



**REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO
ON THE FINANCIAL STATEMENTS OF THE AIRPORTS AUTHORITY OF TRINIDAD
AND TOBAGO FOR THE YEAR ENDED 31 DECEMBER 2021**

OPINION

The Financial Statements of the Airports Authority of Trinidad and Tobago (the Authority) for the year ended 31 December 2021 have been audited. The statements as set out on pages 3 to 36 comprise a Statement of Financial Position as at 31 December 2021, a Statement of Profit or Loss and Other Comprehensive Income, a Statement of Changes in Equity and a Statement of Cash Flows for the year then ended, and Notes to the Financial Statements numbered 1 to 26, including a summary of significant accounting policies.

2. In my opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Authority as at 31 December, 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

BASIS FOR OPINION

3. The audit was conducted in accordance with the principles and concepts of International Standards of Supreme Audit Institutions (ISSAI). The Auditor General's responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. The Auditor General is independent of the Authority in accordance with the ethical requirements that are relevant to the audit of the Financial Statements and other ethical responsibilities have been fulfilled in accordance with these requirements. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the above opinion.

**RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE
FINANCIAL STATEMENTS**

4. Management of the Authority is responsible for the preparation and fair presentation of these Financial Statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

5. In preparing the Financial Statements, management is responsible for assessing the ability of the Authority 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 Authority or to cease operations, or has no realistic alternative but to do so.

6. Those charged with governance are responsible for overseeing the financial reporting process of the Authority.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

7. The Auditor General's responsibility is to express an opinion on these Financial Statements based on the audit and to report thereon in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago and section 20(1) of the Airports Authority of Trinidad and Tobago Act, Chapter 49:02.

8. The Auditor General's objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes his opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards 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 Financial Statements.

9. As part of an audit in accordance with the principles and concepts of ISSAI, the Auditor General exercises professional judgment and maintains professional skepticism throughout the audit. The Auditor General also:

- Identifies and assesses the risks of material misstatement of the Financial Statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for an 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.
- Obtains 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 internal control of the Authority.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes 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 ability of the Authority to continue as a going concern. If the Auditor General concludes that a material uncertainty exists, the Auditor General is required to draw attention in his audit report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify his opinion. The Auditor General's conclusions are based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluates the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. The Auditor General communicates 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 were identified during the audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

11.1 Section 8(2) of the Airports Authority of Trinidad and Tobago Act, Chapter 49:02 states:

"An annual salary in a sum equal to or in excess of one hundred and thirty thousand dollars, shall not be assigned to any post in the Authority without the approval of the Minister".

11.2 The salaries of the executive managers and managers at the Authority exceeded the stipulated threshold of one hundred and thirty thousand dollars during the period under review. The Authority indicated that oral approval for increased managerial compensation was obtained from the former Line Minister in 2012. However, as reported in the previous year formal written approval from the Minister for salaries exceeding the statutory threshold was not presented for audit examination.

SUBMISSION OF REPORT

12. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance in accordance with the requirements of section 116 of the Constitution of the Republic of Trinidad and Tobago.

**25TH JUNE 2026
PORT OF SPAIN**



Shiva Sinanan
**SHIVA SINANAN
AUDITOR GENERAL (Ag.)**

Airports Authority of Trinidad and Tobago

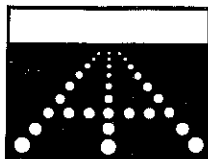
Financial Statements

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

Airports Authority of Trinidad and Tobago

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**Airports
Authority**
OF TRINIDAD AND TOBAGO

AIRPORTS ADMINISTRATION CENTRE
SOUTH TERMINAL
PIARCO INTERNATIONAL AIRPORT
GOLDEN GROVE ROAD
PIARCO

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To be the leader of diverse and innovative aviation driven business in the region

Airports Authority of Trinidad and Tobago

Statement of Management Responsibilities

Management is responsible for the following:

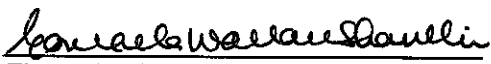
- Preparing and fairly presenting the accompanying financial statements of Airport Authority of Trinidad and Tobago (The Authority), which comprise the statement of financial position as at 31 December 2021, the statements of profit or loss or other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that The Authority 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 Authority's assets, detection/prevention of fraud, and the achievement of Authority 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 Airports Authority of Trinidad and Tobago Act Chap. 49:02; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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


General Manager (Ag)
Date: 2 March 2026


Financial Controller
Date: 2 March 2026

Airports Authority of Trinidad and Tobago

Statement of Financial Position

(Presented in Thousands of Trinidad and Tobago Dollars)

	Notes	2021 \$'000	As at 31 December 2020 \$'000 RESTATED	2019 \$'000 RESTATED
Assets				
<i>Non-current assets</i>				
Property, plant and equipment	5, 6	961,338	1,054,457	1,168,040
Deferred taxation asset	7	<u>101,825</u>	<u>104,371</u>	<u>134,058</u>
		<u>1,063,163</u>	<u>1,158,828</u>	<u>1,302,098</u>
<i>Current assets</i>				
Inventories		10,390	10,913	12,184
Trade and other receivables	8	51,462	40,354	84,979
Taxation refundable		583	583	548
Deferred Charges		13,058	12,646	-
Restricted cash	9	-	56,421	56,371
Cash and cash equivalents	10	<u>82,815</u>	<u>119,756</u>	<u>280,903</u>
		<u>158,308</u>	<u>240,673</u>	<u>434,985</u>
Total assets		<u>1,221,471</u>	<u>1,399,501</u>	<u>1,737,083</u>
Equity and liabilities				
<i>Capital and reserves</i>				
Capital fund	11	87,467	87,467	87,467
Accumulated surplus		<u>370,772</u>	<u>544,424</u>	<u>853,060</u>
Total equity		<u>458,239</u>	<u>631,891</u>	<u>940,527</u>
<i>Non-current liabilities</i>				
Lease liabilities				1,067
Borrowings	12	80,000	-	6,622
Deferred taxation liability	7	101,825	104,371	134,058
Deferred liability	13	11,000	11,000	11,000
Retirement benefit obligation	14	3,401	95,206	101,180
Deferred Income	17	<u>179,196</u>	<u>163,291</u>	<u>157,512</u>
		<u>375,422</u>	<u>373,868</u>	<u>411,439</u>
<i>Current liabilities</i>				
Trade and other payables	15	194,021	191,498	227,865
Lease liabilities	6	-	1,067	5,012
Taxation payable		35	1,942	1,953
Provisions for other liabilities	16	175,397	174,766	100,313
Borrowings	12		6,622	34,982
Deferred Income	17	<u>18,357</u>	<u>17,847</u>	<u>14,992</u>
		<u>387,810</u>	<u>393,742</u>	<u>385,117</u>
Total liabilities		<u>763,232</u>	<u>767,610</u>	<u>796,556</u>
Total equity and liabilities		<u>1,221,471</u>	<u>1,399,501</u>	<u>1,737,083</u>



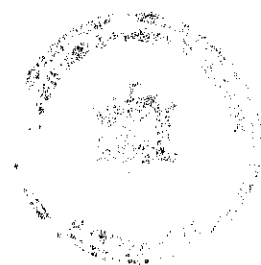
The notes on pages 7 to 36 are an integral part of these financial statements.

On 2 March 2026, the Board Members of Airports Authority of Trinidad and Tobago authorised these financial statements for issue.

