,958,028	2,976,048			2,975,728	2,957,708
		Current assets			
15,899	17,432	Inventory	9	17,432	15,899
42,390	41,417	Trade and other receivables	10	42,533	43,757
--	--	Taxation recoverable		739	739
145,774	149,977	Cash and cash equivalents	11	150,330	146,090
204,063	208,826			211,034	206,485
3,162,091	3,184,874	**Total assets**		3,186,762	3,164,193
		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)
254,556	252,566	Revaluation reserves	15 b.	252,566	254,556
487	1,056	Investment revaluation reserve	15 c.	1,056	487
2,375,063	2,436,547	Retained earnings		2,438,985	2,377,381
2,770,042	2,830,105			2,832,543	2,772,360
		Non-current liabilities			
110,478	97,222	Long and medium-term borrowings	16	97,222	110,478
27,149	--	Retirement benefit obligation	18 a.	--	27,149
33,924	34,639	Casual employee retirement benefit	18 b.	34,639	33,924
98,052	96,317	Deferred income tax liabilities	8 c.	96,317	98,052
56,037	55,051	Deferred lease rental income	25	55,051	56,037
325,640	283,229			283,229	325,640

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 2020 $	Parent As at 31 December 2021 $		Notes	Group As at 31 December 2021 $	Group As at 31 December 2020 $
		Current liabilities			
13,263	13,264	Long and medium-term borrowings	16	13,264	13,263
4,577	4,578	Deferred lease rental income	25	4,578	4,577
45,838	48,836	Trade and other payables	20	48,270	45,612
2,731	4,862	Current income tax liabilities		4,878	2,741
66,409	71,540			70,990	66,193
392,049	354,769	**Total liabilities**		354,219	391,833
3,162,091	3,184,874	**Total equity and liabilities**		3,186,762	3,164,193

The notes on pages 52 to 117 are an integral part of these parent and consolidated financial statements.

On 24 March 2022, the Board of Directors of Point Lisas Industrial Port Development Corporation Limited authorised these parent and consolidated financial statements for issue.

Cindy Manson Director

Ricardo Lewis 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 2020 $	Parent Year Ended 31 December 2021 $		Notes	Group Year Ended 31 December 2021 $	Group Year Ended 31 December 2020 $
306,526	320,124	Revenue	19	320,124	306,526
(94,686)	(100,824)	Cost of providing services	22	(99,601)	(93,496)
211,840	219,300	**Gross profit**		220,523	213,030
76,343	24,750	Unrealised fair value gains on investment properties	6	24,750	76,343
(114,385)	(116,877)	Administrative expenses	22	(117,483)	(114,994)
(74,318)	(79,372)	Other operating expenses	22	(79,372)	(74,317)
99,480	47,801	**Operating profit**		48,418	100,062
883	1,261	Investment income	7 c.	1,261	883
(5,153)	(2,670)	Finance costs		(2,670)	(5,155)
95,210	46,392	**Profit before taxation**		47,009	95,790
(7,764)	(6,441)	Taxation charge	8 a.	(6,938)	(8,247)
87,446	39,951	**Profit for the year**		40,071	87,543
		Other comprehensive income			
		Items that will not be reclassified to profit or loss			
(167)	569	Change in value of financial assets at fair value through other comprehensive income	7 b.	569	(167)
1,484	1,492	Deferred tax on accelerated tax depreciation – property plant, and equipment revalued and site improvements	8 c.	1,492	1,484
		Remeasurements of:			
505	20,873	Retirement benefit (asset)/obligation	18 a.	20,873	505
199	1,537	Casual employee retirement benefit	18 b.	1,537	199
89,467	64,422	**Total comprehensive income for the year**		64,542	89,564
		Earnings per share			
222¢	101¢	**Basic earnings per share**	13	102¢	221¢
221¢	101¢	**Diluted earnings per share**	13	101¢	221¢

The notes on pages 52 to 117 are an integral part of these parent and consolidated financial statements.

Point Lisas Industrial Port Development Corporation Limited

Parent and Consolidated Statement of Changes in Equity

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	Stated capital $	Revaluation reserves $	Investment revaluation reserves $	Treasury shares $	Retained earnings $	Shareholders' equity $
Parent							
Year ended 31 December 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	12 b.	--	--	--	--	(4,359)	(4,359)
Balance as at 31 December 2021		139,968	252,566	1,056	(32)	2,436,547	2,830,105
Year ended 31 December 2020							
Balance as at 1 January 2020		139,968	256,554	654	(32)	2,288,979	2,686,123
Comprehensive income							
- Profit for the year		--	--	--	--	87,446	87,446
Other comprehensive income							
- Transfer of revaluation reserve to retained earnings	15	--	(3,482)	--	--	3,482	--
- Change in value of financial assets at fair value through other comprehensive income	7 b.	--	--	(167)	--	--	(167)
- Deferred tax on accelerated tax depreciation – property, plant and equipment revalued and site improvements	8 c.	--	1,484	--	--	--	1,484
- Remeasurements of retirement benefit obligation	18 a.	--	--	--	--	505	505
- Remeasurements of casual employee retirement benefit	18 b.	--	--	--	--	199	199
Transactions with owners							
- Dividends	12 b.	--	--	--	--	(5,548)	(5,548)
Balance as at 31 December 2020		139,968	254,556	487	(32)	2,375,063	2,770,042

The notes on pages 52 to 117 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)

	Notes	Stated capital $	Revaluation reserves $	Investment revaluation reserves $	Treasury shares $	Retained earnings $	Shareholders' equity $
Group							
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	12 b.	--	--	--	--	(4,359)	(4,359)
Balance as at 31 December 2021		139,968	252,566	1,056	(32)	2,438,985	2,832,543
Year ended 31 December 2020							
Balance as at 1 January 2020		139,968	256,554	654	(32)	2,291,200	2,688,344
Comprehensive income							
- Profit for the year		--	--	--	--	87,543	87,543
Other comprehensive income							
- Transfer of revaluation reserve to retained earnings	15	--	(3,482)	--	--	3,482	--
- Change in value of financial assets at fair value through other comprehensive income	7 b.	--	--	(167)	--	--	(167)
- Deferred tax on accelerated tax depreciation – property, plant and equipment revalued and site improvements	8 c.	--	1,484	--	--	--	1,484
- Remeasurements of retirement benefit obligation	18 a.	--	--	--	--	505	505
- Remeasurements of casual employee retirement benefit	18 b.	--	--	--	--	199	199
Transactions with owners							
- Dividends	12 b.	--	--	--	--	(5,548)	(5,548)
Balance as at 31 December 2020		139,968	254,556	487	(32)	2,377,381	2,772,360

