

Point Lisas Industrial Port Development Corporation Limited

Condensed Consolidated Interim Financial Information

30 September 2020

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

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Point Lisas Industrial Port Development Corporation Limited

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Point Lisas Industrial Port Development Corporation Limited

Statement of Management's Responsibilities

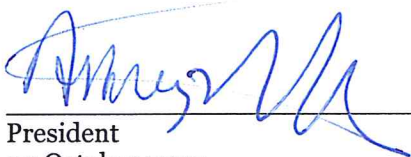
Management is responsible for the following:

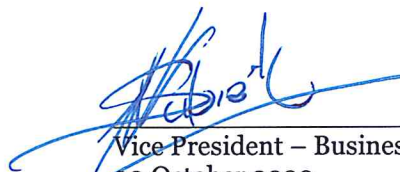
- Preparing and fairly presenting the accompanying condensed consolidated interim financial information of Point Lisas Industrial Port Development Corporation Limited and its subsidiary (the 'Group'), which comprise the condensed consolidated interim statement of financial position as at 30 September 2020, the condensed consolidated interim statement of comprehensive income for the three-month and nine-month periods then ended, and the condensed consolidated interim statements of changes in equity and cash flows for the nine-month period then ended, and a summary of 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 Section 66 of the Securities Act Chap. 83:02; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing this condensed consolidated interim financial information, management utilised the International Accounting Standard 34, 'Interim Financial Reporting', as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago and Section 66 of the Securities Act Chap. 83:02. 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 condensed consolidated interim financial information have been authorised for issue, if later.

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



President
30 October 2020

Vice President – Business Services
30 October 2020



Report on review of interim financial information

To the Shareholders of
Point Lisas Industrial Port Development Corporation Limited

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Point Lisas Industrial Port Development Corporation Limited and its subsidiary (the 'Group') as of 30 September 2020 and the related condensed consolidated interim statement of comprehensive income for the three-month and nine-month periods then ended, and condensed consolidated interim statements of changes in equity and cash flows for the nine-month period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting' and Section 66 of the Securities Act Chap. 83:02. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting' and Section 66 of the Securities Act Chap. 83:02.

Report on other regulatory requirements

In accordance with Section 66 of the Securities Act Chap. 83:02, the Group prepared condensed consolidated interim financial information for the nine-month period from the commencement of the current financial year together with the comparative statement to the end of the corresponding period in the previous financial year.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
30 October 2020

Point Lisas Industrial Port Development Corporation Limited

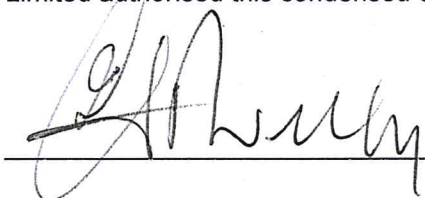
Condensed Consolidated Interim Statement of Financial Position

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	30 September 2020 \$	2019 \$	31 December 2019 \$
Assets				
<i>Non-current assets</i>				
Property, plant and equipment	5	749,910	752,211	767,815
Investment properties	6	2,179,330	2,102,780	2,117,487
Trade receivables		1,740	1,689	1,715
Deferred income tax assets		18,235	17,847	18,521
Financial assets at amortised cost		897	897	897
Financial assets at fair value through other comprehensive income		1,483	1,507	1,592
		<u>2,951,595</u>	<u>2,876,931</u>	<u>2,908,027</u>
<i>Current assets</i>		<u>211,587</u>	<u>194,366</u>	<u>211,036</u>
Total assets		<u>3,163,182</u>	<u>3,071,297</u>	<u>3,119,063</u>
Equity and liabilities				
<i>Equity attributable to owners of the parent</i>				
Stated capital		139,968	139,968	139,968
Treasury shares		(32)	(32)	(32)
Investment revaluation reserve		545	569	654
Revaluation reserves		255,053	243,977	256,554
Retained earnings		2,363,515	2,278,330	2,291,200
		<u>2,759,049</u>	<u>2,662,812</u>	<u>2,688,344</u>
<i>Non-current liabilities</i>				
Borrowings	8	117,069	129,680	123,333
Retirement benefit obligation	7 a.	25,583	26,744	26,952
Casual employee retirement benefit obligation	7 b.	33,841	29,015	31,675
Deferred income tax liabilities		98,418	95,034	100,693
Deferred lease rental income		56,283	57,281	57,023
		<u>331,194</u>	<u>337,754</u>	<u>339,676</u>
<i>Current liabilities</i>		<u>72,939</u>	<u>70,731</u>	<u>91,043</u>
Total liabilities		<u>404,133</u>	<u>408,485</u>	<u>430,719</u>
Total equity and liabilities		<u>3,163,182</u>	<u>3,071,297</u>	<u>3,119,063</u>

