2021
ANNUAL REPORT

FIJI PORTS

Fiji Ports Corporation

VISION

To be the Smart, Green Gateway for trade in the Pacific region.

MISSION

To invest significantly in new and upgraded seaport and ship repair facilities to support and enhance the economic growth and prosperity of Fiji, as well as, providing key economic and lifestyle linkages throughout Fiji and our Pacific region. We will provide expertise to drive regional safety and capacity in respect of maritime infrastructure.

OUR VALUES

Professionalism
Progressive Leadership
Commercial Stewardship
Corporate Citizenship
Strategic Innovation
Employee Wellbeing / Diversity

Cover Page: Working together during these disrupted commercial environment to become the Smart Green Port for trade in the Pacific region.

TABLE OF CONTENTS

OUR HISTORY

BEFORE 1975

- Port Operation
- Run by Government Departments
- Cargo Handling & Stevedoring

1975

- Controlled by Overseas Companies with Agents in Fiji
- Established by Act of Parliament

1998

- Ports Authority of Fiji (PAF)
- Commercial Statutory Authority
- Maritime and Ports Authority of Fiji (MPAF)
- Ports Terminal Limited

Reform created 2 entities

2004 (AUGUST 18TH)

- Government Commercial Company
- Declared fully owned Government Commercial Company
- Registered under Companies Act
- Fiji Ports Corporation Limited

2009 (JUNE)

- With subsidiary Ports Terminal limited (PTL)
- Government Commercial Company
- FPCL takes over FSHIL Management and Operations

2013

- Fiji Ships & Heavy Industries Limited (FSHIL)
- Ports Terminal Limited associate company
- FPCL & AITKEN SPENCE PCL
- Public Private Partnership

2015

- 41% Fijian Government owned
  39% Fiji National Provident Fund owned
  20% held by Aitken Spence PLC
- Divestment of Shares Agreement
- FPCL

CORPORATE PROFILE

Fiji Ports Corporation Pte Limited (FPCL) is the Port Management Company of Fiji appointed under the Sea Ports Management Act 2005 (SPMA). It is responsible for the management of the Ports and approaches to Ports that have become declared under the SPMA. The main Ports of Entry – Suva and Lautoka Ports and other declared ports include, Levuka, Malau and Wairiki.

FPCL also plays a regulatory role under the SPMA and regulates various Port activities including monitoring of environmental infringements within the Port boundary. FPCL continues to work with its stakeholders in ensuring effective sustainable management of our Ports and entries to Ports. As such, one of its focuses is growing trade through Fiji's Ports in a sustainable manner that will optimise returns.

Ownership Structure

FPCL is a Public Private Partnership (PPP) registered as a Private Company under the Companies Act 2015. It solely owns Fiji Ships & Heavy Industries Limited (FSHIL) and has shares in the Ports Terminal Operator – Fiji Ports Terminal Limited.

FPCL - Ports Management Company
FPTL - Ports Terminal Operator
FSHIL - Provides Slipway and Ship Repair Services & Heavy Industry works

Principles upon which this report is based:

Obligations Under Law

- Sea Ports Management Act 2005
- Maritime Transport Act 2013
- Companies Act 2015
- Income Taxation Act 2015
- Environment Management Act 2005
- Health and Safety at Work Act (HASAWA) 1996
- Employment Relations Act 2007
- Fijian Competition & Consumer Commission Act 2010
- Maritime (Code) Regulations 2014
- International Ship & Port Facility Security (ISPS) Code

International Certifications

FPCL
- ISO 9001:2015 Quality Management System
- ISO 45001: 2018 Occupational Health & Safety Management System
- ISO 14001: 2015 Environmental Management System

FSHIL
- ISO 9001:2015 Quality Management System

SHAREHOLDING STRUCTURE

Fiji Ports Corporation Limited (FPCL)

A Port Management Company in Fiji

FIJI PORTS Terminal Ltd
Linking the World

An Associate Company of FPCL that manages the Cargo Terminals in Suva and Lautoka ports.

FSHIL
Fiji Ships & Heavy Industries Limited

A Subsidiary of FPCL providing Slipway and Ship repair Services and Heavy Industry work

FNPF
39%
Fiji National Provident Fund

20%
Aitken Spence PLC

41%
Government

49%
Fiji Ports Corporation Limited (FPCL)

51%
Aitken Spence PLC

100%
Fiji Ports Corporation Limited (FPCL)

HIGHLIGHTS – KEY EVENTS IN 2021

01 Activation of COVID-19 Pandemic Response Plan

02 Port of Suva awarded
"Oceania's Best Cruise Terminal 2021" World Cruise Awards

03 CERTIFICATION OF INTEGRATED MANAGEMENT SYSTEM (IMS)
Successful completion of audit for certification

04 COMMISSIONING OF NEW PILOT BOAT - SENITAKALI

05 LEARNING MANAGEMENT SYSTEMS (LMS) IMPLEMENTATION

06 SOLAR ENGINEERING INVESTMENT AT M2

07 REVENUE AUTOMATION REPORTING

08 2020 BONUS PAYOUT

09 CARBON NEUTRAL PROJECT

10 LOCAL WHARF & ASSOCIATED FACILITIES UPGRADE

11 COMMENCEMENT OF WHARF REHABILITATION PROJECT

12 VESSEL TRAFFIC MANAGEMENT SYSTEM (VTMS) INITIATION

13 PORT OF LAUTOKA CONTAINER YARD 3 DEVELOPMENT

01.

EXECUTIVE SUMMARY

Chairman's Report

It is a privilege to present the 2021 Annual Report of the Fiji Ports Corporation Limited (FPCL) and its subsidiary company, Fiji Ships & Heavy Industries Limited (FSHIL).

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The economic downturn due to the pandemic greatly affected the shipping and logistics sector. The impact worsened as most countries around the world went into lock-down. However, there was a turnaround in the latter half of 2020.

We started 2021 with confidence and vision for a better outcome than 2020. Whilst international borders remained closed for the majority of 2021, FPCL implemented effective risk mitigation strategies to reduce the impact of the pandemic on operations. The FPCL focused on process automation projects in line with our vision of becoming the Smart, Green Gateway for trade in the Pacific region.

Together with the efforts of the management and the efficiency of staff, FPCL was able to maintain 100% operations throughout the pandemic, which resulted in strong profitability.

With the challenges that the year brought, I acknowledge all the staff, Management and Board who have played a key role in ensuring port operations continued to facilitate trade in support of the Fijian economy.

The Fight against COVID-19 Continues

As Fiji faced the second wave of the pandemic in 2021, the Risk and Compliance Unit led the successful implementation of strategies in the fight against COVID-19. The review of the COVID- 19 Response Plan and streamlining of COVID-19 communications to our COVID-19 Taskforce ensured that all Government protocols were adhered to.

Maintaining a Healthy Balance Sheet

While 2021 was a challenging year globally, the Group's performance for the year has been exemplary, recording a Net Profit After Tax (NPAT) of $22.76 million. This indicates a 2% increase from 2020.

This is attributed to the gradual growth in the volume of exports and imports subsequent to the duty reduction by the Fijian Government. This led to a 40% increase in share of profits from the Associate Company, Fiji Ports Terminal Limited. On the other hand, the FSHIL had a challenging year due to border closure and ageing infrastructure.

The FPCL also maintained stability and recorded a remarkable NPAT of $22.34 million.

This year's financial results reaffirm FPCL's ability to provide strong returns to its shareholders, despite the circumstances. It is worth noting that FPCL, would pay $13.4 million in dividends for the financial year 2021. The Balance Sheet for the Group remains strong, with a sound cash balance (including interest bearing deposit) of $29.5 million with zero external borrowings, even after a proposed dividend payment of $13.64 million to shareholders.

The Group has a 31.12% net profitability on its capital investment reflecting the Company's efficiency in allocating capital under its control to profitable investments. The Group also maintains a strong liquidity ratio of 16.3:1 in 2021, which shows an increase from 15:1 in 2020.

Summary of Initiatives

Despite the challenges, FPCL maintained its vision of becoming the Smart Green Gateway for trade in the Pacific by continuing to implement its 5 Year Strategic Plan (2019-2023) phase by phase.

For the year ahead, FPCL will continue to invest in port infrastructure and upgrade FPCL facilities to accommodate the increasing trade volumes.

We will mobilise the construction work for the wharf rehabilitation project this year, with work simultaneously progressing in Kings and Walu Bay Wharf in Suva, including with Mua-i-walu 1 and 2 and Queens Wharf in Lautoka.

The construction of a modern container yard at Lautoka Port is nearing completion and will be commissioned in the next few months. This will increase FPCL's capacity of Container storage for exports and imports.

The Levuka Port Rehabilitation is another critical project for FPCL for which detailed work for the project will be finalised soon.

Investment in Ports today will ensure that we have efficient and modernised Ports for our future generations. It will also mean that we secure Fiji's place as a dynamic, internationally competitive economy, serving as the trade and investment hub of the Pacific.

Appreciation

I want to thank the hardworking staff of FPCL whose contribution, tireless efforts and dedication has ensured the FPCL was able to continue its operations safely and efficiently.

I also thank my fellow Directors for their support and service, especially during this pandemic. Their experience, knowledge and guidance have been invaluable in paving the way for us as a team to move forward in such turbulent times.

I thank the Chief Executive Officer and the Executive Management Team for the outstanding job throughout the challenging year. The Port of Suva, with assistance of FPCL, received great recognition at the 2021 World Cruise Awards where we won Oceania's Best Cruise Terminal 2021. This puts the Port of Suva on a global scale and is an achievement that Fiji can be proud of.

The shareholders, the Fijian Government, Fiji National Provident Fund and Aitken Spence PLC have provided unwavering support and guidance over the years. I now look forward to the continued partnership of our valuable stakeholders as we embark on another great year ahead together.

Shaheen Ali
Chairman

Chief Executive Officer's Report

> **The year 2021 has undoubtedly been a challenging year for most of us as economic activities grounded to a near standstill due to second wave of COVID-19 pandemic.**

2021 has undoubtedly been a challenging year for most of us as economic activities ground to a near standstill due to the ongoing COVID-19 pandemic and global supply chain issues. Despite these challenges, FPCL has leveraged the learnings and experiences from 2020 to gleam institutional insights. By reviewing plans and mitigating risks to protect our employees, customers, and key stakeholders, we have developed strategies to streamline costs and redesign processes to ensure FPCL maintains a profitable financial year.

Amidst this demanding operating environment, our employees and service providers have stepped up to serve and provided continued support that FPCL maintain uninterrupted operations whilst upholding our commitment to workplace safety. I am delighted to report that thanks to the significant efforts by the entire FPCL team, we have been able to navigate through uncertainty, maintain our status as the leading facilitator for trade and assist the Fijian economy during such a crisis.

Despite international and local travel restrictions, 2021 also proved to be a year of solidarity, with FPCL's focus being "*working together during this disrupted commercial business environment towards becoming the Smart, Green Gateway for Trade in the Pacific region*". Transforming our vision into action, FPCL maintained its commitment to move forward with the implementation of the 5-Year Strategic Plan (2019-2023) and Smart and Green Port initiatives.

Financial Performance

The company's financial performance in the 2021 fiscal year recorded a Net Profit After Tax (NPAT) of $22.34 million. These positive results are attributed to the extensive efforts by Management for swift and timely decision-making despite uncertainties brought about by the COVID-19 pandemic.

The Company's Operating Revenue decreased by 2% due to the country's second pandemic wave and the government's strict protocols. While these measures resulted in a reduction of economic activities on domestic and global fronts, it should be noted that a 1% decrease in total expenses was recorded when compared to 2020.

The team at FPCL successfully collaborated to ensure that the company could clear debts as they fell due. Amidst the financial crisis, their persistence and resilience proved invaluable as FPCL recorded a receivable turnover of 27 days. This is an achievement we can all be proud of, considering that despite the impact of the pandemic, the company has a 30-day debtor account threshold.

Although FSHIL continued to experience losses in 2021 due to the adverse effects of COVID-19 and rising expenses caused by ageing slipway infrastructure, it was able to meet its financial obligations throughout the year. NPAT increased by $145k (19.81%) over 2021, and FSHIL had a cash balance of $2.7m by the end of 2021. However, while retained earnings had declined due to a loss of $587k for FY2021, these losses would have been considerably higher if management had not implemented cost-control procedures.

Implementation of FPCL's COVID-19 Risk Mitigation Strategies

The challenges that COVID-19 posed to the ports required management to protect its staff, business continuity and the wider community. FPCL addressed these concerns through a range of risk mitigating protocols, working closely with the Ministry of Health and Medical Services, the Fijian Government and taking all necessary precautions for the entry requirements of foreign and local vessels.

Internally, FPCL re-aligned its priorities to enable a sense of direction and achieve organisational goals. This process was critical for allowing us to strategically plan operations, evaluate progress and change approaches moving forward.

COVID-19 Response Team and Pandemic Response Plan

In 2020, FPCL Management proactively established a Pandemic Response Plan based on risk assessments and implemented a Response Team comprised of key staff. The Pandemic Response Plan delineates FPCL's and FSHIL's pandemic response policies and procedures to better address adverse impacts on staff availability and operational disruptions.

In 2021, FPCL and FSHIL continued utilising the Response Team and implemented risk mitigation measures as outlined in our Pandemic Response Plan. The overall mission was to protect staff from the impact of a pandemic illness, ensure information system uptime, data integrity, and overall business resilience.

Monitoring & Reporting

During the height of the pandemic, three weekly Response Team meetings were held to monitor port operations and pandemic responses. An overarching coordinator was appointed to manage the port's pandemic response with key stakeholders. Beyond that, each functional department at FPCL reported its COVID-19 response plans and activities to the primary response meeting regularly as a standard agenda item.

Over 60 Response meetings were conducted, incorporating dashboards and visualisation tools to monitor risk and progress. In addition to communicating the Port's COVID-19 strategy with the broader staff and recording operational efficiency, the outcomes of these meetings were also circulated to the Board to ensure that they were always up to date on the proceedings. In-house developed COVID-19 and vaccination dashboards were also used by heads of departments to forecast resourcing and identify emerging risks.

Investment in Technology

Management has invested extensively in expanding the use of technology to ensure that all staff, across all three ports and irrespective of their position within the Company, could connect for online meetings. The provision of digital communication equipment was made available to all appropriate staff, including smartphones, to enable attendance at meetings where situational updates were delivered. Smartphone access also allowed staff to use QR codes to check into premises through the Care Fiji app.

Investment in Staff Safety & Training

FPCL introduced an extensive bubble arrangement in conjunction with a company transport system to improve staff safety. As part of this ongoing commitment, Management also authorised the purchase of emergency oxygen concentrator equipment, training on PPE usage led by health professionals, and the deployment of an internal decontamination unit for areas within the port premises. During the lockdown, FPCL also assisted infected staff through measures such as providing food rations.

Assistance to Customers

During this period, FPCL also provided concessions to its customers and stakeholders through incentives such as waiving anchorage fees and rental waivers/discounts for tenants in Port properties. These measures provided much-needed relief to business operators affected by lockdowns during the pandemic.

Cost-control Initiatives

The new operational reality forced by the pandemic has presented unique challenges for companies, forcing them to adapt to a new operating, business, and public policy environment. In line with these changes, Management implemented and monitored a multi-level cost control and process re-alignment mechanism that all employees had previously been advised on.

Staff Development

At FPCL, we believe that our most significant strength is our employees. As a result, we believe that it is essential that our team continue to be well informed, trained and equipped effectively to address the requirements of their role. FPCL also prioritises the compliance of all its stakeholder obligations and relevant statutory, regulatory or internal policy requirements. These include protocols, by-laws or guidelines put in place by the Government, as evident through the pandemic.

As such, FPCL strengthened its legal unit in 2021 to ensure ongoing compliance with all relevant Ministries and key stakeholder agencies, including the Maritime Safety Authority of Fiji (MSAF), Fiji Revenue and Customs Services (FRCS), Biosecurity Authority of Fiji (BAF), Land Transport Authority (LTA) and Department of Environment (DOE). The unit's responsibilities also included supporting legal proceedings, contract management and general counsel, which significantly contributed to effective decision-making at FPCL.

The Talent Development and Training Unit developed manuals and conducted in-house training for the staff in line with their specialised fields. Due to its flexibility and effectiveness, a shift was also taken towards providing virtual training sessions.

Infrastructure Development

At FPCL, we understand the importance of maintaining our critical infrastructure and lifting standards to enhance the port's operational efficiency and supply chain. As an essential aspect of our 5-Year Strategic Plan, we are committed to rehabilitating our Ports' infrastructure and continue progressing on this task despite the challenges and setbacks brought about by the pandemic. In 2021, we were successful in rolling out 16 key projects which primarily focused on upgrading infrastructure at both Suva and Lautoka Ports.

The Suva Port, which won Oceania's Best Cruise Terminal 2021, had several projects in 2021, including the tower light upgrade, maintenance dredging, fender installation, upgrade of facilities, cargo sheds and OHS facilities renovations. Lautoka Port is also undergoing key projects such as the Container Yard 3 and Yard 4 upgrades and several building facilities upgrades.

Although borders remained closed and the workforce was kept at a minimum, FSHIL successfully repaired 31 vessels (compared to 28 in 2020), progressed with major and minor repairs, and projects totalling over $700k. Electrical works to upgrade the 1000T Slipway for safety and the 1000T mid-section cradle extension project were also commenced.

Resilience and shift towards Smart Port

As FPCL and FSHIL pursued safeguarding their workforce, both companies ensured that their employees, customers and stakeholders were well informed about the ongoing changes to our business processes. In addition, as both companies adapted to a remote work policy, FPCL diligently pursued best practices in communications to effectively manage a work-from-home culture. Robust planning measures were critical for managing this rapid transition to ensure that employees were safe, connected and engaged.

Fiji's ports remain a critical frontline infrastructure, crucial in managing international and domestic trade and local inter-island passenger transfers. Stringent measures have been put in place by Management to mitigate risks and ensure safety is always maintained for FPCL and FSHIL.

FPCL's overall response has been highly effective, as evidenced by the lack of supply chain disruptions or operational delays. Safeguards were placed to minimise risk to staff and the community of port users, including achieving fully vaccinated status for all staff at FPCL and FSHIL.

Strong communication and management systems have ensured that the Ports could adapt to challenges and even resulted in FPCL supporting other maritime services in Fiji to reduce the impact of COVID-19 on maritime transport systems across the country.

Milestone Achievements

FPCL completed the Integrated Quality Management System surveillance audit in September 2021, conducted remotely by Det Norske Veritas & Germanischer Lloyd (DNV.GL). With the certification of ISO 9001:2015 Quality Management System, ISO 14001: 2015 Environment Management System and ISO 45001: 2018 OHS Management System, FPCL continued to improve its functions to international standards in all key management areas.

Under the supervision and guidance of FPCL management, the Port of Suva was recognised at the 2021 World Cruise Awards as Oceania's Best Cruise Terminal 2021, promoting the Port of Suva and Fiji on the global stage.

Acknowledgement

I express my sincere gratitude to the entire FPCL and FSHIL teams for their contribution to making this year yet another successful one. As expectations heightened during the pandemic, I am proud to stand by a team I know has raised its standards to meet these challenges and even go beyond when needed.

I am grateful to have the support and lead of a talented staff and Management team. Their strength, continued trust and unwavering support have moved Fiji Ports' performance forward in a highly challenging year. This year would not have turned out the way it has without their tremendous support in conducting our day-to-day operations.

Special recognition also goes to the Chairman and the Board of Directors for their guidance, sound advice and swift decision-making, which has contributed positively to our achievements. Their ability to balance business performance whilst promoting social and environmental stewardship and implementing a much-needed supporting policy framework has been outstanding.

Also, I would like to acknowledge and appreciate the continuous support we receive from our colleagues from the relevant Ministries, Management of FPTL and all our key stakeholders.

We look forward to working with all our stakeholders to implement our 5-Year Strategic Plan and appreciate their continued support.

I wish everyone safety, growth, and prosperity in the year ahead.

Vajira Piyasena
Chief Executive Officer

APPROACH TO REPORTING

Progress in Achieving Our Six Strategic Goals

Strategic Perspective 1 - Governance

To enhance our governance processes by aligning external/ regulatory functions to effectively facilitate the governance framework, ensuring the organisation achieves a balance between commercial and social deliverables required by shareholders.

Strategic Perspective 2 - Infrastructure

This is focused on monitoring the state of critical infrastructure by implementing rehabilitation measures to maintain FPCL assets in an optimum level of condition. FPCL will ensure that the new port development projects are implemented to improve efficiency by benchmarking against world-class international operational standards. FPCL will collaborate with key stakeholders/agencies in all aspects of port development on the relocation plan for Suva Port.

Strategic Perspective 3 - Finance

To spearhead the Commercial and Financial Stewardship of FPCL to ensure that shareholder value is retained, in the midst of implementing strategic development initiatives, such as the Suva Cargo Port relocation. Facilitate long term funding options and provide financial insights to ensure agreed annual outcomes are achieved, while evaluating and supporting options to finance all the projects outlined in the 5-Year Strategic Plan. Develop and introduce customer- centric systems and processes to optimise customer experience and be a catalyst to progress towards earning recognition as the Smart and Green Port of the Pacific.

Strategic Perspective 4 - Organisation Capacity

To optimise the new organisational structure in alignment with the strategic objectives through rigorous requirements processes. FPCL is committed to providing capacity building and development, supporting staff retention strategies, promoting gender equality and maintaining integrity through a professional workforce.

Strategic Perspective 5 - Environment and Sustainability

FPCL is committed to assessing and implementing Port Sustainability Guidelines and Green Port Initiatives.

Strategic Perspective - Safety, Security & Technology

Continue to enhance the review of safety and security procedures to meet and exceed the required International Ship and Port Facility Security (ISPS) Code and adopt a safe workplace culture. FPCL is focused to implement advanced technology systems to enhance its operational capabilities to be a leading Smart port in the region.

BOARD OF DIRECTORS

GOVERNMENT REPRESENTATIVES

SHAHEEN
ALI
CHAIRMAN

VIJAY
MAHARAJ
DIRECTOR

TUPOUTUA'H
BARAVILALA
DIRECTOR

VILASH
CHAND
DIRECTOR

FIJI NATIONAL PROVIDENT FUND REPRESENTATIVES

TEVITA
KURUVAKADUA
DIRECTOR

NIRANJWAN
CHETTIAR
DIRECTOR

ASHNIL
PRASAD
DIRECTOR

AITKEN SPENCE PLC REPRESENTATIVES

DR. PARAKRAMA
DISSANAYAKE
DIRECTOR

IQRAM
CUTTILAN
DIRECTOR

CORPORATE GOVERNANCE

At FPCL, we believe that good governance not only builds trust, but it also improves and contributes to social and environmental stability. In FPCL, the Board, as the final decision-making body has the responsibility in steering FPCL's strategic functions towards the organisation's vision and mission. Through this, FPCL has created a governance system that encompasses all relevant business processes. The governance system comprises of the internal audit system, the risk management system, and the compliance management system.

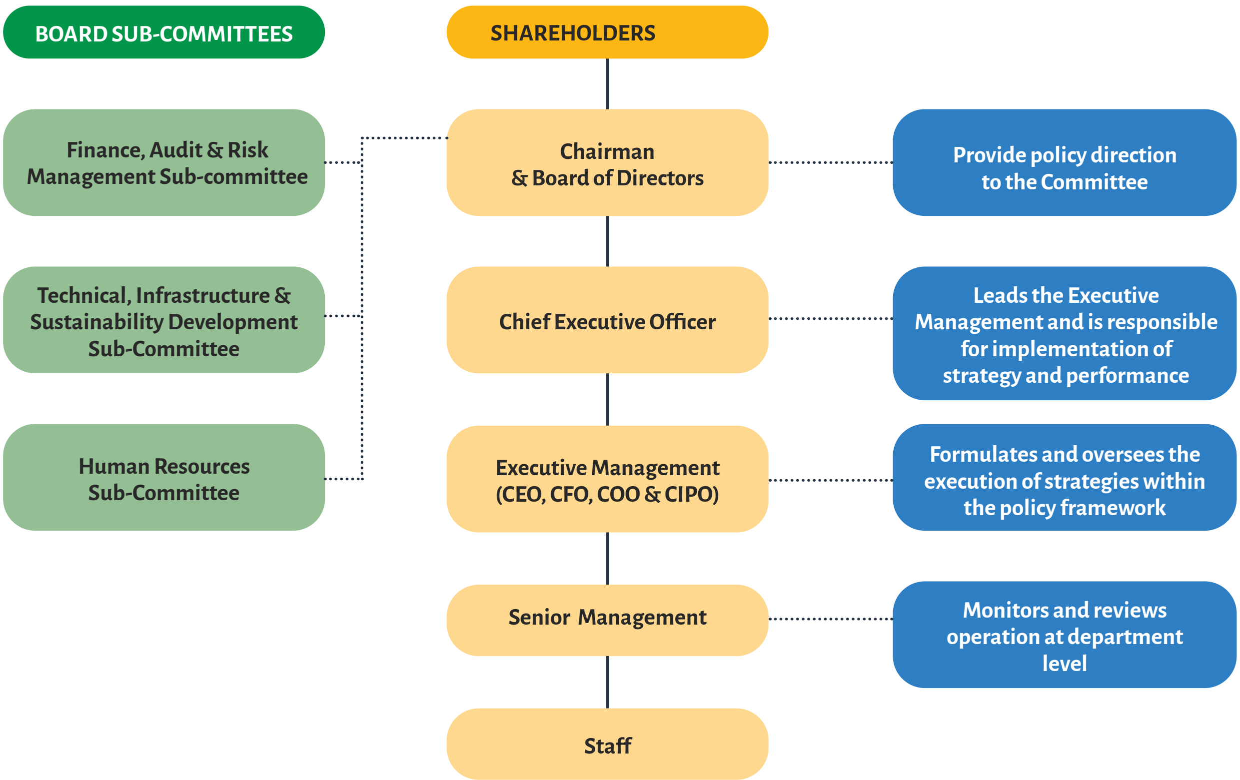
The systems herein are further monitored through the following Board Sub-committees:

i. Finance, Audit & Risk Management
ii. Technical Infrastructure & Sustainability
iii. Human Resources

As over the past years and throughout 2021, the Board was instrumental in providing Executive Management strategic guidance and support, ensuring port operations continued to allow for trade to assist the Fijian economy. This was through employing risk management system in mitigating risks that can hinder FPCL operations.

Structure

The Board has been responsible in implementing framework in maintaining balance between business performance and promoting social and environmental stability.



The Decision-Making Structure

Meetings

The Board and subcommittees were scheduled to meet three times during the financial year which ended on 31st December 2021. A number of meetings was constrained due to the focus on COVID-19 impacts and Management focus in maintaining 100% port operations throughout the pandemic.

No board meetings were conducted however other sub-committee meetings continued virtually.

Board Directors	Committees					
	Board Finance, Audit and Risk Management Sub-Committtee		Board HR Sub-Committee		Board Technical Infrastructure Development Sub-Committee	
	A	B	A	B	A	B
Mr Shaheen Ali						
Mr Vijay Maharaj			2	2		
Mr Vilash Chand	3	3	2	2	3	2
Ms Tupou Baravilala			2			
Mr Tevita Kuruvakadua	3	2				
Mr Niranjwan Chettiar					3	3
Mr Ashnil Prasad	3	3				
Mr Iqram Cuttilan			2	2	3	3
Dr Parakrama Dissanayake						

A ( ): Number of meetings held while being a member.
B ( ): Number of meetings attended.

LEGAL, RISK & COMPLIANCE

FPCL prioritizes compliance in enforcement of all its relevant statutory, regulatory, internal policies and stakeholder obligations in taking appropriate steps to manage and mitigate risks.

Risk Management

Risk management is an integral part of FPCL's governance system in developing plans and actions, protecting the company from uncertainty in the future. At FPCL, key elements of the risk management system are identification, assessment, reporting and documentation of risks through an enterprise risk register.