The notes on pages 52 to 117 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 2020 $	Parent Year Ended 31 December 2021 $		Notes	Group Year Ended 31 December 2021 $	Group Year Ended 31 December 2020 $
40,525	62,778	**Cash generated from operating activities**	11 c.	63,306	40,970
		Returns on investments and servicing of finance			
(5,703)	(3,605)	Interest paid		(3,600)	(5,712)
34,822	59,173			59,706	35,258
(10,753)	(6,425)	Income tax paid		(6,920)	(11,227)
24,069	52,748	**Net cash generated from operating activities**		52,786	24,031
		Cash flows from investing activities			
(8,842)	(34,337)	Purchases of property, plant and equipment	5	(34,337)	(8,842)
--	2,479	Adjustment to property, plant and equipment		2,479	--
449	768	Interest received		768	449
(8,393)	(31,090)	**Net cash used in investing activities**		(31,090)	(8,393)
		Cash flows from financing activities			
(12,797)	(13,255)	Repayment of long and medium-term borrowings		(13,255)	(12,797)
(5,548)	(4,359)	Dividends paid	12 b.	(4,359)	(5,548)
(18,345)	(17,614)	**Net cash used in financing activities**		(17,614)	(18,345)
(2,669)	4,044	**Net increase/(decrease) in cash and cash equivalents**		4,082	(2,707)
148,227	145,774	**Cash and cash equivalents at beginning of year**		146,090	148,581
216	159	Effects of exchange rate changes on cash and cash equivalents		158	216
145,774	149,977	**Cash and cash equivalents at end of year**	11	150,330	146,090

The notes on pages 52 to 117 are an integral part of these parent and consolidated financial statements.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements

31 December 2021

(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 2021 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) (2020: $320 (320,002 shares of no par value)).

2 Transactions with related parties

	2021 $	2020 $
Labour (See Note 1)	82,776	80,505
Post retirement benefits	149	367
Key management compensation	3,361	3,388
Parent		
Balance due to Point Terminals Limited	6,855	6,762

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

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 acquiree and the equity interests issued by the Group.

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 in subsidiaries without change in control*

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.

(iii) *Disposal of subsidiaries*

When the Group ceases to consolidate or equity account for an investment because of a loss of control, 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.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

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

Impairment assessment of non-financial assets of the Group

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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

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 $9 and $61,307 (2020: $8 and $50,308). 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.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(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	**2021 $**	**2020 $**
Parent		
Cash at bank	149,892	145,689
Group		
Cash at bank	150,243	146,003

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 2021					
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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

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

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

Group

31 December 2021	**Fully performing $**	**Past due $**	**Impaired $**	**Provision for impairment $**	**Total $**
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
31 December 2020					
Financial asset at amortised cost	897	--	--	--	897
Cash at bank	146,003	--	--	--	146,003
Trade receivables	4,739	21,874	17,738	(17,738)	26,613
Other receivables (excluding prepayments)	3,067	--	549	(549)	3,067
	154,706	21,874	18,287	(18,287)	176,580

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

o Trade receivables

o Financial assets at amortised cost

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(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 42 months before 30 June 2021 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.

Summary of ECL calculations

The movement in the provision for expected credit losses for trade receivables is as follows. This includes specific provisions of $27,904 (2020: $16,317).

	2021 $	2020 $
Opening loss allowance as at 1 January	17,738	1,098
Write back of prior year provision	--	(714)
Increase in loss allowance recognised in profit or loss during the year	10,628	17,354
Balance at end of year	28,366	17,738
The following is an analysis of the net impairment expense on financial assets recognised in profit or loss:		
Net changes to provisions for the year per above	10,628	16,640

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.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(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 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

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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(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 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	213,675

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

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 2021 and 2020.

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.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

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 2021 if the US$ strengthened/weakened against the TT$ by an average rate of 5% is a increase/decrease in profits of $3,080 (2020: $953) 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 2021 and 2020, 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%.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(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 2021 and 2020 as cash exceeded borrowings.

Parent	**2021 $**	**2020 $**
Net cash	(39,491)	(22,033)
Total equity	2,830,105	2,770,042
Total capital	2,790,614	2,748,009
Gearing ratio	--	--
Cash and cash equivalents	149,977	145,774
Borrowings – repayable within one year (including overdraft)	(13,264)	(13,263)
Borrowings – repayable after one year	(97,222)	(110,478)
Net cash	39,491	22,033
Cash	149,977	145,774
Gross debt – variable interest rates	(110,486)	(123,741)
Net cash	39,491	22,033

	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 2020	148,227	(13,205)	(123,333)	11,689
Cash flows	(2,669)	(58)	12,730	10,003
Foreign exchange adjustments	216	--	125	341
Net 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 cash as at 31 December 2021	149,977	(13,264)	(97,222)	39,491

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 **Financial risk management (continued)**

d. *Capital risk management (continued)*

Group	**2021 $**	**2020 $**
Net cash	(39,844)	(22,349)
Total equity	2,832,543	2,772,360
Total capital	2,792,699	2,750,011
Gearing ratio	--	--
Cash and cash equivalents	150,330	146,090
Borrowings – repayable within one year (including overdraft)	(13,264)	(13,263)
Borrowings – repayable after one year	(97,222)	(110,478)
Net cash	39,844	22,349
Cash	150,330	146,090
Gross debt – variable interest rates	(110,486)	(123,741)
Net cash	39,844	22,349

	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 2020	148,581	(13,205)	(123,333)	12,043
Cash flows	(2,707)	(58)	12,730	9,965
Foreign exchange adjustments	216	--	125	341
Net 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 cash as at 31 December 2021	150,330	(13,264)	(97,222)	39,844

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 2021, the maximum total liabilities/ tangible net worth ratio was 0.05 (0.07 as at 31 December 2020) and the debt service coverage ratio was 3.63 (3.11 as at 31 December 2020).

Group
As at 31 December 2021, the maximum total liabilities/ tangible net worth ratio was 0.05 (0.07 as at 31 December 2020) and the debt service coverage ratio was 3.67 (3.94 as at 31 December 2020).