The notes on pages 7 to 17 are an integral part of this condensed consolidated interim financial information.

On 30 October 2020, the Board of Directors of Point Lisas Industrial Port Development Corporation Limited authorised this condensed consolidated interim financial information for issue.

 Director

 Director

Point Lisas Industrial Port Development Corporation Limited

Condensed Consolidated Interim Statement of Comprehensive Income

(Expressed in Thousands of Trinidad and Tobago Dollars)

		Three months ended 30 September		Nine months ended 30 September	
	Note	2020 \$	2019 \$	2020 \$	2019 \$
Revenue		81,941	74,585	228,254	231,711
Cost of providing services		<u>(27,911)</u>	<u>(20,942)</u>	<u>(71,739)</u>	<u>(67,929)</u>
Gross profit		54,030	53,643	156,515	163,782
Unrealised fair value gain/(loss) on investment properties		7,680	(2,845)	61,843	82,455
Administrative expenses		(22,964)	(24,156)	(73,828)	(73,883)
Other operating expenses		(21,086)	(19,554)	(59,257)	(58,220)
Other income		<u>170</u>	<u>189</u>	<u>378</u>	<u>630</u>
Operating profit		17,830	7,277	85,651	114,764
Investment income		279	250	699	641
Finance costs		<u>(1,339)</u>	<u>(1,454)</u>	<u>(3,712)</u>	<u>(4,311)</u>
Profit before taxation		16,770	6,073	82,638	111,094
Income tax expense		<u>(3,506)</u>	<u>(2,462)</u>	<u>(7,387)</u>	<u>(9,719)</u>
Profit for the period		13,264	3,611	75,251	101,375
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Deferred tax on accelerated tax depreciation property, plant and equipment revalued and site improvements		374	--	1,111	--
Change in the fair value of equity investments at fair value through other comprehensive income		<u>(25)</u>	<u>(53)</u>	<u>(109)</u>	<u>91</u>
Total comprehensive income for the period		<u>13,613</u>	<u>3,558</u>	<u>76,253</u>	<u>101,466</u>
Earnings per share					
Basic earnings per share	10	<u>34¢</u>	<u>9¢</u>	<u>191¢</u>	<u>256¢</u>
Diluted earnings per share	10	<u>33¢</u>	<u>9¢</u>	<u>190¢</u>	<u>254¢</u>

The notes on pages 7 to 17 are an integral part of this condensed consolidated interim financial information.

Point Lisas Industrial Port Development Corporation Limited

Condensed Consolidated Interim Statement of Changes in Equity (Expressed in Thousands of Trinidad and Tobago Dollars)