While COVID-19 had a major impact in the company operations, the Risk & Compliance Unit took on the role of mitigating operational risks during Fiji's second COVID-19 outbreak. In collaboration with other departments, a range of strategies were implemented using risk management frameworks to ensure FPCL allowed trade to continue uninterruptedly. These involved review and update of the COVID-19 Response Plan. In addition, reporting lines were established on COVID-19 response communications as all communication were directed to the Risk and Compliance Unit. The COVID-19 Taskforce role involved developing mitigations plan and responses to Government restrictions, ensuring 100% port operations. With the Human Capital Services Department, weekly meetings were held providing weekly briefs to Management and staff on pandemic development and policies implemented for FPCL operations.

Regulatory Matters

As part of the 5-Year Strategic Plan (2019-2023), FPCL began consultations with statutory and regulatory bodies in developing Memorandum of Understanding (MOU) between key stakeholders. MOU encompasses parties' best interests in enforcing and monitoring its role and responsibilities within their own Acts and Regulations. FPCL plans to formulate strategic collaborations with key organisations such as:

- Maritime and Safety Authority of Fiji (MSAF)
- Fiji Revenue and Customs Services (FRCS)
- Biosecurity Authority of Fiji (BAF)
- Land Transport Authority (LTA)
- Republic Fiji Police Force (FPF)
- Republic of Fiji Navy (RFN)
- Department of Environment (DOE)

Legal Compliance

Ensuring the effectiveness, efficiency and propriety of accounting and compliance to relevant laws and regulations, FPCL has recruited a Manager Legal/Board Secretary in late 2021. The Manager Legal's responsibilities will supplement the Panel of Solicitors in providing support in legal proceedings, contract management and general legal guidance.

Audit and Reporting

The Board Finance, Audit & Risk Management (BFARM) Sub-committee assists the Board in independently verifying and safeguarding the integrity of the internal control and financial reporting of the Company and Group. Its primary role is to:

- Ensure implementation of audit recommendation;
- Review quarterly results and annual financial statements;
- Review the internal audit programme and consider the findings made by the internal auditors;
- Review the company internal control system.

External Audit

The Board FARM Sub-committee makes recommendations to the Board on the appointment of the External Auditor, as a requirement under the Companies Act 2015. Ernest and Young was appointed to be the external auditor.

For the 2021 financial year, the external auditor has reviewed FPCL accounts, processes and has produced an unqualified opinion report.

Internal Audit

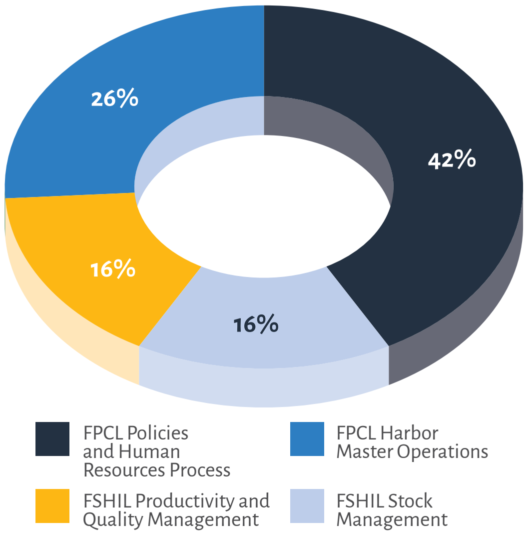
Board has overall responsibilities for FPCL's internal controls efficiency and effectiveness. The Board FARM Sub-committee makes recommendations to the Board on the appointment of the Internal Auditor. PKF Chartered Accountant and Business Associates was appointed for 2021 to review controls effectiveness.

In 2021, during the second COVID-19 outbreak in Fiji, imposed restrictions had hindered the planned internal audit program. With Board FARM Sub-committee's endorsement, two audit visits was approved towards the end of the year when much of restrictions were lifted by the Government. The Board FARM Sub-committee reviewed and deliberated on two (2) audit reports for FPCL and the Group.

Internal Audit

Audit	No. of Findings
FPCL Policies and Human Resource Process	8
FPCL Harbor Master Operations	3
FSHIL Productivity and Quality Management	3
FSHIL Stock Management	5
Total	**19**

Number of Internal Audit Findings (Percentage)



Audit tracker was updated to track and monitor implementation of audit recommendations. Quarterly updates are provided to the Board FARM Sub-Committee on progress.

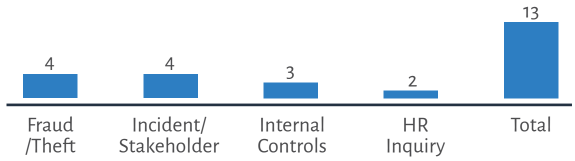
Compliance

FPCL continues to ensure compliance with all laws and regulations and internal policies by its management and staff. This has been a goal of the company and an important part of its corporate culture. Through its Code of Conduct, the Board, Management, and staff firmly committed to the compliance management principles and with that it imposes a "Zero Tolerance" policy on non-compliance.

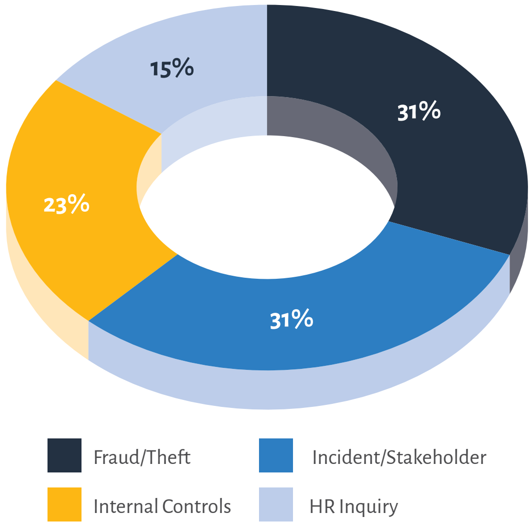
In addition, Management initiated a Policy and Procedures Review Framework to assess and update all policies to be aligned with best standard practices. On the completion of the review process, the Training and Development unit will facilitate trainings, ensuring all staff are updated on the policies and procedures.

Through incident reporting and complaints received, a number of internal investigations was conducted on staff and external stakeholder for non-compliance.

Number of Internal Investigations Conducted



No. of Investigation (Percentage)



Communication with stakeholders

At FPCL, it is critical for us to understand the needs of our stakeholders in this modern-day business environment. As a part corporate organisation with statutory responsibilities, understanding the views and opinion from stakeholders can help shape and improve the overall operations of a business. Therefore FPCL, on a periodic basis invites it port user stakeholders to discuss on operational matters. Each operational department is required to schedule external stakeholders meeting.

Throughout the COVID-19 pandemic and with gathering restricted, FPCL continued to consult and inform the port stakeholders on operational changes through issuance of circulars and emails. Concerns from port stakeholders were directed to the COVID-19 taskforce to attend and respond accordingly.

Quality Assurance

As a certified company in International Organisation for Standardization (ISO), FPCL has ensured and maintained its world class level by continuously improving its performance, providing better quality services, reducing risks and increasing innovation and revenue.

While 2021 was a challenging year on a global stance, the Quality Assurance Unit at FPCL continued to demonstrate resilience to maintain compliance by ensuring new and existing policies and procedures were not compromised.

Key projects that were initiated and completed in 2021:

- A comprehensive COVID-19 Response Plan was established and maintained by FPCL, in which the Quality Assurance Unit took the initiative to ensure that policies and procedures were communicated and standardized across FPCL.
- Development and revision of specific Standard Operating Procedures (SOPs) related to COVID-19 to ensure FPCL was adhering to international and local pandemic guidelines.
- Harbour Master's Office, Security & Enforcement and Local Wharf SOPs were reviewed.
- Successful completion of the Integrated Management System (IMS) revalidation Surveillance Audit [ISO 9001:2015; ISO 14001:2015; ISO 45001:2018].
- Successful recertification Audit for FSHIL in accordance with the requirements of ISO 9001:2015/SLS ISO 9001:2015.

External IMS Certification Audit

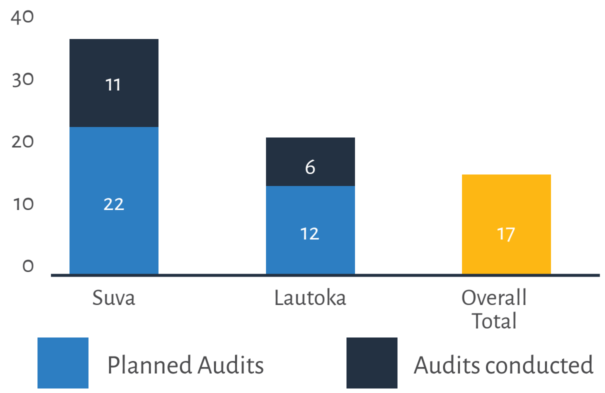
FPCL successfully completed the Integrated Quality Management System surveillance audit in September 2021. This audit was conducted on a remote basis by the third-party international certifying body Det Norske Veritas & Germanischer Lloyd [DNV.GL].

There were zero non-conformances recorded in the external audit. This was a commendable milestone achieved by the Quality Assurance Unit in 2021. The two-day extensive audit program concluded with eleven (11) recommendations shared with the team by the auditors as areas of improvements; intended for enhanced and improved functioning of FPCL's current practices. These recommendations have been well adapted by FPCL.

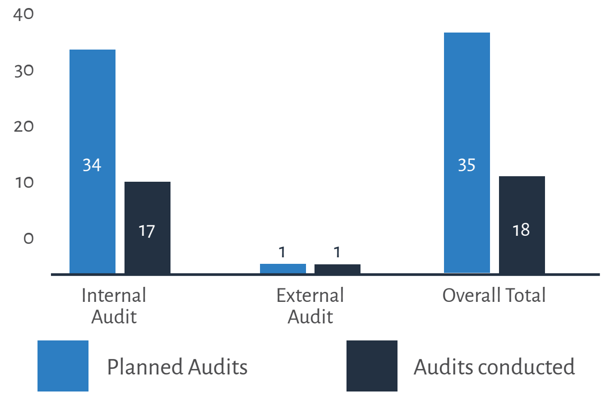
Internal Quality Audits

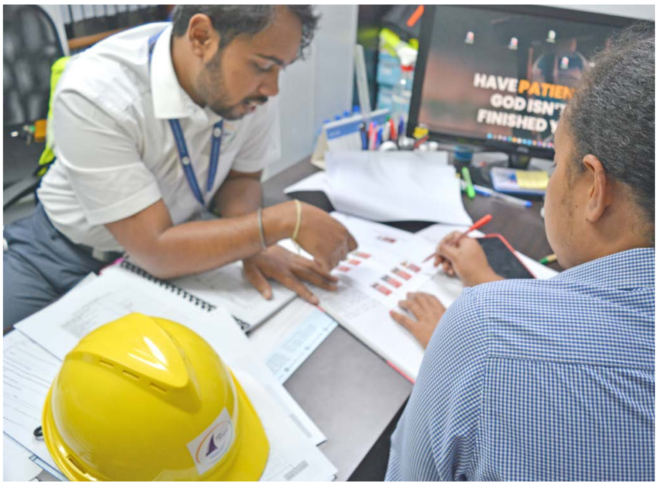
In July 2021, FPCL invested substantially in Internal Audit Training for fifteen (15) of its employees. This included staff from FSHIL. This was a two-day program which was conducted virtually by FPCL's certifying body, DNV. With the assistance of the trained body of internal auditors, the Quality Assurance Unit successfully facilitated seventeen (17) Departmental Audits.

Number of Internal Departmental Audits Conducted



Number of Internal and External Audits





Occupational Health and Safety, Quality Assurance Officer and Human Capital Service Officer reviewing documents

EXECUTIVE MANAGEMENT TEAM

VAJIRA PIYASENA

MBA, MSc, PG Dip Management (Prod & Tec), PG Dip International Affairs, PG Dip Business (Quality & Ops Mgmt), CEng (MIE) (Ind)I Eng, FIMarEST (UK), FRINA (UK), FCILT (UK), CQP FCQI (UK), CMgr FCMI (UK), Marine Eng. (Class 1) DoT UK

CHIEF EXECUTIVE OFFICER

Vajira Piyasena is a Chartered Fellow of the Chartered Institute of Logistics and Transport (UK), Fellow of the Chartered Quality Institute (UK), Fellow of the Institute of Marine Engineering Science and Technology (UK), Fellow of the Chartered Management Institute (UK) and a Fellow of the Royal Institution of Naval Architects (UK). He joined Fiji Ports Corporation Limited (FPCL) in 2011 as the CEO to head the then state-owned entity and its two subsidiary companies, Fiji Ports Terminal Pte Limited (FPTL) and Fiji Ships & Heavy Industries Pte Limited (FSHIL). With the privatisation of PTL in 2013, after a successful Public Private Partnership and subsequent divestment of FPCL in 2015, he was responsible for providing strategic and transformational leadership to the organisation at a time of unprecedented change from state own entity to a private entity. Qualified in UK as a Marine Chief Engineer in 1987, Vajira had a seagoing career serving with major international shipping companies. In the area of the maritime industry, his expertise extends to international shipping, marine engineering, maritime education and training, ship repairs and ship building and maritime safety. As the co-founder of a consultancy company established to provide services primarily to the maritime industry, he has worked with over 100 companies in projects comprised of developing integrated management systems, policy development, corporate restructuring and international business development. Vajira has MBA, MSc in Engineering Management and several other Postgraduate qualifications in the areas of Production & Technology, Operations & Quality Management, International Affairs concentrating International Law. He has received Executive Training from Harvard Business School and Goizueta Business School. In addition, he is also a member of the MBA Advisory Committee of the University of the South Pacific and a Member of the Panel of Review for the Fiji Business Excellence Award. His research work includes developing a “Productivity-based Engineering Model for Port Development Policy Analysis and Implications” focused on the government Port Development Policy and competitive effectiveness in productivity to develop Port of Colombo, Sri Lanka as a Hub Port in the South Asia Region.

ROSHAN ABEYESUNDERE

MBA (NZ), FCMA (UK), FCPA (AU), MCIM (UK), CGMA

CHIEF FINANCE OFFICER

Appointed as CFO in 2017, Roshan Abeyesundere is a strategic commercial finance leader who has significant international exposure. He is passionate about enhancing value in organisations by focusing and improving key business processors and value drivers. He is a former Group Accountant of New Zealand Post Group. At New Zealand Post, he worked as a Commercial Manager for six years, designing and implementing new revenue generating projects. For four years he was CFO of Dispute Resolution Services Limited, responsible for leading finance, IT, risk, property, commercial and administration functions in five major cities in New Zealand. Mr. Abeyesundere has extensive experience in commercial projects design, negotiation and implementation; he has provided leadership to change management and business strategy development initiatives in many organisations to enhance shareholder value. He brings with him hands-on experience in business continuity planning, risk and knowledge management.

CAPTAIN LAISIASA GONEWAI

Master Mariner Class 2 FG COC (NZ)

ACTING CHIEF OPERATING OFFICER

Appointed as Acting Chief Operating Officer, February 2017, Captain Gonewai has been the Harbour Master for the Port of Suva since 2014. His qualifications include: Gazetted Marine Surveyor (MSAF); Certificate of Competency for Class 1 Mates and Class 2 Masters, FC COC (NZ Maritime College), and Certified Marine Deck Examiner. He has more than 25 years' experience in the domestic and international maritime industry.

02.

OPERATIONS SUMMARY

OBLIGATIONS

FPCL continues to work towards meeting expectations as an implementation body for standards relating to other local ports of entry in Fiji. It remains vital to assist trade facilitation in a sustainable manner through Ports in Fiji while optimising returns.

LAW

The principal legislation under which FPCL is governed is the Sea Ports Management Act 2005. However, as a partially Government-owned Commercial Company, Fiji Ports also has broad responsibilities under the Public Enterprises Act 1996. FPCL's objectives and responsibilities under the Sea Ports Management Act 2005 are as follows:

To effectively manage sea ports in Fiji:

- To create or enhance opportunities in the provision of port services.
- To manage operation and regulatory responsibilities.

BUSINESS

FPCL is the Port Management Company in Fiji and also plays a regulatory role. FPCL maintains ownership and operation of Levuka Wharf, Ovalau, and oversees the operations and ISPS requirements for the following ports: - Malau Wharf Labasa, Vanua Levu (owned by Fiji Sugar Corporation);- Rotuma Port, Rotuma (owned by Rotuma Council); - Wairiki Wharf, Nabouwalu, Vanua Levu (owned by Tropic Woods Industries Limited) and - Vuda, Viti Levu (owned by oil companies). FPCL continues to oversee and operate port facilities located at Mua-i-Walu I and II, Walu Bay, Suva, and Local Wharf at Lautoka, through the provision of ports infrastructure and related services to ensure industry safety and security, and maintains its Head Office located at Muaiwalu House, Walu Bay, Suva.

PARTNERSHIP

FPCL works with Maritime Safety Authority of Fiji (MSAF) with respect to Fiji Ports' obligations for the implementation of conventions under the International Maritime Organisation (IMO) including Ports State Control, ILO/ IMO requirements for port reception facilities (discharge of sewerage and rubbish) and Code of Practice on Security in Ports. Addressing issues under the heavily regulated Global Cruise Industry is a continuing responsibility for FPCL, given the number of cruise ships in our ports continues to increase each year. In line with other countries that have cruise ships, FPCL has effectively implemented measures to ensure compliance with relevant laws, regulations and international treaties. The cruise industry is also subject to the International Ship and Port Facility Security Code (ISPS Code), which requires that access to ships and port facilities be tightly controlled.

COMMUNITY & ENVIRONMENT

As FPCL diligently carries out its corporate obligations, the Company strives to maintain its commitment towards the community through its social activities, with direct and indirect benefit to the broader community. Equally important as other issues, the Company takes environment protection seriously. Frequently, Management and staff create stakeholder awareness regarding land and sea pollution as part of their daily activities and duties. The growth of the mining industry in Fiji has bought new responsibilities. Carrying solid bulk cargoes involves considerable risks, which must be managed carefully to safeguard the Port, ship's crew and the vessels. Fiji Ports is assisting with these risks: reduced ship stability, and even capsising, due to cargo liquefaction, fire or explosion due to chemical hazard, and damage to ship structures due to poor loading procedures.

CORPORATE

FPCL Board, Management and senior staff are committed to:

- Adopting, leading,planning principles and management systems;
- Working cooperatively to ensure safe and secure port environments;
- Providing appropriate technologically advanced infrastructure, and
- Adhering to FPCL's Corporate Values at all times.

ORGANISATION STRUCTURE & STRATEGY EXECUTION AT FPCL

CEO	Governance
Executive Management	
Company/Board Secretary	
Legal Unit	
CFO	Risk & Compliance Unit

CFO	Financial
Finance Department - Suva	
Finance Department - Lautoka	
Procurement Unit	

COO	Sustainability & Environment
Environmental Management Unit	
Energy Management Unit	

CI&PO	Planning & Infrastructure
Maintenance Department	
Assets and Facilities Management Unit	
Projects Management Unit	
Planning & Strategic Implementation Unit	

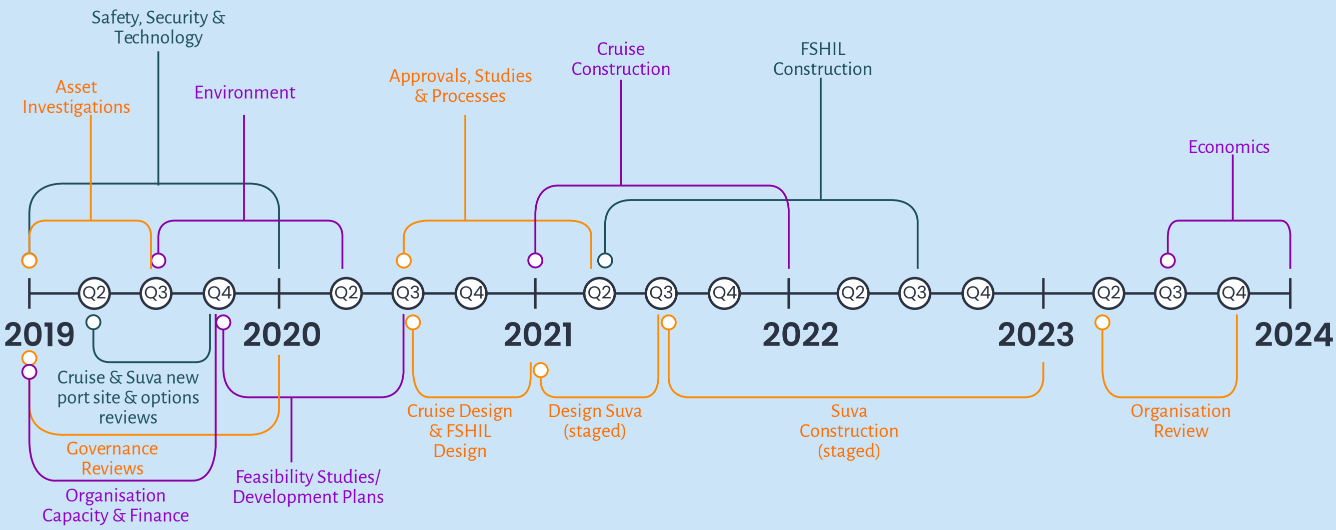
COO	Port Operations
Harbour Masters Office/ Port Admin Suva	
Harbour Masters Office/ Port Admin Lautoka	
Local Wharf Office - Suva	
Local Wharf Office - Lautoka	
Levuka Office	
Enforcement Unit	

CEO	Organization
Human Capital Services Department	
Talent Development and Training Unit	
Human Resources Business Analyst Unit	
Quality Assurance Unit	
Marketing & Communications Unit	
OHS Unit	

CFO	Technology
ICT Department	
MICT Business Information Unit	

CEO	Port Security
Port Security - Suva	
Port Security - Lautoka	

5 YEAR STRATEGIC PLAN – PROGRAMME SUMMARY



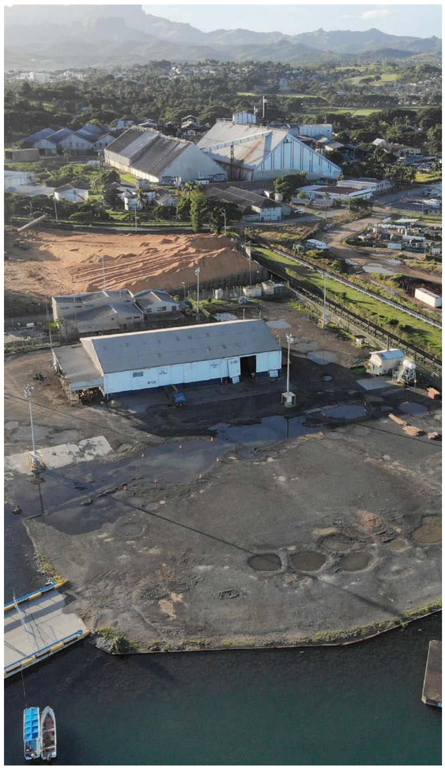
INFRASTRUCTURE

FPCL continues its commitment towards investing in the Ports' infrastructure in-line with its 5-Year Strategic Plan (2019 – 2023). The year 2021 was impacted with the repercussions of the second wave of COVID-19. In the midst of these challenges, FPCL has continued to work towards achieving its planned projects and maintenance works. A total of sixteen (16) key projects were rolled out during the year.

- Lautoka Port Yard 3 Upgrade
- Lautoka Port Yard 4 Upgrade
- Port of Suva Maintenance Dredging
- Port of Suva Tower Light Upgrade
- Port of Suva Fender Installation
- Upgrade of facilities at the Port of Suva

- Condition Assessment of FPCL Jetties and Structural Integrity of Harbour Master's Building
- Port of Suva Shed 1 Renovation
- Port Facility Upgrades of Roller Shutter Gates
- Supply and Installation of Standby Generator at the Port of Suva
- Port of Lautoka Old Shipping Building Upgrade

- Port of Lautoka Admin Building (Conference Room & Building) Upgrade
- Muaiwalu 2 Waiting Shed, Office Upgrade and Solar PV System Installation
- Muaiwalu House Restaurant Renovation
- Port of Suva OHS Storeroom Upgrade
- Computerized Maintenance Management Software Project



Highlights of Key Projects

VTMS Project

The New Vessel Traffic Management System (VTMS) serves to improve critical operational gaps, modernize the port facility to state-of-the-art technology systems and provide navigational safety, security and controls to foreign and local vessels within the port operational boundary. Despite the current COVID-19 situation and travel restrictions, FPCL and its international partners has continued its collaboration and testing of VTMS in Australia and was shipped to Fiji. Installation is scheduled for first quarter of 2022. Local authority approvals from Fiji's Ministry of Communications and Telecommunications Authority of Fiji for the critical components of the project system have been received.

Wharf Rehabilitation Project 2020 -2023

The rehabilitation of FPCL's most critical assets, the wharf and surrounding assets progressed in 2021 despite the challenges by COVID-19. The Detail Design Phase of the Wharf Rehabilitation Project was completed by an external consultant and approved by the relevant local authorities for construction. The tender phase commenced with the overall focus of achieving an optimal balance between risk, cost, and contract management and to select the most suitable pre-qualified contractor for the sub-projects Kings Wharf Southern Section Upgrade, Walu Bay Wharf Rehabilitation, Kings Wharf Northern Section Rehabilitation, Queens Wharf 2005 Section, Queens Wharf 1959 Section, and Kings Jetty.

Port of Lautoka Container Yard 3 Upgrade

The upgrade of Yard 3 serves to maximize storage and efficiency, improve the condition of the running surface of the Yard and elevate the area so that operations will not be affected during high tides and spring tides. On 22nd February 2021, FPCL officiated the groundbreaking ceremony to commence the project's construction works. Although having faced challenges due to COVID-19, the project is on course in meeting its completion in 2022. Furthermore, with Yard 3 nearing completion, FPCL is in the process of commencing the design phase of Yard 4 project.

Port Maintenance Dredging

It is observed that vessels trading in the Pacific are increasing in size and frequency. To facilitate safe vessel berthing at the Ports', it is crucial to maintain safe berthing depths. Therefore, maintenance dredging works are currently being planned out. Time and resources were spent on the Environmental Impact Assessment (EIA) process to maintain environmental stewardship while ensuring the external regulatory requirements are fully complied with. It is envisaged the maintenance dredging works will be carried out by early 2022.

Upgrades at Port of Lautoka and Port of Suva

FPCL executed facility upgrade projects at the two main Ports including upgrading of the administration building toilet facility in Lautoka, restaurant space and toilets at Muaiwalu House, upgrading of Muaiwalu II Waiting Shed facility and the toilet facilities at Port of Suva. This is a timely boost and ensures stakeholders and staff are provided with the best of facilities ensuring duty of care.

Mr Shaheen Ali, the Permanent Secretary, Ministry of Commerce, Trade, Tourism and Transport and Board Chair of FPCL together with the Chinese Ambassador to Fiji, His Excellency Qian Bo at the groundbreaking ceremony of Container Yard 3 at Lautoka Port.

New Muaiwalu II Interisland Terminal Draft 3D Concept Drawing by the Consultant

Upgrading of Fiji Ships & Heavy Industries' Site

Detail design of the FSHIL Slipway Rehabilitation Project Package A (500T and 1000T) was completed by an external consultant and tender process commenced to select the most suitable contractor. FSHIL Slipways are critical for a maritime nation like Fiji with over 110 inhabited islands and over 1000 vessels and have also served foreign vessels. Approvals have been received from the Department of Environment and coordination with other local authorities is ongoing. Construction phase for Package A (500T and 1000T) is currently scheduled for second quarter of 2022. Detail design for Package B (200T Slipway Upgrade to 500T Capacity) will commence after the Geotech Investigation is completed.

New Muaiwalu II Interisland Terminal

Following the Board's approval for Feasibility Study, FPCL engaged an external consultant to undertake the Muaiwalu II Interisland Terminal Project Feasibility Study. The project will ease the current traffic congestion at Tofua Street in Walu Bay by providing a drive through carpark and dedicated loading and offloading area, modernize and promote local interisland shipping via an airconditioned waiting lounge with cafeteria, toilet facility, ATM's and shops, extend the life of the wharf asset by diverting the traffic load to the drive through carpark, and enhance social and shareholder value.

An external consultant was appointed to conduct a feasibility study in which a series of workshops were conducted with local vessel operators and government stakeholders to better understand the project's objective and the factors that influence its viability and practicality. The draft feasibility report has indicated that a 3-level social and commercial terminal building is feasible. FPCL has provided its review comments and the final feasibility report will be released in first Quarter of 2022.