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 **Financial risk management (continued)**

e. *Financial instruments by category*

Parent	**2021 $**	**2020 $**
Loans and receivables		
The accounting policies for financial instruments have been applied to the line items below:		
Trade receivables	21,988	26,613
Other receivables (excluding prepayments)	1,561	1,695
Cash at bank	149,892	145,689
	173,441	173,997
Financial asset at amortised cost	897	897
Financial assets at fair value through other comprehensive income	1,994	1,425
	176,332	176,319

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	2,596	3,138
Other payables (excluding statutory liabilities)	38,058	34,553
Due to subsidiary	6,855	6,762
Borrowings	110,486	123,741
	157,995	168,194

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

Group

Loans and receivables

The accounting policies for financial instruments have been applied to the line items below:		
Trade receivables	21,988	26,613
Other receivables (excluding prepayments)	2,677	3,067
Cash at bank	150,243	146,003
	174,908	175,683
Financial asset at amortised cost	897	897
Financial assets at fair value through other comprehensive income	1,994	1,425
	177,799	178,005

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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 **Financial risk management (continued)**

e. *Financial instruments by category (continued)*

Group	**2021 $**	**2020 $**
Other financial liabilities		
Liabilities as per consolidated statement of financial position		
Trade payables	2,596	3,138
Other payables (excluding statutory liabilities)	41,054	37,693
Borrowings	110,486	123,741
	154,136	164,572

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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

5 **Property, plant and equipment – Parent/Group**

The subsidiary has no property, plant and equipment.

	Land $	Own Site improvements $	Estate infrastructure $	Berths and piers $	Port equipment $	Buildings $	Equipment, furniture and fittings $	Capital work in progress $	Total $
Year ended 31 December 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
Year ended 31 December 2020									
Opening net book amount	255,620	73,835	60,706	210,335	81,677	51,454	16,353	17,835	767,815
Additions	--	136	--	348	--	--	2,488	5,870	8,842
Transfers from capital work in progress	--	3,453	--	--	871	--	562	(4,886)	--
Disposals/adjustments	--	--	--	--	--	--	(112)	--	(112)
Depreciation	--	(6,303)	(779)	(5,977)	(13,106)	(2,156)	(4,927)	--	(33,248)
Closing net book amount	255,620	71,121	59,927	204,706	69,442	49,298	14,364	18,819	743,297
At 31 December 2020									
Cost/valuation	255,620	77,424	77,913	298,928	256,203	51,454	90,944	18,819	1,127,305
Accumulated depreciation	--	(6,303)	(17,986)	(94,222)	(186,761)	(2,156)	(76,580)	--	(384,008)
Net book amount	255,620	71,121	59,927	204,706	69,442	49,298	14,364	18,819	743,297
At 31 December 2019									
Cost/valuation	255,620	73,835	77,913	298,580	255,332	51,454	88,120	17,835	1,118,689
Accumulated depreciation	--	--	(17,207)	(88,245)	(173,655)	--	(71,767)	--	(350,874)
Net book amount	255,620	73,835	60,706	210,335	81,677	51,454	16,353	17,835	767,815

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

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 basis	-	10% - 33.3%	reducing balance

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.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

b. *Significant fair value estimate*

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

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

Fair value measurements using

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

	Quoted prices in active markets for identical assets (level 1) $	**Significant other observable inputs (level 2) $**	**Significant unobservable inputs (level 3) $**
As at 31 December 2020			
Recurring fair value measurements			
- Land	--	--	255,620
- Own site improvements	--	--	71,121
- Buildings	--	--	49,298

There were no transfers between levels during the year.

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

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

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

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

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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(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 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

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

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:

	2021 $	2020 $
Cost	211,508	211,205
Accumulated depreciation	(79,266)	(76,538)
Net carrying amount	132,242	134,667

d. *Assets pledged as security*

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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

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 $2,218,580 and property, plant and equipment (PP&E) of $741,865.

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

Land, buildings and site improvements of $367,881 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 utilised the work performed by independent external valuators in 2020 to determine a fair value for certain assets. In 2021, 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 at the current year end date using the depreciated replacement cost (DRC) approach. Management considered this to be the most reliable method given relevant information, such as sales or rental transactions, is not readily available due to there being no public active market for specialised assets of this nature.

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

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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(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:

	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

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

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 $1,759 (2020: Nil) in capital commitments as at 31 December 2021.

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 $968 (2020: $1,512). The capitalisation rate is the interest rate applicable to the specific borrowing for the rehabilitation of the berths, in this case 3% (2020: 3%).

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

6 **Investment properties**

PARENT			GROUP	
2020	**2021**		**2021**	**2020**
$	**$**		**$**	**$**
2,061,005	2,136,610	30 year leases	2,136,610	2,061,005
56,482	57,220	96 years and longer leases	57,220	56,482
2,117,487	2,193,830		2,193,830	2,117,487
76,343	24,750	Unrealised fair value gains	24,750	76,343
2,193,830	2,218,580		2,218,580	2,193,830

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 2021 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.

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Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(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 2021			
Recurring fair value measurements			
- Investment properties	--	--	2,218,580
As at 31 December 2020			
Recurring fair value measurements			
- Investment properties	--	--	2,193,830

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			GROUP	
2020 $	2021 $		2021 $	2020 $
		The following amounts have been recognised in the parent and consolidated statement of profit or loss and other comprehensive income		
103,088	103,867	Lease rental income (Note 19)	103,867	103,088
(1,383)	(1,442)	Direct costs from investment properties	(1,442)	(1,383)

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

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6 **Investment properties (continued)**

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 2021 and 2020 would have changed as a result of a change in the discount rates used of 2.5%/3.5% and 5%.

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

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

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

The Group was informed 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 unauthorised occupants and parties claiming an interest in the parcel.

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

PARENT			GROUP	
2020 $	**2021 $**		**2021 $**	**2020 $**
897	897	Financial asset at amortised cost	897	897
		Financial assets at fair value through		
1,425	1,994	other comprehensive income	1,994	1,425
26,613	21,988	Trade receivables (Note 10)	21,988	26,613
1,695	1,561	Other receivables (excluding prepayments)	2,677	3,067
30,630	26,440		27,556	32,002

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

PARENT 2020 $	PARENT 2021 $		GROUP 2021 $	GROUP 2020 $
		Non-current assets		
897	897	Financial asset at amortised cost	897	897
		Financial assets at fair value through		
1,425	1,994	other comprehensive income	1,994	1,425
		Current assets		
26,613	21,988	Trade receivables (Note 10)	21,988	26,613
1,695	1,561	Other receivables (excluding prepayments)	2,677	3,067
30,630	26,440		27,556	32,002

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Notes to the Parent and Consolidated Financial Statements (continued)

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(Expressed in Thousands of Trinidad and Tobago Dollars)

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

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.

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)).

