Trinidad and Tobago NGL Limited

Unaudited financial statements

30 September 2021

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Trinidad and Tobago NGL Limited

Statement of financial position
(Expressed in Trinidad and Tobago dollars)

Assets	Notes	Unaudited 30-Sep-21 $'000	Unaudited 30-Sep-20 $'000	Audited 31-Dec-20 $'000
Non-current assets				
Investment in joint venture	5(b)	3,243,688	3,165,461	3,141,459
Total non-current assets		**3,243,688**	**3,165,461**	**3,141,459**
Current assets				
Taxation recoverable		341	341	341
Cash and cash equivalents	7	86,318	107,769	107,275
Total current assets		**86,659**	**108,110**	**107,616**
Total assets		**3,330,247**	**3,273,571**	**3,249,075**
Shareholders' equity and liabilities				
Equity				
Share capital	8	2,772,120	2,772,120	2,772,120
Translation reserve		145,718	153,577	152,842
Retained earnings		410,977	346,840	323,285
Total shareholders' equity		**3,328,815**	**3,272,537**	**3,248,247**
Current liabilities				
Due to parent company/related party	9	58	270	75
Trade and other payables	6	1,474	764	753
Total liabilities		**1,532**	**1,034**	**828**
Total equity and liabilities		**3,330,347**	**3,273,571**	**3,249,075**

The accompanying notes on pages 5 to 29 form an integral part of these financial statements.

The financial statements of Trinidad and Tobago NGL Limited were authorised for issue by the Board of Directors on 09 November 2021.

Director

Director

Trinidad and Tobago NGL Limited

Statement of profit or loss and other comprehensive income
(Amounts expressed in Trinidad & Tobago dollars)

	Notes	Unaudited Nine Months Ended 30-Sep-21 $'000	Unaudited Nine Months Ended 30-Sep-20 $'000	Audited Year Ended 31-Dec-20 $'000
Income				
Share of profit from investment in joint venture	5 (d)	135,500	30,770	45,565
Interest income		79	182	237
Foreign exchange gain		131	117	111
Total income		**135,710**	**31,069**	**45,913**
Expenses				
Impairment loss	11	-	-	(38,086)
Legal and professional fees		(936)	(662)	(845)
Other expenses		(563)	(450)	(580)
Profit before taxation		134,211	29,957	6,402
Income tax expense	10	(79)	(2)	(2)
Profit after taxation		**134,132**	**29,955**	**6,400**
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss				
Exchange translation differences, net of tax		(7,124)	142	(593)
Other comprehensive (loss)/income		**(7,124)**	**142**	**(593)**
Total comprehensive income		**127,008**	**30,097**	**5,807**
Earnings per share				
Basic (dollars per share)	12	**0.87**	**0.19**	**0.04**

Trinidad and Tobago NGL Limited

Statement of changes in equity
(Amounts expressed in Trinidad & Tobago dollars)

	Notes	Share capital $'000	Translation reserve $'000	Retained earnings $'000	Total equity $'000
Unaudited nine months ended 30 September 2021					
Balance at 1 January 2021		**2,772,120**	**152,842**	**323,285**	**3,248,247**
Profit for the period		-	-	134,132	134,077
Other comprehensive loss		-	(7,124)	-	(124)
Total comprehensive income		-	(7,124)	134,132	127,008
Dividends	13	-	-	(46,440)	(46,440)
Balance at 30 September 2021		**2,772,120**	**145,718**	**410,977**	**3,328,815**
Unaudited nine months ended 30 September 2020					
Balance at 1 January 2020		**2,772,120**	**153,435**	**355,585**	**3,281,140**
Profit for the period		-	-	29,955	29,955
Other comprehensive income		-	142	-	142
Total comprehensive income		-	142	29,955	30,097
Dividends	13	-	-	(38,700)	(38,700)
Balance at 30 September 2020		**2,772,120**	**153,577**	**346,840**	**3,272,537**
Audited year ended 31 December 2020					
Balance at 1 January 2020		**2,772,120**	**153,435**	**355,585**	**3,281,140**
Profit for the year		-	-	6,400	6,400
Other comprehensive loss		-	(593)	-	(593)
Total comprehensive income		-	(593)	6,400	5,807
Dividends	13	-	-	(38,700)	(38,700)
Balance at 31 December 2020		**2,772,120**	**152,842**	**323,285**	**3,248,247**

The accompanying notes on pages 5 to 29 form an integral part of these financial statements.