	Note	Stated capital \$	Revaluation reserves \$	Investment revaluation reserves \$	Treasury shares \$	Retained earnings \$	Shareholders' equity \$
Nine months ended 30 September 2020							
Balance as at 1 January 2020		139,968	256,554	654	(32)	2,291,200	2,688,344
Comprehensive income							
- Profit for the period		--	--	--	--	75,251	75,251
Other comprehensive income							
- Transfer of revaluation reserve to retained earnings, net of tax		--	(2,612)	--	--	2,612	--
- Change in the fair value of equity investments at fair value through other comprehensive income		--	--	(109)	--	--	(109)
- Deferred tax on accelerated tax depreciation-property, plant and equipment revalued and site improvements		--	1,111	--	--	--	1,111
- Transactions with owners –dividends	15	--	--	--	--	(5,548)	(5,548)
Balance as at 30 September 2020		<u>139,968</u>	<u>255,053</u>	<u>545</u>	<u>(32)</u>	<u>2,363,515</u>	<u>2,759,049</u>
Nine months ended 30 September 2019							
Balance as at 1 January 2019		139,968	246,210	478	(32)	2,179,477	2,566,101
Comprehensive income							
- Profit for the period		--	--	--	--	101,375	101,375
Other comprehensive income							
- Transfer of revaluation reserve to retained earnings, net of tax		--	(2,233)	--	--	2,233	--
- Change in the fair value of equity investments at fair value through other comprehensive income		--	--	91	--	--	91
- Transactions with owners – dividends	15	--	--	--	--	(4,755)	(4,755)
Balance as at 30 September 2019		<u>139,968</u>	<u>243,977</u>	<u>569</u>	<u>(32)</u>	<u>2,278,330</u>	<u>2,662,812</u>

The notes on pages 7 to 17 are an integral part of this condensed consolidated interim financial information.

Point Lisas Industrial Port Development Corporation Limited

Condensed Consolidated Interim Statement of Cash Flows

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Nine months ended 30 September	
	2020 \$	2019 \$
Cash flows from operating activities		
Profit before taxation	82,638	111,094
Depreciation	24,754	24,695
Unrealised fair value gains on investment properties	(61,843)	(82,455)
Decrease in deferred lease rental income	(3,538)	(2,386)
Net interest expense	2,351	3,670
Decrease/(increase) in inventory	934	(325)
Increase/(decrease) in provision for trade receivables	283	(497)
Increase in receivables and prepayments	(9,313)	(3,218)
(Decrease)/increase in payables and accruals	(17,246)	4,959
Foreign exchange gain on long and medium-term liabilities	187	207
Net movement in retirement benefit obligation	(1,369)	(282)
Net movement in casual employee retirement benefit obligation	2,166	2,100
Interest paid	(3,351)	(4,104)
Income tax paid	(7,604)	(8,139)
Net cash generated from operating activities	<u>9,049</u>	<u>45,319</u>
Cash flows from investing activities		
Additions to property, plant and equipment	(6,849)	(10,847)
Interest received	699	641
Net cash used in investing activities	<u>(6,150)</u>	<u>(10,206)</u>
Cash flows from financing activities		
Dividends paid	(5,548)	(4,755)
Repayment of long and medium-term liabilities	(6,392)	(7,234)
Net cash used in financing activities	<u>(11,940)</u>	<u>(11,989)</u>
Net (decrease)/increase in cash and cash equivalents	(9,041)	23,124
Cash and cash equivalents, beginning of period	148,581	109,935
Effects of exchange rate changes on cash and cash equivalents	(280)	(207)
Cash and cash equivalents, end of period	<u>139,260</u>	<u>132,852</u>
Cash and cash equivalents		
Short-term deposits	107,946	97,712
Cash at bank and on hand	31,314	35,140
	<u>139,260</u>	<u>132,852</u>

The notes on pages 7 to 17 are an integral part of this condensed consolidated interim financial information.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information

30 September 2020

(Expressed in Thousands of Trinidad and Tobago Dollars)

1 General information

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 involved in the supply of labour to the parent company for its cargo handling operations at the port.

This condensed consolidated interim financial information was approved for issue by the Board of Directors on 30 October 2020.

This condensed consolidated interim financial information was reviewed, not audited.

2 Accounting policies

a. Basis of preparation

This condensed consolidated interim financial information for the three-month and nine-month periods ended 30 September 2020, has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' and Section 66 of the Securities Act Chap. 83:02. The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below

(i) Historical cost convention

This condensed consolidated interim financial information 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.

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

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

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

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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2020

(Expressed in Thousands of Trinidad and Tobago Dollars)

3 Estimates

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2019.

The areas involving significant estimates or judgments are:

- Estimation of fair values of land and buildings and investment properties – Notes 5 and 6
- Estimation of retirement benefit pension obligation – Note 7 a.
- Estimation of casual employee retirement benefit – Note 7 b.
- Estimation of forward looking assumptions under IFRS 9
- Estimates in the assessment of impairment of property, plant and equipment –
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 of impairment. 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. Based on the calculations performed management determined no impairment provision was required. All inputs used in the calculation were deemed level 3.