Lautoka Wharf Reclamation Development

With the return of land assets leases to FPCL by Assets Fiji Limited (AFL), Lautoka wharf reclamation development plans are underway in order to utilize all land assets for core operations.

FPCL completed the Terms of Reference to engage a reputable port development consultancy company to carry out a feasibility study to evaluate the best business development option suitable for the Lautoka Wharf Reclamation Land (CT40990). First round of tender was completed, with the second round of tender is ongoing. One of the proposed business options to be evaluated by the consultant is the development of a proper barge landing facility to serve the western division of Fiji considering that over 30 interisland barge, cargo and passenger vessels are currently operating in the vicinity.

Facilities

The Assets/Facilities department is responsible for managing all company's significant property assets related to FPCL's tenants, and wharves across Fiji's main three Ports of Suva, Lautoka and Levuka.

Muaiwalu 1 Local Wharf Office

The Muaiwalu 1 Local Wharf renovation project began in February 2021 with the successful completion in April 2021. The interior of the building was upgraded and restructured with completely furnished, high-quality finishing work.

Kings Wharf Incinerator Drying Shed

To facilitate all wet garbage discharged by foreign vessels, FPCL has proposed an incineration drying shed. All bins that are delivered to the incineration site will be housed in the drying shed. Construction has begun in October 2021, with an estimated completion date of early 2022.

Smoking Sheds

In November 2021. FPCL constructed two smoking sheds, one at Muaiwalu House and the other at Mauiwalu II waiting shed; to provide employees and passengers with a smoke-free environment. The project is scheduled to be completed in early January 2022.

FINANCIAL PERFORMANCE

FPCL over the years has developed and implemented key financial strategies which has paved its way towards becoming a corporate entity that is consistently delivering the strong financial performance as well as striving towards its vision of becoming a smart green port for trade in the Pacific region.

Financial Strategies – Paving the Way Forward

In the financial year 2021, FPCL was able to spearhead its commercial and financial stewardship and ensure that shareholder value is enhanced during a global pandemic and continued implementing capital intensive projects as part of its 5-Year Strategic Plan.

Whilst the international borders remained closed for the majority part of 2021, FPCL focused on further streamlining its operational cost base to minimize the impact of the pandemic. As part of this initiative, FPCL developed various cost saving and productivity improvement initiatives which was communicated to all employees to emphasize on the impacts of the pandemic and what is required to maneuver out of the situation. FPCL also focused on process automation projects which are aligned to the Smart and Green Port initiatives of FPCL.

While vessel numbers remained below average in 2021, FPCL invested over $4m in capital projects. FPCL deployed its strategies to invest into the upgrading of its infrastructure, taking advantage of low vessel traffic to bring FPCL to a level where it can accommodate the increasing trade volumes once international borders open, as well as investing into technology so that FPCL can respond to the rapidly evolving business environment.

FPCL continued benchmarking its financial and operational performance against United Nations Port Performance Indicators, and while the indicators suggest that FPCL has maintained its high performance, FPCL continued a journey to further enhance its performance when compared to national, regional and global benchmarks.

Fiji Ports Corporation's Performance for the Year Ended 2021

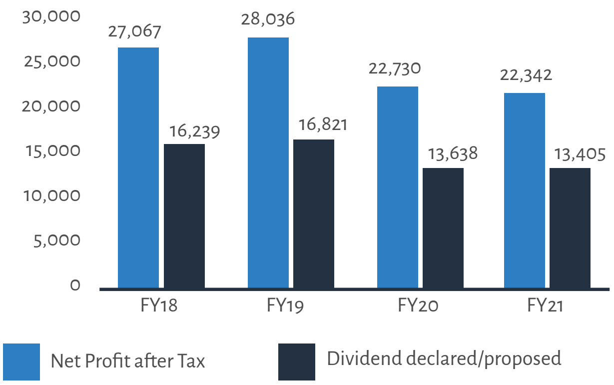
FPCL recorded a successful year with a Net Profit After Tax (NPAT) of $22.34m. This profit is attributed to swift and timely decision making by Management amongst increasing uncertainties surrounding the pandemic and second wave of COVID-19.

The efforts of the Management together with the efficiency of the entire FPCL staff were able to ensure 100% operational status throughout the pandemic which enabled FPCL to deliver a strong profitability result. Extensive efforts, sustained focus and adherence to compliance requirements implemented by Management were required by all staff to ensure this positive result was achieved.

Return to Shareholders

Given the impact of COVID-19 on FPCL's operations, dividend payout to its shareholders decreased by 1.71%. However, it is worthwhile to note that FPCL would pay $13.4m in dividends for the financial year 2021 that was huddled with a global pandemic.

Profitability vs Dividend payout



Description	Actuals ($000)			
	FY18	FY19	FY20	FY21
Net Profit after Tax	27,067	28,036	22,730	22,342
Dividend declared/ proposed	16,239	16,821	13,638	13,405

Key Challenges

FPCL anticipated the easing of the COVID-19 pandemic in 2021, however, the second wave of outbreak in April of 2021 throughout the country and globe brought with it, its set of challenges.

In April 2021, FPCL under the directive of the Ministry of Health and Medical Services (MoHMS), imposed strict guidelines for port operations. It required FPCL to engage external parties to manage the logistics outside of the lockdown areas which yielded an additional expense to the company. FPCL has a diversified investment portfolio, the company manages numbers of properties as well as have term deposit investments. Due to the pandemic, the entire nation was impacted and to cushion the impact, FPCL considered and provided concessions and flexibility in rental payments to its customers while itself being significantly impacted by the decline in trade. The COVID-19 pandemic has also led to the commercial banks lowering the interest rates previously offered to FPCL hence, the interest income received through term deposit investments were also impacted.

FPCL was intending to mobilize some of its Smart and Green Port projects, however, due to border closures, FPCL could not source materials and personnel from overseas to progress with these projects. As international borders continue to remain closed, FPCL's subsidiary company Fiji Ships and Heavy Industries Limited (FSHIL), continued to suffer. FSHIL's revenue stream dried up as majority of its customer base are internationally flagged vessels needing ship repairs. The loss of international vessel repair revenue and ageing infrastructure continued to impact FSHIL profitability.

Despite these challenges, FPCL made a $22.34m NPAT. This was possible through the strategies adopted by the Board and Management which proved effective.

Strategic Initiatives

The key challenges meant that the Board and Management had to make quick decisions and adopt to the rapidly evolving business climate.

Liquidity

16.5 : 1

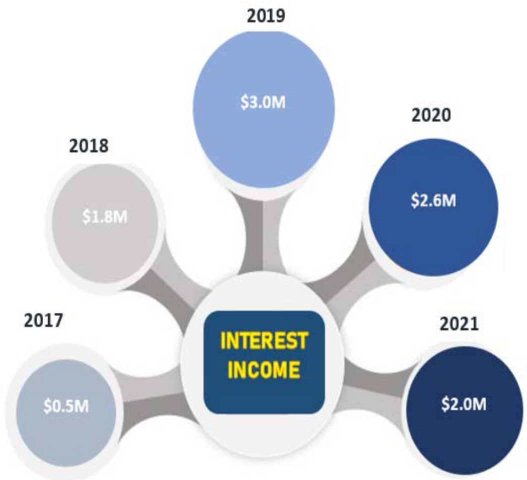
Over the years, FPCL had solidified its financial position and with a strong liquidity position, the Management had decided to exercise prudent cash investment opportunities by exploring investment in term deposits which has tremendously benefited FPCL with incremental interest income in the past years. However, due to the pandemic, the commercial banks lowered the interest rates previously offered to FPCL and declining income meant FPCL had a lower base of capital for Term Deposit investments.

Debtors Turnover

27 days

Management worked closely with the FPCL Pilots to maintain 76% of the piloting market share in the country. By adding to its pilot boat fleet, FPCL can further enhance its position in the market. In 2021, FPCL initiated the process to acquire its second new pilot boat for the Port of Lautoka. This acquisition will increase the capacity of FPCL in hosting additional vessels to our port of entry when the international borders open completely.

The team at FPCL also rigorously worked together to ensure that FPCL could recoup its debts as it falls due. With the persistent effort from the team, amid the financial crisis, in 2021 FPCL recorded a receivable turnover of 27 days. This is a remarkable achievement, considering that the company has a 30-day debtor account threshold in a pandemic impacted business climate.



A new Performance Management System (PMS) was introduced effectively, and its benefit were harnessed during 2021. This system had seen capacity building strengthened across the organization and as a result, management was able to double up on key positions which led to cost minimization to the company.

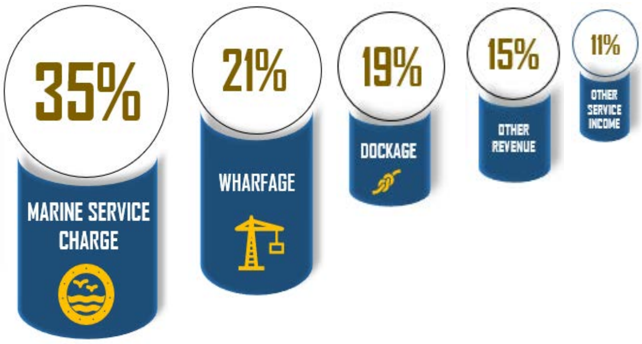
Despite setbacks in 2021, FPCL continued its strategy to progress with repairs and maintenance work of the wharf infrastructure and prioritized high-risk areas to ensure that the company has long-term sustainable infrastructure.

FPCL also continued with projects that are more of a pathway to the vision of being a Smart Green Port of the Pacific. Some of these finance projects include automation of the procurement application process, automated invoicing system, introduction of the online payment system, automated workflow for payment and purchase order approval and other productivity improvement projects.

Revenue

FPCL's operating revenue had declined by 2% when compared to 2020. This decrease was largely due to the impacts of the second wave of COVID-19 in Fiji which led to stringent restrictions leading to lower economic activities on the global and domestic front. The global downturn led to further reduction in vessel numbers together with nil cruise liner visits. Additionally, there was a 21% decrease noted for interest income where interest rates offered by banks were materially lower when compared to prior years due to higher liquidity in the financial market. On the other hand, FPCL noted a slight increase in other income with 16% increase in dividend income from its Associate Company, FPTL.

Composition of Company Income



Expenses

The company's major operational expenditure areas are marine service charges, employee expenses and depreciation. The total expenses noted a 1% decrease compared to 2020. The major areas of increases were noted in depreciation and operating expenses which were attributed to the capitalization of new assets/improvements & increase in insurance. There were decreases noted in marine service charges of 15% which was due to lower vessel numbers and GRT when compared to 2020 as no cruise liners had visited in 2021. There were reasonable movements noted in property expenses with low level of Repair & Maintenance works mobilized in 2021. Additionally, employee expenses remained in line with 2020, as manpower was maintained through our facilities to support the implementation of the 5-Year Strategic Plan that the company embarked upon together ensuring 100% operational capacity despite the COVID-19 restrictions. Cost management initiatives adopted by the Management led to reductions in property expenses which include utilities, repairs and maintenance and other day to day operational expenses.

Composition of Company Expenses

Financial Results of the Group

The financial performance of the Group for 2021 exemplifies the Group's ability to withstand two waves of COVID-19 and maintain 100% operational status while manoeuvring through the nationwide restrictions and the economic fluctuations. The Group together with its robust systems in place, has managed its risk associated with COVID-19 ensuring efficient service delivery and continuity as a result achieving the group NPAT of $22.76m which represents a 2% increase from 2020. This is mainly a result of gradual growth noted in the volume of exports and imports subsequent to the duty reductions offered by the Fijian Government leading to 40% increase in share of profits from the Associate Company, FPTL. On the other hand, FSHIL continued to experience significant revenue loss due to border closures and its ageing infrastructure challenges, incurring a loss of $587k.

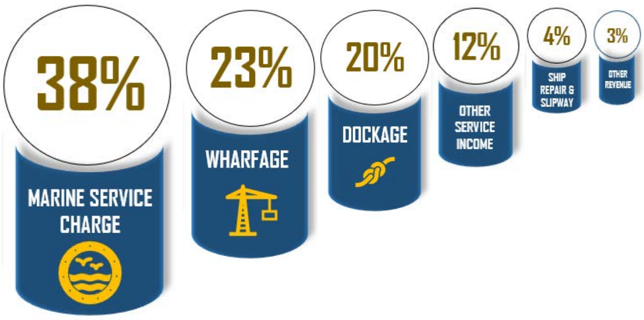
Group Revenues & Expenses

The Group operating revenue showed a decrease of 2% over 2020. Despite the decrease in total revenue, dockage & wharfage revenues increased due to increase in cargo throughput at the ports also resulting in vessels staying for longer hours for operations. In addition, there were also increases noted in outer port vessel numbers and GRT. Decrease was noted in areas of marine service charge and other service income which relate to nil cruise liner visits in 2021 and low interest rates received on term deposits respectively. FSHIL contributed with increase in ship repair and slipway revenue by 4% when compared to 2020. The second wave of COVID-19 had stalled economic growth in the first half of the year, however, with Government duty concessions, trade gradually increased at the back of sharp decline in domestic consumption.

Net finance (interest) income has significantly decreased by 21% when compared to 2020 due to lower interest received for the re-investment for year 2021 due to increase liquidity with commercial banks leading to lower interest rates.

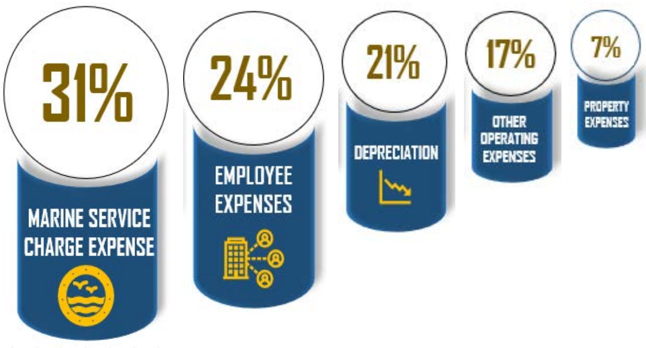
The share of profits from Associate Company, FPTL, has increased when compared to 2020 financial year, which is also attributed to increase in cargo volumes due to improvements in economic activities.

Composition of FPCL Group Income



The Group's operational expenditure decreased by 1% compared to 2020 financial year. This is mostly correlated to decreased operational revenue for FPCL together with COVID-19 related cost minimization initiatives by Management as well as a decrease in expenses for the subsidiary company, FSHIL, by 5% over 2020 due to cost cutting initiatives implemented in 2021 to cushion the negative impacts of COVID-19 pandemic.

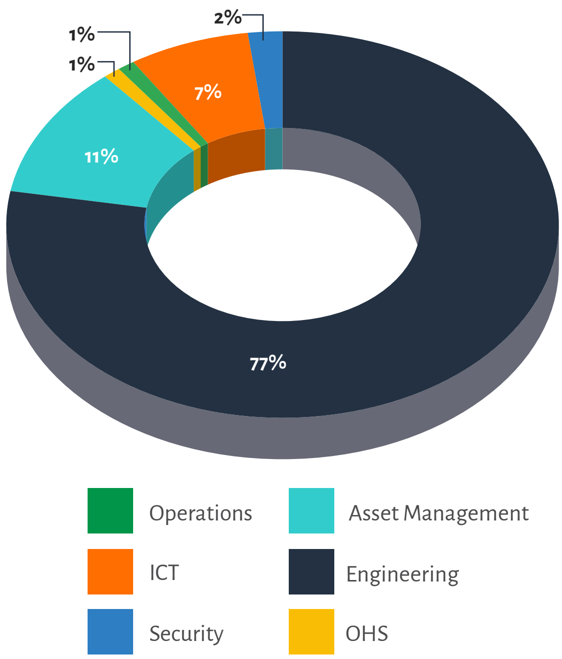
Composition of FPCL Group Expenses



The major area of decrease was noted in marine service charges of 15% which was due to lower vessel number and GRT when compared to 2020 where no cruise liners had visited in 2021 decreasing the GRT. There were reasonable movements noted in property expenses with low level of R&M works mobilized in 2021. Additionally, employee expenses remained in line with 2020, as manpower was maintained through our facilities to support the implementation of the 5-Year Strategic Plan together ensuring 100% operational capacity despite the COVID-19 restrictions. Major areas of increases were noted in depreciation and operating expenses which were attributed to the capitalization of new assets/improvements and increase in FPCL's insurance. Cost management initiatives adopted by the Management led to reductions in property expenses which include utilities, repairs and maintenance and other day to day operational expenses.

Capital Expenditure

FPCL has been steadfast to its commitment in achieving its vision of becoming a Smart Green Gateway of the Pacific. This vision entails the implementation of the 5-Year Strategic Plan. Despite the challenging climate of COVID-19 and imposed restrictions, FPCL had devised strategies to ensure phase by phase continuity of progressive capital works of key capital projects in 2021. In 2021, major areas of capital spending were for Lautoka Port container yard infrastructure development, as well as, for wharf rehabilitation projects, ICT and Port operation capital investments.



FPCL Group Profit & Loss summary for 2021 and 2020

Group Income Category	2021 $(000's)	2020 $(000's)	% Change
Operating Income	47,584	48,646	-2%
Other Income	1,567	1,636	-4%
TOTAL INCOME	**49,150**	**50,282**	**-2%**
Operating Expense	(23,687)	(24,308)	-3%
EBITDA	**25,463**	**25,974**	**-2%**
Depreciation	(6,133)	(5,836)	5%
EBIT(Loss)/Profit	**19,330**	**20,137**	**-4%**
Net Interest	2,004	2,611	-23%
Share of profit in associate	5,891	4,208	40%
Net Profit Before Tax (NPBT)	**27,225**	**26,956**	**1%**
Income Tax	(4,461)	(4,709)	-5%
NPAT	**22,764**	**22,247**	**2%**

Balance Sheet Extract (Consolidated 2021-2020)

Accounts	2021 ($000's)	2020 ($000's)
Cash at Bank	29,526	24,110
Trade and other Receivables (current and non-current)	6,845	8,070
Financial assets	60,000	55,500
Fixed Assets	49,789	50,945
Total Assets	171,344	162,279
Trade Creditors	4,178	3,717
Total Liabilities	16,252	16,314
Shared Capital	73,155	73,155
Retained Earnings	81,937	72,811

Group's Financial Position

The Balance Sheet for FPCL Group remains strong, with a sound cash balance (including interest bearing deposit) of $29.5m with zero external borrowings, even after a dividend payment of $13.64m to shareholders.

The Group has maintained a strong financial position with total increase in assets of **$9.06m** which is attributable to increased financial assets related to term deposits. This sets a positive foundation for future increased returns until the extensive capital expenditure program takes traction. This increase is offset by decrease in fixed assets due to depreciation. In addition, the total liabilities have decreased by **$61m** when compared to 2020. This shows a positive trend reflecting to the Group's strong ability to pay off its liabilities as it becomes due. The major drop in liability is due to the payout of rental dues to Assets Fiji Limited.

Group's Key Performance Indicator

Based on the performance indicators, the Group has a 39.33% operating profitability. This reflects the Group's margin on EBIT which has been maintained favourably when compared to 2020, however, showing a drop due to direct impacts of COVID-19 on income levels of the Group. The Group has a 31.12% net profitability on its capital invested reflecting the company's efficiency at allocating capital under its control to profitable investments.

The Group also has recorded a 14.68% return on equity showing profitability of the Group in relation to shareholder's equity. This has slightly decreased with lower group profits when compared to 2020. The Group also maintains a strong liquidity ratio of 16.3:1 in 2021 which shows an increase from 15:1 in 2020.

Group Key Performance Indicators			
Ratio	2021	2020	2019
EBIT/Total Income	39.33%	40.05%	42.36%
Return on Invested Capital	31.12%	30.41%	36.23%
Return on Equity	14.68%	15.24%	18.86%
Current Liquidity Ratio	16.3	15	9

ORGANISATIONAL CAPACITY

FPCL continues to support Equal Employment Opportunities by providing relevant trainings, seminars and appointment of suitable qualified females on positions previously and traditionally held by males.

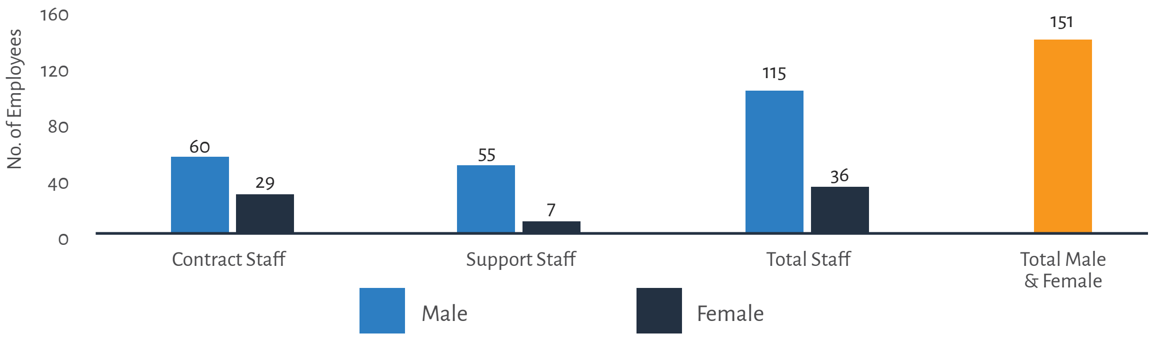
Our Employees

One of the biggest strengths of FPCL is its employees. By the end of 2021, a total number of 151 staff were employed - 89 on contracts and 62 support staff. Staffing level was maintained and a few new positions was introduced to cater for the staff strength and competencies required to progress further with FPCL's 5-Year Strategic Plan.

FPCL Employee by Contract and Gender Distribution

The slight decrease in the number of employees was due to retirement and resignation throughout the year of 2021. Vacant positions were quickly filled to ensure it does not affect business operations.

Number of FPCL Employees by Contract and Gender Distribution (2021)



2020 Bonus Payout

FPCL has developed a Performance Management System (PMS) to determine the bonus payout implemented in 2019. The PMS measure and evaluates the value contributed by FPCL staff and are rewarded by their performance bonus. Human Capital Services established individual performance measures validated by an independent FPCL HR Consultant and finalized by the Executive Management based on the value creation framework. A total of $216,254.71 was shared amongst 155 staff as bonus rewarded for their dedication and contribution in 2020. The bonus payout is an approach to recognising and rewarding FPCL during 2020.

Chairman, PS Shaheen Ali at the virtual bonus annoucement

CEO, Vajira Piyasena at the virtual bonus annoucement speaking from the Boardroom on Level 5 to all.

Gender Equity

FPCL continues to support Equal Employment Opportunities by providing relevant trainings, seminars and appointment of suitable qualified females on positions previously and traditionally held by males.

Appointment of women to the following key roles:

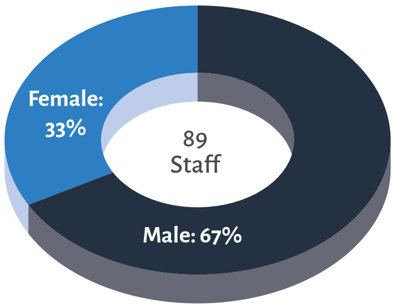
1. Female OHS personnel supervising OHS Operations in Suva Port
2. Recruitment of a female OHS person to oversee Safety and Environment in Lautoka Port.
3. Internship program of a female engineer graduate in the Maintenance Department.

Key Human Capital Initiatives

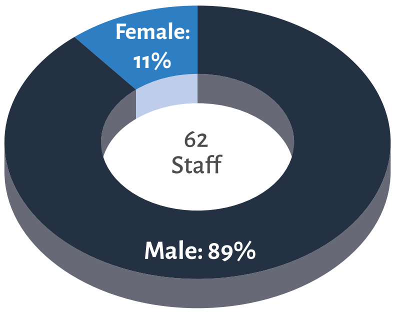
Integration of various human capital initiatives such as the Strategic Human Resource, Strategic Human Capital Planning and Core Competency model were developed to align human capital capabilities at FPCL for effective utilization and engagement of FPCL's Human Capital Services for an organization impact. Also, as a measure of value created by FPCL staff, continual assessments are conducted and reported to FPCL Board to show the capabilities of FPCL staff that implemented various human capital initiatives for the effective progress of FPCL's 5-year Strategic Plan.

Workforce Availability by Contract Type / Location / Gender

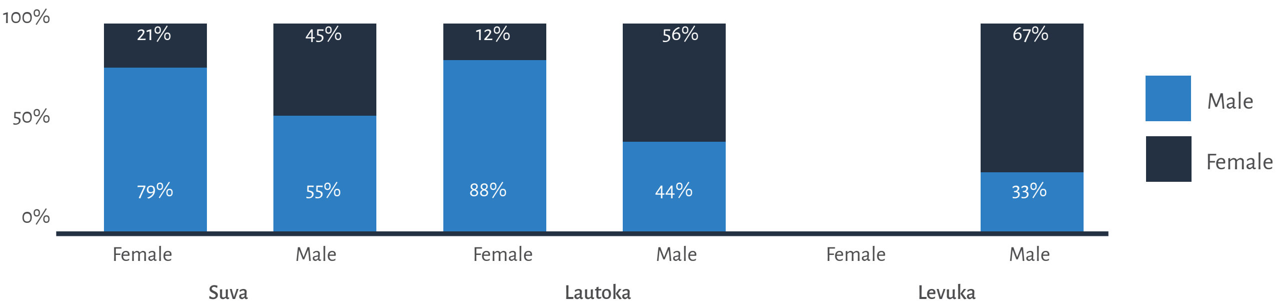
Contract Staff



Support Staff



Workforce Availability by Contract Type, Location and Gender (2021)



ORGANISATIONAL HEALTH INDEX

FPCL recorded its highest employee satisfaction index compared to the previous years assessed by FPCL's HR Consultant, Maxumise (Fiji) Ltd.

EMPLOYEE ENGAGEMENT

FPCL Management conducted a series of engagement sessions with its workforce to inform both internal and external challenges created by the pandemic and the various initiatives taken at a strategic level to curb its impact. The employee engagement programs also created an opportunity for employees to raise their concerns directly with FPCL Management. The Engagement Sessions were related to the 5 Year Strategic Plan Progress Presentation, Human Capital Initiatives, and Financial Projection and 2022 Budget prospects. The employee engagement-initiated programs were initiated to further improve the existing conducive working culture. These engagement session provided staff an overview of critical challenges that has hindered strategic programs simultaneously creating solutions to overcome such challenges from 2022 onwards.

STRATEGIC HUMAN CAPITAL PLANNING AND WORKFORCE PLANS

HCS has streamlined Workforce Plan to enable FPCL to monitor its employees on regular basis. The workforce tool was developed to be an effective mechanism for Human Capital Services to assist Head of Departments with various human capital needs required to achieve the strategic objectives from the 5-Year Plan. Importantly it is an exercise to proactively improve FPCL's business performance by having a competent workforce. The implemented strategy has addressed to locate the right people, with the right competencies and appointing them to the right roles at the right cost.

Human Capital Services (HCS) Role During COVID-19

FPCL being a responsible employer implemented the following proactive COVID-19 safety measures to ensure the safety of all staff and FPCL work environment:

1. **Effective Monitoring and Assistance to Employees** - HCS closely monitored COVID-19 and its spread across Fiji. This information allowed HCS to study the impact on the geographical areas the virus was spreading to and if employees could be impacted. Further to this, HCS monitored the well-being by engaging daily with staff in isolation, those that were in lockdown areas, and those that tested positive or faced other challenges encountered by staff that would have impacted their lives.

2. **Transport Management Plan** - It was identified that one mode of COVID-19 transmission was by using public transport. An approach to mitigate this, FPCL engaged an external transport service for the safe transportation of staff from their residence to work and return as per their bubble arrangement.

Transport waiting outside Muaiwalu House daily to take FPCL staff home.

3. **Staff Swabbing Initiative** - In July 2021, FPCL commissioned the services of Vanualevu Medical Diagnostics Pte Ltd (VanMed Lab) to conduct swabbing of FPCL staff and family members free of charge using Rapid Antigen tests. To avoid further transmission, house calls were conducted by VanMed labs to staff and household members. Employees that were tested positive and their primary contacts would have to provide a negative test result to HCS before resumption of work.