Trinidad and Tobago NGL Limited

Statement of cash flows
(Amounts expressed in Trinidad & Tobago dollars)

	Notes	Unaudited Nine Months Ended 30-Sep-21 $'000	Unaudited Nine Months Ended 30-Sep-20 $'000	Audited Year Ended 31-Dec-20 $'000
Cash flows from operating activities				
Profit for the year before taxation		134,211	29,957	6,402
Adjustments to reconcile net profit for the period to net cash used in operating activities:				
Impairment loss		-	-	38,086
Dividends from joint venture		26,260	-	-
Interest income		(79)	(182)	(237)
Share of income from investment in joint venture		(135,500)	(30,770)	(45,565)
		24,892	(995)	(1,314)
Increase in dividend receivable		-	-	-
(Decrease)/increase in amount due to related party		(17)	151	(44)
Increase in trade and other payables		721	173	162
Cash flows generated/(used in) from operating activities		25,596	(671)	(1,196)
Taxation paid		(79)	(28)	(28)
Net cash flow generated from/(used in) operating activities		25,517	(699)	(1,224)
Cash flows from financing activities				
Dividends paid	13	(46,440)	(38,700)	(38,700)
Net cash used in financing activities		(46,440)	(38,700)	(38,700)
Cash flows from investing activities				
Interest and other investment income		79	182	237
Net cash generated from investment activities		79	182	237
Net increase /(decrease) in cash and cash equivalents		(20,844)	(39,217)	(39,687)
Net foreign exchange differences		(113)	(87)	(111)
Cash and cash equivalents at beginning of year		107,275	147,073	147,073
Cash and cash equivalents at end of period/year		**86,318**	**107,769**	**107,275**

The accompanying notes on pages 5 to 29 form an integral part of these financial statements.

1. Corporate information

Trinidad and Tobago NGL Limited (the 'Company' or 'TTNGL') was incorporated in Trinidad and Tobago on 13 September 2013 under The Companies Act, 1995. The Company's registered office is Orinoco Drive, Point Lisas Industrial Estate, Point Lisas. The Company acts as an investment holding company following its acquisition of 39% of the share capital of Phoenix Park Gas Processors Limited ('PPGPL'), in the form of Class B shares of PPGPL.

The Company is a subsidiary of The National Gas Company of Trinidad and Tobago Limited (NGC) which has 25% controlling interest through the ownership of 100% of the Class A Shares of the Company. NGC is owned by the Government of the Republic of Trinidad and Tobago ('GORTT'). The remainder of the shares are listed on the Trinidad and Tobago Stock Exchange and are publicly traded.

2. Application of new and revised International Financial Reporting Standards ('IFRS')

2.1 New IFRS and amendments to IFRS that are mandatorily effective for the current year

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2021. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform — Phase 2**

  On 27 August 2020, the IASB issued Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates.

  These amendments had no impact on the financial statements of the Company.