Board Member

AB. Singh

Board Member



Airports Authority of Trinidad and Tobago

Statement of Profit or Loss and Other Comprehensive Income

(Presented in Thousands of Trinidad and Tobago Dollars)

	Notes	Year ended 31 December	
		2021 \$'000	2020 \$'000 RESTATED
Revenue			
Aerodrome	18	43,447	66,485
Rental	18	18,127	29,998
Parking	18	7,420	8,855
Other	18	6,194	5,190
Interest	18	1,437	3,621
		<u>76,625</u>	<u>114,149</u>
Grant Income – Government Subventions	18	<u>25,182</u>	<u>52,316</u>
		<u>101,807</u>	<u>166,465</u>
Expenses			
Operating	19	(139,530)	(209,540)
Administrative	19	(127,993)	(145,891)
Depreciation	19	(104,725)	(131,932)
Finance costs	19	(754)	(3,146)
		<u>(373,002)</u>	<u>(490,509)</u>
Loss before taxation		<u>(271,195)</u>	<u>(324,044)</u>
Taxation	21	<u>28,733</u>	<u>3,902</u>
Loss for the year		<u>(242,462)</u>	<u>(320,142)</u>
Other comprehensive income/(loss)			
<i>Items that will not be reclassified to profit or loss</i>			
Actuarial gain/(loss) on retirement benefit obligation	14	98,300	16,437
Taxation on actuarial gain/(loss)	7	(29,490)	(4,931)
		<u>68,810</u>	<u>11,506</u>
Total comprehensive loss for the year		<u>(173,652)</u>	<u>(308,636)</u>

The notes on pages 7 to 36 are an integral part of these financial statements.

Airports Authority of Trinidad and Tobago

Statement of Changes in Equity

(Presented in Thousands of Trinidad and Tobago Dollars)

	Capital fund \$'000	Accumulated deficit \$'000	Total equity \$'000
Balance as at 1 January 2019	5,151,049	(3,851,964)	1,299,085
Capital contributions			
Government subventions	102,808	--	102,808
Total comprehensive loss for the year	--	(126,369)	(126,369)
Balance as at 31 December 2019	<u>5,253,857</u>	<u>(3,978,333)</u>	<u>1,275,524</u>
Restated Balance as at 31 December 2019	5,253,857	(3,968,337)	1,285,520
Adjustment on IAS 20	(4,470,481)	4,125,488	(344,993)
Adjustment on Net Value of Land and Buildings vested in 1992 and 1993	(695,909)	695,909	--
Restated Balance as at 31 December 2019	<u>87,467</u>	<u>853,060</u>	<u>940,527</u>
Balance as at 1 January 2020			
- Previously reported	5,253,857	(3,968,337)	1,285,520
Restated Balance as at 1 January 2020	87,467	853,060	940,527
Total comprehensive loss for the year	--	(308,636)	(308,636)
Balance as at 31 December 2020	<u>5,324,871</u>	<u>(4,327,109)</u>	<u>(997,762)</u>
- Previously reported			
Restated Balance as at 31 December 2020	<u>87,467</u>	<u>544,424</u>	<u>631,891</u>
Restated Balance as at 1 January 2021	87,467	544,424	631,891
Total comprehensive loss for the year	--	(173,652)	(173,652)
Balance as at 31 December 2021	<u>87,467</u>	<u>370,772</u>	<u>458,239</u>

The notes on pages 7 to 36 are an integral part of these financial statements.

Airports Authority of Trinidad and Tobago

Statement of Cash Flows

(Presented in Thousands of Trinidad and Tobago Dollar)

	Year ended 31 December	
	2021 \$'000	2020 \$'000 RESTATE
Cash flows from operating activities		
Loss for the year before taxation	(271,195)	(324,044)
Adjustments for non-cash items:		
Depreciation	104,725	131,932
Deferred Income	(25,182)	(52,316)
Non-cash adjustment to Deferred Income	226	-
Loss on retirement of property, plant and equipment	23	8
Loss on removal of asset from fixed asset register	-	36,895
Non-cash adjustment to property, plant and equipment	(254)	-
Non-cash retirement benefit expense	(1,721)	2,939
Finance costs	754	3,146
Finance income	(1,437)	(3,621)
Operating loss before working capital changes	(194,061)	(205,061)
Net change in inventories	523	1,271
Net change in trade and other receivables	(11,108)	34,563
Net change in trade and other payables	2,523	(36,370)
Net change in provisions for other liabilities	631	74,453
Cash generated from operations	(201,492)	(131,144)
Taxation paid	(2,368)	(1,071)
Bank interest received	1,437	3,621
Loan interest paid	(754)	(3,146)
Cash generated from operating activities	(203,177)	(131,740)
Cash flows from investing activities		
Net change in restricted cash	56,421	(50)
Proceeds on disposal of property, plant and equipment	103	--
Purchase of property, plant and equipment	(5,269)	(65,389)
Cash used in investing activities	51,255	(65,439)
Cash flows from financing activities		
Proceeds from loan	80,000	--
Repayment of loan/bond principal	(6,622)	(34,982)
Deferred Income - Government Subventions – PSIP	34,495	33,690
Deferred Income - Government Subventions – loan/bond payments	7,109	37,324
Cash provided by financing activities	114,982	36,032
Net change in cash resources	(36,941)	(161,147)
Cash resources, beginning of year	119,756	280,903
Cash resources, end of year	82,815	119,756
Represented by:		
Cash and short-term deposits	82,815	119,756
Cash	73,027	45,036
Fixed Deposits	9,788	74,720
	82,815	119,756

The notes on pages 7 to 36 are an integral part of these financial statements.

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

1 Incorporation and principal activity

Airports Authority of Trinidad and Tobago (The Authority) was incorporated in the Republic of Trinidad and Tobago under the Airports Authority of Trinidad and Tobago Act No. 49 of 1979. By Act No. 26 of 1987, the name of The Authority was changed from Airports Authority to Airports Authority of Trinidad and Tobago. By Act No. 28 of 1993, the role and functions were expanded. The Act was further amended by Act #30 of 2007.

The registered office of The Authority is located at North Bank Road, Piarco. The principal activity of The Authority is to develop and manage the business of the airports of the Republic of Trinidad and Tobago, including the development, maintenance and/or improvement of the facilities in a cost-effective manner, so as to ensure the availability of efficient, secure and safe aviation services to the public at all times, as well as to ensure commercial viability.

Act No. 28 of 1993 also gave The Authority powers to form and to hold shares in companies and joint ventures "for the purpose of facilitating the proper discharge of its functions".

Currently, The Authority manages the Piarco International Airport and the Arthur Napoleon Raymond Robinson Airport (formerly Crown Point International Airport).

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. *Basis of preparation*

The financial statements of The Authority have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations applicable to entities reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying The Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

b. *Going concern*

Since the outbreak of COVID-19 in the first quarter of 2020, global financial markets have experienced, and may continue to experience significant volatility as there are significant consequences for the global and local economies from travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The duration of the impact of COVID-19 on the global and local economies and the sectors in which The Authority and its customers and suppliers operate is uncertain at this time. The resulting impact of the virus on the operations and measures taken by various governments to contain the virus have negatively affected the results of global and local economies. The currently known impacts of COVID-19 on The Authority are:

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

b. Going concern (continued)

- A decline in revenues for the year ended 31 December 2021 compared with the same period in 2020 of 33% although the restriction on international passenger movements were lifted from 17 July 2021.
- An increase in expected credit losses for the year ended 31 December 2021 (\$30.1M) by \$7.0M from \$23.1M for the year ended 31 December 2020.
- A loss before taxation of \$271.2M and an operating cash flow deficit of \$202.9M for the period.

The impact of COVID-19 creates considerable uncertainty for the aviation industry. Traffic forecasts indicate recovery globally by 2024, while recovery locally is expected by 2025. Nevertheless, Management considers that The Authority can maintain sufficient liquidity over the next 12 months as:

- i. Cash and Cash Equivalents stand at \$82.8M.
- ii. The Authority's international enplane (departing) passenger movement recovery rate has increased to 54% by the 3rd Quarter 2022 compared to an original projection of 35% as the restriction on international passenger movements were lifted from 17 July 2021.
- iii. The Government of the Republic of Trinidad and Tobago (GORTT) approved the variation of the purpose of the restricted cash held in the Central Bank of Trinidad and Tobago Account for the Piarco Development to be utilised for recurrent expenditure in March 2021, totalling \$56.4M.
- iv. The GORTT guaranteed a TT\$80M loan from the T&T Unit Trust Corporation, which was received in November 2021 to supplement cashflows to cover expenditure to April 2022.
- v. The GORTT approved subvention for recurrent expenditure in May 2022 amounting to \$66.7M to cover expenses to September 2022.