4. **Smartphone Purchase -** After the Government introduced the CareFiji App with its protocols, FPCL conducted a survey to identify staff those that did not have a smartphone that can store the CareFiji app. As a result of this survey approximately 15% of the workforce did not possess a smartphone. In light of this, FPCL purchased 37 smartphones for it staff on 50:50 cost shared basis.

Sumasafu Kaurasi, FPCL staff member being handed over a smart phone purchased by FPCL

5. **COVID-19 Vaccination Drive -** To ensure safety of staff while minimizing the spread of COVID-19, FPCL in coordination with MOH arranged an internal COVID-19 vaccination drive for the staff of Suva for both the first and second dose.

6. **Extended Assistance Provided to Maintain Port Operation -** Due to the rising number of COVID-19 cases some FPCL's staff [Pilot Boat Crews] were not able to return to their homes due to the containment zones imposed by the Fijian Government. HCS team worked closely with COVID-19 positive free hotels (hotels not being used as quarantine facilities) to facilitate

accommodation with the provision of meals and transport paid by the Company to comfort such staff for providing extensive support to sustain trade for Fiji.

7. **COVID-19 Leave Benefits -** Additional leave benefits of 10 days were given to staff on isolation. If staff have fully utilized the 10 days and is still required by MOH to be on isolation or still on lockdown area they were given additional of up to 20 days on half pay.

8. **Employee Bubble Arrangements -** Two bubble arrangements were constructed by HCS to maintain Port operations. The bubble arrangements compromised of Critical, Core and Flexible staff placed into equal patterns of work, providing the options of flexible work arrangements to those that were able to work from home and those rotated in line with operational requirements.

9. **Provision of High Grade COVID-19 PPE -** FPCL provided high-grade COVID-19 related PPE to ensure staff were provided the best protection against the deadly virus.

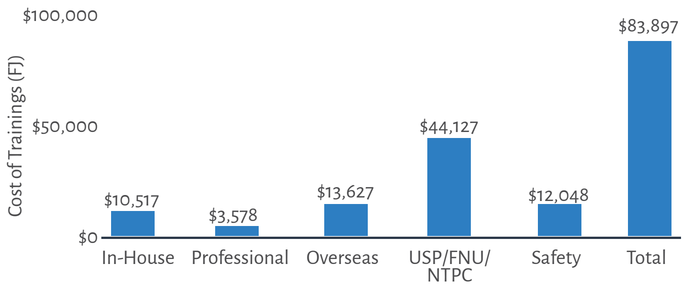
Talent Development and Training Unit

The Talent Development and Training Unit provide opportunities for employees to expand their knowledge and uplift their skills and abilities to be further effective in a working environment. The Training Plan for 2021 was prepared to uplift technical and professional capabilities of staff. Staff were recommended and referred to trainings, workshops, seminars and webinars that will expand their knowledge in their field of expertise.

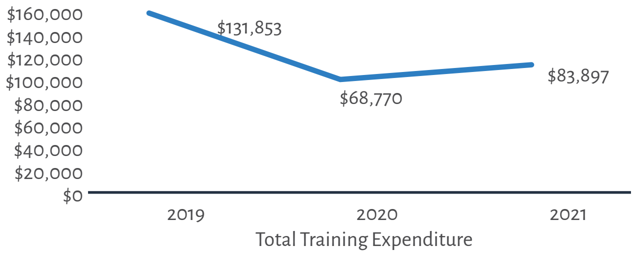
Due to COVID-19 restrictions, many trainings were put on hold. This encouraged the Talent Development and Training Unit to strengthen the development of training guidelines for staff to refer immediately. FPCL immediately adapted the advantages of virtual training and initiated multiple trainings both internationally and local training, webinars, seminars and other forms of learning.

Training Expenditure

Training Expenditure - 2021

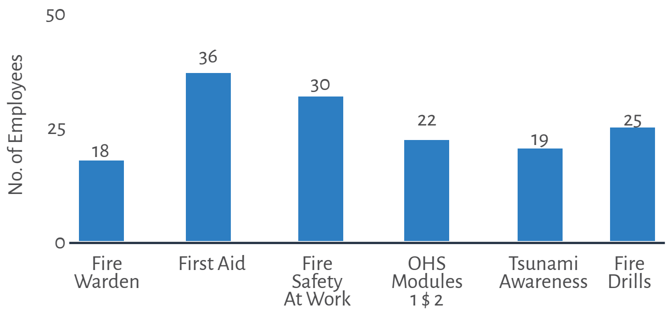


Training Expenditure (2019, 2020 and 2021)



Training Attendance

Training Attendance - 2021



Management / Supervisory Development Training

Number of Courses	29
Total Training Hours	205.05 hours
Total Number of Employees Attended Training	160

Fire Drill being conducted by Fire Wardens and Fiji Fire Authorities

The New Learning Management System

To ensure that FPCL staff receive appropriate training and professional development regularly, LMS is an effective tool that FPCL Management implemented to encourage continuous development of staff competencies. In addition, LMS will allow FPCL to access an array of training and development essentials from a central location.

This will assist FPCL Management to confidently oversee and monitor personal and professional development of various teams.

The Talent Development and Training Unit is working with an external LMS service provider to identify trainings needs and developing suitable training for staff of all levels with alignment to the 70:20:10 Learning and Development Model that was introduced in 2020. This learning platform will motivate and engage learners through personalized, all-driven content recommendations, guiding them along critical learning paths, in a user-led interface.

LEARNING MANAGEMENT SYSTEM FOR FPCL

1. A broad spectrum of content to empower employees to learn/upskill beyond current roles (soft skills, non technical skills etc)
2. A cost effective tool that will provide learning opportunities for employees via highly quality learning content.
3. Would like to create a skills inventory of the business, to help monitor growing and changing skills within the organisation.
4. Create a learning culture that drives productivity and helps employees excel in their day to day roles.
5. Desire to create learning opportunities and will engage and retain staff.
6. To implement a tool that can scale across the entire organisation.

Health and Wellness

Wellness Wednesday

As part of FPCL's Corporate Social Responsibility to Health and Wellness program, Wellness Wednesday Zumba Fitness classes was introduced in the beginning of 2021 by the Social Committee of FPCL. Every Wednesday after work, staff could join in a fun interactive Zumba class with their colleagues. Benefits included a more active and healthier lifestyle and weight lost. This was however put on hold when the second wave of the COVID-19 pandemic happened in April 2021.

Members of FPCL participating in Wellness Wednesday program

Pinktober Health Walk

In raising awareness for cancer this year, FPCL raised funds through selling of pink facemasks. Like previous years, FPCL continues to demonstrate its support to the Fiji Cancer Society through awareness by means of a health walk from Sukuna Park, Suva City to FPCL Car Park in Walu Bay, followed by staff health check in partnership with MoHMS and a celebration with invited guest from Fiji Cancer Society and a Cancer Survivor.

All funds raised was donated to the Fiji Cancer Society to assist them financially in the treatment of their members and awareness to the general public.

Participants of the Pinktober Walk

Community Involvement

International Women's Day

2021 theme for International Women's Day was "Women in Leadership: Achieving an equal future in a COVID-19 World." FPCL celebrates the tremendous efforts by women in the organisation, their full and effective participation and leadership in all areas drives progress for everyone. This event was arranged by the men of FPCL where they invited Dr Nur Bano Ali; Business Advisor, President of Women in Business Fiji, Fiji Chamber of Commerce, Chair of South Pacific Stock Exchange Trustee and female advocate as Chief guest speaker. Lunch for ladies was also arranged and served by the men.

International Women's Day celebrations at FPCL Head Office in Muaiwalu House.

Homes of Hope - Christmas Eve Visits

With the hope of spreading the Christmas spirit in giving hope and support to those in need, FPCL visited the Homes of Hope residences to donate essential items. FPCL donated supplies such as blankets, pillows, stationaries, bed sheets, toiletries and more worth a total of $2,447.47 to the Homes of Hope foundation. This is a clear demonstration on FPCL's commitment to its values of Corporate Citizenship.

Members of FPCL Social Committee at the Homes of Hope donating supplies

Marketing & Communications

The Marketing and Communications Department is the primary connection for the organisation that links FPCL with the public and ensures constant open communication with its internal and external stakeholders. It plays an important role for building on and maintaining a positive image of the company that sustains and strengthens confidence in FPCL for both its customers and the public.

Strategies and marketing plans have been developed and implemented, aimed at improving the image of FPCL and increasing activities to ensure the best possible reputation for FPCL.

Media and Communications Highlights

- Improve corporate image of FPCL by raising the company profile in the public eye, media briefs and coverages were regularly offered to media contacts.
- Over 20 media briefs and responses to media enquiries were completed from June to December 2021 providing local media with updates, articles, and photographs on a regular basis with emphasis upon supplying material for the Shipping Pages.
- FPCL profile and advertising were placed in publications locally (Island Business Magazine 5-page spread) and internationally (APAC Outlook Magazine - 12 page coverage)
- Quarterly Wavu Newsletter continued to be compiled and distributed to customers and relevant stakeholders. The newsletter provided useful details to stakeholders of FPCL activities during the year, updates on FPCL COVID-19 responses, activities, events, Corporate Social Responsibilities – recognizing the achievements and accomplishments at FPCL.

Award – Oceania's Best Cruise Terminal 2021 for Port of Suva

The Port of Suva with the assistance from FPCL won the Oceania's Best Cruise Terminal 2021 at the World Cruise Awards. The World Cruise Awards aims to foster growth, innovations, and best practice in the cruise sector on a global scale. The achievement of the award puts the Port of Suva on a global scale and provides FPCL with an ideal marketing tool to promote award-winning products and services ahead of its competitors in the Cruise Tourism Sector for the Pacific.

Corporate Social Responsibility

FPCL has a social responsibility to its customers, community, shareholders, employees, and other relevant stakeholders to consider social and environmental matters. 2021 was a difficult year for many due to COVID-19 safety protocols of social distancing and no public gathering allowed, however FPCL still managed to continue to support organisations financially such as Fiji Cancer Society, Institute of Maritime Officer's Guild (IMOG), Society of the Blind, and Walk On Walk Strong (WOWS Kids). Donations and sponsorship of approximately $11,000 were made as part of FPCL corporate social responsibility in engaging the community and providing support for these organisations therefore ensuring FPCL is committed to its values of corporate citizenship.

OPERATIONAL EFFICIENCY

FPCL's Port Operations maintains standards, safety and protocols to the main Ports of Entry and other secondary ports throughout Fiji. FPTL an associate company of FPCL manages the cargo terminals in Suva and Lautoka ports.

Maintaining Port Operations is essential to FPCL's continued contribution to the nation's economic well-being and especially during the difficult times of the global pandemic. Ensuring 100% operation for maritime borders is vital for Fiji's trade. FPCL's Port Operations maintains standards, safety and protocols to the main Ports of Entry and other secondary ports throughout Fiji. FPTL an associate company of FPCL manages the cargo terminals in Suva and Lautoka ports.

FPCL's Port Operations includes Harbour Masters Office at the Ports of Suva and Lautoka including Piloting Movements and Tug Boat Movements, a Ports Security Unit, the overseeing operations at the Port of Levuka, and Local Wharf infrastructure management.

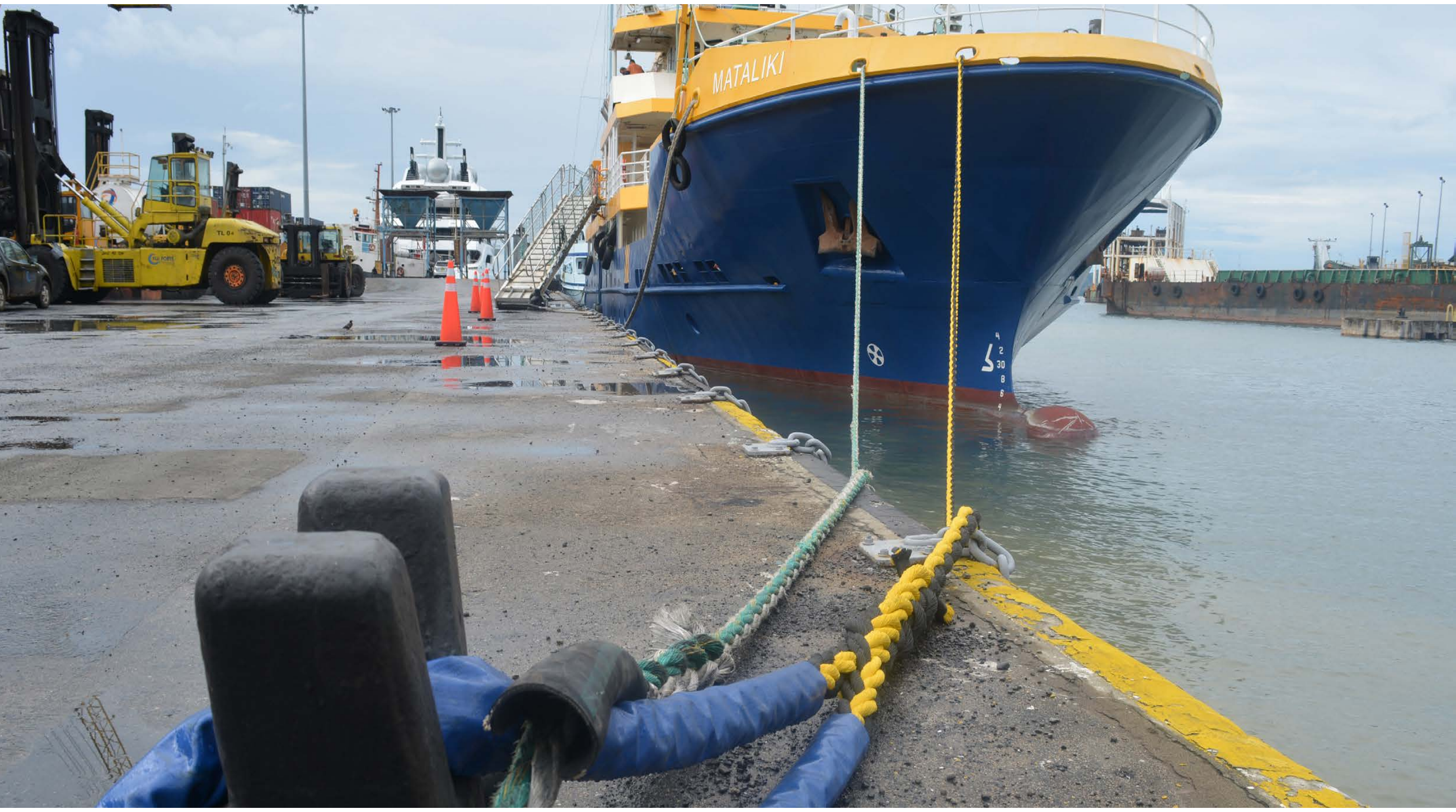
Despite major setback in travel due to the nationwide lockdown together with the imposition of curfew, Port Operations managed to maintain 100% operations at all FPCL wharves. Government allowed for importing and exporting via cargo ships throughout the COVID-19 pandemic to maintain economically vital flows of goods in and out of the country. Regardless of interisland maritime travel being greatly affected, Local Wharves - Muaiwalu I and II was closed to the public. Cargo vessels continued to bring in supplies therefore it was essential that FPCL Port Operations continued to provide service to all vessels that were allowed entry.

Pilot Boat -Senitakali

In May 2021, the pilot boat "Senitkali" underwent survey by MSAF to enable its first operations as a pilot boat to the North (Savusavu & Malau Port) ferrying pilots to carry out piloting duties.

Senitakli carried out its first voyage/operation to the North on the 12th of May, 2021 and underwent six trips to the Port of Malau for seven tanker and two Bulk Carrier Vessels. In the Port of Savusavu, it piloted four tanker vessels.

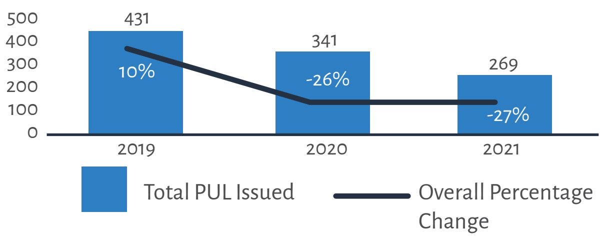
Senitakali generated revenue for repositioning and pilot boarding charges amounting to more than FJ$200,000.



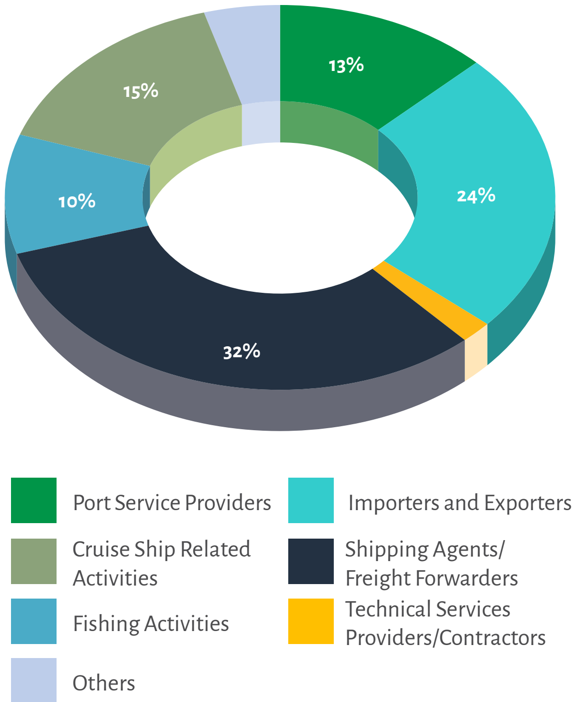
Number of Port User Licenses (PUL) issued

In 2021 Port User Licenses (PUL) issued by category decreased by 27% compared with 2020. This is attributed to the decrease in numbers for Cruise Ship Related Activities (-380%) and Port Service Providers (-306%). This decline is due to border restrictions imposed by the Fijian Government in light of COVID-19. However, there was an increase in Technical Services Providers/Contractors and Shipping Agents/Freight Forwarders. These were attributed to Import and Exports continuing and FPCL's continued strategy to ensure infrastructure and repairs maintained.

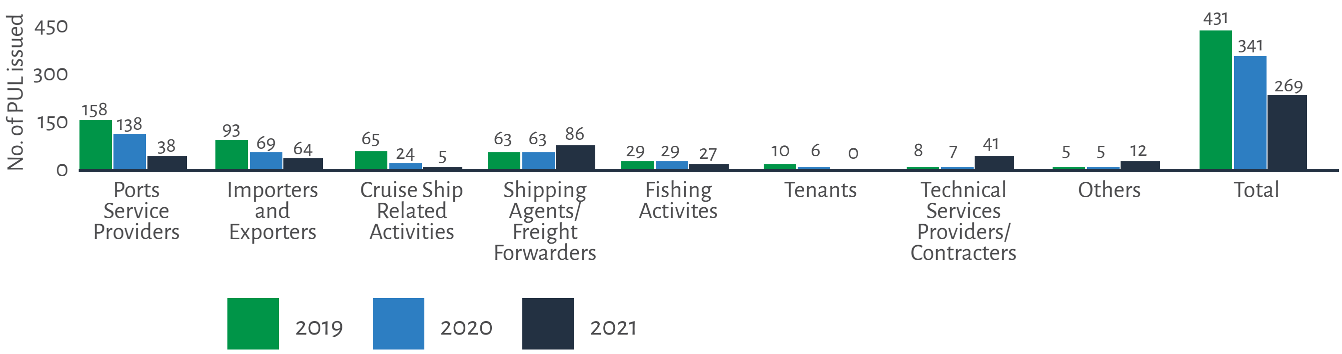
PUL issued (No. & % Change) (2019, 2020 and 2021)



No. of PUL issued by Category (2021)

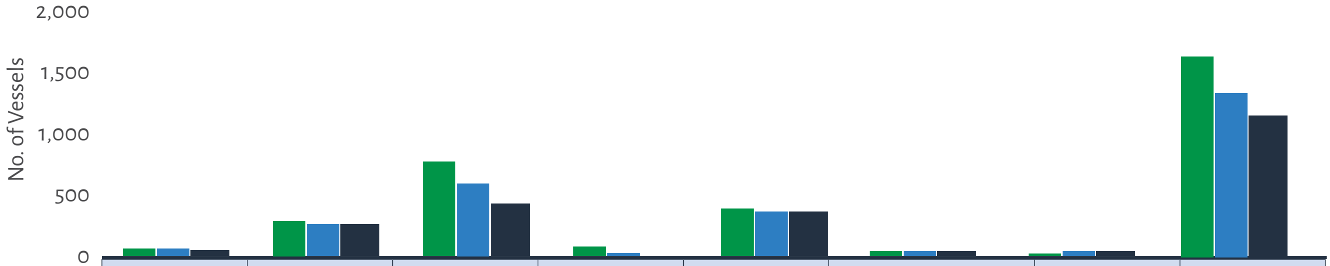


No. of PUL issued by Categories (2019, 2020 and 2021)



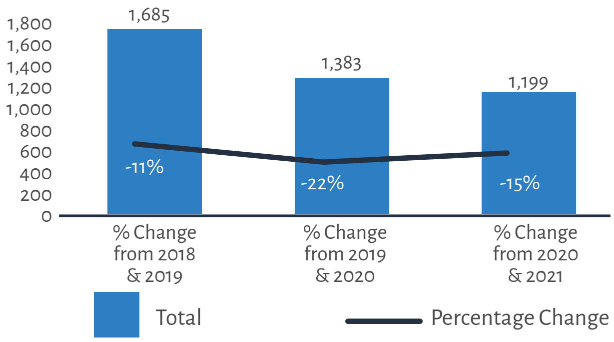
Total Vessel Calls By Type

Total Vessel Calls by Vessel Type (2019, 2020 and 2021)



	Dry Bulk	Liquid Bulk	Fishing	Cruise Liner	LOLO	RORO/LOLO	Car Carrier	TOTAL
2019	37	281	766	65	410	44	21	1,685
2020	39	263	593	31	361	45	29	1,383
2021	34	256	438	0	364	44	34	1,199

Total Vessel Calls by Vessel Type (No. & % Change) (2019, 2020 and 2021)



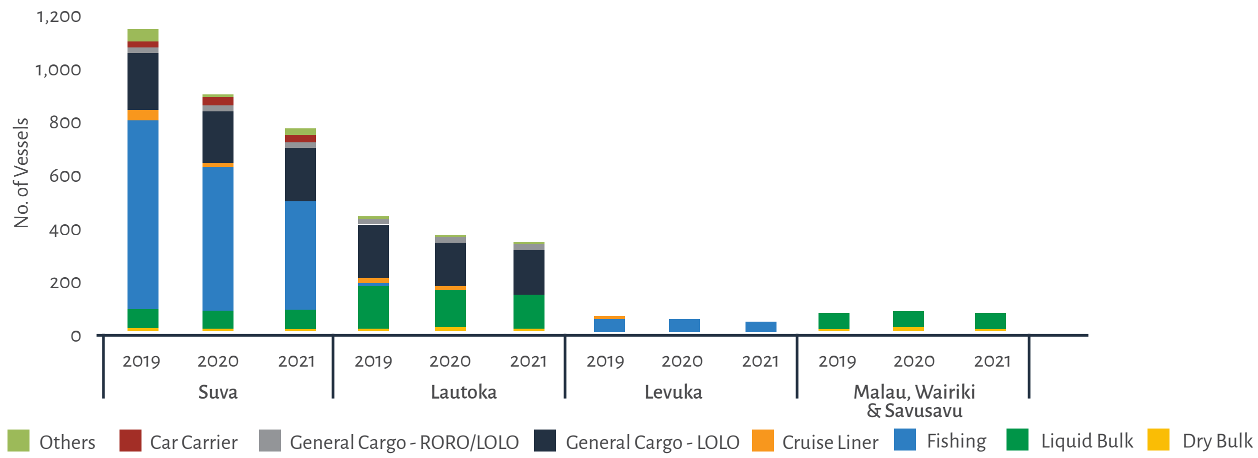
FPCL and UN Port Performance Mean Comparison

Variance Between UN Port Performance "Mean" vs. FPCL	Variance Between UN Port Performance "Mean" vs. FPCL	Variance Between UN Port Performance "Mean" vs. FPCL	Variance Between UN Port Performance "Mean" vs. FPCL	Variance Between UN Port Performance "Mean" vs. FPCL
20%	**-32,614**	**4,938**	**8,993**	**11%**
(increase as compared to UN Port Performance "Mean")	(decrease as compared to UN Port Performance "Mean")	(increase as compared to UN Port Performance "Mean")	(better than UN Port Performance "Mean")	(better than UN Port Performance "Mean")
UN Port Performance "Mean" 2016 38%	**UN Port Performance "Mean" 2016 374,940**	**UN Port Performance "Mean" 2016 194,908**	**UN Port Performance "Mean" 2016 49,715**	**UN Port Performance "Mean" 2016 23%**
FPCL 58%	**FPCL 342,325**	**FPCL 199,846**	**FPCL 40,721**	**FPCL 12%**
EBITDA as a percentage of TOTAL INCOME	**Revenue per Employee FJD (UN scorecard rates converted at 0.48)**	**EBITDA per Employee FJD (UN scorecard rates converted at 0.48)**	**Labour cost per Employee FJD (UN scorecard rates converted at 0.48)**	**TOTAL EMPLOYMENT cost as a percentage of TOTAL INCOME**

Total Vessel Calls By Type and By Port

Vessel Type	Suva			Lautoka			Levuka			Malau, Wairiki & Savusavu		
	2019	**2020**	**2021**	**2019**	**2020**	**2021**	**2019**	**2020**	**2021**	**2019**	**2020**	**2021**
Dry Bulk	11	9	8	16	16	16	-	-	-	10	14	10
Liquid Bulk	69	64	75	154	138	127	-	-	-	58	61	54
Fishing	711	542	402	8	-	-	47	51	36	-	-	-
Cruise Liner	39	15	-	24	15	-	1	1	-	1	-	-
General Cargo - LOLO	213	196	201	197	165	163	-	-	-	-	-	-
General Cargo - RORO/LOLO	22	23	22	22	22	22	-	-	-	-	-	-
Car Carrier	21	29	34	-	-	-	-	-	-	-	-	-
Others	47	14	21	14	8	8	-	-	-	-	-	-
Total	**1,133**	**892**	**763**	**435**	**364**	**336**	**48**	**52**	**36**	**69**	**75**	**64**

Vessel Calls by Type and Port (2019, 2020 and 2021)



Variance Between UN Port Performance "Mean" vs. FPCL

1%

(better than UN Port Performance "Mean")

UN Port Performance "Mean" 2016
0.95%

FPCL
2%

TRAINING COST as a per percentage of WAGES

Variance Between UN Port Performance "Mean" vs. FPCL

18%

(better than UN Port Performance "Mean")

UN Port Performance "Mean" 2016
18%

FPCL
36%

Vessel Dues as a percentage of TOTAL INCOME

Variance Between UN Port Performance "Mean" vs. FPCL

16%

(lower than UN Port Performance "Mean")

UN Port Performance "Mean" 2016
38%

FPCL
22%

Cargo Dues as a percentage of TOTAL INCOME

Variance Between UN Port Performance "Mean" vs. FPCL

4,196

(lower than UN Port Performance "Mean")

UN Port Performance "Mean" 2016
14,260

FPCL
10,064

Average gross tonnage per vessel

Variance Between UN Port Performance "Mean" vs. FPCL

194

(better than UN Port Performance "Mean")

UN Port Performance "Mean" 2016
116

FPCL
310

Tonnes per working hours for dry bulk

Variance Between UN Port Performance "Mean" vs. FPCL

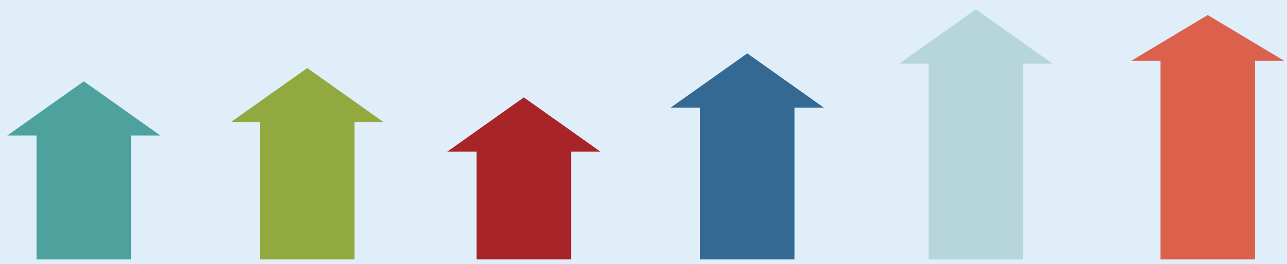
3%

(higher than UN Port Performance "Mean")