In light of the Covid 19 pandemic, the Corporation has noted that estimates and judgments which influence the amount reported in the financial statements may be impacted. As a result, the Corporation has undertaken a review of the estimates and assumptions made and noted the following:

- In an effort to determine whether Covid 19 has any impact on the fair values of land and buildings and investment properties, discussions were held with the independent valuers, Raymond & Pierre Chartered Valuation Surveyors. These discussions revealed that they do not see any impact on the third quarter 2020. They do not see any effect on the portfolio as a significant element of the portfolio is based on annual ground rents and represent a minimal outflow when compared to their other outlays. For this reason, ground rents are seen in the property industry as safe or very low risk investments.
- Estimation of fair values of retirement benefit pension obligation and casual employee retirement benefit have been determined based on a projected report for 2020 obtained from external independent actuaries, Bacon Woodrow and De Souza Ltd. The amounts reported in these condensed consolidated interim financial statements incorporate the effect of several assumptions including discount rates, inflation, salary, promotional and pension increase and life expectancy.
- Estimation of forward looking assumptions under IFRS 9. We considered the impact of forward looking assumptions on the default rate and determined that the effect was immaterial given the nature of our customer base.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2020

(Expressed in Thousands of Trinidad and Tobago Dollars)

3 Estimates (continued)

In light of Covid 19, the Corporation has revised and will continue to re-project its financials, capital expenditure program and adjust expenditure accordingly in order to maintain comfortable working capital levels.

The Corporation is aware of the Covid-19 pandemic that is ongoing and we continue to monitor the environment and the impact that it may have on our operations and ultimately our reporting obligations.

4 Financial risk management and financial instruments

a. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2019. There have been no changes in any risk management policies since the year end.

b. Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

c. Fair value estimation

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows.

The following shows the Group's financial assets measured and recognised at fair value at 30 September 2020, 30 September 2019 and 31 December 2019.

	Level 1	Level 2	Level 3
	\$	\$	\$
As at 30 September 2020			
Financial assets at fair value through other comprehensive income	1,483	--	--
As at 30 September 2019			
Financial assets at fair value through other comprehensive income	1,507	--	--
As at 31 December 2019			
Financial assets at fair value through other comprehensive income	1,592	--	--

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2020

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 Financial risk management and financial instruments (continued)

c. Fair value estimation (continued)

The different levels have been defined as follows:

- The fair value of financial instruments traded in active markets is based on quoted (unadjusted) 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. These instruments are included in level 1.
- The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There were no transfers between levels during the period.

d. Fair value of financial assets and liabilities measured at amortised cost

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Financial asset at amortised cost
- Trade and other receivables (excluding trade receivables included in non-current assets as these trade receivables were discounted)
- Cash and cash equivalents (excluding bank overdrafts)
- Trade and other payables
- Borrowings

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2020

(Expressed in Thousands of Trinidad and Tobago Dollars)

5 Property, plant and equipment

Nine months ended 30 September 2020	\$
Opening net book amount as at 1 January 2020	767,815
Additions	6,849
Depreciation	<u>(24,754)</u>
Closing net book amount as at 30 September 2020	<u>749,910</u>
Nine months ended 30 September 2019	
Opening net book amount as at 1 January 2019	766,059
Additions	10,847
Depreciation	<u>(24,695)</u>
Closing net book amount as at 30 September 2019	<u>752,211</u>
Year ended 31 December 2019	
Opening net book amount as at 1 January 2019	766,059
Additions	17,616
Revaluation	17,196
Disposals	(88)
Depreciation	<u>(32,968)</u>
Closing net book amount as at 31 December 2019	<u>767,815</u>

6 Investment properties

	30 September 2020	30 September 2019	31 December 2019
	\$	\$	\$
At the beginning of year	2,117,487	2,020,325	2,020,132
Unrealised fair value gains	<u>61,843</u>	<u>82,455</u>	<u>97,355</u>
At the end of year/period	<u>2,179,330</u>	<u>2,102,780</u>	<u>2,117,487</u>

The Group's investment properties were valued at 30 September 2020 by independent professional qualified valuers, Raymond & Pierre Chartered Valuation Surveyors, who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued.