The GORTT has guaranteed all of The Authority's borrowings (Note 12) and provides financial support to The Authority by way of annual budgetary allocations and transfers of funds to The Authority for repayments of guaranteed loans. These amounts are not repaid by The Authority to GORTT. These amounts have been reflected as Deferred Income. GORTT has also confirmed that they will continue to transfer funds to The Authority as the loan repayment obligations fall due.

GORTT presented its National Budget for the 2025 fiscal year and reconfirmed its commitment to continue supporting The Authority via transfer of funds for payment of the guaranteed loans as noted above.

The ability to maintain liquidity and on the basis of the continued support from GORTT, Management is satisfied with the preparation of these financial statements on the going concern basis and as such The Authority deems it accordingly appropriate to adopt a going concern basis for the preparation of these financial statements.

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

c. *Changes in accounting policy and disclosures*

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

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of The Authority, except the following set out below:

- IAS 1 and IAS 8 Amendment – Definition of Material – IFRS

This amendment was issued in October 2018 and is applicable for annual periods beginning on or after 1 January 2020. The Amendment clarifies the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendment ensures that the definition of material is consistent across all IFRS.

(ii) *Adoption of IAS 20 — Accounting for Government Grants and Disclosure of Government Assistance*

The Authority previously recognised GORTT Subventions as capital fund as these were deemed as being non-reciprocal in nature (by way of gift) in accordance with IAS 32 (paragraph 2). The Authority has since reevaluated resulting in the adoption of IAS 20 as at 31 December 2020 applying changes retrospectively, as shown in Restatement Note 26. GORTT Subventions related to capital assets are presented as deferred income and recognized in income over the useful life of the related assets. in line with IAS 20, paragraph 24, and GORTT Subventions for loan/bond repayments are recognized in income in the period in which they become receivable, in line with IAS 20, paragraph 29.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on The Authority.

d. *Foreign currency translation*

(i) *Functional and presentation currency*

Items included in the financial statements of The Authority are measured using the currency of the primary economic environment in which The Authority operates ('the functional currency'). The financial statements are presented in Trinidad and Tobago Dollars, which is The Authority's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss and Other Comprehensive Income within 'Operating expenses'.

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

e. *Property, plant and equipment*

Items of property, plant and equipment are measured initially at cost. Property, plant and equipment contributed to The Authority by GORTT are measured initially at cost by reference to fair market values at the date of acquisition based on valuations conducted by independent professional valuers. Subsequently, all property, plant and equipment are stated at historical cost less depreciation.

Historical cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. 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 Authority and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income within 'Operating expenses' during the financial period in which they are incurred.

Construction-in-progress represents work of a capital nature carried out on land and buildings, the construction of which had not yet been completed as at year-end.

Land and construction-in-progress are not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	- 5%	Runways/aprons/pavements	- 4%
Car parks	- 20%	Plant and machinery	- 15%
Roads	- 7%	Office furniture and fixtures	- 15%
Fencing	- 10%	Computer/Office equipment	- 25%
Motor vehicles	- 25%	Specialty equipment	- 11%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of 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 (Note 2 f.).

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within 'Other revenue' in the Statement of Profit or Loss and Other Comprehensive Income.

IFRS 16, 'Leases'

The Authority has applied IFRS 16 Leases, which supersedes IAS 17, 'Leases' and related interpretations, including IFRIC 4, 'Determining whether an Arrangement contains a Lease'.

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

e. *Property, plant and equipment (continued)*

Lessor accounting under IFRS 16 remains substantially unchanged from IAS 17 except for a requirement to provide enhanced disclosures and for the reassessment of subleases by an intermediate lessor. Lessors continue to classify leases as either operating or finance leases using similar principles as in IAS 17, whereas intermediate lessors are required to reassess subleases that were classified as operating leases applying IAS 17 and are ongoing at the date of initial application on the basis of the remaining contractual terms and conditions of the head lease and sublease at that date in terms of the transitional provisions of IFRS 16. The Authority has determined that such leases continue to be classified as operating leases. Hence, IFRS 16 did not have a material impact for leases where the Authority is a lessor.

Therefore, the remaining part of this note is in relation to leases in which the Authority acts as a lessee.

For leases previously classified as operating leases in terms of IAS 17, the Authority has chosen to measure the right-of-use asset at the date of initial application at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised immediately before the date of initial application. The Authority applied IAS 36 to the right-of-use asset at the date of initial application and determined that there is no objective evidence of impairment at that date.

The Authority did not apply the practical expedient not to reassess whether a contract is, or contains, a lease at the date of initial application. The new definition of a lease in IFRS 16 has not changed the scope of contracts that meet the definition of a lease for the Authority.

Where the Authority acts as a lessee, the nature of the lease contracts identified under IFRS 16 are primarily in relation to equipment and motor vehicle leases. The lease terms under IFRS 16 remain unchanged from IAS 17 and do not involve significant judgement as there are no extension, termination or purchase options from the perspective of the Authority beyond the non-cancellable and enforceable period, with clauses for remote contingencies that are customary for the type of lease in place. The lease terms range from 2 years to 5 years.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the interest rate implicit in lease as of 1 January 2019. These ranged from 0.08% - 6.55%.

Right-of-use assets at 31 December 2021 are allocated in the Statement of Financial Position under property, plant and equipment (Note 5).

For leases of low value assets, the Authority has applied the optional recognition exemptions to not recognise right-of-use assets as at the date of initial application of the standard.

f. *Impairment of non-financial assets*

Assets that are subject to depreciation 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

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

f. *Impairment of non-financial assets (continued)*

the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

g. *Financial assets*

(i) *Classification and measurement*

On initial recognition, a financial asset is classified as measured at either amortized cost (AC), fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification is based on the business model in which a financial asset is managed and its contractual cash flow characteristics:

- A financial asset is measured at AC if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its cash flows are solely payments of principal and interest on the principal outstanding and it is not designated FVTPL (fair value option).
- A debt investment is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its cash flows are solely payments of principal and interest on the principal outstanding and it is not designated FVTPL (fair value option).
- An equity investment that is not held for trading may be irrevocably elected for its subsequent changes in its fair value to be presented in OCI. This election is made on an investment-by-investment basis. Otherwise, it is measured at FVTPL.

All financial assets not classified as measured at AC or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

On initial recognition, the Authority may irrevocably designate a financial asset that otherwise meets the requirements to be measured at AC or at FVOCI to be measured at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The following accounting policies apply to the subsequent measurement of financial assets:

- Financial Assets at FVTPL - These assets are subsequently measured at FV and net gains and losses are recognized in profit or loss. The Authority does not have any financial assets classified within this category.
- Financial Assets at AC – These assets are subsequently measured at AC using the effective interest method. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. Trade receivables which do not have a significant financing component are initially measured at their transaction price and are subsequently stated at their nominal value less any loss allowance for expected credit losses.

The following financial assets of the Authority are classified within this category – trade and other receivables, restricted cash and cash equivalents.

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

g. Financial assets (continued)

(i) Classification and measurement (continued)

- Debt Investments at FVOCI - These assets are subsequently measured at FV. Interest income calculated using the effective interest method and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

The Authority does not have any financial assets classified within this category.

- Equity Investments at FVOCI - These assets are subsequently measured at FV. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

The Authority does not have any financial assets classified within this category.