UN Port Performance "Mean" 2016
21%

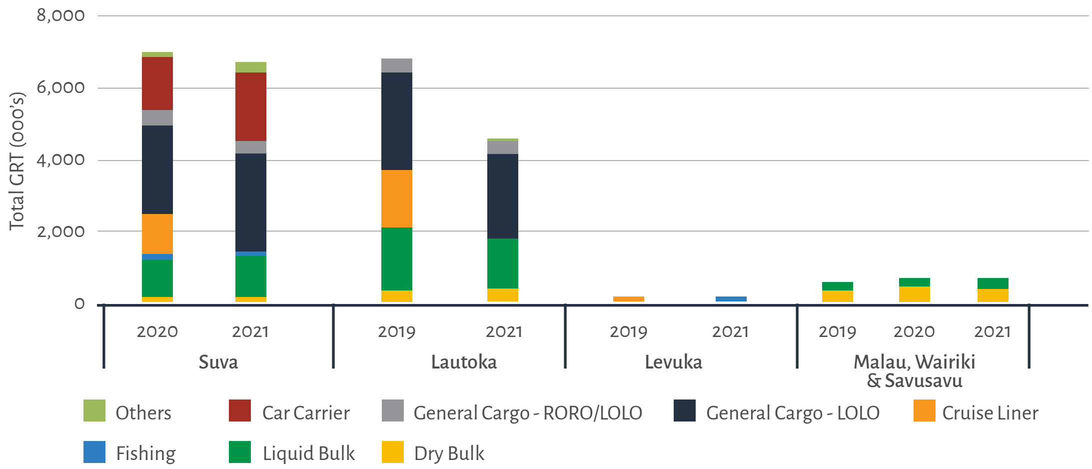
FPCL
24%

Female Participation Rate



Vessel Type	Total GRT (000's)											
	Suva			Lautoka			Levuka			Malau, Wairiki & Savusavu		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Dry Bulk	225	192	157	345	353	413	-	-	-	335	470	445
Liquid Bulk	1,231	1035	1176	1,761	1429	1395	-	-	-	270	280	255
Fishing	202	157	112	4	-	-	20	25	21	4	-	-
Cruise Liner	2,829	1109	-	1,669	1057	-	4	29	-	-	-	-
General Cargo - LOLO	2,747	2492	2723	2,661	2262	2367	-	-	-	-	-	-
General Cargo - RORO/LOLO	388	405	389	388	388	378	-	-	-	-	-	-
Car Carrier	1,071	1504	1928	-	-	-	-	-	-	-	-	-
Others	335	108	236	35	7	71	-	-	-	-	-	-
TOTAL	**9,028**	**7,002**	**6,721**	**6,863**	**5,496**	**4,624**	**24**	**54**	**21**	**609**	**750**	**700**

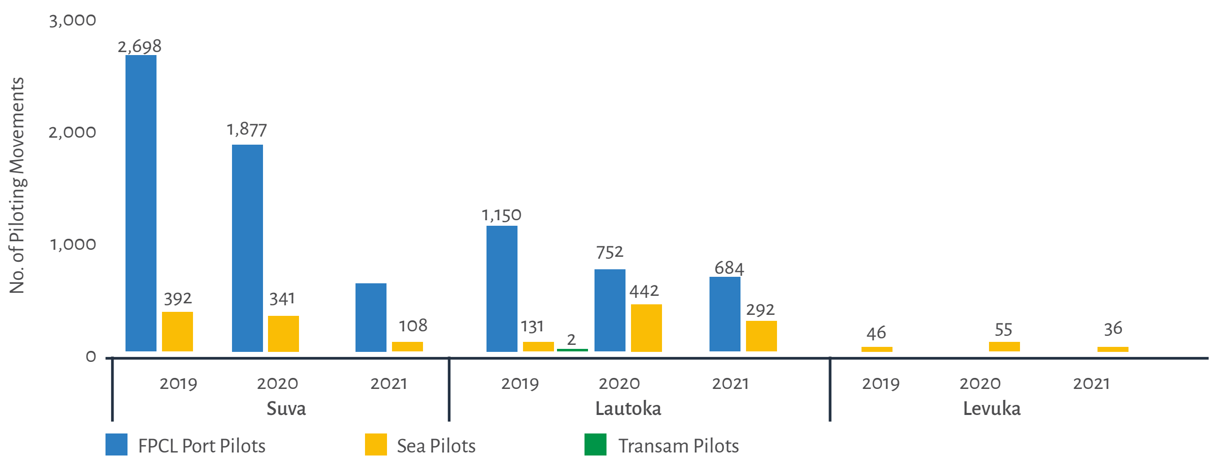
Vessel Calls by GRT and Port (2019, 2020 and 2021)



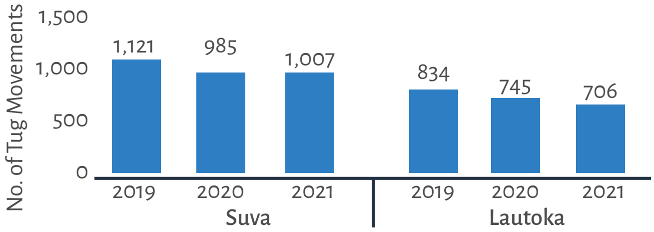
Piloting and Tug Movements

Piloting Movements	Suva			Lautoka			Levuka		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
FPCL Port Pilots	2,698	1877	639	1,150	752	684	-	-	-
Sea Pilots	392	341	108	131	442	292	46	55	36
Transam Pilots	-	-	-	2	-	-	-	-	-
TOTAL	**3,090**	**2,218**	**747**	**1,283**	**1,194**	**976**	**46**	**55**	**36**

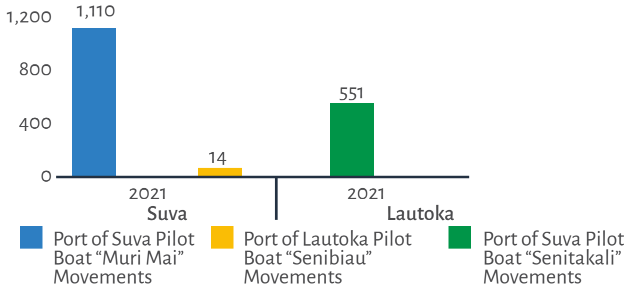
Piloting Movements by Port (2019, 2020 and 2021)



Tug Movements by Port (2019, 2020 and 2021)



FPCL Pilot Boat Movements for Port of Suva and Lautoka (2019, 2020 and 2021)



Port of Levuka

While COVID-19 intruded on Fiji and affected borders to the outer maritime islands, the Port of Levuka team (as part of the Lomaiviti/ Ovalau Taskforce) aided the Ministry of Health & Medical Services, Police and other Stakeholders in safeguarding the safety of those in the outer islands against the virus and ensuring operations continued for supplies so as not to be cut off from the rest of Fiji.

FPCL assesses potential for rejuvenating Port of Levuka

In March 2021, a team consisting of Head of Departments led by the CEO, visited the Port of Levuka to assess the feasibility and national support for the Port of Levuka upgrade and expansion.

As alluded earlier, in line with FPCL's 5-Year Strategic Plan (2019 – 2023), FPCL has planned for strategic investments in improving the existing infrastructures at all ports and other major projects which will benefit its clients, stakeholders, and shareholders. Immediate step for FPCL is to upgrade the deteriorating infrastructure with the long-term plan for diversification of services allowing for more vessels other than fishing vessels at the Port.

FPCL launched its Green Port Master Plan (2019 – 2023) which describes the approach and activities that FPCL will implement to reduce its environmental impact.

This masterplan aligns with FPCL's 5-Year Strategic Plan (2019-2023) and will assist with FPCL contributing to the achievement of several Sustainable Development Goals (SDGs).

Since its launch in 2019, FPCL has implemented a number of projects to achieve its objective over the last few years.

Green Port Dashboard

Dashboard was created in 2021 to give an overview of FPCL's progress in implementing its Green Port initiatives through activities which is listed in the Green Port Master Plan, aligning it to FPCL's vision and strategic plan. It provides a summary on FPCL's energy reduction and carbon footprint status. Further to this, information extracted from an energy tracker is maintained by the department.

FPCL GREENPORT DASHBOARD - NOVEMBER 2021

3,607Mwh FPCL's Average Energy Consumption per Annum	'An aspiring Smart-Green Gateway in the Pacific"	**1,291** tCO_2-e FPCL'a Carbon Footprint per Annum
11% Average Reduction of Energy Consumption over the last 5 years	**$1.1m** Total Invested	**11%** Average Carbon Footprint Reduction over the last 5 years
25% Expected Reduction of Energy Consumption by 2023	**13** Key Projects Implemented	**220** tCO_2-e Expected Carbon Footprint Reduction by 2023

FPCL Green Port Dashboard

Solar Energy Investment

FPCL has successfully installed two roof top Solar Systems, one 6kW and the other a 22kW system at Muaiwalu II facility in Suva. This venture will help fight climate change by reducing an average of 22 tons of carbon emissions each year. FPCL hopes to further expand the Solar implementation projects to other facilities in the years to come.

Green Spaces Endeavors

Muaiwalu II carpark has been designated as FPCL's green facility inclusive of a green space. This is part of realizing the Green Port initiative which is 'aimed to establish green space at our facilities'. Muaiwalu II Carpark is a pilot project, and this will be established in other FPCL facilities.

These green spaces will be monitored and maintained by FPCL.

Efficient Lighting Upgrades

Capitalizing on technological advancements, FPCL has prepared comprehensive plans to upgrade its dated lighting to LED and smart lighting systems at the facilities. This project hopes to reduce the electricity consumption cost and greenhouse gas emissions by an average of 50%. General office areas have been upgraded to LED lights, and the technical team is currently trialing out the port operational area lighting with smart technology that can be operated remotely while further reducing the energy consumption.

Smart Metering Systems

Tapping into smart technology; the Port of Suva water master meter has been upgraded from a mechanical meter to a smart meter, gauging desktop analysis of flow rate and pressure. FPCL later plans to install smart meters at its premises to track and monitor the consumptions of other FPCL facilities to reduce resource usage.

Aerial view of the completed Solar Panel installation at Muaiwalu 2 Waiting Shed.

Upgraded tower light with smart LED lighting at Port of Suva.

Blossoming flower bed at Muaiwalu 2 Carpark

SAFETY, SECURITY & TECHNOLOGY

FPCL remains committed to the health and safety of its staff, contractors, visitors, and the environment within FPCL facilities and authority.

SAFETY OVERVIEW

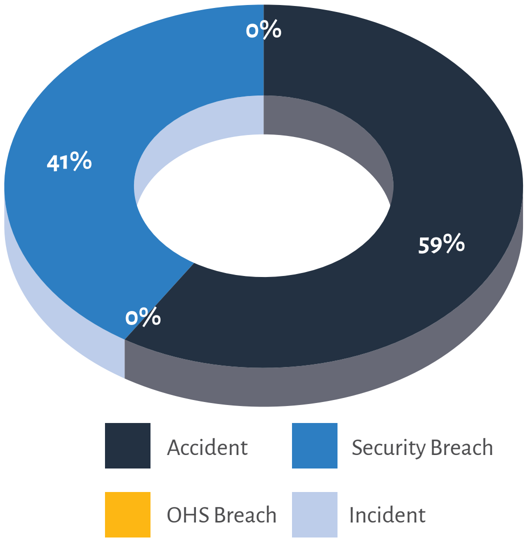
FPCL continues to make safety and security a top priority and ensures that all staff and Port users are always well protected.

Occupational Health and Safety

COVID-19 reinforced the need for resilient Occupational Health and Safety (OHS) systems to be in place and its importance for all businesses in terms of health, safety and security of all staff, customers, port users and stakeholders. During the year, FPCL's OHS staff and committee continued to work closely with FPCL's COVID-19 Response Team, ensuring that proper COVID-19 protocols were being practiced at all ports and facilities. Together, FPCL staff and stakeholders are committed to continue to build strong and effective OHS system needed to safeguard the well-being of FPCL's staff and general public.

Year 2021	OHS Breach	Accidents	Incident	Security Breach
Quarter 1	0	7	0	4
Quarter 2	0	5	0	3
Quarter 3	0	7	0	4
Quarter 4	0	4	0	5
Total	**0**	**23**	**0**	**16**

Occupational Health & Safety Update



OHS Unit’s Pivotal Role During COVID-19

1. Procurement of COVID-19 PPEs and other cleaning and disinfectant required for the cleanliness of work area while monitoring the issuing and usage of these items procured. The OHS team also recommended the procurement of Oxygen Concentrator.
2. Assisted in carrying out incineration for COVID-19 wastes from MoHMS, as well as being part of the decontamination Team at Kings Wharf / Muaiwalu 1 & 2 and Muaiwalu House. Decontaminations were carried out with the cleaners and FPCL’s Asset Management team in areas where positive cases were confirmed.
3. Update of the COVID-19 Vaccination Dashboard. The Vaccination Dashboard was also helpful in acting as a reminder to staff for second doses and booster shots upon staff’s eligibility.
4. Development of an in-house application (app) to capture the employee’s vaccination status.

SECURITY OVERVIEW

Ports’ Safety and Security Maintained

FPCL’s Safety and Security abide by the International Ship and Port Facility Security (ISPS) code in keeping FPCL facilities and maritime borders secure and protected.

FPCL Port Security regularly conducted and attended meetings with various relevant stakeholders including Fiji Police WaterPol Unit, Fiji Revenue and Customs Services, Ministry of Defence – National Security and Policy Division and contracted security service provider. The discussions revolved around common threats within the maritime industry, thefts and robberies, smuggling activities, critical infrastructure assessments and other appropriate security measures.

In light of the COVID-19 pandemic, FPCL Port Security amended its ISPS Induction Training content and initiated regular online training sessions for all Port Users. This training is compulsory for all persons requesting access to the port facilities. The training includes introduction to the ISPS Code, maritime security threats, maritime security levels, security restricted areas and port security procedures.

Security Team manning the entrance to South Gate Port of Suva

COVID-19 Access Control Procedures

The COVID-19 pandemic will forever be remembered as that pandemic that changed the world forever. FPCL faced the challenge and successfully kept its ports open while ensuring that the port users, customers and stakeholders are safe.

FPCL Port Security adopted strict measures in line with MoHMS protocols. These included amongst others; continuously enforcing the use of COVID-19 PPE, temperature checks and CareFiji QR Code scanning for entry and exit. FPCL Port Security also ensured that there is no contact with crew members from foreign vessels. All crew repatriations were conducted in collaboration with the MoHMS.

Reef Endeavour

The ‘Reef Endeavour’ berthed at Princess Wharf on 5th June 2021, where it was assigned to house the staff members of the MoHMS and the Fiji Emergency Medical Assistance Team. With increasing positive COVID-19 cases during the second wave and the partial closure of the CWM Hospital due to the COVID-19 outbreak, the National Gymnasium was set up as FEMAT Hospital. Upon request from MoHMS, Reef Endeavor was permitted to berth at Princess Wharf to facilitate the medical emergency operation. FPCL Port Security developed and implemented Operating Procedures to enable the operation and mitigate the potential risks to all Port Users. On 16th September 2021, Reef Endeavor unmoored from Princess Wharf after a successful operation.

Operation ‘Portcullis’

FPCL continuously collaborates with Fiji Revenue and Customs Services (FRCS) and various border control agencies in Operation ‘Portcullis’ in tackling illegal activities at seaports. Operation ‘Portcullis’ is led by FRCS. By definition, Portcullis is a strong, heavy grating that can be lowered down a gateway to block it. Operation Portcullis is an integrated border control operation that targets illegal activities at Fiji Ports.

FPCL shares a MOU with FRCS on CCTV Surveillance – monitoring and cost sharing. There have been a number of incidents where FPCL Port Security Team have detected illegal activities unfolding and alerted the FRCS and other relevant authorities. FPCL Port Security has plans to initiate joint harbor patrols in partnership with FRCS in 2022. There is zero-tolerance for illegal activities at the ports.

Security checking in Contractors at the Port of Suva

CCTV Surveillance System Upgradation

FPCL has initiated its CCTV Surveillance System Upgradation project at all its wharves. The project will further strengthen the port security system and will provide full coverage at Kings Wharf, Muaiwalu I, Muaiwalu II in Suva and Queens Wharf, Kings Jetty in Lautoka. Four (4) new cameras were installed in the Port of Suva while three (3) new cameras were installed in the Port of Lautoka. The new cameras have a high resolution 4MP and optical zoom capability of 42x. The project continues into 2022, wherein furthermore cameras will be installed to ensure zero blind spots.

CCTV cameras being installed at the Port of Suva

Hybrid Model for Contracted Security Guards

FPCL Port Security initiated a hybrid structure framework contracting two independent security service providers; Guard Force (Evergreen International) at Suva and Pioneer Security Services at Lautoka. The two security service providers are engaged separately, on independent contracts with FPCL. The Hybrid Model lends a competitive aspect to the structure which in turn increases the efficiency of the service providers. It also allows for more creativity for troubleshooting/ problem solving any operational issues that may arise. The Hybrid Model also provides a back-up solution in the event of any compliance issues of any one service provider. The structure allows for monitoring performances of the service providers against each other.

Internal VHF Radio Communication Link

FPCL Port Security procured 15 VHF Handheld Radios to establish communication between all wharves. Port of Suva North Gate, South Gate and Patrol Guards, Muaiwalu I, Muaiwalu II and Port of Lautoka are now effectively in two-way communication with the 24-hour manned Control Room in the FPCL Port Security Office. Portable two-way radios are essential in security work in providing instant communication between the sites. Radio communication enables security teams to communicate quickly and efficiently, allowing immediate notifications and prompt security actions.

TECHNOLOGY OVERVIEW

As part of FPCL's 5-Year Strategic Plan, technology has been identified as a strategic goal which is mentioned as Strategic Goal 6 – Safety, Security and Technology - "Adopt Smart Port initiatives to achieve best practice in International Port Security and safe working environment". This goal identifies for the organisation to have an overall Information Systems Strategic Plan (ISSP), which would envision the path for achieving the strategic goal.

The development of the ISSP is in-line with the vision of FPCL ICT department to be the business enabler for FPCL on the digital frontier, aiding FPCL to achieve greater heights in the maritime industry.

With COVID-19 still having its impact on the year 2021, the focus was on ensuring staff were able to work remotely without disruptions to FPCL services. Following projects were undertaken to enhance and upgrade services to better serve business needs. These projects formed part of the following strategies:

- Network resilience strategy
- Data & Information protection strategy
- Automation & Digitalization strategy
- Asset Management strategy

These above strategies are derivative of the eight (8) pillars that have been defined in the ICT Information Systems Strategic Plan (ISSP).

Network Resilience Strategy

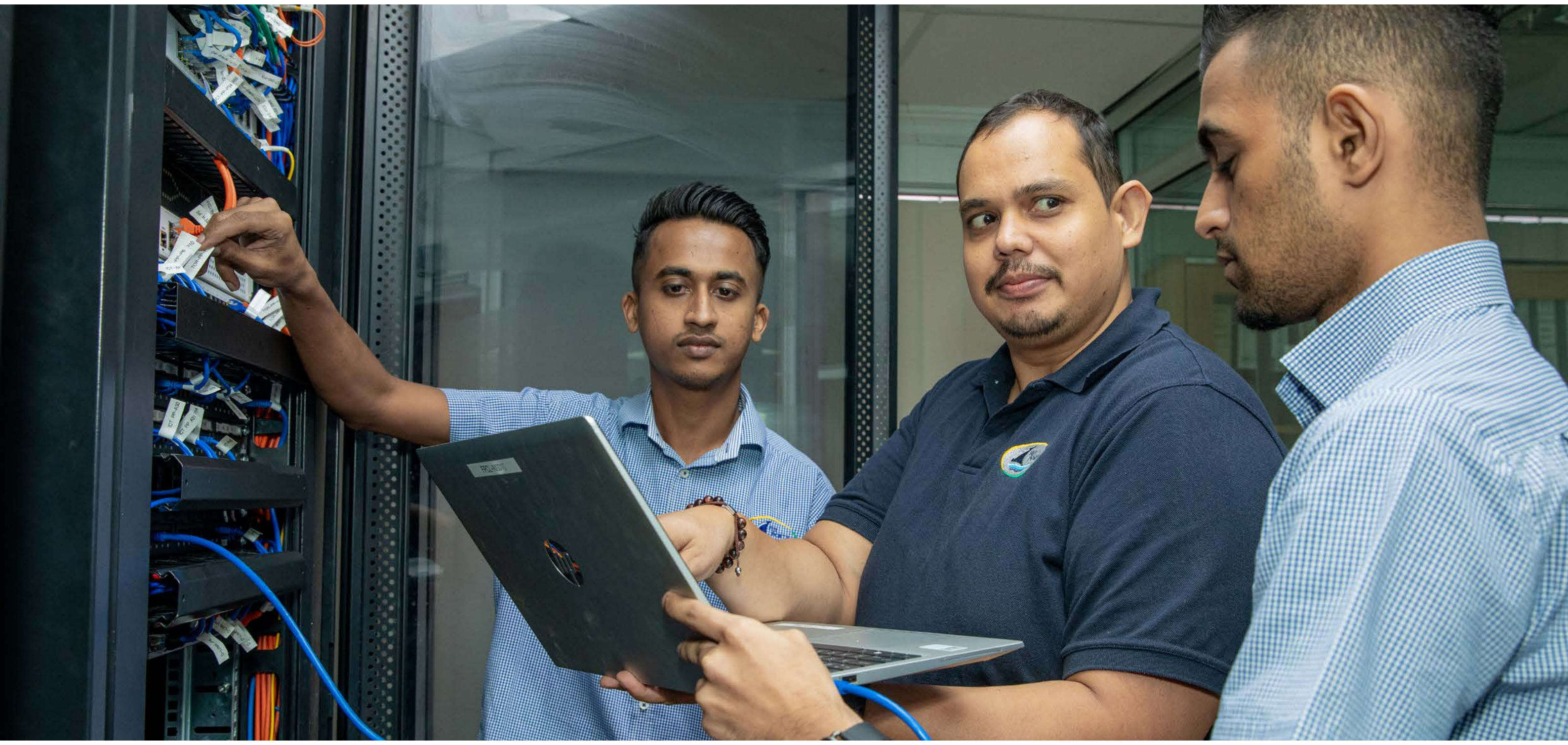
With the shift of dynamics in the working environment due to COIVD-19 pandemic , saw increase in staff working from home and providing services remotely. The Network Resilience Strategy sought to ensure a proactive approach that guaranteed connectivity of core systems are maintained, allowing for staff to access information systems remotely without any issues. Following projects were carried out as part of this strategy:

1. **PRTG Network Monitoring Tool -** The project was initiated and implemented to compliment Solarwinds Network Monitoring system. The system monitors network nodes in real-time providing bandwidth utilization and status. It also monitors critical servers and services that are running allowing for the ICT team to be more proactive in identifying issues and outages.

2. **Implementation of Forti Analyzer -** Forti Analyzer is an analytical system which provides deep insights into advanced threats through Single-Pane Orchestration, Automation & Response for the entire attack surface to reduce risks and improve the organisation's overall security. Integrated with Fortinet's Security Fabric, Forti Analyzer simplifies the complexity of analyzing and monitoring new and emerging technologies that have expanded the attack surface, and delivers end-to-end visibility, helping to identify and eliminate threats.

3. **Implementation of Forti Manager-** Forti Manager is a management system which provides Automation-Driven Centralized Management of Fortinet devices from a single console for full administration and visibility of the network devices through streamlined provisioning and innovative automation tools. Integrated with Fortinet's Security Fabric, the advanced security architecture and Forti Manager's Automation Driven Network Operations capabilities provide a solid foundation to secure and optimize network security.

4. **Core Network High Availability -** As part of building resilience with FPCL network, project was done to introduce redundant Firewall and core-switch to achieve high availability. FPCL utilizes Fortinet technology for its firewall and core network connectivity and these devices are the heart of connectivity and security for FPCL. As such, it is paramount to ensure availability of service and a project is earmarked for implementing additional firewall and network switches to introduce high availability.



Data and Information Protection Strategy

This strategy ensures that data, information and communication are protected allowing for staff to have extra security protection while working from home. Following projects were undertaken as part of the strategy:

1. **Laptop Encryption**
   This project was done to facilitate full disk encryption on laptops to ensure that business critical data and information is not leaked during the theft of a laptop, FPCL focuses on data protection strategy. To assist in strengthening data security, the system was successfully implemented in September 2021 and majority of FPCL laptops encrypted.

2. **Email Security**
   This project was initiated to reduce SPAM and Phishing emails that were being sent to users to harvest user credentials. To minimize and eliminate threats, FPCL implemented SPAM Titan that scans and filters emails before it reaches end users, effectively reducing threats associated with the email.

Automation and Digitalization Strategy

The aim of this strategy is to introduce automation and digitalization to existing processes to increase efficiency and accuracy by re-engineering and enhancing existing process, eliminated manual entries and reduced the need for physical contact.

Smart Forms were created to capture input, reducing the utilization of printed paper forms. This is also in line with FPCL's vision of being the Smart, Green Gateway for trade in the Pacific region. Following projects that were undertaken as part of the strategy:

Digitalization, Development and Implementation

Following applications (Apps) were designed, developed and implemented in-house to enhance and upgrade existing business applications to better service business needs.

- **Purchasing & Logistics Requisition** – this is an internal systems app used by FPCL staff to submit a logistics request electronically. HOD's can approve/decline using the app. Procurement can receive and process approved LR's and update status. This is a more efficient system to for processing LR's.

- **Smart Forms** – department forms which are electronically fillable to allow for easy and readily analytics for reporting purposes.

- **Berthing Application System Web App (International Berths)** – A web app was developed to facilitate electronic filling and submission of berthing applications by external users. The app is used to manage berthing applications received, berthing schedules, invoice checking, and data analysis.

- **Vessel Information Management System (Phase 1)** – the app is designed and developed to provide a more robust system for data entry, storage, reporting and analytics to provide better insights for decision making by the Operations team on vessel schedule departure/arrivals, berthing details for Port operations.

- **New Project Assignment App (Phase 2)** – the initial app needed updating to include more functionalities for more value adding. The app was designed to include details and updates of projects that are linked to FPCL's strategic goals.

- **FPCL & FSHIL Vaccination** – During peak time of COVID-19 pandemic, it was crucial to monitor vaccination status of each employee at FPCL and FSHIL for their first and second doses. The use of this app was enabled to eliminate human errors during data entry and made the process efficient.

Dashboard and Customized Reporting

Implementation of reporting systems to offer dashboard reporting which can provide both holistic and granular view of the information. This has enabled reports to be customized as required by various department and generate on-demand increasing the turn-around time. A sub activity for the same will be to setup a data warehouse for reporting purpose.

To make this data useful, automated reports and dashboards can be created to transform these data into meaningful information and which can be used for decision-making and improve planning.

Following reports/dashboards have been developed to facilitate automated and customized reports:

- Purchasing & Logistics Requestion
- ICT New User Requests
- OHS PPE Requests
- OHS PPE Inventory
- OHS Incident Reports
- Project Assignment (Phase 1)
- Project Assignment (Phase 2)
- Transport Usage
- Vaccination – FPCL
- Vaccination – FSHIL
- Vessel Information Management System

Asset Management Strategy

The aim of this strategy is for the ICT department to be cognizant of all ICT assets and its location. This would enable the department to identify obsolete ICT infrastructure to support efficient day to day operations at FPCL & FSHIL. The following was undertaken as part of this strategy:

- **Health Check – Device Replacement**

  As part of the ISSP initiatives, quarterly health check of end user devices are conducted. This check was inclusive of devices that were under the custody of the user.

  This check enabled FPCL to further understand the current condition of devices, warranty status and update the Fixed Assets Register with the most current asset information.