2.2 New and revised IFRS and Interpretations in issue but not yet effective and not early adopted

The Company has not applied the following new and revised IFRS that have been issued but are not yet effective:

• IFRS 17	Insurance Contracts
• IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
• Amendments to IAS 1	Classification of Liabilities as Current or Non-current
• Amendments to IFRS 3	Reference to the Conceptual Framework
• Amendments to IAS 16	Property, Plant and Equipment—Proceeds before Intended Use
• Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
• Annual Improvements to IFRS Standards 2018-2020	Amendments to IFRS 1 First-time Adoption of IFRSs, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

2. **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

2.2 **New and revised IFRS and Interpretations in issue but not yet effective and not early adopted (continued)**

- **IFRS 17 Insurance Contracts**

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The amendments defer the date of initial application of IFRS 17 to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date to annual reporting periods beginning on or after 1 January 2023. IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

- **Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. The amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

2. **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

2.2 **New and revised IFRS and Interpretations in issue but not yet effective and not early adopted (continued)**

- **Amendments to IAS 1 – Classification of Liabilities as Current or Non-current**

  The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

  The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

  The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

- **Amendments to IFRS 3 – Reference to the Conceptual Framework**

  The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

  Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

  The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

2. **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

2.2 **New and revised IFRS and Interpretations in issue but not yet effective and not early adopted (continued)**

- **Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use**

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating
in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

2. **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

2.2 **New and revised IFRS and Interpretations in issue but not yet effective and not early adopted (continued)**

- **Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract**
  The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

  The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

  The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

- **Annual Improvements to IFRS Standards 2018–2020**

  The Annual Improvements include amendments to four Standards.

  IFRS 1 First-time Adoption of International Financial Reporting Standards

  The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption.

  The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

2. **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

2.2 **New and revised IFRS and Interpretations in issue but not yet effective and not early adopted (continued)**

- **Annual Improvements to IFRS Standards 2018–2020 (continued)**

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment and is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.
As this amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

3. **Summary of significant accounting policies**

3.1 **Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs').

3.2 **Basis of preparation**

These financial statements have been prepared under the historical cost basis as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. **Summary of significant accounting policies (continued)**

3.2 **Basis of preparation (continued)**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

a) **Investment in joint venture**

The Company has a 39% investment in Phoenix Park Gas Processors Limited, which is a jointly controlled entity involved in the extraction of propane, butanes and natural gasoline from the natural gas stream. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about relevant activities require unanimous consent of the parties sharing control.

The Company does not exercise unilateral control over PPGPL's significant operating and financial decisions and, therefore, accounts for PPGPL under the equity method of accounting. Under the equity method, the investment in a joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the joint venture. When the Company's share of losses of a joint venture exceeds the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the joint venture), the Company discontinues recognizing its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture.

3. **Summary of significant accounting policies (continued)**

3.2 **Basis of preparation (continued)**

a) **Investment in joint venture (continued)**

The investment in a joint venture is accounted for using the equity method from the date of acquisition. On acquisition of the investment in the joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

Impairment of the investment in the joint venture

The requirements of IAS 28 are applied to determine whether there is any objective evidence that its net investment in the joint venture is impaired. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment and is recognised in the statement of profit or loss and other comprehensive.

Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

b) **Cash and cash equivalents**

Cash and cash equivalents are carried at amortised cost. Cash and cash equivalents consist of cash at bank.

c) **Receivables and payables**

Amounts receivable and payable are initially recognised at fair value and subsequently at amortised cost.

d) **Taxes**

Current 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 reporting date.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of 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 losses can be utilised.

3. **Summary of significant accounting policies (continued)**

3.2 **Basis of preparation (continued)**

d) **Taxes (continued)**

Deferred tax (continued).

The carrying amount of deferred tax assets are reviewed at each reporting 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 tax asset to be utilised. Deferred tax assets arising from tax losses not yet recognised are only carried forward if it is probable that future taxable profit will be sufficient to allow the benefit of the tax losses to be realised.

Deferred 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 reporting date.

Income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

e) **Earnings per share**

Earnings per share are calculated using the weighted average number of shares outstanding during the period.

f) **Foreign currencies**

The presentation currency of the Company's financial statements is Trinidad and Tobago dollars ('TT$'). The Company has determined that its functional currency is the United States dollar ('US$'). The US$ is the currency of the primary economic environment in which the Company's joint venture operates. See note 4.1.