(ii) Impairment

IFRS 9 uses an expected credit loss (ECL) model and applies to financial assets measured at amortized cost, debt investments at FVOCI, lease receivables and contract assets, but not to investments in equity instruments. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since the initial recognition.

ECLs are probability-weighted estimates of credit losses with the respective risks of a default occurring as the weights. Credit losses are measured at the present value of all expected cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset.

IFRS 9 outlines a three-stage model for impairment based on changes in credit risk since initial recognition:

- Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECLs (12-M-ECLs) are recognized. 12-M ECLs are the expected credit losses that result from default events that are possible within 12 months after the reporting date.
- Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition - unless they have low credit risk at the reporting date - but that do not have objective evidence of impairment. For these assets, lifetime ECLs (LT-ECLs) are recognized. LT-ECLs are the expected credit losses that result from all possible default events over the expected life of a financial asset.
- Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, LT-ECLs are recognized. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

g. Financial assets (continued)

(ii) Impairment (continued)

The Authority measures loss allowances according to the above outlined three-stage model except for trade receivables and contract assets for which the Authority applies the simplified approach and recognizes LT-ECLs.

Definition of default

For internal credit risk management purposes the Authority considers the following events as constituting an event of default as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable: significant financial difficulty of the issuer or the borrower, a breach of contract, such as a default or delinquency in interest or principal payments, the probability to enter bankruptcy or other financial reorganisation.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (that is, the magnitude of the loss if there is a default) and the exposure at default.

Impairment of Trade and other receivables

As disclosed above, the Authority applies the simplified approach for trade receivables and contract assets that do not contain a significant financing component.

For Stage 3 financial assets, LT-ECLs are generally measured on an individual instrument basis since in such instances, the Authority generally has reasonable and supportable information that is available without undue cost or effort.

Where the Authority does not have reasonable and supportable information that is available without undue cost or effort to measure LT-ECLs on an individual instrument basis and in order to ensure that LT-ECLs are recognised before an asset becomes credit-impaired or an actual default occurs, LT-ECLs on the remaining financial assets are measured on a collective basis. In such instances and where appropriate, the financial instruments are grouped on the basis of shared credit risk characteristics and the LT-ECLs are estimated using a provision matrix based on actual credit loss experience over past years, which is adjusted by scalar factors to reflect current conditions and the Authority's view of economic conditions over the expected lives of the receivables. Scalar factors are based on economic and industry indicators such as GDP, unemployment rates and/or industry projections.

The Authority's trade receivables are of a short-term nature as they are based on credit terms of below one year and, thus, do not include a significant financing component.

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

g. *Financial assets (continued)*

(ii) *Impairment (continued)*

(ii) *Impairment of cash at bank and restricted cash balances (continued)*

Impairment of cash at bank and restricted cash balances

The Authority applies a 1-day probability of default (1-D-PD) based on the respective internal or external ratings of the counterparty banks and an adequate loss given default (LGD) rate to the carrying amount at the measurement date.

Currently the Authority holds its cash at bank and restricted cash balances with reputable and investment grade rated banking institutions and accordingly, the resulting ECLs in terms of IFRS 9 were not considered to be material.

h. *Inventories*

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the average cost, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

i. *Trade receivables*

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment (Note 2 g.(ii)).

j. *Cash and cash equivalents*

In the Statement of Cash Flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the Statement of Financial Position, bank overdrafts are shown within borrowings in current liabilities.

k. *Restricted cash*

Restricted cash includes deposits at banks which are restricted in such a manner that they are not available to meet short-term cash commitments. These funds are not included as 'Cash and cash equivalents' in the Statement of Cash Flows.

l. *Capital fund*

Capital Fund is non-reciprocal in nature, it represents Gifts (\$527,236) and Assets Vested in 1992 and 1993 (\$86,939,809) with The Authority by the GORTT. Refer to Note 11.

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

m. *Trade payables*

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

Trade payables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method.

n. *Borrowings*

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Profit or Loss and Other Comprehensive Income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

o. *Borrowing costs*

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they are incurred.

p. *Current and deferred income taxes*

The taxation expense for the period comprises current and deferred tax. 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.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Statement of Financial Position date in the country where The Authority operates and generates taxable income – Trinidad and Tobago. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Statement of Financial Position date and are expected to apply when the related

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

p. *Current and deferred income taxes (continued)*

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 taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or where there is an intention to settle the balances on a net basis.

q. *Employee benefits*

(i) *Retirement benefit obligations*

The Authority operates a defined benefit pension plan 'The Airports Authority Pension Fund Plan' (the Plan), the assets of which are held in separate trustee-administered funds. The Plan is funded by payments from employees and by The Authority, taking account of the recommendations of independent qualified actuaries.

The Authority's net obligation in respect of the Plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any plan assets are deducted.

The discount rate is the yield at the reporting date on GORTT bonds that have maturity dates approximating the terms of The Authority's obligations and that denominated in the same currency in which the benefits are expected to be paid.

A full valuation is performed every three years by a qualified Actuary using the projected unit credit method. In the intervening period the Actuary extrapolates the calculation to the end of each reporting period. The last full valuation of the plan was conducted as at 31 December 2020 which revealed a past service deficit of \$58.0m. The next valuation report is due as at 31 December 2023.

The current service cost of the Plan, recognised in the Statement of Profit or Loss and Other Comprehensive Income within 'Administrative expenses', except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.

Past-service costs are recognised immediately in income.

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 the Statement of Profit or Loss and Other Comprehensive Income within 'Administrative expenses'.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to 'Other Comprehensive Income' in the Statement

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

q. *Employee benefits (continued)*

(i) *Retirement benefit obligations (continued)*

of Profit or Loss and Other Comprehensive Income in the period in which they arise.

(ii) *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits and accumulating vacation 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 Statement of Financial Position.

r. *Provisions*

Provisions are recognised when The Authority has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

s. *Revenue from contracts with customers*

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Authority recognises revenue when (or as) it satisfies a performance obligation by transferring control of a promised good or service to the customer.

(i) *Aerodrome revenue*

These fees are charged to airlines and aircraft operators for the use of the airport infrastructure and include passenger service charges as well as landing, parking, ground handling and security fees.

The Authority's performance obligation is to make the airport available as and when each airline makes use of it. The transaction price follows a set fee structure and is based on a variety of underlying metrics, such as the number of departing passengers, and the maximum take-off weight, which metrics become known by the time the services are provided and thus no significant estimates are required in this respect.

The performance obligation in relation to regulated revenue is satisfied over time. A receivable is recognised by the Authority as the services are provided and included in the line item "Trade and other receivables" until the actual payment is made by the respective customers.

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

s. *Revenue from contracts with customers (continued)*

(ii) *Parking revenue*

Car parking income primarily represents revenue generated through the provision of car parking spaces at the car parks within the airport perimeter. The Authority's performance obligation is to provide and maintain car parking space for the duration of the stay. The transaction price follows a pre-determined fee structure that is based on parking time and that is payable immediately upon use. The performance obligation is satisfied over time.

(iii) *Other income*

Other income comprises recharges to customers for utilities as well as other ad-hoc services provided by the Authority such as the issuance of security passes.

t. *Leases*

(i) *The Authority is the lessor*

The Authority has entered into leases of property, plant and equipment and has determined, based on an evaluation of the terms and conditions of the arrangements that it retains all the significant risks and rewards of ownership of these assets and accounts for the contracts as operating leases. Lease income from operating leases is recognised in the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the lease term. The respective leased assets are included in 'Property, plant and equipment' on the Statement of Financial Position.