FIJI SHIPS & HEAVY INDUSTRIES PTE LIMITED

From January 2021, the 500T slipway was fully operational however, the rails and underwater structures are planned for rehabilitation works in 2022.

Highlights

- FSHIL Dashboard Reporting
- ISO 9001:2015 Recertification
- Decommission of 1000Ton
- 1000T mid-section cradle extension
- Major Hull repair for Fishing vessels totaling to over $700k
- Replacement of Electrical Kiosk

Financial Performance

Fiji Ships & Heavy Industries (FSHIL) continued to experience loss in 2021 due to the adverse effects of COVID-19 border closures and the ageing slipway infrastructure contributing to an increase in expenses. However, although borders remained closed, FSHIL repaired a total of 31 vessels in 2021 compared to 28 vessels in 2020. Prior to 2019, FSHIL was able to repair over 120 vessels in a year. Vessel turnover continues to remain low as Asian fishing vessels that account for 80% of vessel repairs a year returned to their country for crew changes and vessel annual surveys.

Total expenses decreased by $140k or 5% over 2021 which is mainly attributed to control of overhead costs as there were less slipway breakdowns when compared to 2020. Staff worked on rostered days therefore savings on salary and wages, indirectly other related costs such as employer FNPF and FNU levy payments were also lower. To further assist in maintaining expenses, other cost cutting initiatives such as reduced security services, control on administrative expenses and other controllable expenses were implemented to cushion the impact of COVID-19 and losses made by the company.

The capitalization of 500T cradle project in December 2020 contributed to a higher depreciation expense in FY 2021. From January 2021, the 500T slipway was fully operational however, the rails and underwater structures are planned for rehabilitation works in 2022.

Despite the challenges in 2021, the company was able to meet the financial obligations throughout the year. FSHIL' s financial position remained strong with a cash balance of $2.7m and a low gearing of 0.09. However, due to a loss of $587k for FY 2021, retained earnings had declined significantly.

NPAT has increased by $145k (19.81%) over 2021. The losses made would have been greater if Management had not implemented various cost cutting methods. Implementation of control processes in terms of deposit collections for vessel repairs helped improve on debtor days. There had been no new debtors in 2021 and the company was also able to reduce aged and slow-moving debts substantially.

Slipways

- 200 tonne slipway (to be upgraded to 500 tonne for 46 metre vessels with 11 metre beams)
- 500 tonne slipway (46 metre vessels with 11 metre beams)

FSHIL Organisation Structure & Change Management Steering Team

Governance
- Executive Management
- Legal Unit
- Risk & Compliance Unit (FPCL)

Financial
- Finance Department
- Business Information Unit
- Procurement Unit

Sustainability & Environment
- Environmental Management Unit
- Energy Management Unit

Infrastructure
- Assets Management (FPCL)
- Projects Unit

ACC — Finance & ITC
- Budget Income Forecast
- CAPFX/OPFX/Finance Risks Check & Balance/Financial Report, P&L Statement
- Stores & Transport

OM — General Management
- Product on Department
- HR Department
- Technical & Estimation Department
- Quality Assurance Department

WM — Slipway Operations
- Slipway
- Steel
- Water Blasting/Painting/Boat Buildings
- Carpentry and Joinery
- Engineering
- Heavy Industries

HRC — Organization
- Skills & Knowledge Development
- Motivation, OMS and Capacity Building
- Strategic Goals, KPI, Monitoring and Check and Balance Control System.

SE — Technical & Estimation
- Onboard Assessment Survey Report
- Quotation & Invoice Template
- Ship Design, Workshop Drawings & Drafting Works/Ship Repair & Heavy Industries.

QAO — Quality Systems
- ISO 9001:2015
- Standard Operation Procedures (SOP)
- Quality Checklist/IACS/MSAF Reg. Risk Management

Workforce

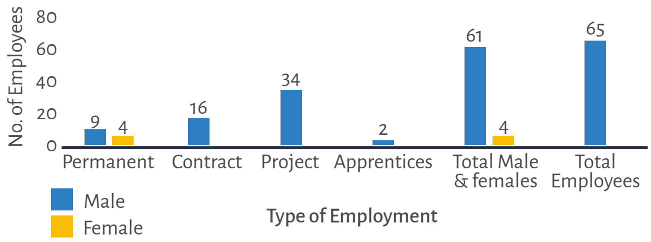
FSHIL is committed to acquiring, retaining and developing the right people with the right skills to ensure a stable, professional and well-qualified workforce that adheres to national and international codes of OHS.

FSHIL employed total of 65 employees as of 31st December 2021. FSHIL operated with 50 (77%) employees at FSHIL's site and 15 (23%) engaged at FPCL's port maintenance projects as part of FSHIL and FPCL manpower sharing initiative to reduce employment expense.

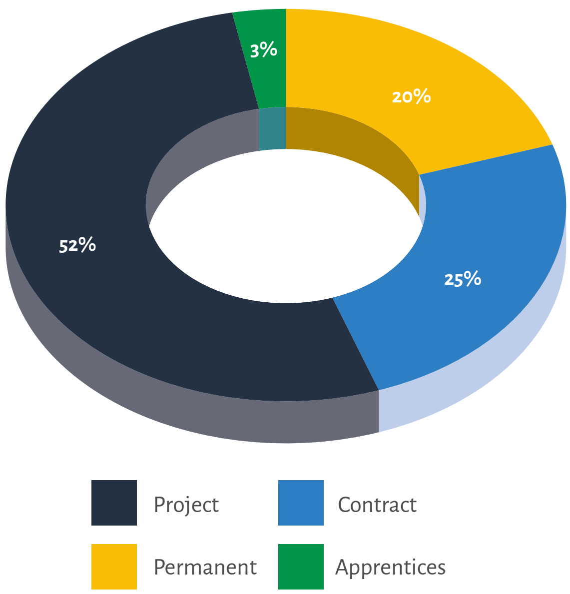
Project employees account for highest 52% of FSHIL workforce, followed by 25 contract employees, 20% permanent employees and 3% apprentices.

Workforce trend for 2021 shows decrease in number of employees in the last quarter of the year, this is due to decline in number of projects due to COVID-19 pandemic and ageing infrastructure.

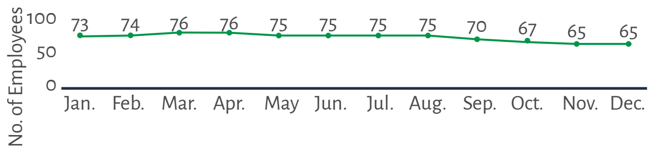
Type of Employment and Gender Distribution (2021)



Workforce Distribution (2021)



Workforce Trend (2021)

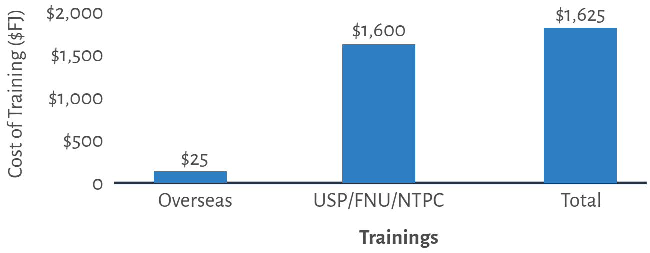


Trainings

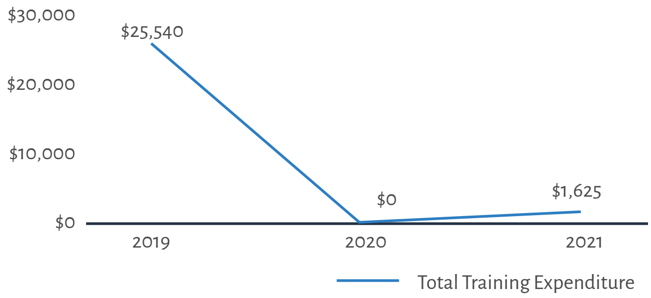
The Human Resource Department of FSHIL provides opportunities for employees to expand their knowledge and uplift their skills and abilities to be further effective in a working environment. The Training Plan for 2021 focused on the ongoing education for all employees. Employees were recommended and referred to trainings, workshops, seminars and webinars that will expand their knowledge in their field of expertise.

Due to COVID-19 restrictions, many trainings were put on hold. FSHIL quickly adapted the advantages of virtual training and initiated multiple trainings both internationally and local training, webinars, seminars and other forms of learning.

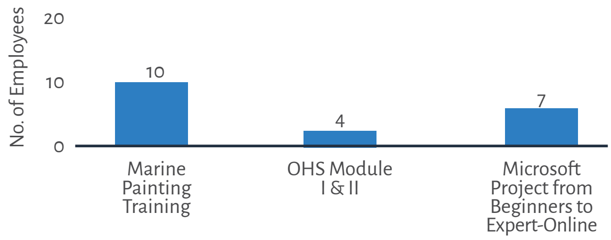
Training Expenditure (2021)

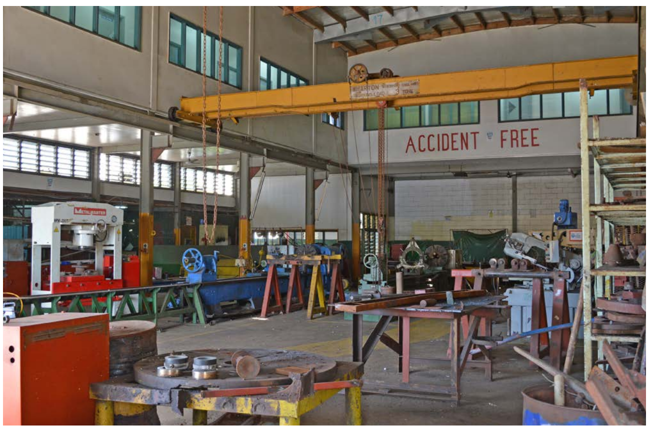


Total Training Expenditure (2019, 2020 and 2021)



Training Attendance (2021)





Projects at FSHIL

Although manpower was kept at minimum, FSHIL still progressed with some projects. These projects included major and minor repair and maintenance for fishing vessels totaling to over $700k.

- Major Hull repair for Fishing vessel XinYa11 was conducted on the Starboard and Port side with around 80m² of area.
- Repairs and maintenance works completed for Qio Ni Laucala and MV Iloilovatu. Water blasting and painting along with a few steel and engineering works were conducted in order to make these vessels seaworthy.
- Replacement of Electrical Kiosk. Four electrical kiosk at the berthing area on the 1000T Slipway was replace and upgrade to stainless steel housing which is more reliable and suitable to the Suva weather.
- 1000T mid-section cradle extension. This project started in November 2021 and is expected to be completed in 2022. Grit blasting and paint has been conducted with reassembling of the midsection cradle underway ready for consultants inspection.

Decommission of 1000Ton

- In late November 2021, the 1000T slipway was decommissioned due to numerous issues occurring during the down hauling of vessels process which would have created a lot of risk and expense to both to the customer and FSHIL. To counter this, FSHIL is focusing on its Heavy Industries of sandblasting, water blasting, paint works, structural works and engineering works to ensure revenue to FSHIL.

FIJI PORTS CARGO & VESSEL STATISTICS

Foreign Vessels (excluding Fishing)			
Year	Nos	GRT	100 GRT/HS
2008	852	9,368,207	2,127,985
2009	865	9,936,397	1,631,796
2010	836	9,922,208	1,941,675
2011	739	9,180,823	2,288,756
2012	719	8,636,293	2,313,947
2013	952	14,636,282	3,205,089
2014	926	15,929,778	2,952,331
2015	900	14,546,797	3,245,154
2016	936	17,637,430	3,559,033
2017	1,083	20,974,320	4,040,687
2018	979	17,654,116	3,655,158
2019	919	16,304,021	3,540,229
2020	790	13,124,514	2,932,466
2021	761	11,933,294	2,811,352

2018 Foreign Vessels (excluding Fishing)			
Vessel Type	Nos	GRT	100GRT/HRS
Cruise	64	4,837,799	496,315
Dry Bulk	34	821,172	549,915
Liquid Bulk	298	3,657,892	645,839
LOLO	440	5,831,296	1,444,402
LOLO/RORO	47	808,998	143,735
Car Carrier	29	1,404,504	167,848
Others	67	292,455	207,104
Total	**979**	**17,654,116**	**3,655,158**

2019 Foreign Vessels (excluding Fishing)			
Vessel Type	Nos	GRT	100GRT/HRS
Cruise	65	4,507,764	454,710
Dry Bulk	37	905,843	750,902
Liquid Bulk	281	3,262,813	439,472
LOLO	410	5,408,069	1,371,234
LOLO/RORO	44	776,490	122,884
Car Carrier	21	1,071,779	103,403
Others	61	371,263	297,625
Total	**919**	**16,304,021**	**3,540,229**

2020 Foreign Vessels (excluding Fishing)			
Vessel Type	Nos	GRT	100GRT/HRS
Cruise	31	2,194,742	281,410
Dry Bulk	39	1,015,369	718,737
Liquid Bulk	263	2,744,582	443,369
LOLO	361	4,757,179	1,210,339
LOLO/RORO	45	793,601	120,921
Car Carrier	29	1,503,645	134,931
Others	22	115,396	22,759
Total	**790**	**13,124,514**	**2,932,466**

2021 Foreign Vessels (excluding Fishing)			
Vessel Type	Nos	GRT	100GRT/HRS
Cruise	-	-	-
Dry Bulk	34	986,066	553,939
Liquid Bulk	256	2,826,469	397,254
LOLO	364	5,090,086	1,436,893
LOLO/RORO	44	767,322	135,249
Car Carrier	34	1,927,872	188,903
Others	29	335,479	99,114
Total	**761**	**11,933,294**	**2,811,352**

Local Vessels 2018			
Vessel Type	Nos	GRT	100GRT/HRS
RORO/ Passenger	392	1,419,547	2,785,878
Conventional	183	45,508	223,755
Fishing/ Others	1,980	494,605	1,573,862
Total	**2,555**	**1,959,659**	**4,583,495**

Local Vessels 2019			
Vessel Type	Nos	GRT	100GRT/HRS
RORO/ Passenger	831	1,586,970	36,737
Conventional	174	41,089	979
Fishing/ Others	2,354	394,509	136,040
Total	**3,359**	**2,022,568**	**173,756**

FIJI PORTS CARGO & VESSEL STATISTICS

Local Vessels 2020			
Vessel Type	**Nos**	**GRT**	**100GRT/HRS**
RORO/ Passenger	783	1,190,283	5,099,854
Conventional	702	158,510	1,485,509
Fishing/ Others	916	503,251	491,990
Total	**2,401**	**1,852,044**	**7,077,353**

Local Vessels 2021			
Vessel Type	**Nos**	**GRT**	**100GRT/HRS**
RORO/ Passenger	851	971,514	3,076,712
Conventional	634	130,821	941,185
Fishing/ Others	1,126	291,446	193,155
Total	**2,611**	**1,393,781**	**4,211,052**

Cargo Throughout 2018			
Type	**Import**	**Export**	**Total**
Break Bulk	89,924	5,841	95,765
Dry Bulk	287,221	392,248	679,469
Liquid Bulk	460,144	191,811	651,955
MV Bulk	178,557	1,703	180,260
Total Foreign Cargo	1,015,846	591,603	1,607,449
Total Local Cargo	113,727	163,478	277,205
Total Cargo Fiji	**1,129,573**	**755,081**	**1,884,654**

Cargo Throughout 2019			
Type	**Import**	**Export**	**Total**
Break Bulk	40,875	950	41,825
Dry Bulk	355,669	540,750	896,419
Liquid Bulk	805,103	145,940	951,043
MV Bulk	131,308	3,442	134,750
Total Foreign Cargo	1,332,954	691,083	2,024,037
Total Local Cargo	217,247	443,256	660,503
Total Cargo Fiji	**1,550,201**	**1,134,339**	**2,684,540**

Cargo Throughout 2020			
Type	**Import**	**Export**	**Total**
Break Bulk	25,093	4,490	29,583
Dry Bulk	284,894	458,988	743,882
Liquid Bulk	590,768	192,713	783,480
MV Bulk	74,732	1,874	76,606
Total Foreign Cargo	975,487	658,065	1,633,551
Total Local Cargo	101,009	145,444	246,452
Total Cargo Fiji	**1,076,495**	**803,508**	**1,880,004**

Cargo Throughout 2021			
Type	**Import**	**Export**	**Total**
Break Bulk	21,048	11,745	32,793
Dry Bulk	258,916	574,588	833,504
Liquid Bulk	555,241	158,136	713,377
MV Bulk	112,037	1,420	113,457
Total Foreign Cargo	947,241	745,890	1,693,131
Total Local Cargo	160,395	103,030	263,424
Total Cargo Fiji	**1,107,636**	**848,919**	**1,956,555**

Containerised Cargo 2018			
Type	**Laden**	**Empty**	**TEUs**
20Ft	77,512	43,219	120,731
40Ft	17,476	12,653	60,258
Total	**94,988**	**55,872**	**180,989**
Tonnage @ 25/ teu container			4,524,725

Containerised Cargo 2019			
Type	**Laden**	**Empty**	**TEUs**
20Ft	73,908	39,433	113,341
40Ft	15,071	11,978	54,098
Total	**88,979**	**51,411**	**167,439**
Tonnage @ 25/ teu container			4,185,975

Containerised Cargo 2020			
Type	**Laden**	**Empty**	**TEUs**
20Ft	67,698	32,560	100,258
40Ft	14,474	9,641	48,230
Total	**82,172**	**42,201**	**148,488**
Tonnage @ 25/ teu container			3,712,200

Containerised Cargo 2021			
Type	**Laden**	**Empty**	**TEUs**
20Ft	76,270	40,203	116,473
40Ft	15,193	10,234	50,854
Total	**91,463**	**50,437**	**167,327**
Tonnage @ 25/ teu container			4,183,175

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

03.

FINANCIAL STATEMENTS

FIJI PORTS CORPORATION LIMITED and its Subsidiary
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

In accordance with a resolution of the Board, the Directors present their report on the consolidated entity consisting of Fiji Ports Corporation Limited ("the Company") and its subsidiary (collectively "the Group") as at 31 December 2021. Financial comparisons used in this report are of results for the year ended 31 December 2021 compared with the year ended 31 December 2020.

The historical financial information included in this Directors' Report has been extracted from the audited Financial Statements accompanying this Directors' Report.

Information in this Directors' Report is provided to enable shareholders to make an informed assessment of the operations, financial position, performance and other aspects of the Company and the Group, and whether the Company and the Group are a going concern.

Principal activity

The principal activity of the Company is providing and managing the port infrastructure and services within declared ports. The principal activity of the subsidiary trading as "Fiji Ships and Heavy Industries Limited" is the provision of ship repair and slipway services. There has been no significant change in these activities during the year.

Review and results of operations

The operating Group profit for the year was $22,764,086 (2020: $22,246,589) after providing for income tax expense of $4,460,763 (2020: $4,709,143). The operating profit for the Company for the year was $22,341,596 (2020: $22,729,515) after providing for income tax expense of $4,459,871 (2020: $4,709,143).

Our values

In financial year 2021 and looking forward in 2022, we have been progressively working towards delivering results for our key priorities as identified within our strategy. These key priorities are:

At Fiji Ports Corporation Limited and its subsidiary, we have 6 key values that are the core of our business, as listed below:

- Professionalism - We are guided by the highest level of honesty and integrity in everything we do and will always demonstrate fair, open, honest and ethical business practices. We aim to treat our people, customers and stakeholders with respect. Our people and our conduct is a measurement of high standards of professional integrity;
- Commercial Stewardship - We will manage our business and activities in a commercial manner and ensure that competitive and compensatory financial returns provide for a long and prosperous future for the organization. We will commit to being accountable to effective business planning, and reward our people for achieving success;
- Strategic Innovation - Through our people and our development strategy, we will challenge the status quo of the maritime transportation and logistic sector to become recognized leaders by being responsive to the changing needs of maritime and industrial sectors, and by bringing value to our customers through being an effective link in the supply chain;
- Progressive Leadership - We will promote a proactive and creative environment that supports a work culture of collaboration and teamwork, and aim to develop leaders who enthusiastically embrace achievement and innovation. We will encourage the continuous learning, training and development of our people. We will always try to do better;
- Corporate Citizenship - We will integrate corporate citizenship and social responsibility into every aspect of our operations. We recognize that it is a privilege to share the marine and land assets of Fiji Ports with the community, and the people in the various associated regions, and that we have responsibility to the community to communicate openly with residents, participate in, and support development, and ensure that our actions protect the environment and Fiji culture; and
- Employees Well Being Diversity - As a company we hold advancing the health, safety and well being of our workforce as an absolute priority. It's a commitment that encompasses the environments in which employees work, and the communities in which they live. We aim to be a leader in diversity aiming always to be non-discriminatory in respect to culture, race, sex or age, and consequently providing a fair and accepting workplace.

Our strategy

Fiji Ports Corporation Limited (FPCL) aims to be the Smart Green Gateway for Trade in the Pacific Region. The 5 Year Strategic Plan (2019 - 2023) is a cornerstone of the overall alignment of the Port to an increasingly dynamic and competitive business environment. Through the Strategic Plan, the Port will meet key challenges and leverage opportunities to achieve its goals. The Plan addresses the physical, operational, economic, environmental and recreational requirements of the company. It forms the basis for the strategic policy for effective resources utilization and efficient service delivery.

The company implemented 5 Year Strategic Plan commencing from 2019 – 2023. The strategic goals is adopted from previous strategy which had nine goals and only six goals have been adopted for 5 – Year Strategic Plan. These goals are targeted to the challenges that lie ahead as well as reflecting the nature of the ownership model of FPCL. The six strategic goals include:

Strategic Goal 1 - Governance
Protect Shareholders integrity and transparency while achieving a balance between commercial and social deliverables.

Strategic Goal 2 - Infrastructure
Invest strategically to ensure necessary availability of fit for purpose facilities while investigating future asset options for long term efficiency and productivity.

Strategic Goal 3 - Financial Performance
To spearhead the Commercial and Financial stewardship of FPCL and to ensure that shareholder value is enhanced, in the midst of implementing capital intensive projects.

Strategic Goal 4 - Organization/ Capacity
Align organizational structure to objectives and capacity requirements, while promoting gender equality and retention.

Strategic Goal 5 - Environment
Implement Port Sustainability Guidelines and Energy Management Initiatives to become a Green Port in the Pacific.

Strategic Goal 6 - Safety, Security and Technology
Adopt Smart Port initiatives to achieve best practice in international Port Security and safe working environment.

Our priorities this year

In financial year 2021 and looking forward in 2022, we have been progressively working towards delivering results for our key priorities as identified within our Strategy. These key priorities are:

- Lautoka Yard 3 development to increase port capacity.
- Progressed the pre-construction works for the Wharf Rehabilitation for the Ports of Suva & Lautoka.
- Progressed the feasibility studies to increase port capacities.
- Review of Port fees & charges for International operations.
- Progressed implementation of Information Systems and Strategic Plan.
- Progressed the implementation of the 5-year Green Port Master Plan
- Improve capacity building and recruitment process.

Key statistics

	Group	Company
Number of employees	222	157
Dividend per share	$ 0.19	$ 0.19
Total Income	$ 49,150,206	$ 51,691,107
Net Assets	$ 155,091,827	$ 150,703,290

The future

Major future strategies of the Group are:

- Implement Vessel Traffic Management System.
- Implement automated revenue system and integrated with Vessel Traffic Management System.
- Procure second pilot boat to align to international standards.
- Progress the dredging works to increase the port capacity
- Commence the construction works for the Wharf Rehabilitation for the Ports of Suva & Lautoka.
- Develop marketing strategies and invest in business development to build key throughputs and revenues. Identify regional trade and market share opportunities, interface with industry groups including shipping forums and regional commissions.
- Enterprise training [enterprise value and thinking].
- Implementation of the 5-year Green Port Master Plan.
- Lautoka Yard 4 development to further increase port capacity.

Dividends

On 11th June 2021, the Directors resolved to pay a dividend of nineteen cents per share ($0.19) for the 2020 financial year.

Dividends paid out during the year were as follows:

	Dividend	Date resolved	Date paid	Dividend per share	Total dividends
	Final Dividend	11/06/2021	30/07/2021	$ 0.19	$ 13,637,709

<u>Significant Events occurring during the financial year</u>

The coronavirus disease (COVID-19) outbreak has developed rapidly, bringing a significant health impact globally. Measures taken to contain the virus continue to have a significant impact on global markets and economic activity. Fiji is still feeling the impact with business disruption and levels of activity reducing in several market sectors.

The Company has remained operational since this declaration and continues to engage in its principal activity. We have not seen a significant impact on our business to date. The Directors and management are carefully considering the impact of the COVID-19 pandemic on the Company and assessing future operational options. The future financial impacts, however, cannot be reasonably estimated at this time, as they will be largely the product of matters the Company cannot control.

The Directors and management believe the Company has sufficient financial resources together with arrangements with their customers and suppliers currently to be able to successfully manage their business risks despite the current uncertain economic outlook due to the COVID-19 outbreak. On 25 April 2021, in response to the COVID-19 pandemic, the Government announced several measures including lockdown of certain containment areas within Viti Levu. Under the lockdown restrictions, all non-essential businesses are required to be closed unless the workplace was deemed part of a permitted industry as set out by the Government.

In July 2021 the Fijian Government ramped up its vaccination drive with a national target of 80 percent of the target population to be fully vaccinated by 31 October 2021. The Government was able to attain 90 percent vaccination in November 21 and as result the current containment measures were eased as the fully vaccinated percentage increases. Furthermore, Fiji's borders were opened in December 2021 increasing economic activity. The duration and extent of the pandemic and related financial, social, and public health impacts of the COVID-19 pandemic are uncertain.

Other than the matters described above, no other matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results, or cash flows of those operations, or the state of affairs of the Company in future financial years.

Details of Directors and executives

Directors of the Company and the Group during the financial year and up to the date of this report were:

- Mr. Shaheen Ali (Chairman) — Reappointed on 18th November 2018
- Mr. Vilash Chand — Reappointed on 3rd July 2019
- Ms. Tupoutua'h Baravilala — Reappointed on 28th April 2021
- Mr. Vijay Prakash Maharaj — Reappointed on 3rd July 2019
- Dr. Parakrama Dissanayake — Appointed on 18th March 2019
- Mr. Iqram Cuttilan — Appointed on 1st July 2017
- Mr.Tevita Kuruvakadua — Appointed on 08th August 2015
- Mr. Niranjwan Chettiar — Appointed on 9th September 2020

Mr. Ashnil Prasad — Appointed on 9th September 2020

None of the directors had shareholding in the Company as at 31 December 2021.

Board and Committee meeting attendance

Details of the number of meetings held by the Board and its committees during the financial year ended 31 December 2021, and attendance by Board members, are set out below:

Directors	Board		Committees					
			Board Finance, Audit & Risk Management Sub-committee		Board HR Sub-committee		Board Technical, Infrastructure & Sustainability Sub-committee	
	A	B	A	B	A	B	A	B
Mr. Shaheen Ali								
Mr. Vijay Maharaj					2	2		
Mr. Vilash Chand			3	3	2	2	3	2
Ms. Tupou Baravilala					2	-		
Mr. Tevita Kuruvakadua			3	2				
Mr. Niranjwan Chettier							3	3
Mr. Ashnil Prasad			3	3				
Mr. Iqram Cuttilan					2	2	3	3
Dr. Parakrama Dissanayake								

A: number of meeting held while a member
B: number of meetings attended

Auditor independence

The Directors have obtained an independence declaration from the Company's auditor, Ernst & Young. A copy of the auditor's independence declaration is set out in the Auditor's Independence Declaration to the Directors of Fiji Ports Corporation (Fiji) Limited on page 7.

For and on behalf of the Board of Directors and in accordance with a resolution of the Directors.

Dated this 26th day of April 2022.

....
Director

....
Director

FIJI PORTS CORPORATION LIMITED and its Subsidiarv
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2021

This Directors' Declaration is required by the Companies Act 2015.