Transactions in foreign currencies are initially recorded in the functional currency by applying exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the reporting date exchange rate.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the translation. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on re-translation are recognised in the statement of profit or loss and other comprehensive income.

For the purpose of presenting the financial statements, monetary assets and liabilities are translated into TT$ using the period-end exchange rate and the operations and cash flows are translated using the average rates of exchange over the period.

Exchange differences arising from the translation into the presentation currency are recognised in other comprehensive income and recorded in the Company's translation reserve as a component of equity.

3. **Summary of significant accounting policies (continued)**

3.2 **Basis of preparation (continued)**

g) **Financial assets and liabilities**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

i) **Financial assets**

Financial assets, other than those designated and effective as hedging instruments, are classified and subsequently measured based on the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVTOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset

The Company determines the classification of its financial assets on initial recognition and where allowed and appropriate, re-evaluates this designation at each financial year end.

Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis or other valuation models.

ii) **Impairment of financial assets**

The Company applies the forward- looking expected credit loss (ECL) approach to assess whether a financial asset or group of financial assets may be impaired.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

3. **Summary of significant accounting policies (continued)**

3.2 **Basis of preparation (continued)**

g) **Financial assets and liabilities (continued)**

ii) **Impairment of financial assets (continued)**

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') for which a 12-month ECL is recognised

- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2') for which 'lifetime expected credit losses' are recognised.

- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. However, none of the Company's financial assets fall into this category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. It is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information.

Credit losses are defined as the difference between all the contractual cash flows that are due to an entity and the cash flows that it actually expects to receive ('cash shortfalls'). This difference is discounted at the original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets [POCI])

iii) **Classification and measurement of financial liabilities**

The Company's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

iv) **Financial liabilities and equity instruments**

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised as the proceeds received, net of direct issue costs.

3. **Summary of significant accounting policies (continued)**

3.2 **Basis of preparation (continued)**

g) **Financial assets and liabilities (continued)**

iv) **Financial liabilities and equity instruments (continued)**

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

v) **Derecognition of financial assets and liabilities**

Financial assets

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

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

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

h) **Revenue recognition**

- *Interest* - Interest income is accounted for on the accruals basis.
- *Dividends* - Revenue is recognised when dividends are declared by the investee Company.

3. **Summary of significant accounting policies (continued)**

3.2 **Basis of preparation (continued)**

i) **Provisions**

The Company recognises a provision when, as a result of a past event, it has a present legal or constructive obligation, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

4. **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 **Critical judgements in applying accounting policies**

The following are the critical judgements, apart from those involving estimations, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Functional currency of the Company

The Company is an investment holding company and is not engaged in any other activities. Management has analysed primary and secondary factors as guided by IAS 21 The Effects of Changes in Foreign Exchange Rates and has determined that the functional currency of the Company is the US$. This judgement is made on the basis that all of the Company's income is denominated in US$ which is consistent with the functional currency of PPGPL.

Classification of investment held in PPGPL as a joint venture

PPGPL is a limited liability company whose legal form confers separation between parties to the joint arrangement and the Company itself, see note 3(a) above for details of management's assessments.

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty

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

- *Impairment of joint venture*

  The Company assesses whether there are indicators of impairment of joint venture at each reporting date. Joint venture is tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

5. Investment in joint venture

a) Acquisition of TT Holdings LLC and investment in Phoenix Park (collectively, the 'Acquisition')

On 27 February 2014, the Company authorised and issued 38,700,000 Class A shares and 116,100,000 Class B shares for $25 per share in each class of shares.

The Company's Class A shares and Class B shares carry the same voting rights and are generally subject to the same rights, privileges, restrictions and conditions, except for the right to appoint directors of the Company and conversion rights. Class A shares may be converted into an equal number of Class B shares at any time.

Share for share exchange

On 27 February 2014, NGC exchanged its 100% shareholding in TT Holdings LLC with the Company in exchange for 38,700,000 Class A shares and 116,100,000 Class B shares of the Company, representing 100% of the Company's issued share capital valued at $3,870,000,000. At the close of this transaction, the Company became the 100% shareholder of TT Holdings LLC, and NGC became the holder of 100% of the Company's issued Class A and Class B shares.