(ii) *The Authority is the lessee*

The Authority adopted IFRS 16 from 1 January 2019. Refer to Note 2 e. Prior to adoption, leases in which a significant portion of the risks and rewards of ownership are not transferred to The Authority as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the period of the lease.

u. *Finance income and costs*

Finance income comprises interest income on The Authority's financial assets. Interest income is recognised as it accrues in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

Finance costs comprise interest expense on The Authority's financial liabilities. Interest expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

v. Fair value hierarchy

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

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

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

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

3 Financial risk management

a. Financial risk factors

The Authority's activities expose it to a variety of financial risks: market risk (including currency risk and fair value interest rate risk), credit risk and liquidity risk. There is no significant concentration of market risk arising from cash flow interest rate risk and price risk. The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on The Authority's financial performance. Management is responsible for risk management. Unless otherwise stated, there have been no changes to policies and procedures in managing the financial risk factors described below.

(i) Market risk

Currency risk

The Authority is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

At 31 December 2021, if the TT dollar had weakened/strengthened by 10%, with all other variables held constant, the loss for the year would have been \$7.0M (2020: \$10.6M) higher/lower as a result of foreign exchange losses/gains on cash and cash equivalents, restricted cash and borrowings denominated in US dollars.

Fair value interest rate risk

The Authority's interest rate risk arises from its long-term borrowings. Borrowings issued at fixed rates expose The Authority to fair value interest rate risk. During 2021 and 2020, all of The Authority's borrowings were fixed rate instruments.

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

3 Financial risk management (continued)

a. Financial risk factors (continued)

(ii) Credit risk

Credit risk is the risk of financial loss to The Authority if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from The Authority's cash and cash equivalents, restricted cash as well as credit exposures to customers, including outstanding trade receivables and committed transactions. For banks and financial institutions, only reputable financial institutions are accepted. For sales transactions, the credit quality of the customer is assessed, taking into account its financial position, past experience and other factors. The Authority's trade receivables from the provision of services are subject to the expected credit loss model. While cash and cash equivalents and restricted cash are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Authority applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been 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 given period of time before 31 December 2021 and 31 December 2020 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 December 2021 and 31 December 2020 was determined as follows for trade receivables

31 December 2021	Up to 30 days \$'000	Up to 60 days \$'000	Over 60 days \$'000	Over 90 days \$'000	Total \$'000
Expected loss rate	22%	5%	88%	91%	65%
Gross carrying amount - Trade receivables	18,689	-349	13,510	41,660	46,490
Loss allowance	4,072	-17	-11,889	37,890	30,056

31 December 2020	Up to 30 days \$'000	Up to 60 days \$'000	Over 60 days \$'000	Over 90 days \$'000	Total \$'000
Expected loss rate	16%	5%	88%	92%	84%
Gross carrying amount - Trade receivables	4,262	-1,191	3,243	21,327	27,642
Loss allowance	691	-60	2,854	19,596	23,082

The closing loss allowance for trade receivables as at 31 December 2021 reconcile to the opening loss allowance as follows:

	2021 \$'000	2020 \$'000
As at 1 January	23,082	11,392
Movement in loss allowance recognised in profit or loss during the year	6,974	11,690
Receivables written off during the year as uncollectible	--	--
At 31 December	<u>30,056</u>	<u>23,082</u>

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

3 Financial risk management (continued)

a. Financial risk factors (continued)

Trade receivables are written off when there is no reasonable expectation of recovery and approval has been obtained from the Minister of Finance.

Impairment losses on trade receivables are presented within "Operating expenses" within the Statement of Profit or Loss and Other Comprehensive Income. Subsequent recoveries of amounts previously written off are credited against the same line item.

(iii) Liquidity risk

Liquidity risk is the risk that The Authority will not be able to meet its financial obligations as they fall due. On an annual basis, cash flow forecasting is performed by management of The Authority. Management monitors rolling forecasts of The Authority's liquidity requirements to ensure it has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to The Authority's reputation. Such forecasting takes into consideration the expected capital contributions from GORTT as guarantor of all of The Authority's borrowings.

Surplus cash held by The Authority over and above balance required for working capital management is invested in accordance with The Authority's internal policies, choosing financial instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

The table below analyses The Authority's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 December 2021	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000
Borrowings	2,373	85,312	--
Trade and other payables (excluding statutory payables)	194,021	--	--
At 31 December 2020	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000
Borrowings	7,108	--	--
Trade and other payables (excluding statutory payables)	191,498	--	--

b. Capital risk management

The Authority is not subject to externally imposed capital requirements. Notwithstanding, this management's policy is to maintain a strong capital base so as to sustain future development of the business. Government guarantees and support are secured to maintain investors' and

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

3 Financial risk management (continued)

b. Capital risk management (continued)

creditors' confidence. The capital structure of the Authority consists of capital contributions by GORTT which comprises capital fund, and accumulated deficit.

The Authority 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 Statement of Financial Position) less cash and cash equivalents. Total capital is calculated as 'Total equity' as shown in the Statement of Financial Position plus net debt.

The gearing ratios at 31 December 2021 and 2020 were as follows:

	2021 \$'000	2020 \$'000
Total borrowings (Note 12)	80,000	6,622
Less: cash and cash equivalents	<u>(82,815)</u>	<u>(119,756)</u>
Net debt	(2,815)	(113,134)
Total equity	<u>458,239</u>	<u>631,891</u>
Total capital	<u>455,424</u>	<u>518,757</u>
Gearing ratio	<u>-%</u>	<u>-%</u>

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

c. Fair value estimation

The carrying value of short-term financial assets and liabilities comprising trade and other receivables, cash and cash equivalents, restricted cash, short-term portion of borrowings and trade and other payables are a reasonable estimate of their fair values since the interest payable is either close to current market rates or the instruments are of a short-term nature.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. The Authority makes estimates and assumptions concerning the future. However, actual results could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Retirement benefit obligations

The cost of the Plan and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

4 Critical accounting estimates and judgements (continued)

a. *Retirement benefit obligations (continued)*

long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Additional information on key assumptions is disclosed in Note 14.

b. *Legal contingencies*

The Authority is party to litigations related to several legal matters. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows of The Authority. Management regularly analyses current information about these matters and provides provisions for probable cash outflows, including the estimate of legal expenses to resolve the matters. Internal and external lawyers are used for these assessments. In making the decision regarding the need for provisions, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against The Authority or the disclosure of any such suit or assertion, does not automatically indicate that a provision may be appropriate.

c. *Impairment of financial assets*

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Authority uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Authority's history, existing market conditions as well as forward looking estimates at the end of each reporting period.

d. *Uncertain tax positions*

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. As such, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to taxation already recorded. The Authority establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authority. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations.

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

e. *Useful lives of property, plant and equipment*

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit or Loss and Other Comprehensive Income. The useful lives of The Authority's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Airports Authority of Trinidad and Tobago
Notes to the Financial Statements (continued)
31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