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

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

PARENT 2020 $	PARENT 2021 $		GROUP 2021 $	GROUP 2020 $
1,592	1,425	At beginning of year	1,425	1,592
(167)	569	Change in value transferred to equity	569	(167)
1,425	1,994	At end of year	1,994	1,425

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

c. *Investment income*

PARENT 2020 $	PARENT 2021 $		GROUP 2021 $	GROUP 2020 $
449	769	Interest income – tax exempt	769	449
434	492	Other income	492	434
883	1,261		1,261	883

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

8 **Taxation**

a. *Taxation charge*

PARENT 2020 $	PARENT 2021 $		GROUP 2021 $	GROUP 2020 $
10,625	10,858	Corporation tax	10,858	10,625
(1,663)	(2,300)	Prior year under accrual for tax	(2,300)	(1,663)
--	--	Business levy - current year	497	483
(1,198)	(2,117)	Deferred income tax (Note 8 c.)	(2,117)	(1,198)
7,764	6,441		6,938	8,247

The tax charge differs from the theoretical amount that would arise using the basic tax rate of 30% (2020: 30%) as follows:

PARENT 2020 $	PARENT 2021 $		GROUP 2021 $	GROUP 2020 $
95,210	46,392	Profit before taxation	47,009	95,790
28,563	13,918	Tax calculated at applicable tax rate	14,103	28,737
(23,547)	(7,888)	Allowances/income not subject to tax	(7,888)	(23,547)
1,431	1,295	Expenses not deductible for tax	1,295	1,502
(1,663)	(2,300)	Prior year over accrual for tax	(2,300)	(1,663)
2,980	1,416	Other movements	1,231	2,735
--	--	Business levy	497	483
7,764	6,441		6,938	8,247

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.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(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 2020 $	PARENT 2021 $		GROUP 2021 $	GROUP 2020 $
82,172	79,793	At beginning of year	79,793	82,172
(1,484)	(1,492)	Accelerated tax depreciation – property plant, and equipment revalued and own site improvements	(1,492)	(1,484)
217	8,946	Tax on remeasurement of defined benefit obligation recognised in other comprehensive income (Note 18 a.)	8,946	217
86	659	Tax on remeasurement of casual employee retirement benefit recognised in other comprehensive income (Note 18 b.)	659	86
(1,198)	(2,118)	Credit for the year (Note 8 a.)	(2,118)	(1,198)
79,793	85,788	At end of year	85,788	79,793

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:

Parent/Group

	2020 $	Charge to OCI $	Credit to SOCI $	2021 $
Year ended 31 December 2021				
Deferred income tax liabilities				
Retirement benefit (asset)/obligation	--	--	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 (asset)/obligation	(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

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Notes to the Parent and Consolidated Financial Statements (continued)

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(Expressed in Thousands of Trinidad and Tobago Dollars)

8 **Taxation (continued)**

c. *Deferred taxation (continued)*

Parent/Group

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

9 **Inventory**

The inventory balance comprises consumable maintenance spares and is shown net of provision for obsolete spares of $1,829 (2020: $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.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

10 **Trade and other receivables**

PARENT			**GROUP**	
2020	**2021**		**2021**	**2020**
$	**$**		**$**	**$**
44,351	50,354	Trade receivables	50,354	44,351
(17,738)	(28,366)	Less: provision for impairment	(28,366)	(17,738)
26,613	21,988	Trade receivables – net	21,988	26,613
6,571	5,555	Other receivables and prepayments	6,695	7,960
(527)	(527)	Less: provision for impairment	(551)	(549)
9,733	14,401	Value added tax	14,401	9,733
42,390	41,417		42,533	43,757

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. 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.

b. *Fair value of trade receivables*

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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(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 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
31 December 2020					
Expected credit loss rate	1.50%	4.03%	4.28%	47.26%	
Gross carrying amount					
Trade receivables	4,811	992	1,377	37,171	44,351
Loss allowance	72	40	59	17,567	17,738

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 2021 and 31 December 2020 would have changed as a result of an increase in the forward looking rate used of 5% and 10%.

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

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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

11 **Cash and cash equivalents**

PARENT			GROUP	
2020	**2021**		**2021**	**2020**
$	**$**		**$**	**$**
35,704	86,693	Current bank and cash balances	87,046	36,020
110,070	63,284	Short-term bank deposits	63,284	110,070
145,774	149,977	Cash at bank and on hand	150,330	146,090

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.

b. *Financial risk management*

The effective interest rates on cash and short-term deposits were between 0.15% and 1.20% (2020: 0.25% and 1.50%) per annum.

The Group has unsecured overdraft facilities of $20,000. Interest is charged at the average rate of 6.5% per annum (2020: 6.5% per annum).

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Notes to the Parent and Consolidated Financial Statements (continued)

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(Expressed in Thousands of Trinidad and Tobago Dollars)

11 **Cash and cash equivalents (continued)**

c. *Cash generated from operating activities*

PARENT 2020 $	PARENT 2021 $		GROUP 2021 $	GROUP 2020 $
95,210	46,392	Profit before taxation	47,009	95,790
(76,343)	(24,750)	Unrealised fair value gains on investment properties (Note 6)	(24,750)	(76,343)
33,248	33,141	Depreciation (Note 5)	33,141	33,248
16,640	10,628	Increase in provision for trade receivables	10,630	16,640
112	149	Loss on disposal of property, plant and equipment	149	112
(313)	(1,533)	Increase in inventory	(1,533)	(313)
(12,370)	(9,655)	Increase in trade and other receivables	(9,406)	(12,552)
14,121	14,704	Pension expense in retirement benefit obligation	14,704	14,121
(13,202)	(13,897)	Company contributions paid in retirement benefit obligation	(13,897)	(13,202)
4,281	4,547	Net benefit cost in casual employee retirement benefit	4,547	4,281
(1,747)	(1,636)	Lumpsums paid in casual employee retirement benefit	(1,636)	(1,747)
5,153	2,670	Interest expense	2,670	5,155
(883)	(768)	Interest income	(768)	(883)
(455)	(212)	Decrease in deferred lease rental income	(212)	(455)
(22,927)	2,998	Increase/(decrease) in trade and other payables	2,658	(22,882)
40,525	62,778	Cash generated from operating activities	63,306	40,970

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

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12 **Stated capital**

PARENT 2020 $	PARENT 2021 $		GROUP 2021 $	GROUP 2020 $
		Authorised: An unlimited number of ordinary shares of no par value An unlimited number of preference shares of no par value		
		Issued and fully paid:		
139,968	139,968	39,625,684 ordinary shares of no par value	139,968	139,968

a. *Accounting policy*

Share capital

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

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

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 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. On 25 March 2021, the Board of Directors approved a final dividend of 11¢ per share, amounting to $4,359 in respect of the year ended 31 December 2020. This was paid on 18 May 2021. On 26 March 2020, the Board of Directors approved a final dividend of 14¢ per share, amounting to $5,548 in respect of the year ended 31 December 2019. This was paid on 22 May 2020.