Distribution of investment in specie and dissolution of TT Holdings LLC

As at 24 March 2014, TT Holdings LLC made a distribution in specie whereby all of its net assets, including shares held in Phoenix Park were transferred to the Company. Accordingly, the 39% effective ownership interest in PPGPL previously held by TT Holdings LLC was distributed in specie to the Company in the amount of $3,870,000,000 and the Company became the direct holder of the 39% effective ownership interest in PPGPL.

5. **Investment in joint venture (continued)**

b) Details of the Company's joint venture at the end of the reporting period is as follows:

Name of joint venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Company
Phoenix Park Gas Processors Limited	Extraction of propane, butane and natural gasoline from the natural gas stream	Rio Grande Drive, Point Lisas Industrial Estate, Point Lisas	39%

The movement in the carrying value of the Company's 39% share of the assets, liabilities and income and expenses of Phoenix Park Gas Processors Limited as at 30 September 2021, 30 September 2020 and 31 December 2020 are included below.

Share of PPGPL's assets/liabilities:	September 2021 $'000	September 2020 $'000	December 2020 $'000
Movement in investment in joint venture during the reporting period			
Investment in joint venture as at 1 January	3,141,459	3,134,488	3,134,488
Share of profit in joint venture	135,500	30,770	45,565
Dividends received (Note 9)	(26,260)	-	-
Impairment (loss)/reversal on investment	-	-	(38,086)
Exchange rate adjustment	(7,011)	203	(508)
Investment in joint venture	**3,243,688**	**3,165,461**	**3,141,459**

The above joint venture is accounted for using the equity method in the Company's financial statements.

5. **Investment in joint venture (continued)**

c) Summarised financial information in respect of the Company's joint venture is set out below.

The summarised financial information below represents amounts shown in the PPGPL's financial statements prepared in accordance with IFRSs. The information was extracted from PPGPL's unaudited financial statements for the nine months ended 30 September 2021, 30 September 2020 and audited financial statements for the year ended 31 December 2020 which have been presented in United States dollars, PPGPL'S functional currency.

	September 2021 US$'000	September 2020 US$'000	December 2020 US$'000
Statement of financial position of PPGPL			
Cash and cash equivalents	126,031	79,876	87,413
Other current assets	105,033	84,826	67,036
Total current assets	231,064	164,702	154,449
Non-current assets	221,474	217,687	238,075
Total assets	452,538	382,389	392,524
Current financial liabilities	(54,241)	(37,115)	(33,512)
Other current liabilities	(16,416)	(11,219)	(13,547)
Total current liabilities	(70,657)	(48,334)	(47,059)
Non-current financial liabilities	-	-	-
Other non-current liabilities	(57,723)	(56,938)	(62,728)
Total non-current liabilities	(57,723)	(56,938)	(62,728)
Total liabilities	(128,380)	(105,272)	(109,787)
Net assets	**324,158**	**277,117**	**282,737**
Statement of profit or loss and other comprehensive income of PPGPL			
Revenue	370,171	218,753	308,547
Cost of sales	(241,958)	(151,368)	(213,022)
Interest income	41	176	224
Other operating expenses	(27,132)	(30,150)	(42,992)
Depreciation and amortisation	(18,483)	(18,330)	(24,961)
Interest expense	(854)	(1,028)	(1,529)
Profit before tax	81,785	18,053	26,267
Income tax expense	(30,364)	(6,365)	(8,959)
Total comprehensive income	**51,421**	**11,688**	**17,308**

5. **Investment in joint venture (continued)**

d) Reconciliation of the below summarised financial information to the carrying amount of the investment in the joint venture recognised in the Company's financial statements:

	September 2021 $'000	September 2020 $'000	December 2020 $'000
Net assets of PPGPL denominated in US$	324,158	277,117	282,737
Exchange rate at reporting date	6.7466	6.7626	6.7612
Net assets of PPGPL denominated in TT$	2,186,964	1,874,031	1,911,641
Proportion of the Company's ownership interest in the joint venture	39%	39%	39%
39% of net assets of PPGPL	852,916	730,872	745,540
Excess of investment over carrying amount of PPGPL's net assets	2,390,772	2,434,589	2,395,919
Carrying amount of the Company's investment in the joint venture	**3,243,688**	**3,165,461**	**3,141,459**

Reconciliation of the below summarised financial information to the share of profit in the joint venture recognised in the Company's financial statements:

	September 2021 $'000	September 2020 $'000	December 2020 $'000
PPGPL's total profit for the year denominated in US$	51,421	11,688	17,308
Average exchange rate for the year	6.7567	6.7503	6.7503
PPGPL's total profit for the year denominated in TT$	347,436	78,898	116,834
Proportion of the Company's ownership investment in joint venture	39%	39%	39%
Share of profit in the joint venture	135,500	30,770	45,565
Share of profit from the investment in joint venture	**135,500**	**30,770**	**45,565**

6. Trade and other payables

Trade and other payables are non-interest bearing and have an average term of three months. The following table presents the details of accounts payable and accrued liabilities:

	September 2021 $'000	September 2020 $'000	December 2020 $'000
Audit fees	-	-	84
Dividend refunded by Registrar -due to shareholders	1,338	640	623
Sundry payables	136	124	46
	1,474	**764**	**753**

7. Cash and cash equivalents

	September 2021 $'000	September 2020 $'000	December 2020 $'000
Cash at bank and on hand	**86,318**	**107,769**	**107,275**

Cash at bank earns interest at a fixed rate on daily deposit rates.

8. Share capital

Authorised:
An unlimited number of ordinary 'A' shares of no par value
An unlimited number of ordinary 'B' shares of no par value

	September 2021 $'000	September 2020 $'000	December 2020 $'000
Issued and fully paid:			
38,700,000 ordinary 'A' shares of no par value	693,030	693,030	693,030
116,100,000 ordinary 'B' shares of no par value	2,079,090	2,079,090	2,079,090
	2,772,120	**2,772,120**	**2,772,120**

9. Related party balances and transactions

The following table provides the total amount of material transactions, which have been entered into with related parties and the balances outstanding for the nine months ended 30 September 2021 and 30 September 2020 and year ended 31 December 2020.

	September 2021 $'000	September 2020 $'000	December 2020 $'000
Amount due to related parties			
The National Gas Company of Trinidad and Tobago Limited:			
Reimbursement for expenses paid on behalf of the Company	**(58)**	**(270)**	**(75)**
Income/ (expenses) from related parties			
The National Gas Company of Trinidad and Tobago Limited:			
Dividends paid	**(11,610)**	**(9,675)**	**(9,675)**
Phoenix Park Gas Processors Limited:			
Dividends received (Note 5 b)	**26,260**	**-**	**-**
Key management compensation			
Directors' fees and allowances	**(167)**	**(187)**	**(254)**

10. Taxation

	September 2021 $'000	September 2020 $'000	December 2020 $'000
a) The taxation charge consists of the following:			
Green fund levy	78	1	1
Business levy	1	1	1
	79	**2**	**2**
b) Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate:			
Profit before taxation	**134,157**	**29,957**	**6,402**
Income taxes at the rate of 30%:	40,263	8,987	1,921
Tax effect of items not allowable for tax:			
Income derived from dividends from investment in PPGPL and not subject to taxation at the corporate rate	(40,263)	(8,987)	(1,921)
Green fund levy	78	1	1
Business levy	1	1	1
	79	**2**	**2**

11. **Impairment**

	September 2021 $'000	September 2020 $'000	December 2020 $'000
Impairment (loss)/reversal	-	-	**(38,086)**

Management conducted an impairment assessment of the Company's 39% shareholding investment in PPGPL as at the date of the statement of financial position.