5 Property, plant and equipment

	Land \$'000	Buildings \$'000	Car parks \$'000	Roads \$'000	Fencing \$'000	Runways aprons and pavements \$'000	Plant and machinery and specialty equipment \$'000	Office furniture, fixtures and computer equipment \$'000	Motor vehicles \$'000	Construction in progress \$'000	Total \$'000
At 31 December 2021											
As at 1 January 2021	83,257	1,205,967	25,831	189,207	30,276	1,064,488	383,107	104,957	6,743	38,662	3,132,495
Additions	--	3,542	1,120	--	115	18,958	2,755	7,037	--	15,610	49,137
Transfers, disposals and adjustments	--	(1,056)	--	--	--	--	(846)	(545)	(6,032)	(35,388)	(43,867)
	83,257	1,208,453	26,951	189,207	30,391	1,083,446	385,016	111,449	711	18,884	3,137,765
Accumulated depreciation											
As at 1 January 2021	--	(1,022,995)	(24,331)	(122,778)	(11,369)	(467,210)	(350,962)	(72,219)	(6,174)	--	(2,078,038)
Charge for the year	--	(31,386)	(179)	(10,675)	(2,914)	(44,003)	(6,154)	(8,844)	(569)	--	(104,725)
Transfers, disposals and adjustments	--	(370)	--	--	--	408	(586)	851	6,032	--	6,335
	--	(1,054,751)	(24,510)	(133,453)	(14,283)	(510,806)	(357,702)	(80,211)	(711)	--	(2,176,427)
Net book value	83,257	153,702	2,441	55,754	16,108	572,640	27,314	31,237	-	18,884	961,338
At 31 December 2020											
Cost As at 1 January 2020	250,296	1,194,926	25,831	190,881	7,905	1,517,369	379,855	108,118	6,744	99,252	3,781,177
Cost Restated	83,257	1,205,967	25,831	189,207	14,031	1,072,538	381,433	109,042	6,743	62,243	3,150,292
Additions	--	--	--	--	17,685	44,029	2,157	25,158	--	54,767	143,796
Transfers, disposals and adjustments	--	--	--	--	(1,440)	(52,079)	(483)	(29,243)	--	(78,348)	(161,593)
	83,257	1,205,967	25,831	189,207	30,276	1,064,488	383,107	104,957	6,743	38,662	3,132,495
Accumulated depreciation											
As at 1 January 2020	--	(968,622)	(24,316)	(113,776)	(6,323)	(883,965)	(343,494)	(86,932)	(3,158)	--	(2,430,586)
Restated Acc depreciation	--	(964,563)	(24,315)	(112,102)	(9,761)	(436,349)	(345,072)	(86,932)	(3,158)	--	(1,982,252)
Charge for the year	--	(87,369)	(16)	(9,851)	(1,099)	(15,137)	(5,698)	(9,745)	(3,016)	--	(131,932)
Transfers, disposals and adjustments	--	28,938	--	(825)	(509)	(15,724)	(192)	24,458	-	--	36,146
	--	(1,022,995)	(24,331)	(122,778)	(11,369)	(467,210)	(350,962)	(72,219)	(6,174)	--	(2,078,038)
Restated Net book value	83,257	182,972	1,500	66,429	18,907	597,278	32,145	32,738	569	38,662	1,054,457
At 31 December 2019											
Cost	250,296	1,194,926	25,832	190,881	7,905	1,517,369	379,855	108,118	6,743	99,252	3,781,177
Cost Restated	83,257	1,205,967	25,831	189,207	14,031	1,072,538	381,433	109,042	6,743	62,243	3,150,292
Restated Acc depreciation	--	(964,563)	(24,315)	(112,102)	(9,761)	(436,349)	(345,072)	(86,932)	(3,158)	--	(1,982,252)
Restated Net book value	83,257	241,404	1,516	77,105	4,270	636,189	36,361	22,110	3,585	62,243	1,168,040

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

6 Leases

The Authority initially applied IFRS 16, 'Leases' in the current reporting period. The impact upon transition to the new standard and the related disclosures are outlined in Note 2 c.

- (i) The Authority's Statement of Financial Position shows the following amounts relating to leases where the Authority is a lessee:

	2021 \$'000	2020 \$'000
Right-of-use assets		
Right-of-use assets classified as property, plant and equipment (Note 5) are disclosed below:		
Office furniture, fixtures and computer equipment	-	255
Motor vehicles	-	570
	<u>-</u>	<u>825</u>
Lease liabilities		
Non-current	-	-
Current	-	1,067
	<u>-</u>	<u>1,067</u>

- (ii) The following amounts were recognised in the Authority's Statement of Comprehensive Income relating to leases where the Authority is a lessee:

Depreciation of right-of-use assets	825	9,390
Interest expense (included within Finance costs)	-	1,153
	<u>825</u>	<u>10,543</u>

7 Deferred taxation

	2020 \$'000	Charge to other comprehensive income \$'000	(Charge)/ credit to profit or loss \$'000	2021 \$'000
<i>Deferred taxation liability</i>				
Accelerated tax depreciation	(104,371)	--	2,546	(101,825)
Leases	(0)	--	0	(0)
	<u>(104,371)</u>	<u>--</u>	<u>2,546</u>	<u>(101,825)</u>
<i>Deferred taxation asset</i>				
Leases	73		(73)	--
Retirement benefit obligation	28,563	(29,490)	1,949	1,021
Other temporary difference – accrued employee benefits	21,919	--	1,027	22,947
Expected credit losses – trade receivables	5,051	--	1,512	6,564
Tax losses	48,765	--	22,529	71,295
	<u>104,371</u>	<u>(29,490)</u>	<u>26,944</u>	<u>101,825</u>
<i>Net deferred taxation asset</i>	<u>--</u>	<u>(29,490)</u>	<u>29,490</u>	<u>--</u>

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

7 Deferred taxation (continued)

	2019 \$'000	Charge to other comprehensive income \$'000	(Charge)/ credit to profit or loss \$'000	2020 \$'000
<i>Deferred taxation liability</i>				
Accelerated tax depreciation	(126,424)	--	22,053	(104,371)
Leases	(7,634)	--	7,634	(0)
	<u>(134,058)</u>	<u>--</u>	<u>29,687</u>	<u>(104,371)</u>
<i>Deferred taxation asset</i>				
Leases			73	73
Retirement benefit obligation	30,355	(4,931)	3,139	28,563
Other temporary difference – accrued employee benefits	20,912	--	1,007	21,919
Expected credit losses – trade receivables	3,418	--	1,633	5,051
Tax losses	79,373	--	(30,608)	48,765
	<u>134,058</u>	<u>(4,931)</u>	<u>(24,756)</u>	<u>104,371</u>
<i>Net deferred taxation asset</i>	<u>--</u>	<u>(4,931)</u>	<u>4,931</u>	<u>--</u>

Deferred taxation assets are recognised to the extent of existing taxable temporary differences that are likely to negate the effects of any deductible temporary differences or unused tax losses. The Authority did not recognise deferred taxation assets of \$421.2m (2020: \$370.1m) in respect of losses amounting to \$1,404.1m (2020: \$1,233.7m) that can be carried forward against future taxable income. Losses do not expire.

8 Trade and other receivables

	2021 \$'000	2020 \$'000 RESTATED
Trade receivables	46,490	27,642
Less: Loss allowance	<u>(30,056)</u>	<u>(23,082)</u>
Trade receivables – net	16,434	4,560
Other receivables	231	7
Prepayments	895	743
Statutory receivables	29,143	27,929
Employee receivables	<u>4,759</u>	<u>7,115</u>
	<u>51,462</u>	<u>40,354</u>

Information about the impairment of trade receivables and the Authority's exposure to credit risk, can be found in Note 3 a.(ii).

9 Restricted cash

	2021 \$'000	2020 \$'000
First Citizens Bank Limited	-	1,378
Central Bank of Trinidad and Tobago	<u>-</u>	<u>55,043</u>
	<u>-</u>	<u>56,421</u>

Proceeds from borrowings with Trinidad and Tobago Unit Trust Corporation (Note 12) were
(27)

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

9 Restricted cash (continued)

deposited with the Central Bank of Trinidad and Tobago and drawdowns from the Central Bank of Trinidad and Tobago were deposited with First Citizens Bank Limited. Funds from these two accounts were restricted to be used for financing the construction of the New Terminal Building at the Piarco International Airport. In March 2021, the GORTT approved the variation of the purpose of the restricted cash held in the Central Bank of Trinidad and Tobago Account to be utilised for recurrent expenditure.

10 Cash and cash equivalents	2021 \$'000	2020 \$'000
Cash	73,027	45,036
Short-term bank deposits	2,468	2,456
Money market funds and other cash equivalents	<u>7,320</u>	<u>72,264</u>
	<u>82,815</u>	<u>119,756</u>

11 Capital fund	2021 \$'000	2020 \$'000 RESTATED
Balance as at 1 January	87,467	5,253,857
Deferred Income/Net Operating Earnings (Accumulated Surplus)	<u>0</u>	<u>(5,166,390)</u>
Balance as at 31 December	<u>87,467</u>	<u>87,467</u>

Capital Fund represent Gifts (\$527,236) and Assets Vested in 1992 and 1993 (\$86,939,809) with The Authority by the GORTT. Effective 2021, The AATT retrospectively applied International Accounting Standards 20 to the receipt of GORTT Subventions resulting in the restatement of the capital fund, deferred income and net operating earnings.