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.

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Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

13 **Earnings per share (continued)**

	PARENT 2021 $	PARENT 2020 $
Profit for the year	39,951	87,446
Weighted average number of shares (excluding treasury shares) 39,395,684 (2020- 39,395,684)		
Basic earnings per share	101¢	222¢
Weighted average number of shares (including allocated shares) 39,619,684 (2020 - 39,619,684)		
Diluted earnings per share	101¢	221¢

	GROUP 2021 $	GROUP 2020 $
Profit for the year	40,071	87,543
Weighted average number of shares (excluding treasury shares) 39,395,684 (2020 - 39,395,684)		
Basic earnings per share	102¢	221¢
Weighted average number of shares (including allocated shares) 39,619,684 (2020 - 39,619,684)		
Diluted earnings per share	101¢	221¢

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

	No of shares	2021 $	2020 $
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'.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

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

a. *Accounting policy (continued)*

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

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

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

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

15 **Revaluation reserves**

a. *Nature and purpose of revaluation reserves*

The revaluation reserves include the following amounts:

Revaluation surplus – property, plant and equipment:

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

Financial assets at fair value through other comprehensive income:

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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

15 **Revaluation reserves (continued)**

PARENT 2020 $	PARENT 2021 $		GROUP 2021 $	GROUP 2020 $
257,208	255,043	At beginning of year	255,043	257,208
(167)	569	Fair value loss of financial assets at fair value through other comprehensive income (Note 7 b.)	569	(167)
1,484	1,492	Deferred tax on accelerated tax depreciation – property, plant and equipment revalued and site improvements	1,492	1,484
(3,482)	(3,482)	Transfer/adjustment to retained earnings	(3,482)	(3,482)
255,043	253,622	At end of year	253,622	255,043

b. *Property, plant and equipment*

PARENT 2020 $	PARENT 2021 $		GROUP 2021 $	GROUP 2020 $
256,554	254,556	At beginning of year	254,556	256,554
1,484	1,492	Deferred tax on accelerated tax depreciation – property, plant and equipment revalued and site improvements	1,492	1,484
(3,482)	(3,482)	Transfer/adjustment to retained earnings	(3,482)	(3,482)
254,556	252,566	At end of year	252,566	254,556

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

15 **Revaluation reserves (continued)**

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

PARENT			GROUP	
2020	**2021**		**2021**	**2020**
$	**$**		**$**	**$**
654	487	At beginning of year	487	654
(167)	569	Fair value gain of financial assets at fair value through other comprehensive income (Note 7 b.)	569	(167)
487	1,056	At end of year	1,056	487

16 **Long and medium-term borrowings**

123,104	110,046	First Citizens Bank Limited	110,046	123,104
637	440	Ansa Merchant Bank Limited	440	637
123,741	110,486		110,486	123,741

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

		Non-current liabilities		
110,478	97,222	Long and medium-term borrowings	97,222	110,478
		Current liabilities		
13,263	13,264	Long and medium-term borrowings	13,264	13,263
123,741	110,486		110,486	123,741

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.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

16 **Long and medium-term borrowings (continued)**

b. *Loan agreements*

(i) *First Citizens Bank Limited*

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

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 3% (2020: 3%). The schedule of repayment on the drawn balance is reflected in Note 16 e. The balance as at 31 December 2021 was TT$36,497.

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% (2020: 3%). The schedule of repayment on the drawn balance is reflected in Note 16 e. The balance as at 31 December 2021 was TT$70,646.

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% (2020: 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 3% (2020: 3%). The balance as at 31 December 2021 was TT$2,903.

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 First Citizens Bank, the aggregate value of the letters not to exceed USD10,000.

(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$16. The balance as at 31 December 2021 was TT$440.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(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:

	2021 **$**	**2020** **$**
US dollar	39,203	44,412
TT dollar	71,283	79,329
	110,486	123,741

d. *Sensitivity analysis - variable rate instruments*

	Increase/(decrease) in PRIME %	**(Decrease)/increase effect on profit $**
2021	+20	466
	-15	(349)
2020	+20	858
	-15	(643)

	Increase/(decrease) in LIBOR %	**(Decrease)/increase effect on profit $**
2021	+20	262
	-15	(197)
2020	+20	382
	-15	(287)

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

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(Expressed in Thousands of Trinidad and Tobago Dollars)

16 **Long and medium-term borrowings (continued)**

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 2021						
Borrowings	16,512	16,138	86,532	15	119,197	110,486

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

f. *Compliance with loan covenants*

The Group has complied with the financial covenants of its borrowing facilities during the 2021 and 2020 reporting period. Refer to Note 4 d. for details.

17 **Staff costs**

PARENT 2020	**PARENT 2021**		**GROUP 2021**	**GROUP 2020**
$	**$**		**$**	**$**
153,457	160,811	Wages, salaries and benefits	159,911	152,602
14,121	14,704	Retirement benefit (asset)/obligation expense (Note 18 a.)	14,704	14,121
4,281	4,547	Casual employee retirement benefit expense (Note 18 b.)	4,547	4,281
171,859	180,062		179,162	171,004

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

17 **Staff costs (continued)**

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.

Post retirement benefits

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

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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

18 **Long term employee benefits**

a. *Retirement benefit (asset)/obligation*

The Group operates a defined benefit pension plan for its eligible employees regulated by the Insurance Act Chapter 84:01 of Trinidad and Tobago. The plan is a final salary pension plan which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. The plan is operated in accordance with a Trust Deed between the parent company and First Citizens Trustee Services Limited dated 19 July 1985. Fund managers appointed by the trustees of the plan administer the funds of the plan. The pension plan is generally funded by payments from employees and the parent company, taking account of the recommendations of independent qualified actuaries. 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 drafted and expected to be submitted to the Board of Inland Revenue (BIR) by 31 March 2022. Deductions from employees is scheduled to commence 1 April 2022. All new eligible members will be joining the defined contribution plan.