For 2019, a similar impairment assessment led to the recognition of an impairment reversal of $40.005 million, which has been recognised and separately disclosed on the statement of profit or loss. In addition to the continuing impact of the COVID-19 pandemic, as with the 2019 exercise, the primary drivers for the impairment assessment continue to be the following factors:

- Accessibility of available and more economical sources of energy (particularly North American shale resources) continue to compress both demand and prices for natural gas products. Alternate energy sources have been more economical in certain countries which have access to energy sources and processing infrastructure at closer proximity, industrial and commercial applications are able to tap energy sources at cost levels that are not inhibiting. Overall global supply remains above demand resulting in higher inventory levels and depressed energy commodity prices.
- Issues of local gas supply in the short to medium term and natural gas liquids ("NGLs") content in the gas stream over the longer term.

The impairment assessment for 2020 led to an expense of $38.086 million. The expense was due to a decrease in the recoverable amount, which was driven by reduced commodity prices and sales volume, and offset by the continued implementation of value creating opportunities including foreign investments and Product Trading activities.

Details of the movement in impairment:

Year	TT$'000
2014	(1,097,880)
2015	235,195
2016	17,831
2017	19,499
2018	10,568
2019	40,005
2020	(38,086)

The recoverable amount of the Company's investment in joint venture is based on a value in use calculation which uses cash flow projections which was determined from financial information approved by the Board of Directors of the Company covering a ten-year period from 2021 to 2030, and a discount rate of 10.15% per annum which was based on a market estimate of the weighted average cost of capital. Cash flows beyond the ten-year period have been extrapolated assuming a growth rate of 2%. The key assumptions used in the value in use calculations are as follows:

11. **Impairment (continued)**

- Discount rate of 10.15% (2019: 10.94%)
- Selling prices of NGLs are expected to show some volatility in 2022. Selling prices of NGLs included in the cash flow projections are based on management's best estimate taking into consideration current market conditions. Prices are based on forecasted market prices which are provided by a highly reputable company.

A change in the key assumptions has been analysed and presented below.

- Discount rate

  A 1% decrease in the discount rate while holding all other variables constant will result in an impairment reversal of US$68.850 million while a 1% increase in the discount rate results in an impairment loss of US$63.316 million.

- Selling prices of NGLs
  - A 5% increase in the selling prices of NGLs while holding all other variables constant will result in an impairment reversal of US$19.618 million while a 5% decrease in the selling price results in an impairment loss of US$30.903 million.
- Selling prices of NGLs (continued)
  - A 10% increase in the selling prices of NGLs while holding all other variables constant will result in an impairment reversal of US$44.878 million while a 10% decrease in the selling price results in an impairment loss of US$56.163 million.

12. Earnings per share

	September 2021	**September 2020**	**December 2019**
Basic earnings per share	**$ 0.87**	**$ 0.19**	**$ 0.04**

The profit and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	$'000	**$'000**	**$'000**
Profit used in the calculation of basic earnings per share	**134,132**	**29,955**	**6,400**
	Shares '000	**Shares '000**	**Shares '000**
Weighted average number of ordinary shares for the purposes of basic earnings per share	**154,800**	**154,800**	**154,800**

13. **Dividends**

		September 2021 $'000	September 2020 $'000	December 2020 $'000
2019 final dividend	- **$0.25** per share	-	38,700	38,700
2020 final dividend	- **$0.05** per share	7,740	-	-
2021 interim dividend	-**$0.25** per share	38,700		
		46,440	**38,700**	**38,700**

On 13 April 2020, the Board of Directors declared a final dividend of $0.25 per share for 2019. This final dividend was paid on 31 May 2020.

On 29 March 2021, the Board of Directors declared an final dividend of $0.05 per share for 2020. This final dividend was paid on 12 May 2021.