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

At each financial reporting date the finance department:

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

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2020

(Expressed in Thousands of Trinidad and Tobago Dollars)

6 Investment properties (continued)

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

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

The following table analyses the non-financial assets carried at fair value. The different levels have been defined as follows in Note 4c.

Fair value measurements using

	Level 1	Level 2	Level 3
	\$	\$	\$
As at 30 September 2020			
Recurring fair value measurements			
- Investment Properties	--	--	2,179,330
As at 30 September 2019			
Recurring fair value measurements			
- Investment Properties	--	--	2,102,780
As at 31 December 2019			
Recurring fair value measurements			
- Investment Properties	--	--	2,117,487

There were no transfers between levels during the year.

Level 3 fair values have been derived using the Open Market Value Method. Evidence of arm's length open market transactions of similar lands were analysed and the results applied to the subject lands after taking into consideration appropriate adjustments for location, size and other relevant factors. The most significant input into this valuation approach is future rental cash inflows based on the actual location and quality of the properties and supported by the terms of any existing leases.

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

	30 September	
	2020	2019
	\$	\$
Rental income	78,046	84,861
Costs arising from investment properties	970	782

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2020

(Expressed in Thousands of Trinidad and Tobago Dollars)

7 a. Retirement benefit obligation

The figures in the table below have been pro-rated from the projected actuarial valuation for 2020.

The amounts recognised within administrative expenses in the condensed consolidated interim statement of comprehensive income are as follows:

	30 September	
	2020	2019
	\$	\$
Current service costs	9,389	8,539
Net interest on defined benefit liability	1,046	1,078
Administrative expense allowance	<u>469</u>	<u>431</u>
Pension expense	<u>10,904</u>	<u>10,048</u>

The amounts recognised in the condensed consolidated interim statement of financial position were as follows:

	30 September		31 December
	2020	2019	2019
	\$	\$	\$
Present value of defined benefit obligation	254,537	227,166	243,634
Fair value of assets	<u>(228,954)</u>	<u>(200,422)</u>	<u>(216,682)</u>
Defined benefit obligation	<u>25,583</u>	<u>26,744</u>	<u>26,952</u>

7 b. Casual employee retirement benefit obligation

The figures in the table below have been pro-rated from the projected actuarial valuation for 2020.

The amounts recognised within administrative expenses in the condensed consolidated interim statement of comprehensive income are as follows:

	30 September	
	2020	2019
	\$	\$
Current service costs	1,238	1,803
Net interest on defined benefit liability	<u>1,329</u>	<u>1,136</u>
Pension expense	<u>2,567</u>	<u>2,939</u>

The amounts recognised in the condensed consolidated interim statement of financial position were as follows:

	30 September		31 December
	2020	2019	2019
	\$	\$	\$
Present value of benefit obligation	<u>33,841</u>	<u>29,015</u>	<u>31,675</u>

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2020

(Expressed in Thousands of Trinidad and Tobago Dollars)

8 Borrowings

	30 September 2020 \$	30 September 2019 \$	31 December 2019 \$
Non-current	117,069	129,680	123,333
Current	<u>13,264</u>	<u>13,183</u>	<u>13,205</u>
	<u>130,333</u>	<u>142,863</u>	<u>136,538</u>

Movements in borrowings are analysed as follows:

Nine months ended 30 September 2020

	\$
Opening amount as at 1 January 2020	136,538
Repayments of borrowings	(6,392)
Foreign exchange gain on borrowings	<u>187</u>
Closing amount as at 30 September 2020	<u>130,333</u>

Nine months ended 30 September 2019

Opening amount as at 1 January 2019	149,890
Repayments of borrowings	(7,234)
Foreign exchange loss on borrowings	<u>207</u>
Closing amount as at 30 September 2019	<u>142,863</u>

Year ended 31 December 2019

Opening amount as at 1 January 2019	149,890
Repayments of borrowings	(13,205)
Foreign exchange loss on borrowings	<u>(147)</u>
Closing amount as at 31 December 2019	<u>136,538</u>

9 Income taxes

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax expected for the full financial year. The annual tax rate used for the year to 31 December 2019 was 30%. The annual rate for the nine-month period to 30 September 2020 was 30%.