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

	2021 $	2020 $
Net (asset)/liability in the parent and consolidated statement of financial position (parent/group)		
Present value of defined benefit obligation	257,999	258,969
Fair value of assets	(259,862)	(231,820)
Net defined benefit (asset)/liability	(1,863)	27,149
Reconciliation of opening and closing parent and consolidated statement of financial position entries (parent/group)		
Opening defined benefit liability	27,149	26,952
Pension expense	14,704	14,121
Re-measurements recognised in other comprehensive income	(29,819)	(722)
Company contributions paid	(13,897)	(13,202)
Closing defined benefit (asset)/liability	(1,863)	27,149

(i) *Accounting policy*

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

The liability 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.

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.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

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

(i) *Accounting policy (continued)*

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.

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*

	2021 **$**	**2020** **$**
Defined benefit obligation at start of year	258,969	243,634
Current service cost	12,620	12,030
Interest cost	14,448	13,588
Members' contributions	3,106	3,905
Experience adjustments	(4,519)	(5,186)
Actuarial losses	(18,445)	--
Benefits paid	(8,180)	(9,002)
Defined benefit obligation at end of year	257,999	258,969

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

	2021	**2020**
Active members	67%	68%
Deferred members	3%	3%
Pensioners	30%	29%
The weighted average duration of the defined benefit obligation at year end	14.3yrs	15.2yrs

97% (2020: 96%) of the active member benefits are vested.
28% (2020: 30%) of the active member defined benefit obligation is conditional on future salary increases.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

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(Expressed in Thousands of Trinidad and Tobago Dollars)

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

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

	2021 $	2020 $
Plan assets at start of year	231,820	216,682
Interest income	12,973	12,120
Return on plan assets, excluding interest income	6,855	(4,464)
Company contributions	13,897	13,202
Members' contributions	3,106	3,905
Benefits paid	(8,180)	(9,002)
Expense allowance	(609)	(623)
Fair value of plan assets at end of year	259,862	231,820
Actual return on plan assets	19,828	7,656
Asset allocation		
Locally listed equities	52,134	42,192
Overseas equities	28,358	22,722
Government bonds	91,682	78,977
Corporate bonds	67,052	70,533
Cash and cash equivalents	16,820	13,383
Other (immediate annuity policies)	3,816	4,013
Fair value of plan assets at end of year	259,862	231,820

The asset values as at 31 December 2021 were provided by the Plan's Investment Manager (First Citizens Trustee Services Limited). Overseas equities have quoted prices in active markets. Local equities also have quoted prices but the market is illiquid. The Investment Manager calculates the fair value of the Government bonds and corporate bonds by discounting expected future proceeds using a constructed yield curve. The value of the Plan's annuity policies with CLICO was estimated using the same assumptions used to calculate the defined benefit obligation. The value of these policies is not quoted and is reliant on CLICO's financial strength.

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

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.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

(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 million to the pension plan during 2022.

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

	2021	**2020**
	$	**$**
Current service cost	12,620	12,030
Net interest on net defined benefit liability	1,475	1,468
Administration expense allowance	609	623
Pension expense (Note 17)	14,704	14,121

(vi) *Remeasurements recognised in other comprehensive income*

	2021	**2020**
	$	**$**
Experience gains	(29,819)	(722)
Deferred income tax (Note 8 c.)	8,946	217
Total amount recognised in other comprehensive income	(20,873)	(505)

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

(vii) *Significant accounting estimate*

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

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

	2021 Per annum	2020 Per annum
Summary of principal assumptions		
Discount rate	6.00%	5.50%
Underlying salary and wage inflation	4.00%	4.00%
Promotional/merit increases	1.00%	1.00%
Average individual salary increases	5.00%	5.00%
Future pension increases	0.00%	0.00%

These assumptions affect the deferred tax asset calculated on the pension benefit liability. The most recent completed actuarial valuation was as at 31 December 2021.

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:

	2021	2020
Life expectancy at age 60 for current pensioner in years		
Male	21.8	21.8
Female	26.1	26.0
Life expectancy at age 60 for current members age 40 in years		
Male	22.7	22.7
Female	27.0	27.0

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 2021 and 2020 would have changed as a result of a change in the assumptions used.

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Notes to the Parent and Consolidated Financial Statements (continued)

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(Expressed in Thousands of Trinidad and Tobago Dollars)

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

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

(vii) *Significant accounting estimate (continued)*

	Impact on defined benefit obligation					
	Change in Assumptions		**Increase in assumptions**		**Decrease in assumptions**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Discount rate	1%pa	1%pa	-12.1%	-12.9%	+15.1%	+16.2%
Future salary increases	1%pa	1%pa	+5.2%	+5.6%	-4.7%	-5.0%
Life expectancy	1 year	1 year	+1.3%	+1.3%	-1.3%	-1.4%

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.

	2021 $	**2020 $**
Net liability in the parent and consolidated statement of financial position (parent/group)		
Present value of casual employee retirement benefit obligation	34,639	33,924
Reconciliation of opening and closing statement of financial position entries (parent/group)		
Opening net retirement benefit liability	33,924	31,675
Net benefit cost	4,547	4,281
Re-measurements recognised in other comprehensive income	(2,196)	(285)
Lump sums paid	(1,636)	(1,747)
Closing casual employee retirement benefit liability	34,639	33,924

(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.

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Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(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 $1,489 in 2022 ($1,738 in 2021).

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

	2021 $	2020 $
Obligation at start of year	33,924	31,675
Current service cost	2,654	2,518
Interest cost	1,893	1,763
Experience adjustments	(2,196)	(285)
Benefits paid	(1,636)	(1,747)
Obligation at end of year	34,639	33,924

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

	2021	2020
Casual employees	88%	89%
Former casual employees made permanent	9%	9%
Outstanding benefits	3%	2%
The weighted average duration of the retirement benefit obligation at year end	13.4yrs	14.1yrs

16% (2020: 16%) of the benefits are vested.
40% (2020: 41%) of the retirement obligation is conditional on future salary increases.

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Notes to the Parent and Consolidated Financial Statements (continued)

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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*

	2021 $	2020 $
Current service cost	2,654	2,518
Net interest on net retirement benefit liability	1,893	1,763
Casual employee retirement benefit expense (Note 17)	4,547	4,281

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

Experience gains	(2,196)	(285)
Deferred income tax (Note 8 c.)	659	86
Total amount recognised in other comprehensive income	(1,537)	(199)

(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.

	2021 Per annum	2020 Per annum
Summary of principal assumptions		
Discount rate	6.00%	5.50%
Average individual pay increases	4.00%	4.00%

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

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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(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 2021 and 2020 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**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Discount rate	1%pa	1%pa	-11.6%	-12.2%	+13.9%	+14.7%
Future salary increases	1%pa	1%pa	+13.3%	+13.9%	-11.2%	-11.6%

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 Corporation - Port and Warehouse. Revenue from providing services, for marine, mooring and unmooring, container handling, and storage rent etc. are recognised in the accounting period in which the services are rendered.