12 Borrowings	2021 \$'000	2020 \$'000
Trinidad and Tobago Unit Trust Corporation – Loan/Bond	<u>80,000</u>	<u>6,622</u>
	<u>80,000</u>	<u>6,622</u>
Disclosed as:		
Current	-	6,622
Non-current	<u>80,000</u>	<u>-</u>
	<u>80,000</u>	<u>6,622</u>

All of The Authority's borrowings are guaranteed by GORTT in addition to other securities disclosed below:

Trinidad and Tobago Unit Trust Corporation

– *Bond* This long-term debt represents the proceeds of a bond in favour of The Authority by the Trinidad and Tobago Unit Trust Corporation. Interest is fixed at a rate of 9.8% per annum and principal and interest are payable semi-annually commencing 7 December 2002 and ending 7 December 2021.

– *Loan* This debt represents the proceeds of a loan in favour of The Authority by the Trinidad and Tobago Unit Trust Corporation received in November 2021. Interest is fixed at a rate of 2.95% per annum, where interest only is payable for the first two (2) years, after which, principal amounting to \$20m and interest are payable semi-annually ending on 17 November 2025.

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

13 Deferred liability

This relates to a deferred payment to GORTT of \$11m (2020: \$11m) for acquisition of the Northern Area of the Aerodrome property at the Piarco International Airport.

14 Retirement benefit obligation

	2021 \$'000	2020 \$'000
<i>Net liability in statement of financial position</i>		
Defined benefit obligation	518,298	540,262
Fair value of plan assets	<u>(514,897)</u>	<u>(445,056)</u>
Net defined benefit liability	<u>3,401</u>	<u>95,206</u>
<i>Movement in present value of defined benefit obligation</i>		
Defined benefit obligation at start of year	540,262	515,227
Service cost	22,017	23,258
Interest cost	29,390	27,931
Members' contributions	7,292	6,666
Benefits paid	(11,950)	(14,974)
Actuarial (gains)/losses from changes in demographic assumptions	-	-
Actuarial (gains)/losses from changes in financial assumptions	(45,698)	-
Experience adjustments	<u>(23,015)</u>	<u>(17,846)</u>
Defined benefit obligations at end of year	<u>518,298</u>	<u>540,262</u>
<i>Movement in fair value of plan assets</i>		
Fair value of plan assets at start of year	445,056	414,047
Interest income	24,895	23,027
Return on plan assets (excluding interest income from the Actuary Report)	29,587	(1,409)
Authority's contributions	21,307	19,060
Members' contributions	7,292	6,666
Benefits paid	(11,950)	(14,974)
Expenses paid	<u>(1,290)</u>	<u>(1,361)</u>
Fair value of plan assets at end of year	<u>514,897</u>	<u>445,056</u>
<i>Items included in profit or loss within 'Administrative expenses'</i>		
Current service cost	22,017	23,258
Net interest on defined benefit obligation	4,495	4,904
Administration expenses	<u>1,290</u>	<u>1,361</u>
	<u>27,802</u>	<u>29,523</u>

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

14 Retirement benefit obligation (continued)

	2021 \$'000	2020 \$'000
<i>Reconciliation of net liability in statement of financial position</i>		
Net defined benefit liability at start of year	95,206	101,180
Net pension cost	27,802	29,523
Remeasurements recognised in other comprehensive income	(98,300)	(16,437)
Authority's contributions paid	<u>(21,307)</u>	<u>(19,060)</u>
Net defined benefit liability at end of year	<u>3,401</u>	<u>95,206</u>
<i>Remeasurement recognised in other comprehensive income</i>		
Experience (gains)/losses	<u>(98,300)</u>	<u>(16,437)</u>
<i>Asset allocation</i>		
Locally listed equities	140,910	111,381
Foreign equities	109,946	86,896
Government issued bonds	208,751	191,386
Corporate bonds	29,680	36,048
Cash and cash equivalents	<u>25,610</u>	<u>19,345</u>
Fair value of plan assets	<u>514,897</u>	<u>445,056</u>

All asset values were taken from the Plan's year-end unaudited financial statements provided by the Plan's Investment Manager (First Citizens Asset Management). Foreign equities have quoted prices in active markets. Local equities also have quoted prices, but the market is relatively illiquid. The Investment Manager calculates the fair value of the Government bonds and corporate bonds by discounting expected future proceeds using a constructed yield curve.

The majority of the Plan's bonds were either issued or guaranteed by GORTT.

The Plan's assets are invested in a strategy agreed with 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 & 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.

Allocation of defined benefit obligation

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

	2021	2020
Active	77%	83%
Deferred members	1%	2%
Pensioners	22%	15%
Weighted average duration of the defined benefit obligation in years	17.5	18.8
Percentage of benefits for active members that are vested	99%	99%
Percentage of defined benefit obligations for active members that is conditional on future salary increases	41%	39%

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

14 Retirement benefit obligation (continued)

<i>Summary of principal assumptions</i>	2021	2020
Discount rate	6.0%	5.5%
Salary increases	5.0%	5.0%

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

Life expectancy at age 60 for current pensioner in years

Male	21.8	21.7
Female	26.1	26.0

Life expectancy at age 60 for current members age 40 in years

Male	22.6	22.6
Female	26.9	26.9

Sensitivity analysis

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

31 December 2021	1% pa increase \$'000	1% pa decrease \$'000
Discount rate	(75,603)	97,731
Future salary increases	45,895	(39,414)

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at 31 December 2021 by \$7.135m. These sensitivities were calculated by re-calculating the defined benefit obligations using the revised assumptions.

Funding

The Authority meets the balance of the cost of funding the defined benefit Pension Plan and The Authority 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 Authority expects to pay \$24.2m to the Pension Plan during 2022.

15 Trade and other payables

	2021 \$'000	2020 \$'000
Accrued employee benefits	103,160	100,631
Due to GORTT – departure taxes	44,763	44,763
Accrued expenses	(990)	8,166
Other payables	7,288	7,585
Statutory payables	(315)	(312)
Deferred Income – Grant from European Union for Solar Park Project	7,398	7,398
Accrued loan interest	226	43
Trade payables	33,060	23,786
Staff clearing account	(569)	(562)
	<u>194,021</u>	<u>191,498</u>

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

16 Provisions for other liabilities

The amounts represent a provision for certain legal claims brought against The Authority. The provision charge is recognised in the Statement of Profit or Loss and Other Comprehensive Income within 'Administrative expenses'. In management's opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided at 31 December 2021.

	2021 \$'000	2020 \$'000
Balance as at 1 January	174,766	100,313
Amounts accrued during the year	3,924	78,632
Amounts utilised during the year	<u>(3,293)</u>	<u>(4,179)</u>
	<u>175,397</u>	<u>174,766</u>

17 Deferred Income

	2021 \$'000	2020 \$'000 RESTATED
Balance as at 1 January	181,138	172,504
Charge for year	<u>16,415</u>	<u>8,634</u>
	<u>197,553</u>	<u>181,138</u>
Disclosed as:		
Current	18,357	17,847
Non-current	<u>179,196</u>	<u>163,291</u>
	<u>197,553</u>	<u>181,138</u>

18 Revenue

In the following table, revenue is disaggregated by revenue category.