On 12 August 2021, the Board of Directors declared an interim dividend of $0.25 per share for 2021. This interim dividend was paid on 15 September 2021.

14. **Capital management**

The Company manages its shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue and to maintain a flexible capital structure which optimises the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company may prepare expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its operations through its current operating period.

15. **Financial risk management objectives and policies**

Risk management

In the normal course of business, the Company is exposed to financial risk and manages that risk, as follows:

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is expected to be dividend income, which is used to finance working capital and to meet the Company's financial obligations associated with financial liabilities.

15. **Financial risk management objectives and policies (continued)**

Credit risk

Credit risk arises from the possibility that debtors may be unable to fulfil their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Company is not currently exposed to significant credit risk.

Market risk

Market risk is the risk that changes in market prices will have an effect on future cash flows associated with financial instruments. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameter, while optimising the Company's return on its assets.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk. The Company is not currently exposed to interest rate risk as it does not have any interest bearing financial liabilities and interest bearing financial assets are at fixed rates of interest.

Currency risk

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. The Company is exposed to foreign currency risk arising from exposure with respect to the Trinidad and Tobago dollar. Management monitors its exposure to foreign currency fluctuations on a continuous basis and employs appropriate mitigation strategies.

The following tables show balances outstanding as at 30 September 2021, 30 September 2020 and 31 December 2020 denominated in foreign currencies:

As at 30 September 2021	**TT Denominated $'000**	**US Denominated $'000**	**Total $'000**
Assets			
Cash and cash equivalents	1,871	84,447	86,318
Total assets	**1,871**	**84,447**	**86,318**
Liabilities			
Due to parent company/related party	58	-	58
Trade and other payables	1,474	-	1,474
Total liabilities	**1,532**	**-**	**1,532**
Net position	**339**	**84,447**	**84,786**

15. **Financial risk management objectives and policies (continued)**

Currency risk (continued)

As at 30 September 2020	TT Denominated $'000	US Denominated $'000	Total $'000
Assets			
Cash and cash equivalents	695	107,074	107,769
Total assets	**695**	**107,074**	**107,769**
Liabilities			
Due to parent company/related party	270	-	270
Trade and other payables	764	-	764
Total liabilities	**1,034**	**-**	**1,034**
Net position	**(339)**	**107,074**	**106,735**
As at 31 December 2020			
Assets			
Cash and cash equivalents	167	107,108	107,275
Total assets	**167**	**107,108**	**107,275**
Liabilities			
Due to parent company/related party	75	-	75
Trade and other payables	753	-	753
Total liabilities	**828**	**-**	**828**
Net position	**(661)**	**107,108**	**106,447**

The following table demonstrates the sensitivity to a reasonable possible change in the TT dollar exchange rate with all other variables held constant of the Company's profit before taxation.

	Increase/ (decrease) in exchange rate %	Effect on other comprehensive (loss)/income $'000
As at 30 September 2021	**3%**	**4,019**
	(3%)	**(4,019)**
As at 30 September 2020	**3%**	**900**
	(3%)	**(900)**
As at 31 December 2020	**3%**	**192**
	(3%)	**(192)**

15. **Financial risk management objectives and policies (continued)**

Other price risk

Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associated with financial instruments. The Company's primary source of income is dividend income derived from its underlying investment in PPGPL. PPGPL is exposed to market/feedstock price movements that could adversely affect the value of its financial assets, liabilities and future cash flow.

Fair values

Financial instruments include cash and cash equivalent, trade and other payables. The carrying values of these financial instruments are approximate to their fair value due to their short-term nature.

16. **COVID-19**

Management is continuing to evaluate the impact of the coronavirus disease 2019 (COVID-19) particularly on the Company's operations. The extent of the impact on the financial position and performance of the Company depends on future developments, including but not limited to:

(i) the duration and spread of the outbreak,
(ii) the extent of restrictions and advisories, and
(iii) the effects on the local and global financial and economic markets, all of which are highly uncertain and cannot be predicted.