The Directors of Fiji Ports Corporation Limited ("the Company") and its subsidiary (collectively "the Group") have made a resolution that declared:

a) in the Directors' opinion, the financial statements and notes of the Company and the Group for the financial year ended 31 December 2021:

   i) give a true and fair view of the financial position of the Company and the Group as at 31 December 2021 and of the performance of the Company and the Group for the year ended 31 December 2021.

   ii) have been made out in accordance with the Companies Act 2015.

b) they have received declarations as required by section 395 of the Companies Act 2015.

c) at the date of this declaration, in the Directors' opinion, there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable.

For and on behalf of the Board of Directors and in accordance with a resolution of the Directors.

Dated this 26th day of April 2022.

....
Director

....
Director

Pacific House
Level 7
1 Butt Street Suva Fiji
PO Box 1359 Suva Fiji

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ey.com

Auditor's Independence Declaration to the Directors of Fiji Ports Corporation Limited

As lead auditor for the audit of Fiji Ports Corporation Limited ("the Company") and its subsidiary (collectively "the Group") for the financial year ended 31 December 2021, I declare to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the Companies Act 2015 in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Fiji Ports Corporation Limited and the entities it controlled during the financial year.

Ernst & Young
Chartered Accountants

Sikeli Tuinamuana
Partner
Suva, Fiji

26 April 2022

Building a better working world

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Independent Auditor's Report

To the members of Fiji Ports Corporation Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fiji Ports Corporation Limited ("the Company") and its subsidiary (collectively "the Group"), which comprise the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group 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

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group in accordance with the *International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Fiji and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors and management are responsible for the other information. The other information comprises the information in the Director's Report for the year ended 31 December 2021 but does not include the financial statements and the auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report *continued*

Responsibilities of the Directors and management for the Financial Statements

The Directors and management are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as the Directors and management determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors and management are responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors and management either intend to liquidate the Company and the Group or to cease operations, or have no realistic alternative but to do so.

The Directors and management are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and 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 the financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors and management.

- Conclude on the appropriateness of the Directors' and 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 Company's and the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern; and

- Evaluate 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.

Independent Auditor's Report *continued*

Auditor's Responsibilities for the Audit of the Financial Statements *continued*

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

We also provide the Directors and management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2015 in all material respects, and;

a. we have been given all information, explanations and assistance necessary for the conduct of the audit; and

b. the Company and the Group has kept financial records sufficient to enable the financial statements to be prepared and audited.

Ernst & Young
Chartered Accountants

Sikeli Tuinamuana
Partner
Suva, Fiji

26 April 2022

FIJI PORTS CORPORATION LIMITED and its Subsidiary
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Group		Company	
		2021	**2020**	**2021**	**2020**
		$	**$**	**$**	**$**
Operating revenue	2(a)	47,583,533	48,646,060	45,670,702	46,807,567
Other revenue	2(b)	1,566,673	1,635,640	6,020,405	5,175,828
Total income		49,150,206	50,281,700	51,691,107	51,983,395
Depreciation		(6,132,610)	(5,836,430)	(5,399,965)	(5,148,600)
Employee benefit expenses	3(a)	(7,248,180)	(7,205,650)	(6,148,907)	(6,065,175)
Property expenses	3(b)	(1,974,435)	(1,980,626)	(1,974,435)	(1,980,626)
Marine service charges	3(c)	(9,368,279)	(11,005,977)	(9,368,279)	(11,005,977)
Operating expenses	3(d)	(5,096,435)	(4,115,826)	(4,022,710)	(2,898,292)
Total expenses		(29,819,939)	(30,144,509)	(26,914,296)	(27,098,670)
Profit from operations		**19,330,267**	**20,137,191**	**24,776,811**	**24,884,725**
Finance income	3(e)	2,003,904	2,611,667	2,024,713	2,554,643
Finance costs	3(f)	(57)	(710)	(57)	(710)
Share of profit in associate	19	5,890,735	4,207,584	-	-
Profit before income tax		**27,224,849**	**26,955,732**	**26,801,467**	**27,438,658**
Income tax expense	4	(4,460,763)	(4,709,143)	(4,459,871)	(4,709,143)
Net profit for the year		**22,764,086**	**22,246,589**	**22,341,596**	**22,729,515**
Other comprehensive income		-	-	-	-
Total comprehensive income for the year, net of tax		**22,764,086**	**22,246,589**	**22,341,596**	**22,729,515**

The accompanying notes form an integral part of this Statement of Profit or loss and Other Comprehensive Income.

FIJI PORTS CORPORATION LIMITED and its Subsidiary
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Group		Company	
		2021	2020	2021	2020
		$	$	$	$
Share capital					
As at 1 January		73,154,852	73,154,852	73,154,852	73,154,852
At 31 December	17(a)	73,154,852	73,154,852	73,154,852	73,154,852
Retained earnings					
As at 1 January		72,810,598	67,385,437	68,844,551	62,936,464
Operating profit after income tax		22,764,086	22,246,589	22,341,596	22,729,515
Dividends	17(b)	(13,637,709)	(16,821,428)	(13,637,709)	(16,821,428)
At 31 December		81,936,975	72,810,598	77,548,438	68,844,551
Total shareholders' equity		**155,091,827**	**145,965,450**	**150,703,290**	**141,999,403**

The accompanying notes form an integral part of this Statement of Changes in Equity.

FIJI PORTS CORPORATION LIMITED and its Subsidiary
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	Group		Company	
		2021	2020	2021	2020
Assets		$	$	$	$
Current assets					
Cash and cash equivalents	16	29,525,782	24,109,858	26,734,808	22,466,312
Trade and other receivables	5	3,263,613	3,872,689	3,094,263	3,382,941
Financial assets	6	60,000,000	55,500,000	60,000,000	54,000,000
Inventories	7	843,360	838,196	672,976	642,077
Other assets	8	1,488,998	1,291,678	1,359,098	1,179,777
Loan to subsidiary	18(e)	-	-	130,172	130,172
Income tax asset		142,485	135,879	-	-
Total current assets		95,264,238	85,748,300	91,991,317	81,801,279
Non-current assets					
Trade and other receivables	5	3,581,492	4,196,984	3,581,492	4,196,984
Property, plant and equipment	9	49,566,036	50,675,202	43,600,092	44,394,378
Right of use asset	10	-	6,375	-	6,375
Investment property	12	222,571	263,011	222,571	263,011
Loan to subsidiary	18(e)	-	-	578,758	714,233
Investment in subsidiary		-	-	6,660,000	6,660,000
Investment in associate company	19	13,883,167	12,873,233	10,511,536	10,511,536
Deferred tax assets	4	8,826,734	8,515,896	8,657,358	8,345,628
Total non-current assets		76,080,000	76,530,701	73,811,807	75,092,145
Total assets		**171,344,238**	**162,279,001**	**165,803,124**	**156,893,424**
Liabilities					
Current liabilities					
Trade and other payables	13	4,178,218	3,717,347	3,946,558	3,234,808
Lease liability	10	-	6,852	-	6,852
Provisions	14	265,969	287,977	265,969	287,977
Employee benefit liability	15	752,746	769,064	696,772	715,953
Income tax liability		661,306	899,719	661,306	899,719
Total current liabilities		5,858,239	5,680,959	5,570,605	5,145,309
Non-current liabilities					
Deferred income	23	9,850,355	10,074,652	9,004,226	9,209,256
Lease liability	10	-	-	-	-
Employee benefit liability	15	543,817	557,940	525,003	539,456
Total non-current liabilities		10,394,172	10,632,592	9,529,229	9,748,712
Total liabilities		**16,252,411**	**16,313,551**	**15,099,834**	**14,894,021**
Net assets		**155,091,827**	**145,965,450**	**150,703,290**	**141,999,403**
Shareholders' equity					
Share capital	17(a)	73,154,852	73,154,852	73,154,852	73,154,852
Retained earnings		81,936,975	72,810,598	77,548,438	68,844,551
Total shareholders' equity		**155,091,827**	**145,965,450**	**150,703,290**	**141,999,403**

The accompanying notes form an integral part of this Statement of Financial Position.

FIJI PORTS CORPORATION LIMITED and its Subsidiary
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Group		Company	
		2021	2020	2021	2020
		$	$	$	$
Operating Activities					
Receipts from customers		51,089,561	52,539,265	48,448,256	49,738,129
Payments to suppliers and employees		(23,116,397)	(27,586,957)	(20,707,068)	(24,872,807)
Interest paid		(57)	(710)	(57)	(710)
Interest received		484,163	478,859	515,473	515,473
Income tax paid		(4,794,584)	(3,300,000)	(4,794,584)	(3,300,000)
Net cash provided by Operating Activities		**23,662,686**	**22,130,457**	**23,462,020**	**22,080,085**
Investing Activities					
Acquisition of property, plant and equipment		(4,983,001)	(3,553,167)	(4,565,238)	(3,362,381)
Placement of Term deposits		(34,500,000)	(13,500,000)	(34,500,000)	(12,000,000)
Redemption of Term deposits		30,000,000	5,000,000	28,500,000	4,000,000
Dividend from investment in associate and subsidiary		4,880,800	3,957,949	4,880,800	3,957,949
Proceeds from repayment of borrowings by related parties		-	-	135,475	130,172
Net cash (used in) Investing Activities		**(4,602,201)**	**(8,095,218)**	**(5,548,963)**	**(7,274,260)**
Financing Activities					
Payment of special and final dividends	17 (b)	(13,637,709)	(16,821,428)	(13,637,709)	(16,821,428)
Repayment of lease on right of use asset		(6,852)	(20,017)	(6,852)	(20,017)
Net cash (used in) Financing Activities		**(13,644,561)**	**(16,841,445)**	**(13,644,561)**	**(16,841,445)**
Net increase/(decrease) in cash and cash equivalents		**5,415,924**	**(2,806,206)**	**4,268,496**	**(2,035,620)**
Cash and cash equivalents at the beginning of the year		**24,109,858**	**26,916,064**	**22,466,312**	**24,501,932**
Cash and cash equivalents at the end of the year	16	**29,525,782**	**24,109,858**	**26,734,808**	**22,466,312**

The accompanying notes form an integral part of this Statement of Cash Flows.

1.0 Corporate Information

Fiji Ports Corporation Limited was incorporated under the Fiji Companies Act and is domiciled in Fiji. Till 12 November 2015, Fiji Ports Corporation Limited was a Government owned entity incorporated as a Government Commercial Company under the Public Enterprises Act of 1996. The Minister for Public Enterprises, via a gazette on 13 November 2015, declared Fiji Ports Corporation Limited ("the Company") and Fiji Ships and Heavy Industries Limited (collectively "the Group") a Re-organisation Enterprise under the Public Enterprise Act 1996. This facilitated the changes under the privatisation and divestment initiative of the Government.

The registered office of the Company is located at Muaiwalu House, Walu Bay. The principal place of business is Suva Kings Wharf, Port of Suva, Fiji.

The consolidated financial statements of the Company and the Group for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on 26th April 2022.

1.1 Basis of preparation

The consolidated financial statements of the Group have been drawn up in accordance with the provisions of the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements have been prepared primarily on the basis of historical costs and except where specifically stated, do not take into account current valuations of non-current assets.

The consolidated financial statements provide comparative information in respect of the previous financial year. Where necessary, comparative information has been reclassified to achieve consistency in disclosure with the current financial year amounts and other disclosures. In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

The accounting policies have been consistently applied, and except where there is a change in accounting policy, are consistent with those of the previous year.

Several other amendments and interpretations apply for the first time in 2021, but do not have an impact on the financial statements. The group has not early adopted any standards, interpretations or amendments that have been issued but not effective.

a) Company financial statements

The financial statements prepared are separate (non-consolidated) financial statement of Fiji Ports Corporation Limited. As permitted by IAS 27 Consolidated and Separate Financial Statements, the financial statements have not been consolidated to account for the Company’s investments in either its associates, joint ventures or subsidiaries. The Company has elected to account for the investment in subsidiaries and its associate at cost. The Company applies the same accounting for each category of investments. Dividends from subsidiaries and associates are recognised in the profit or loss in the separate financial statements prepared when its right to receive the dividend is established.

b) Principles of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary and are drawn up to 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

1.1 Basis of preparation *continued*

b) Principles of consolidation *continued*

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies.

From 1 August 2013, Fiji Ports Terminal Limited was assessed to be an associate company and is accounted for using equity accounting at group level.

1.3 Significant accounting judgments, estimates and assumptions

The preparation of the Company's and the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments

In the process of applying the Company's and the Group's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Estimations and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance date, that have a significant risk of causing a material adjustments to the carrying amount of assets and liabilities within the next financial year.

1.3 Significant accounting judgments, estimates and assumptions *continued*

Impairment of non-financial assets
The Company and the Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Application of IFRS 16 - Leases
The application of IFRS 16 requires the Group to make judgements and estimates that affect the measurement of right-of-use assets and liabilities. In determining the lease term, management must consider all facts and circumstances that create an economic incentive to exercise renewal options (or not exercise termination options). Assessing whether a contract includes a lease also requires judgement. Estimates are required to determine the appropriate discount rate used to measure liabilities.

Provision for expected credit losses (ECL) of trade receivables
The Company and the Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating).

The provision matrix is initially based on the Company and the Group's historical observed default rates. The Company and Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company and the Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 5.

Performance obligations

The performance obligation from provision of port related services, which are detailed in note 2(a), is satisfied upon provision of these services and payment is generally due within 30 to 90 days from delivery. In the event of sale of assets, performance obligation is satisfied when the buyer obtains control of the asset.

Methods, inputs and assumptions used in allocating transaction price to performance obligation is determined after considering factors identified in note 1.4(z).

1.4 Summary of significant accounting policies

(a) Functional and presentation currency

These financial statements are presented in Fiji dollars ("FJD"), which is the Company's and the Group's functional currency. Except as indicated, financial information presented in FJD has been rounded to the nearest dollar.

(b) Foreign currencies

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance date. All differences are taken to the statement of comprehensive income. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates when the fair value is determined.

(c) Revenue recognition

Income comprising sales revenue from providing port services and managing port infrastructure is brought to account on an accrual basis as services are provided. Details of revenue recognition criteria is outlined in note 1.4(z).

1.4 Summary of significant accounting policies *continued*

(c) Revenue recognition *continued*

The following specific recognition criteria must also be met for the subsidiary (Fiji Ships and Heavy Industries Limited) before revenue is recognised:

Slipway charges
Some slipping charges are received in advance. The revenue is recognised in the statement of comprehensive income when the vessels actually come on the slipway.

Ship repair charges
Revenue is recognised when work on the vessel has been performed. Billing is performed/done upon completion of work on stages.

(d) Expense recognition

All expenses are recognised in the statement of comprehensive income on an accrual basis.

(e) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of comprehensive income as incurred.

Depreciation is calculated on a straight line basis over the useful life of the asset as follows:

Wharves	5% - 20%	Plant and equipment	10% - 33%
Buildings	5% - 20%	Office equipment	10% - 33%
Motor vehicles and motorised equipment	10% - 33%	Furniture and fittings	10% - 33%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of comprehensive income in the year the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

(f) Impairment of non-financial assets

The Company and the Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company and the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate value model is used.

For assets, an assignment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company and the Group makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the statement of comprehensive income.

1.4 Summary of significant accounting policies *continued*

(g) Taxes

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

Deferred income tax
Deferred income tax is provided, using the liability method, on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences:

- where the deferred income tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that it is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes related to the same taxable entity and the same taxation authority.

Value Added Tax
Revenue, expenses and assets are recognised net of the amount of Value Added Tax (VAT) except:

- where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

1.4 Summary of significant accounting policies *continued*

(h) Cash and cash equivalents

Cash and cash equivalents comprises of cash at bank and in hand and short term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IFRS 9 are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit and loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company and the Group has applied the practical expedient, the Company and the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company and the Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company and the Group commits to purchase or sell the asset.

Subsequent measurement

Financial assets at amortised cost

This category is the most relevant to the Company and the Group. The Company and the Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company and the Group's financial assets at amortised cost includes trade receivables, and loan to subsidiary and associate companies.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or

1.4 Summary of significant accounting policies *continued*

(i) Financial assets *continued*

Derecognition continued

- The Company and the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company and the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company and the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company and the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company and the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company and the Group has retained.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:
- Disclosures for significant assumptions (note 1.3)

The Company and the Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company and the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company and the Group applies a simplified approach in calculating ECLs. Therefore, the Company and the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company and the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(j) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in-first-out principle. The cost of the inventories includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

(k) Trade and other receivables

Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables are initially recognised at original invoice (inclusive of VAT where applicable).

(l) Other assets

Other assets include insurance and other prepayments, Energy Fiji Limited and other deposits, and VAT receivable.

1.4 Summary of significant accounting policies *continued*

(m) Investment property

Investment property is stated at cost less depreciation and impairment losses. When an item of property, plant and equipment becomes an investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item and its fair value is recognised directly in equity if it is gain. Upon disposal of the item, the gain is transferred to retained earnings. Any loss is recognised in the statement of comprehensive income immediately.

(n) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in statement of comprehensive income in the year in which the expenditure is incurred.

The useful lives of intangible assets for the Company and the Group are assessed to be finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is renewed at least at each financial year end. Changes in the expected useful life or expected pattern of consumption in future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible assets.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

(o) Trade and other payables

Liabilities for trade payables and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the entity. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial year.

(p) Employee entitlements

Provisions are made for wages and salaries, incentive payments, annual and long service leave estimated to be payable to employees at balance date on the basis of statutory and contractual requirements.

(q) Deferred income

An unconditional grant related to assets is recognised in statement of comprehensive income as other income when the grant becomes receivable.

Other grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant and are then recognised in the statement of comprehensive income as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in the statement of comprehensive income on a systematic basis in the same periods in which the expenses are recognised.

1.4 Summary of significant accounting policies *continued*

(r) Provisions

Provisions are recognised when the Company and the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Where the Company and the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when reimbursement is virtually certain. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(s) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified at initial recognition, as loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities is described below:

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

(t) Dividend distribution

Dividends are recorded in the Company's and the Group's financial statements in the year in which they are paid. Dividends paid during the year are subject to the provisions of the Fiji Income Tax Act 2015.

(u) Leased assets

Previously, the Company determined at contract inception whether an arrangement is or contains a lease. Under IFRS 16, the Company assesses whether a contract is or contains lease based on definition of a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

Company and the Group as a lessee

<u>*Leases classified as operating leases*</u>
Under IFRS 16, the Company recognises right-of-use assets and lease liabilities i.e. these leases are on-balance sheet.

Rights-of-use assets are measured at either:

- their carrying amounts as if IFRS 16 had been applied since the commencements date, discounted using lessee's incremental borrowing rate at the date of initial application; or

- an amount equal to the lease liability, adjusted by the amount of prepaid or accrued lease payments.

The Company applied the second approach.
The Company used the following practical expedients when applying IFRS 16 to lease previously classified as operating leases under IAS 17:

1.4 Summary of significant accounting policies *continued*

(u) Leased assets *continued*

- applied a single discount rate to a portfolio of leases with similar characteristics;

- adjusted the right-of-use assets by the amount of onerous contract provision immediately before the date of initial application, as an alternative to an impairment review;

- applied the exemption not to recognise the right-of-use assets and liabilities for leases with less than 12 months of lease term;

- excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and

- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Leases previously classified as finance leases

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 July 2017 are determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date. The Company had no finance leases under IAS 17.

Company and the Group as a lessor

The Company and the Group as a lessor classifies each lease as an operating lease or a finance lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease.

Upon lease commencement, the Company recognises assets held under a finance lease as a receivable at an amount equal to the net investment in the lease. The Company recognises finance income over the lease term of a finance lease, based on a pattern reflecting a constant periodic rate of return on the net investment.

For leases classified as operating lease, the Company was not required to make any adjustments for IFRS 16, except for a sub-lease. The Company had accounted for its leases in accordance with IFRS 16 from date of application.

(v) Comparative figures

Where necessary, comparative information has been re-classified to achieve consistency in disclosure with current financial year amounts.

(w) Segment information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products and services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environment.

(a) Industry segment

The Company and the Group operates predominantly in the shipping industry.

(b) Geographical segment

The Company and the Group operates predominantly in Fiji and has therefore one geographical area for reporting purposes.

(x) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

1.4 Summary of significant accounting policies *continued*

(x) Investment in associates *continued*

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'share of profit in associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(y) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(z) Revenue from contracts with customers

The Group is in the business of providing and managing the port infrastructure and services within declared ports, as well as provision of ship repair and slipway services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangement because it typically controls the goods or services before transferring them to the customer.

1.4 Summary of significant accounting policies *continued*

(z) (z) Revenue from contracts with customers *continued*

Sale of equipment

Revenue from sale of equipment is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment. The normal credit term is 30 to 90 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

IFRS 15 requires that an entity considers the effects of all of the following in determining the transaction price:

- Variable consideration
- Constraining estimates of variable consideration
- The existence of a significant financing component in the contract
- Non-cash consideration
- Consideration payable to a customer

The Group did not incur any consideration payable to a customer. Consideration payable to a customer includes cash amounts that an entity pays, or expects to pay, to the customer. The consideration payable to a customer is accounted for as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity.

(aa) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.5 Changes in accounting policies and disclosures

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective:

- **An amendment to IFRS 3 Business Combination on the definition of a business**

  The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

- **Amendments to IAS 1 and IAS 8 in the definition of "material" to ensure the definition is aligned across the standards**

  The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

1.5 Changes in accounting policies and disclosures *continued*

- **Amendments to IFRS 7, IFRS 9 and IAS 39 Interest rate benchmark reform**

  The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

- **Amendments to IFRS 16 Covid-19 related rent concessions.**

  On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

The Group intends to adopt these amendments when they become effective. The amendments will not have any material impact on the Group.

1.6 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

New standards and amendments	Effective date
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37	1 January 2022
IFRS 9 Financial instruments - Fees in the "10 per cent' test for derecognition of financial liabilities	1 January 2022
Definition of Accounting Estimates - Amendments to IAS 8	1 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Reference to the Conceptual Framework – Amendments to IFRS 3	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	1 January 2022

		Group		Company	
2	**REVENUE**	**2021**	**2020**	**2021**	**2020**
(a)	**Operating revenue**	**$**	**$**	**$**	**$**
	Dockage	9,964,259	8,948,323	9,964,259	8,948,323
	Licence fees	266,874	295,659	266,874	295,659
	Marine services	18,568,864	20,486,158	18,568,864	20,486,158
	Other service income	5,600,726	6,723,760	5,600,726	6,723,760
	Ship repair and heavy industries	1,274,292	1,333,649	-	-
	Slipway	638,539	504,844	-	-
	Wharfage	11,269,979	10,353,667	11,269,979	10,353,667
		47,583,533	48,646,060	45,670,702	46,807,567
(b)	**Other revenue**				
	Release of deferred income	224,297	224,297	205,030	205,030
	Dividend income	-	-	4,880,800	3,957,949
	Management fees	72,000	72,000	72,000	72,000
	Other income	89,124	93,090	-	-
	Rent income	1,181,252	1,246,253	862,575	940,849
		1,566,673	1,635,640	6,020,405	5,175,828
3	**EXPENSES**	**$**	**$**	**$**	**$**
(a)	**Employee benefit expenses**				
	Allowances	81,544	68,435	36,102	21,849
	Annual leave	245,970	307,719	188,881	258,041
	FNPF and FNU levy	633,085	651,474	583,579	576,265
	Fringe benefit tax	47,013	47,519	38,267	37,465
	Movement in long service leave	48,856	(14,787)	46,651	(12,913)
	Medical expenses	363,129	404,985	317,699	336,781
	Retirement benefit	158,896	180,087	158,896	180,087
	Salaries and wages	4,676,737	4,858,390	3,886,853	3,961,910
	Sick leave	160,568	205,624	129,562	159,554
	Staff incentive pay	488,354	237,431	488,354	294,479
	Staff welfare	256,183	189,956	190,165	182,886
	Staff training	87,845	68,817	83,898	68,771
		7,248,180	7,205,650	6,148,907	6,065,175
(b)	**Property expenses**				
	Cleaning and sanitation	174,514	172,827	174,514	172,827
	Electricity	557,046	679,572	557,046	679,572
	Property rates	120,442	135,890	120,442	135,890
	Repairs and maintenance	406,173	314,940	406,173	314,940
	Loss on sale of assets	-	8,587	-	8,587
	Water	626,499	605,723	626,499	605,723
	Mini assets replacement cost	89,761	63,087	89,761	63,087
		1,974,435	1,980,626	1,974,435	1,980,626

		Group		Company	
3	**EXPENSES *continued***	**2021**	**2020**	**2021**	**2020**
		$	**$**	**$**	**$**
(c)	**Marine service charges**				
	Tug/pilot/lines boat hire	7,558,196	8,904,059	7,558,196	8,904,059
	Linesman hire	138,061	181,422	138,061	181,422
	Pilotage service - external	1,128,526	1,433,247	1,128,526	1,433,247
	Security hire	543,496	487,249	543,496	487,249
		9,368,279	11,005,977	9,368,279	11,005,977
(d)	**Operating expenses**				
	Advertising and publicity expense	80,059	109,664	77,039	97,763
	Auditors' remuneration	21,300	21,300	15,000	15,000
	Professional accounting fee	108,702	94,785	83,400	77,827
	Direct material cost	261,120	351,477	-	-
	Directors fees	70,583	66,000	70,583	66,000
	Movements in expected credit loss	357,231	246,039	355,000	233,819
	Insurance expense	1,454,611	674,712	1,267,719	530,104
	Professional legal fees	139,255	159,626	135,005	127,001
	Repairs and maintenance - cranes	111,216	159,099	111,216	159,099
	Repairs and maintenance - others	381,902	392,587	251,741	216,445
	Other expenses	2,110,456	1,840,537	1,656,007	1,375,234
		5,096,435	4,115,826	4,022,710	2,898,292
(e)	**Finance income**				
	Interest income on term deposits and inter-company loans	2,003,904	2,611,667	2,024,713	2,554,643
(f)	**Finance costs**				
	Interest charges on borrowings	57	710	57	710

4 INCOME TAX

The major components of income tax expenses for the years ended 31 December 2021 and 2020 are:

	Group 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
Operating profit before tax	27,224,849	26,955,732	26,801,467	27,438,658
Prima facie tax thereon at 20%	5,444,970	5,391,146	5,360,293	5,487,732
(Over)/under-provision from prior years	52,479	(19,686)	51,586	2,838
Tax losses not recognised/(recognised)	117,309	170,045	-	-
Restatement of deferred tax balances	16,336	5,492	16,336	4,944
Tax effect of items treated as non-deductible difference	(1,170,331)	(837,854)	(968,344)	(786,371)
Income tax expense reported in the statement of comprehensive income	4,460,763	4,709,143	4,459,871	4,709,143

	Group		Company	
	2021	2020	2021	2020
4 INCOME TAX *continued*	$	$	$	$
Current tax (liability)/asset				
Current tax asset as at 31 December relates to the following:				
Balance at the beginning of the year	(763,840)	642,989	(899,719)	538,124
Current tax provision	(4,409,176)	(4,677,587)	(4,408,284)	(4,701,361)
Deferred tax expense	(380,467)	(378,884)	(381,359)	(378,884)
Net payments made during the year	4,780,527	3,300,000	4,780,527	3,300,000
Credits transferred from VAT account	-	-	-	-
Provisional and Withholding tax credits	222,036	356,211	215,430	348,971
(Over)/under provision in the prior year	32,099	(6,569)	32,099	(6,569)
Income tax payable	(518,821)	(763,840)	(661,306)	(899,719)
Deferred tax assets				
Reflected in the statement of financial position as follows:				
Deferred tax assets	8,826,734	8,515,896	8,657,358	8,345,628
Net deferred tax assets at 31 December relates to the following:				
Deferred tax assets				
Doubtful debts	268,315	197,315	189,935	118,935
Employee entitlements	258,676	265,403	244,355	251,082
Lease liability	-	1,370	-	1,370
ROU assets	-	(1,275)	-	(1,275)
Legal claims	29,702	15,554	29,702	15,554
Decelerated depreciation for tax purposes	8,270,041	8,037,529	8,193,366	7,959,962
	8,826,734	8,515,896	8,657,358	8,345,628

5 TRADE AND OTHER RECEIVABLES

	Group 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
Current				
Trade receivables	2,355,684	2,433,390	1,874,245	1,682,292
Less: Allowance for expected credit losses	(1,280,797)	(923,567)	(886,668)	(531,668)
	1,074,887	1,509,823	987,577	1,150,624
Staff advances	19,451	41,192	19,451	41,192
Shore crane sale receivables	804,343	804,343	804,343	804,343
Other receivables	1,364,932	1,517,331	1,279,805	1,383,395
Receivable from subsidiary [note 18(d)]	-	-	3,087	3,387
	3,263,613	3,872,689	3,094,263	3,382,941
Non-Current				
Shore crane sale receivables	3,581,492	4,196,984	3,581,492	4,196,984
Total trade and other receivables	6,845,105	8,069,673	6,675,755	7,579,925

For terms and condition relating to related party receivables, refer to Note 18.
Trade receivables are non-interest bearing and are generally on terms of 30 days.