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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(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 2021			
Revenue	214,313	1,944	216,257
Timing of revenue recognition			
At a point in time	214,313	1,944	216,257
Year ended 31 December 2020			
Revenue	202,044	1,394	203,438
Timing of revenue recognition			
At a point in time	202,044	1,394	203,438

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 $103,867 (2020: $103,088).

d. *Liabilities related to contracts with customers*

The Group has no liabilities related to contracts with customers.

20 **Trade and other payables**

PARENT 2020 $	PARENT 2021 $		GROUP 2021 $	GROUP 2020 $
3,138	2,596	Trade payables	2,596	3,138
35,938	39,385	Other payables and accruals	45,674	42,474
39,076	41,981		48,270	45,612
6,762	6,855	Due to subsidiary	--	--
45,838	48,836		48,270	45,612

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

20 **Trade and other payables (continued)**

a. *Accounting policy*

Trade payables

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

Provisions

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

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

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

b. *Fair value of trade payables*

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

21 **Segment information**

a. *Accounting policy*

Segments

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

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

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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(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 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
Year ended 31 December 2020				
Revenue	202,044	103,088	1,394	306,526
Gross profit	107,358	103,088	1,394	211,840
Unrealised fair value gains on investment properties	--	76,343	--	76,343
Depreciation	(30,186)	(1,383)	(1,679)	(33,248)
Repairs and maintenance	(19,952)	(695)	(3,173)	(23,820)
Other expenses – net	(52,420)	(17,887)	(60,445)	(130,752)
Finance costs	(4,739)	--	(414)	(5,153)
Profit before taxation				95,210

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(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 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
Year ended 31 December 2020				
Revenue	202,044	103,088	1,394	306,526
Gross profit	108,548	103,088	1,394	213,030
Unrealised fair value gains on investment properties	--	76,343	--	76,343
Depreciation	(30,186)	(1,383)	(1,679)	(33,248)
Repairs and maintenance	(19,952)	(695)	(3,173)	(23,820)
Other expenses – net	(53,029)	(17,887)	(60,444)	(131,360)
Finance costs	(4,739)	--	(416)	(5,155)
Profit before taxation				95,790

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.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(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 2021	537,252	2,421,882	43,316	3,002,450
31 December 2020	528,196	2,406,363	47,850	2,982,409
Group				
31 December 2021	536,966	2,421,882	44,398	3,003,246
31 December 2020	527,889	2,406,363	49,209	2,983,461

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 2020 $	PARENT 31 December 2021 $		GROUP 31 December 2021 $	GROUP 31 December 2021 $
2,982,409	3,002,450	Total segment assets	3,003,246	2,983,461
145,774	149,977	Cash and cash equivalents	150,330	146,090
18,259	10,529	Deferred income tax	10,529	18,259
15,649	21,918	Other assets	22,657	16,383
3,162,091	3,184,874	Total assets as per statement of financial position	3,186,762	3,164,193

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

Parent/ Group	Port and related activities $	Estate $	Support activities $	Total $
31 December 2021	32,114	40	2,183	34,337
31 December 2020	6,471	1,159	1,212	8,842

d. *Segment liabilities*

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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

22 Expenses by nature

PARENT 2020 $	PARENT 2021 $		GROUP 2021 $	GROUP 2020 $
171,859	180,062	Staff costs (Note 17)	179,162	171,004
33,248	33,141	Depreciation (Note 5)	33,141	33,248
13,392	14,864	Repairs and maintenance spares utilised	14,864	13,392
11,627	14,149	Utilities	14,149	11,627
10,428	12,453	Repairs and maintenance on property, plant and equipment	12,453	10,428
7,360	12,004	Office expenses	12,283	7,628
16,640	10,628	Bad debts/impairment	10,628	16,640
4,287	4,935	Other	4,935	4,285
5,683	4,766	Insurance	4,766	5,683
2,683	3,249	Legal and professional fees	3,249	2,683
2,684	3,216	Vehicle and transport	3,216	2,684
2,073	2,112	Communication	2,116	2,080
829	829	Directors' remuneration	829	829
596	665	Marketing	665	596
283,389	297,073	Total cost of providing services, administrative expenses and other operating expenses	296,456	282,807

23 Contingent liabilities

a.	Customs bonds	4,750	2,250

(i) The Group has approved bond facilities with First Citizens Bank of $3,000 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. As of present date there have been no further changes to the legislation or extension of the waivers previously granted by the GORTT. The PTA has not yet been enforced primarily due to non-completion of property valuations by the statutory authority and assessments not being sent to taxpayers. While a present obligation exists, taxpayers are unable to reliably estimate the liability as the basis for fair value at this time has not been clarified.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

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.

a. *Accounting policy*

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

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

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

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

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

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

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

To determine the incremental borrowing rate, the Group:

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

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

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

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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

24 **Leases (continued)**

a. *Accounting policy (continued)*

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

Extension and termination options

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

25 **Deferred lease rental income - Parent/Group**

	2021 $	2020 $
Current portion	4,578	4,577
Non-current portion	55,051	56,037
	59,629	60,614

PARENT 2020 $	PARENT 2021 $		GROUP 2021 $	GROUP 2020 $
		At beginning of year:		
5,360	4,905	30 year leases and unearned revenue	4,905	5,360
56,482	55,709	96 years and longer leases	55,709	56,482
61,842	60,614		60,614	61,842
101,860	102,882	Amounts received during the year	102,882	101,860
163,702	163,496		163,496	163,702
(103,088)	(103,867)	Income brought into account (Note 21b.)	(103,867)	(103,088)
60,614	59,629	At end of year	59,629	60,614
		Summarised as follows:		
4,905	4,693	30 year leases and unearned revenue	4,693	4,905
55,709	54,936	96 years and longer leases	54,936	55,709
60,614	59,629		59,629	60,614
(56,037)	(55,051)	Less: non-current portion	(55,051)	(56,037)
4,577	4,578	Current portion	4,578	4,577

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

25 **Deferred lease rental income (continued)**

	2021 $	2020 $
Within 1 year	4,578	4,577
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	51,119	52,105
	59,629	60,614

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 2021:

- Covid-19-related Rent Concessions – Amendments to IFRS 16
- Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

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.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