10 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.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2020

(Expressed in Thousands of Trinidad and Tobago Dollars)

10 Earnings per share (continued)

	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
Basic earnings per share:				
- excluding fair value gains	14¢	16¢	34¢	48¢
- including fair value gains	34¢	9¢	191¢	256¢
Diluted earnings per share:				
- excluding fair value gains	14¢	16¢	34¢	48¢
- including fair value gains	33¢	9¢	190¢	254¢

11 Segment information

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 transshipment of containers and general cargo. The fees for these services include handling charges, storage rents, stuffing/unstuffing and other miscellaneous services. These are all based on an established tariff.
- (ii) Estate operations – This covers operations involved in the development, maintenance and supply of onshore infrastructure which are leased to tenants at contracted rates as charged for occupancy, wayleaves and common service charges.

These 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.

	Port and related activities \$	Estate \$	Other \$	Total \$
Nine months ended 30 September 2020				
Revenue	149,230	78,046	978	228,254
Gross profit	77,491	78,046	978	156,515
Unrealised fair value gains on investment properties	--	61,843	--	61,843
Depreciation	(22,603)	(970)	(1,181)	(24,754)
Repairs and maintenance	(14,397)	(519)	(2,054)	(16,970)
Other expenses - net	(40,463)	(5,347)	(44,474)	(90,284)
Finance costs - net	(3,367)	--	(345)	(3,712)
Profit before taxation				82,638

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2020

(Expressed in Thousands of Trinidad and Tobago Dollars)

11 Segment information (continued)

	Port and related activities \$	Estate \$	Other \$	Total \$
Nine months ended 30 September 2019				
Revenue	146,384	84,641	686	231,711
Gross profit	78,455	84,641	686	163,782
Unrealised fair value gains on investment properties	--	82,455	--	82,455
Depreciation	(22,791)	(782)	(1,122)	(24,695)
Other expenses - net	(56,470)	(5,848)	(43,819)	(106,137)
Finance costs - net	(3,970)	101	(442)	(4,311)
Profit before taxation				111,094

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

	Port and related activities \$	Estate \$	Other \$	Total \$
Total segment assets				
30 September 2020	536,559	2,404,029	47,648	2,988,236
30 September 2019	550,445	2,308,208	42,096	2,900,749
31 December 2019	555,822	2,330,119	47,767	2,933,708

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

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

	30 September 2020 \$	30 September 2019 \$	31 December 2019 \$
Total segment assets	2,988,236	2,900,749	2,933,708
Cash at bank and on hand	141,063	132,852	148,581
Deferred income tax asset	18,235	17,847	18,521
Other assets	15,648	19,849	18,253
Total assets as per statement of financial position	3,163,182	3,071,297	3,119,063

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

	Port and related activities \$	Estate \$	Other \$	Total \$
- 30 September 2020	4,824	285	1,740	6,849
- 30 September 2019	9,139	1,145	563	10,847
- 31 December 2019	10,547	6,905	164	17,616

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2020

(Expressed in Thousands of Trinidad and Tobago Dollars)

11 Segment information (continued)

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

There are no differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

12 Transactions with related parties

	30 September	
	2020	2019
	\$	\$
Labour	48,739	45,866
Key management compensation	2,555	2,507

13 Contingent liabilities

- (i) Customs bonds 2,250 2,250
- (ii) The Corporation is a party to various legal actions. In the opinion of the directors, after taking appropriate legal advice, the outcome of such actions will not result in any significant additional liabilities and therefore no provision has been made in this condensed consolidated interim financial information.

14 Capital commitments

Authorised and contracted for and not provided for in the financial statements	<u>--</u>	<u>2,320</u>
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15 Dividends

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. On 26 March 2019, the Board of Directors approved a final dividend of 12¢ per share, amounting to \$4,755 in respect of the year ended 31 December 2018. This was on 24 May 2019.

16 Subsequent events

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