The information on credit exposure is disclosed in note 24.

		Group		Company	
		2021	**2020**	**2021**	**2020**
5	**TRADE AND OTHER RECEIVABLES *continued***	**$**	**$**	**$**	**$**

Movement in the provision for impairment of receivables were as follows:

	2021 Group	2020 Group	2021 Company	2020 Company
Balance at 1 January	923,567	854,613	531,668	301,867
Additional provision	357,230	343,381	355,000	280,161
Unused amount reversed	-	(274,427)	-	(50,360)
Balance at 31 December	1,280,797	923,567	886,668	531,668

At 31 December, the ageing analysis of trade receivables is as follows:

	Year	Total	Neither past due nor impaired	30 - 60 days	60 - 90 days	>90 days
		$	$	$	$	$
Group	2021	2,355,684	887,413	185,384	43,508	1,239,379
	2020	2,433,390	1,104,436	145,355	276,428	907,171
Company	2021	1,874,245	820,810	174,008	34,175	845,252
	2020	1,682,292	994,890	133,784	38,344	515,274

6 FINANCIAL ASSETS

	2021 Group	2020 Group	2021 Company	2020 Company
Term deposits	60,000,000	55,500,000	60,000,000	54,000,000

7 INVENTORIES

	2021 Group	2020 Group	2021 Company	2020 Company
Parts	843,360	823,056	672,976	626,937
Goods in transit	-	15,140	-	15,140
	843,360	838,196	672,976	642,077

8 OTHER ASSETS

	2021 Group	2020 Group	2021 Company	2020 Company
Prepayments	726,692	340,205	640,857	280,978
Less: Allowance for expected credit losses	(63,006)	(63,006)	(63,006)	(63,006)
	663,686	277,199	577,851	217,972
Deposits	469,647	469,515	424,976	424,844
VAT receivable	355,665	544,964	356,271	536,961
	1,488,998	1,291,678	1,359,098	1,179,777

9 PROPERTY, PLANT AND EQUIPMENT

	2021 Group	2020 Group	2021 Company	2020 Company
<u>Land</u>				
Cost:				
At 1 January	16,944,157	16,944,157	15,980,821	15,980,821
At 31 December	16,944,157	16,944,157	15,980,821	15,980,821

9 PROPERTY, PLANT AND EQUIPMENT continued	**Group**		**Company**	
	2021	**2020**	**2021**	**2020**
Land continued	**$**	**$**	**$**	**$**
Depreciation, impairment and amortisation				
At 1 January	1,140,176	915,879	1,042,236	837,206
Depreciation charge for the year	224,297	224,297	205,030	205,030
At 31 December	1,364,473	1,140,176	1,247,266	1,042,236
Net book value	15,579,684	15,803,981	14,733,555	14,938,585
Building				
Cost:				
At 1 January	15,255,684	15,196,444	10,615,275	10,556,035
Additions	27,775	45,147	27,775	45,147
Transfers	251,924	28,418	251,924	28,418
Disposals	(88,158)	(14,325)	(88,158)	(14,325)
At 31 December	15,447,225	15,255,684	10,806,816	10,615,275
Depreciation and impairment				
At 1 January	11,766,154	11,222,597	9,121,015	8,822,221
Depreciation charge for the year	583,598	554,486	356,086	309,723
Disposals	(88,158)	(10,929)	(88,158)	(10,929)
At 31 December	12,261,594	11,766,154	9,388,943	9,121,015
Net book value	3,185,631	3,489,530	1,417,873	1,494,260
Wharves				
Cost:				
At 1 January	92,729,315	92,236,741	92,729,315	92,236,741
Additions	83,480	106,990	83,480	106,990
Transfers	108,447	407,365	108,446	407,365
Disposals	-	(21,781)	-	(21,781)
At 31 December	92,921,242	92,729,315	92,921,241	92,729,315
Depreciation and impairment				
At 1 January	72,832,382	69,268,940	72,832,382	69,268,940
Depreciation charge for the year	3,630,296	3,580,060	3,630,296	3,580,060
Disposals	-	(16,618)	-	(16,618)
At 31 December	76,462,678	72,832,382	76,462,678	72,832,382
Net book value	16,458,564	19,896,933	16,458,563	19,896,933
Plant and equipment				
Cost:				
At 1 January	13,125,264	11,669,178	4,241,960	3,952,881
Additions	268,937	429,085	233,700	347,623
Transfers	48,415	1,108,125	48,415	22,580
Disposals	(4,647)	(81,124)	(4,647)	(81,124)
At 31 December	13,437,969	13,125,264	4,519,428	4,241,960

9	**PROPERTY, PLANT AND EQUIPMENT *continued***	**Group**		**Company**	
		2021	**2020**	**2021**	**2020**
	Plant and equipment *continued*	**$**	**$**	**$**	**$**
	Depreciation and impairment				
	At 1 January	9,591,254	8,934,953	3,260,005	2,989,323
	Depreciation charge for the year	804,936	737,425	353,154	351,806
	Disposals	(4,647)	(81,124)	(4,647)	(81,124)
	At 31 December	10,391,543	9,591,254	3,608,512	3,260,005
	Net book value	3,046,426	3,534,010	910,916	981,955
	Furniture and fittings				
	Cost:				
	At 1 January	469,176	445,873	278,346	259,449
	Additions	18,447	35,070	13,392	30,664
	Transfers	49,399	-	49,399	-
	Disposals	-	(11,767)	-	(11,767)
	At 31 December	537,022	469,176	341,137	278,346
	Depreciation and impairment				
	At 1 January	350,595	313,616	212,690	200,328
	Depreciation charge for the year	52,252	48,746	29,774	24,129
	Disposals	-	(11,767)	-	(11,767)
	At 31 December	402,847	350,595	242,464	212,690
	Net book value	134,175	118,581	98,673	65,656
	Motor vehicles				
	Cost:				
	At 1 January	761,178	670,786	577,873	487,481
	Additions	41,285	72,477	41,285	72,477
	Transfers	2,040,256	17,915	2,040,256	17,915
	At 31 December	2,842,719	761,178	2,659,414	577,873
	Depreciation and impairment				
	At 1 January	598,835	510,753	415,530	327,448
	Depreciation charge for the year	169,044	88,082	169,043	88,082
	At 31 December	767,879	598,835	584,573	415,530
	Net book value	2,074,840	162,343	2,074,841	162,343
	Cranes				
	Cost:				
	At 1 January	6,838,265	6,838,265	6,838,265	6,838,265
	Disposals	-	-	-	-
	At 31 December	6,838,265	6,838,265	6,838,265	6,838,265
	Depreciation and impairment				
	At 1 January	5,105,454	4,796,328	5,105,454	4,796,328
	Depreciation charge for the year	309,127	309,126	309,127	309,126
	At 31 December	5,414,581	5,105,454	5,414,581	5,105,454
	Net book value	1,423,684	1,732,811	1,423,684	1,732,811

9 PROPERTY, PLANT AND EQUIPMENT *continued*	Group 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
Office equipment and software				
Cost:				
At 1 January	2,035,631	2,611,282	1,846,303	2,421,954
Additions	160,192	293,946	146,686	293,946
Transfer	15,266	27,108	-	27,108
Disposals	-	(896,705)	-	(896,705)
At 31 December	2,211,089	2,035,631	1,992,989	1,846,303
Depreciation and impairment				
At 1 January	1,462,125	2,132,721	1,285,810	1,969,977
Depreciation charge for the year	303,100	226,081	291,492	212,510
Disposals	-	(896,677)	-	(896,677)
At 31 December	1,765,225	1,462,125	1,577,302	1,285,810
Net book value	445,864	573,506	415,687	560,493
Work in progress				
At 1 January	5,363,507	4,678,847	4,561,342	2,896,054
Additions	4,376,520	2,570,452	4,012,552	2,465,534
Transfers	(2,522,859)	(1,876,292)	(2,507,594)	(790,746)
Reversed	-	(9,500)	-	(9,500)
At 31 December	7,217,168	5,363,507	6,066,300	4,561,342
Net written down value at 31 December	49,566,036	50,675,202	43,600,092	44,394,378

As part of the share divestment agreement signed on 5th November 2015, the Group during the financial year 2018 transferred $963,336 worth of interests in two pieces of land recorded under Property, Plant and Equipment to a Government owned company ("Assets Fiji Limited") for $nil consideration. Both land pieces were required by the Group for its operational use. Thus, it was assigned to the Group from Assets Fiji Limited in form of Government grant. The opening balances of the statement of financial position and changes in equity were restated to effect these asset transfers on the date on which the share divestment agreement was signed.

As at 31 December 2021, the Group is yet to transfer 7 land titles of written down value $5,199,318 to Assets Fiji Limited.

Disposals of property, plant and equipment

In 2021, the Group sold plant and machinery, motor vehicles and furniture and fittings with a total net carrying amount of $0 (2020: $8,587) for a cash consideration of $0 (2020: $0). The net gains/losses on these disposals were recognised as part of other operating income/(expenses) in the statement of profit or loss and other comprehensive income.

10 LEASES

Group as a lessee

The Group has lease contracts for motor vehicles used in its operations. Leases of motor vehicles generally have lease terms between 3 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

	Group 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
10 LEASES *continued*				
Group as a lessee *continued*				
Set out below are the carrying amounts of right-of-use-assets recognised and the movements during the period:				
Motor vehicles				
Cost				
At 1 January	44,624	44,624	44,624	44,624
Additions	-	-	-	-
At 31 December	44,624	44,624	44,624	44,624
Depreciation:				
At 1 January	(38,249)	(19,125)	(38,249)	(19,125)
Depreciation expense	(6,375)	(19,124)	(6,375)	(19,124)
At 31 December	(44,624)	(38,249)	(44,624)	(38,249)
Book value	-	6,375	-	6,375

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
As at 1 January	6,852	26,868	6,852	26,868
Payments	(6,852)	(20,728)	(6,852)	(20,728)
Accretion of interest	-	712	-	712
As at 31 December	-	6,852	-	6,852
Comprising:				
Current	-	6,852	-	6,852
Non-current	-	-	-	-
	-	6,852	-	6,852

The following are the amounts recognised in profit or loss:

	Group 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
Depreciation expense of right-of-use assets	6,375	19,124	6,375	19,124
Interest expense on lease liabilities	-	712	-	712
Total amount recognised in profit or loss	6,375	19,836	6,375	19,836

The Group had total cash outflows for leases of $6,852 in 2021 ($20,017 in 2020). The Group non-cash additions to right-of-use assets and lease liabilities of $Nil. The future cash outflows relating to leases that have not yet commenced are disclosed in the notes.

11 INTANGIBLE ASSET

	Group 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
Cost				
At 1 January	45,349	45,349	-	-
At 31 December	45,349	45,349	-	-
Accumulated depreciation				
At 1 January	45,349	45,349	-	-
Depreciation charge for the year	-	-	-	-
At 31 December	45,349	45,349	-	-
Net book value at 31 December	-	-	-	-

		Group		Company	
		2021	2020	2021	2020
12	**INVESTMENT PROPERTY**	$	$	$	$
	Cost				
	At 1 January	900,913	613,553	900,913	613,553
	Transfers	9,154	287,360	9,154	287,360
	At 31 December	910,067	900,913	910,067	900,913
	Accumulated depreciation				
	At 1 January	637,902	588,899	637,902	588,899
	Depreciation charge for the year	49,594	49,003	49,594	49,003
	At 31 December	687,496	637,902	687,496	637,902
	Net book value at 31 December	222,571	263,011	222,571	263,011
13	**TRADE AND OTHER PAYABLES**				
	Trade creditors	524,277	541,365	456,677	505,507
	Payable to subsidiary [Note 18(d)]	-	-	16,155	14,122
	Payable to associate [Note 18(d)]	-	13,038	-	13,038
	Sundry creditors	3,653,941	3,162,944	3,473,726	2,702,141
		4,178,218	3,717,347	3,946,558	3,234,808

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- For terms and conditions relating to related parties, refer to Note 18.
- For explanations on the Group's liquidity risk management processes, refer to Note 24 (c).

14	**PROVISIONS**				
a)	**Legal Claims**				
	At 1 January	77,768	93,760	77,768	93,760
	Utilised during the year	(64,260)	(140,993)	(64,260)	(140,993)
	Provisions arising during the year	135,000	125,001	135,000	125,001
	At 31 December	148,508	77,768	148,508	77,768

Provision for legal claim at balance date represents the legal claims & expenditures incurred by the Company and the Group. The provision is reflected in the statement of comprehensive income as an administrative expense. The Directors are of the opinion that the outcome of these legal claims will not give rise to any significant payments beyond the amounts provided as at 31 December 2021.

b)	**Other Provisions**				
	At 31 December	89,323	182,071	89,323	182,071

Other Provisions represents rental income (less property expenses) received by the Company for the year 2021 that will be remitted to a Government's asset company ("Assets Fiji Limited"). The net rental income received are from properties that have or will be transferred to Assets Fiji Limited as part of the share divestment agreements signed on 5 November 2015. The Directors are of the opinion that the outcome of these rental income remittance will not give rise to any significant payments beyond the amounts provided as at 31 December 2021. It also includes other provisions that are in relation to future comitted events that were not possible due to Covid related restrictions.

c)	**Job Evaluation Exercise**				
	At 31 December	28,138	28,138	28,138	28,138

Provision for job evaluation exercise at balance date presents the expected overall increase in staff salary due to Job Evaluation Exercise.

Total Provision as at 31	265,969	287,977	265,969	287,977

	Group		Company	
	2021	**2020**	**2021**	**2020**
15 EMPLOYEE BENEFIT LIABILITY	**$**	**$**	**$**	**$**
At 1 January	1,327,004	1,350,372	1,255,409	1,220,516
Arising during the year	1,227,168	1,271,089	1,205,007	1,256,608
Utilised/reversed during the year	(1,257,609)	(1,294,457)	(1,238,641)	(1,221,715)
At 31 December	1,296,563	1,327,004	1,221,775	1,255,409
Analysis of employee benefit liability:				
Current	752,746	769,064	696,772	715,953
Non-current	543,817	557,940	525,003	539,456
	1,296,563	1,327,004	1,221,775	1,255,409

16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks net of bank overdraft. Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

Cash on hand	4,580	4,580	3,580	3,580
Cash at bank	29,521,202	24,105,278	26,731,228	22,462,732
	29,525,782	24,109,858	26,734,808	22,466,312

17 SHARE CAPITAL

a) Issued and paid up capital

73,154,852 ordinary shares	73,154,852	73,154,852	73,154,852	73,154,852

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meetings of the Company.

b) Dividends

At 1 January	-	-	-	-
Add: dividends declared during the year	13,637,709	16,821,428	13,637,709	16,821,428
Less: dividends paid during the year	(13,637,709)	(16,821,428)	(13,637,709)	(16,821,428)
At 31 December	-	-	-	-

18 RELATED PARTY TRANSACTIONS

Directors

The names of persons who were directors of Fiji Ports Corporation Limited and its subsidiary at any time during the reporting period were as follows:

Mr. Shaheen Ali (Chairman)	Reappointed on 18th November 2018
Mr. Vilash Chand	Reappointed on 3rd July 2019
Ms. Tupoutua'h Baravilala	Reappointed on 28th April 2021
Mr. Vijay Prakash Maharaj	Reappointed on 3rd July 2019
Dr. Parakrama Dissanayake	Appointed on 18th March 2019
Mr. Iqram Cuttilan	Appointed on 1st July 2017
Mr.Tevita Kuruvakadua	Appointed on 8th August 2015
Mr. Niranjwan Chettiar	Appointed on 9th September 2020
Mr. Ashnil Prasad	Appointed on 9th September 2020

18 RELATED PARTY TRANSACTIONS *continued*

Key Management Personnel

Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including any director (whether executive or otherwise) of that entity.

During the financial year the following persons were identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the Company:

Name	Title
Vajira Piyasena	Chief Executive Officer
Roshan Abeyesundere	Chief Financial Officer

Identity of related parties

The Company has a related party relationship with its subsidiary, Fiji Ships and Heavy Industries Limited (100% equity interest) and its associate, Fiji Ports Terminal Limited (49% equity interest).

Transactions with related parties

All transactions with related parties are made on normal commercial terms and conditions.

The following transactions were carried out with related parties:

		Group		Company	
		2021	2020	2021	2020
(a)	**Key management personnel compensation**	**$**	**$**	**$**	**$**
	Directors				
	Short-term benefits	70,583	66,000	70,583	66,000
	Management				
	Short-term benefits	501,345	528,333	501,345	528,333

The aggregate compensation of the key management personnel comprises only of salary and short term benefits.

		Group 2021	Group 2020	Company 2021	Company 2020
(b)	**Sales of goods and services**				
	Management fees income from associate	72,000	72,000	72,000	72,000
	Rental income from associate	2,563,598	2,563,598	2,563,598	2,563,598
	Dividend income from associate	-	-	4,880,800	3,957,949
	Dividend income from subsidiary	-	-	-	-
(c)	**Purchases of goods and services**				
	Purchase of services from subsidiary	144,958	-	144,958	-
(d)	**(Payable to)/receivable from subsidiary/associate**				
	Fiji Ports Terminal Limited - Associate	-	(13,038)	-	(13,038)
	Fiji Ships and Heavy Industries Limited - Subsidiary	-	-	(13,068)	(10,735)
		-	(13,038)	(13,068)	(23,773)
	Disclosed as:				
	Receivable from associate (Note 5)	-	-	-	-
	Payable to associate (Note 13)	-	(13,038)	-	(13,038)
	Receivable from subsidiary (Note 5)	-	-	3,087	3,387
	Payable to subsidiary (Note 13)	-	-	(16,155)	(14,122)
		-	(13,038)	(13,068)	(23,773)

18 RELATED PARTY TRANSACTIONS *continued*

	Group		Company	
	2021	**2020**	**2021**	**2020**
(e) Loan to subsidiary	**$**	**$**	**$**	**$**
Beginning of the year	-	-	844,405	974,577
Loan repayments received	-	-	(166,785)	(166,785)
Interest charged	-	-	31,310	36,613
End of the year	-	-	708,930	844,405
Comprising:				
Current	-	-	130,172	130,172
Non-current	-	-	578,758	714,233
	-	-	708,930	844,405

The loan to the Subsidiary Company is unsecured and based on approval from the Board of the Company, subject to interest at the fixed rate of 4.0% per annum. This is repayable by monthly installments of $13,899. The repayment schedule is reviewed annually.

(f) Receivable from associate - for sale of Shore Cranes

	Group 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
Beginning of the year	5,001,327	5,592,725	5,001,327	5,592,725
Notional interest on related party note	-	-	-	-
Interest released to profit and loss for the year	188,851	212,945	188,851	212,945
Payments received during the year	(804,343)	(804,343)	(804,343)	(804,343)
	4,385,835	5,001,327	4,385,835	5,001,327

The sale of shore cranes by the Company to FPTL is receivable over ten years at zero interest. Notional interest has been calculated on the interest-free loan at the FPTL's incremental borrowing rate of 4% per annum. The notional interest adjustment has been recognised as an increase in investment in associate at group level.

(g) Other related parties

	Group 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
Fiji National Provident Fund - member contribution	568,987	587,820	528,737	522,410

19 INVESTMENT IN AN ASSOCIATE

The Group has a 49% interest in Fiji Ports Terminal Limited at balance date, which is involved in terminal operations including stevedoring at the Ports of Suva and Lautoka. The Group's interest in Fiji Ports Terminal Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Fiji Ports Terminal Limited.

	Group	
	2021	**2020**
	$	**$**
Current assets	22,867,726	17,693,850
Non-current assets	23,306,240	29,798,209
Current liabilities	(9,250,007)	(6,945,732)
Non-current liabilities	(19,395,830)	(21,892,950)
Equity	**17,528,129**	**18,653,377**
Proportion of the Group's ownership	49%	49%
	8,588,783	9,140,155
Goodwill	5,294,384	3,733,078
Carrying amount of the investment	**13,883,167**	**12,873,233**
Revenue	34,907,988	30,575,355
Operating expenses	(19,329,046)	(19,210,263)
Finance costs	(854,999)	(952,072)
Finance income	326,112	370,252
Profit before tax	**15,050,055**	**10,783,272**
Income tax expense	(3,028,147)	(2,196,365)
Profit for the year	12,021,908	8,586,907
Group's share of profit for the year	**5,890,735**	**4,207,584**

		Group		Company	
		2021	**2020**	**2021**	**2020**
20	**CAPITAL COMMITMENTS**	**$**	**$**	**$**	**$**
	Capital expenditure:				
	- approved by the Board and committed	20,703,490	6,546,380	7,039,190	1,568,380
21	**RENTAL INCOME COMMITMENTS**				
	Not later than one year	867,582	752,035	867,582	752,035
	Later than one year but not later than five years	332,965	163,318	332,965	163,318
	Later than five years	4,403,506	4,403,506	4,403,506	4,403,506
		5,604,053	5,318,859	5,604,053	5,318,859
22	**CONTINGENT LIABILITIES**				
	Bank guarantee for HM Customs and FEA bonds	1,709,423	1,709,423	81,000	81,000
	Bank guarantee for Ministry of Primary Industries	-	7,000	-	-
		1,709,423	1,716,423	81,000	81,000
a)	**FUTURE LEASE COMMITMENTS**				
	Not later than one year	405,004	6,852	405,004	6,852
	Later than one year but not later than five years	2,295,021	-	2,295,021	-
		2,700,025	6,852	2,700,025	6,852

23 DEFERRED INCOME

Deferred income represents assets assigned to the Group to use in its operations by the Government of Fiji through Assets Fiji Limited. The assets assigned to the Group are based on conditions that these would only be used for the operating activities of the Group.

	Group 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
Opening balance	10,074,652	10,298,949	9,209,256	9,414,286
Less: Amortisation charges during the year	(224,297)	(224,297)	(205,030)	(205,030)
Closing balance	9,850,355	10,074,652	9,004,226	9,209,256
Movement in the accumulated amortisation are as follows:				
As at 1 January	1,140,176	915,879	1,042,236	837,206
Amortisation charge for the year	224,297	224,297	205,030	205,030
As at 31 December	1,364,473	1,140,176	1,247,266	1,042,236

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The principal financial liabilities comprises of interest bearing borrowings, trade payables and other accruals. The financial liabilities is the result of the Group's operations. The Group has various financial assets such as trade and other receivables and cash, which also arise directly from its operations.

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance.

Risk management is carried out by finance executives and management of controlled entities of the Group. Management and finance executives identify, and evaluate financial risks in close co-operation with the Group's operating units. The Board provides direction for overall risk management covering specific areas, such as mitigating credit risks, and investment of excess liquidity.

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Political

The Group operates in Fiji and changes to governments and the policies they implement affect economic situation and ultimately the revenues of the group. To address this, the Group reviews its pricing and product range regularly and responds to change in policies appropriately.

(ii) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group is exposed to currency risk through transaction in foreign currencies. These currencies include the Australian (AUD) and US (USD) dollar. As the currency in which the Group presents its financial statements is the Fiji dollar, the Group's financial statements are affected by movements in the exchange rates between these currencies and the Fiji dollar.

Sensitivity analysis

A strengthening/(weakening) of the Fiji dollar as at 31 December 2021, as indicated below, against the USD and AUD would have increased/(decreased) equity and the statement of profit or loss and other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. Analysis is performed accordingly for 2019.

The following significant exchange rates were applied during the period:

	Reporting date mid spot rate 2021	Reporting date mid spot rate 2020
AUD	0.64	0.64
USD	0.48	0.49

Effect in FJD		Strengthening/(Weakening) Statement of profit or loss and other comprehensive income
31 December 2021		
AUD	+10%	42,326
	-10%	(42,326)
USD	+10%	1,228
	-10%	(1,228)
31 December 2020		
AUD	+10%	49,153
	-10%	(49,153)
USD	+10%	935
	-10%	(935)

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that services are provided to customers with an appropriate credit history. The Group has policies that limit the amount of credit exposure to any one customer or group of customers. Credit levels accorded to customers are regularly reviewed to reduce the exposure to risk of bad debts.

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

(b) Credit risk *continued*

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

The carrying amount of financial assets represents the maximum credit exposure.

	Notes	Carrying amount 2021 $	Carrying amount 2020 $
Cash and cash equivalents	16	29,525,782	24,109,858
Trade and other receivables	5	3,263,613	3,872,689
Other assets	8	1,488,998	1,291,678
Financial assets	6	60,000,000	55,500,000
		94,278,393	**84,774,225**

Ageing of trade receivables

The table below summarises the ageing of trade receivables as at 31 December based on contractual undiscounted payments:

Group	Total	0-30 days	31-60 days	61-90 days	Over 90 days
31 December 2021					
Expected credit loss rate	54.37%	0.00%	0.00%	95.20%	100.00%
Trade receivable	2,355,684	887,413	185,384	43,508	1,239,379
Expected credit loss	1,280,797	-	-	41,418	1,239,379
31 December 2020					
Expected credit loss rate	37.95%	0.00%	0.00%	5.93%	100.00%
Trade receivable	2,433,390	1,104,436	145,355	276,428	907,171
Expected credit loss	923,567	-	-	16,396	907,171

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash, marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

31 December 2021	On demand $	< 1 year $	1 to 5 years $	> 5 years $	Total $
Trade and other payables	-	4,178,218	-	-	4,178,218
Lease liability	-	-	-	-	-
Provisions	-	265,969	-	-	265,969
Employee benefit liability	-	752,746	193,238	350,579	1,296,563
Income tax liability	-	661,306	-	-	661,306
	-	5,858,239	193,238	350,579	6,402,056

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

(c) Liquidity risk *continued*

31 December 2020	On demand $	< 1 year $	1 to 5 years $	> 5 years $	Total $
Trade and other payables	-	3,717,347	-	-	3,717,347
Lease liability	-	6,852	-	-	6,852
Provisions	-	287,977	-	-	287,977
Employee benefit liability	-	769,064	153,071	404,869	1,327,004
Income tax liability	-	899,719	-	-	899,719
	-	5,680,959	153,071	404,869	6,238,899

(d) Capital risk management

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's objectives when obtaining and managing capital are to safeguard the Group's ability to continue as a going concern and provide shareholders with a consistent level of returns and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as debt divided by total capital. Debt is calculated as total borrowing (including ‘current and non- current borrowing’ as shown in the Group statement of financial position). Total capital is calculated as ‘equity’ as shown in the Group statement of financial position plus debt.

	Group	
	2021 $	2020 $
Interest bearing borrowings	-	-
Equity	155,091,827	145,965,450
Capital and debt	**155,091,827**	**145,965,450**
Gearing ratio	0%	0%

25 SIGNIFICANT EVENTS DURING THE YEAR

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020 and continues to evolve with new variants across the world. Introduction of vaccines has helped combat the impact of this virus on the people around the world.

The Company has remained operational since this declaration and continuing to provide and manage the port infrastructure and services within declared ports. We have seen a significant impact on our business to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business.

The scale and duration of these developments remain uncertain as at the date of this report however they are having an impact on our earnings, cash flow and financial condition. The Directors confirm that they considered all currently known impacts of COVID-19 when preparing the financial statements and applying the going concern concept.

26 PRINCIPAL ACTIVITIES

The principal activity of the Company is providing and managing the port infrastructure and services within declared ports. The principal activity of the subsidiary trading as "Fiji Ships and Heavy Industries Limited" is the provision of ship repair and slipway services. There has been no significant change in these activities during the year.

27 SUBSEQUENT EVENTS

The effects of COVID-19 have manifested in the interval between the end of the financial year and the date of this report and will continue to significantly affect the operations of the Company in the subsequent financial year.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Fiji Ports
Corporation Limited