	2021 \$'000	2020 \$'000
Revenue from services provided over time		
Aerodrome	43,447	66,485
Parking	7,420	8,855
Other	<u>6,194</u>	<u>5,190</u>
Revenue from contracts with customers	57,061	80,530
Revenue from leases		
Rental	18,127	29,998
Interest income	<u>1,437</u>	<u>3,621</u>
Total Revenue	<u>76,625</u>	<u>114,149</u>

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

18 Revenue (continued)

	2021 \$'000	2020 \$'000 RESTATED
Grant Income – Government Subventions:		
Deferred Income – Public Sector Improvement Programme	12,208	9,353
Deferred Income – Loan Repayments (Principal and Interest)	7,335	37,324
Deferred Income – Amortization of borrowing costs capitalized	5,639	5,639
	<u>25,182</u>	<u>52,316</u>

19 Expenses

	2021 \$'000	2020 \$'000
Employee benefit expenses (Note 20)	181,229	198,710
Depreciation (Note 5)	104,725	131,932
Other	42,109	101,465
Finance costs	754	3,147
Loss allowance – trade receivables (Note 3 a.(ii))	6,974	11,690
Repairs and maintenance	16,378	19,850
Insurance	12,837	14,533
Utilities	7,685	8,645
Advertising and promotion	312	537
	<u>373,002</u>	<u>490,509</u>

20 Employee benefit expenses

	2021 \$'000	2020 \$'000
Salaries, wages and other short-term benefits	143,524	158,712
National insurance contributions	9,903	10,475
Pension costs – defined benefit plan (Note 14)	27,802	29,523
	<u>181,229</u>	<u>198,710</u>

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

21	Taxation	2021 \$'000	2020 \$'000 RESTATED
	Green fund levy	230	342
	Business levy	459	685
	Prior year under provision	69	2
	Deferred taxation (credit)/charge	<u>(29,490)</u>	<u>(4,931)</u>
		<u>(28,733)</u>	<u>(3,902)</u>

The taxation on The Authority's loss before taxation differs from the theoretical amount that would arise using the basic rate of tax as follows:

Loss before taxation	<u>(271,195)</u>	<u>(324,044)</u>
Taxation at rate of 30%	(81,358)	(97,213)
Expenses not allowable for tax	1,159	1,027
Exempt income and allowances not subjected to tax	(1)	(1)
Taxation losses previously generated, now recognised	--	--
Taxation losses utilised	--	--
Taxation losses previously recognised, now derecognised	(22,529)	30,607
Taxation losses generated, not recognised	73,646	78,114
Business levy	459	685
Green fund levy	230	342
Prior year under provision	69	2
Income not subject to tax	(7,487)	(15,695)
Other difference	<u>7,080</u>	<u>(1,771)</u>
	<u>(28,733)</u>	<u>(3,902)</u>

22 Related parties

Government-related entities

The Authority was established by GORTT under Act No. 49 of 1979. Accordingly, The Authority has related party relationships with GORTT, GORTT agencies and ministries and with its executive officers and board members. Significant transactions and balances with GORTT related entities include capital contributions, banking relationships, statutory payables and receivables and customer/supplier receivables/payables.

Key management compensation

Key management includes executive officers and board members. The compensation paid to key management is shown below and is included within 'Employee benefit expenses' (Note 20):

	2021 \$'000	2020 \$'000
Executive salaries and other short-term employee benefits	21,088	18,972
Board members' fees	627	496
Post-employment benefits	<u>1,007</u>	<u>669</u>
	<u>22,722</u>	<u>20,137</u>

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

23 Contingent liabilities

At 31 December 2021 there were a number of pending claims against The Authority. Claims for which provisions have been made are reflected in Note 15 and 16. For other claims, no provision has been recognised in these financial statements, as legal advice indicates that it is not probable that a significant liability will arise.

Commission of enquiry

With the Commission of Enquiry into the Piarco Airport Development Project ("Project") coming to an end on 4 July 2003 and the final report being submitted to Government, criminal charges were laid against several persons in 2003 in connection with their alleged participation in fraudulent activities under the Project. These criminal proceedings are still ongoing. In addition, in 2004 the Government of Trinidad and Tobago ("GORTT") commenced civil proceedings in the United States against some of these individuals against whom criminal charges had been brought in Trinidad and Tobago and other local and foreign based persons and corporate entities. In 2023 judgement was granted in favour of the GORTT against these defendants in the United States and damages in the sum of US\$132.5m or TT\$900m (approx.) plus interest was awarded to the GORTT.

24 Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred amounted to \$17.7m as at 31 December 2021 (2020: \$27.4m).

25 Subsequent events

The Measures taken by various governments to contain the COVID-19 virus have affected economic activity both globally and locally since 2020. In 2021, the effect on The Authority being a reduction in international enplane passenger movement of 44% with the resultant reduction in revenues by 33% compared to 2020, although losses before taxation declined to \$271.2M from \$324.0M in 2020. Liquidity has been negatively impacted, resulting in a depletion of the US\$ funds. The GORTT approved the use of the funds held in restricted cash Central Bank of Trinidad and Tobago Account (\$56.4M) for recurrent expenditure, guaranteed a TT\$80M loan from the T&T Unit Trust Corporation to assist with recurrent expenditure to April 2022, and, also approved subvention for recurrent expenditure amounting to \$66.7M to cover expenditure to September 2022. Depending on the duration of the COVID-19 crisis and the continued negative impact on economic activity, The Authority may experience further negative results, and liquidity restraints. The Authority continues to assess the implications and will work with the GORTT to ensure continuity into the future. Reference should be made to the Going Concern note.

26 Restatement of comparative information

Restatement of figures reported in the 2020 issued financial statements have been made as a result of the correction of prior period errors in accordance with the IAS 8 – 'Accounting policies, changes in accounting estimates and errors' resulting from adjustments to the treatment of GORTT Subventions through the accumulated surplus (deficit) and capital fund and the capitalization of work in progress for 2020 year in service through the accumulated surplus (deficit). The affected lines in the financial statement for the period are revised as follows in the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows as noted in extracts below. The Statement of Financial Position for the year ended 31 December 2019 and 2020 are shown for comparative purposes, adjustments were not required to these financial statements.

Airports Authority of Trinidad and Tobago

Notes to the Financial Statements (continued)

31 December 2021

(Presented in Thousands of Trinidad and Tobago Dollars)

26 Restatement of comparative information (continued)

	2019			2020		
	Restated	Adjustment	REVISED RESTATED	As previously reported	Adjustment	Restated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Statement of Financial Position						
Assets						
Property, Plant and Equipment at Cost	3,781,175	(630,883)	3,150,292	3,763,378	(630,883)	3,132,495
Accumulated Depreciation	(2,430,420)	448,168	(1,982,252)	(2,524,028)	445,990	(2,078,038)
Property, Plant and Equipment at NBV	1,350,755	(182,715)	1,168,040	1,239,350	(184,893)	1,054,457
Equity and Liabilities						
Capital Fund	5,253,857	(5,166,390)	87,467	5,324,871	(5,237,404)	87,467
Accumulated Surplus (Deficit)	(3,968,337)	4,821,397	853,060	(4,327,109)	4,871,533	544,424
Total Equity	1,285,520	(344,993)	940,527	997,762	(365,871)	631,891
Revenue - Grant Income	N/A	N/A	N/A	N/A	52,316	52,316
Expenses						
Depreciation	N/A	N/A	N/A	(129,752)	(2,180)	(131,932)
Expenses Total	N/A	N/A	N/A	(488,329)	(2,180)	(490,509)
Loss Before Taxation	N/A	N/A	N/A	(374,180)	50,136	(324,044)
Loss for the year	N/A	N/A	N/A	(370,278)	50,136	(320,142)
Total comprehensive (loss) for the year	N/A	N/A	N/A	(358,772)	50,136	(308,636)
Statement of Cash Flows						
Loss for the year before taxation	N/A	N/A	N/A	(374,180)	(50,136)	(324,044)
Operating (loss) / profit before working capital changes	N/A	N/A	N/A	(205,061)	-	(205,061)
Cash generated from operations	N/A	N/A	N/A	(131,144)	-	(131,144)
Cash generated from operating activities	N/A	N/A	N/A	(131,740)	-	(131,740)