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 2021 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**
Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16	The amendment to IAS 16 *Property, Plant and Equipment* (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.	1 January 2022
Reference to the Conceptual Framework – Amendments to IFRS 3	Minor amendments were made to IFRS 3 *Business Combinations* to update the references to the *Conceptual Framework for Financial Reporting* and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and Interpretation 21 *Levies*. The amendments also confirm that contingent assets should not be recognised at the acquisition date.	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37	The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.	1 January 2022

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

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**
Annual Improvements to IFRS Standards 2018-2020	The following improvements were finalised in May 2020: • IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities. • IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives. • IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. • IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.	1 January 2022
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 noncurrent, 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.*	1 January 2023 (deferred from 1 January 2022)

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

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**
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
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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

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
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

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.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

26 **Significant accounting policies (continued)**

b. *Foreign currency translation (continued)*

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation 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 measured at fair value in the parent and consolidated financial statements. The valuation methods used by management were classified into the following levels:

Level 1 - 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.)*

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.)*

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

26 **Significant accounting policies (continued)**

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. *Share capital (Note 12 a.)*

m. *Borrowings (Note 16 a.)*

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

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

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

q. *Provisions (Note 20 a.)*

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

s. *Leases (Note 24 a.)*

t. *Rounding of amounts*

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

27 **Impact of COVID-19**

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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Parent and Consolidated Financial Statements (continued)

31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

28 **Subsequent events**

In January 2022, Russia began mobilising military forces around Ukraine's border. Escalation continued and on February 24, 2022, Russia launched a full-scale invasion on three fronts: on the north from Belarus, on the east from Russia, and on the south from Crimea. Currently, more than a dozen cities across Ukraine have been attacked by air strikes and ground offensives.

Russia's invasion of Ukraine has and may continue to have a substantial impact on the several industries which can impact imports and exports as well as energy prices.

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

The extent and duration of the impact of Russia's invasion of Ukraine, 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.

Management Proxy Circular

REPUBLIC OF TRINIDAD AND TOBAGO
THE COMPANIES ACT, Ch. 81:01
(Section 144)

1. **Name of Company:**

   POINT LISAS INDUSTRIAL PORT DEVELOPMENT CORPORATION LIMITED — Company No. P70(C)

2. **Particulars of Meeting:**

   Fifty-fifth (55^{th}) Annual Meeting of the Shareholders of the Company to be held on **Thursday, July 14^{th}, 2022** at Couva/Point Lisas Chamber of Commerce, Camden Road, Couva.

3. **Solicitation:**

   It is intended to vote the Proxy hereby solicited by the Management of the Company (unless the Shareholder directs otherwise) in favour of all resolutions specified in the Proxy Form.

4. **Any Director's statement submitted pursuant to Section 76(2):**

   No statement has been received from any Director pursuant to Section 76(2) of The Companies Act, Ch. 81:01.

5. **Any Auditor's statement submitted pursuant to Section 171(1):**

   No statement has been received from the Auditors of the Company pursuant to Section 171(1) of The Companies Act, Ch. 81:01.

6. **Any Shareholder's proposal submitted pursuant to Sections 116(a) and 117(2):**

   No proposal has been received from any shareholder pursuant to Sections 116(a) and 117(2) of The Companies Act, Ch. 81:01.

Date	Name and Title	Signature
April 1^{st}, 2022	Richelle Lyman Corporate Secretary	Richelle Lyman

Proxy Form

REPUBLIC OF TRINIDAD AND TOBAGO
THE COMPANIES ACT, CH. 81:01
(Section 143(1))

Name of Company:

POINT LISAS INDUSTRIAL PORT DEVELOPMENT CORPORATION LIMITED

Company No. P70(C)

Particulars of Meeting:

Fifty-fifth (55th) Annual Meeting of the Shareholders to be held on Thursday, July 14th, 2022 at 2:00 p.m. at Couva/ Point Lisas Chamber of Commerce, Camden Road, Couva.

I/We____

of____

shareholder(s) of the above named Company hereby appoint the Chairman of the

Meeting, or failing him ____ of

____

to be my/our proxy to attend and act on my/our behalf at the above Meeting, and at any adjournment or adjournments thereof, to the same extent and with the same power as if I/we were personally present at the said Meeting or such adjournment or adjournments thereof and, without limiting the generality of the authorisation and power hereby conferred, to vote for me/us on my/our behalf as indicated below on the Resolutions to be proposed at the above Meeting and at any adjournment or adjournments thereof.

Dated this _________ day of_________________ 2022

____

Signature(s) of Shareholder(s)

Proxy Form (continued)

Please indicate with an “X” in the spaces below how you wish your Proxy to vote on the Resolutions referred to. If no such indication is given the Proxy will exercise his discretion as to how he votes or whether he abstains from voting.

NO.	ORDINARY BUSINESS RESOLUTIONS	FOR	AGAINST
1.	To receive and consider the Report of the Directors and the Audited Financial Statements of the Company for the financial year ended December 31st, 2021 together with the Report of the Auditors thereon.		
2.	To elect Directors and for such purpose pass the following resolutions: (i) Be it resolved that the Directors to be elected be elected en bloc. (ii) Be it resolved that Mr. Daniel Dookie, Mr. Richardo Garcia, Mr. Haydn Jones, Mr. Ricardo Lewis, Mr. Sunil Maharaj, Ms. Cindy Manson, Ms. Ayanna Miguel and Mr. St. Clair O’Neil be elected Directors of Point Lisas Industrial Port Development Corporation Limited.		
3.	Be it resolved that PricewaterhouseCoopers be appointed Auditors of the Company for the period ending at the conclusion of the next Annual Meeting and that the Directors be authorised to fix their remuneration and expenses for the ensuing year.		

____
Signature(s) of Shareholder(s)

NOTES:

1. A Shareholder may appoint a proxy of his/her own choice. If such an appointment is made, delete the words “the Chairman of the Meeting” and insert the name and address of the person appointed proxy in the space provided.
2. If the appointer is a corporation, this Proxy Form must be under Common Seal or under the hand of an officer or attorney duly authorised in that behalf.
3. A Shareholder who is a body corporate may, in lieu of appointing a proxy, authorise an individual by resolution of its directors or governing body to represent it at this Annual Meeting.
4. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated on the Proxy Form.
5. If this form is returned without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting.
6. To be valid, the Proxy Form must be completed and deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time fixed for holding the Annual Meeting or adjourned Meeting.

RETURN TO:

The Corporate Secretary
Point Lisas Industrial Port Development Corporation Limited
PLIPDECO House, Orinoco Drive
Point Lisas Industrial Estate
Couva

Design: Lonsdale Saatchi and Saatchi Advertising Limited
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