Trinidad and Tobago NGL Limited

Unaudited financial statements

Nine months ended 30 September 2023

(Expressed in thousands of Trinidad and Tobago dollars)

Trinidad and Tobago NGL Limited

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Trinidad and Tobago NGL Limited

Statement of Financial Position

(Expressed in Trinidad and Tobago dollars)

	Notes	Unaudited 30 September 2023 $'000	Unaudited Restated 30 September 2022 $'000	Audited 31 December 2022 $'000
Assets				
Non-current assets				
Investment in joint venture	5(b),16	1,600,256	2,185,269	1,588,588
Total non-current assets		1,600,256	2,185,269	1,588,588
Current assets				
Taxation recoverable		314	390	314
Cash at bank and on hand	7	128,380	66,435	105,547
Total current assets		128,694	66,825	105,861
Total assets		1,728,950	2,252,094	1,694,449
Shareholders' equity and liabilities				
Equity				
Share capital	8	2,772,120	2,772,120	2,772,120
Translation reserve	16	147,022	141,399	145,252
Retained deficit	16	(1,193,744)	(664,766)	(1,226,493)
Total shareholders' equity		1,725,398	2,248,753	1,690,879
Current liabilities				
Due to parent company/related party	9	70	124	142
Trade and other payables	6	3,482	3,217	3,428
Total liabilities		3,552	3,341	3,570
Total equity and liabilities		1,728,950	2,252,094	1,694,449

The notes on pages 5 to 32 are 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 10 November 2023.





Director

Director

Trinidad and Tobago NGL Limited

Statement of Profit or Loss and Other Comprehensive Income

(Expressed in Trinidad & Tobago dollars)

	Notes	Unaudited Nine Months Ended 30 September 2023 $'000	Unaudited Restated Nine Months Ended 30 September 2022 $'000	Audited Year Ended 31 December 2022 $'000
Income				
Share of profit from investment in joint venture	5(d)	33,690	166,621	168,053
Interest income		85	79	96
Foreign exchange gain		--	130	130
Total income		33,775	166,830	168,279
Expenses				
Impairment loss	11	--	--	(562,448)
Legal and professional fees		(869)	(839)	(1,221)
Other expenses		(156)	(646)	(1,192)
Profit/(loss) before taxation		32,750	165,345	(396,582)
Income tax (expense)/credit	10	(1)	(198)	2
Profit/(loss) after taxation		**32,749**	**165,147**	**(396,580)**
Other comprehensive (loss)/income:				
Items that will be reclassified subsequently to profit or loss				
Exchange translation differences, net of tax	16	1,770	(9,827)	(5,974)
Other comprehensive income/(loss)		1,770	(9,827)	(5,974)
Total comprehensive income/(loss)		**34,519**	**155,320**	**(402,554)**
Earnings/(loss) per share				
Basic (dollars per share)	12	0.21	1.07	(2.56)

The notes on pages 5 to 32 are an integral part of these financial statements.

Trinidad and Tobago NGL Limited

Statement of Changes in Equity

(Expressed in Trinidad & Tobago dollars)

	Notes	Share capital $'000	Translation reserve $'000	Retained (deficit)/ earnings $'000	Total equity $'000
Unaudited nine month ended 30 September 2023					
Balance at 1 January 2023		2,772,120	145,252	(1,226,493)	1,690,879
Profit for the year		--	--	32,749	(32,749)
Other comprehensive income		--	1,770	--	1,770
Total comprehensive income		--	1,770	32,749	34,519
Dividends	13	--	--	--	--
Balance at 30 September 2023		2,722,120	147,022	(1,193,744)	1,725,398
Unaudited nine months ended 30 September 2022 (restated)					
Balance at 1 January 2022 (originally stated)		2,772,120	153,860	789,655	3,715,635
Effect of restatement (prior period error)		--	(2,634)	(1,487,988)	(1,490,622)
Balance at 1 January 2022		2,772,120	151,226	(698,333)	2,225,013
Profit for the year		--	--	165,147	165,147
Other comprehensive loss		--	(9,827)	--	(9,827)
Total comprehensive loss		--	(9,827)	165,147	155,320
Dividends	13	--	--	(131,580)	(131,580)
Balance at 30 September 2022		2,772,120	141,399	(664,766)	2,248,753
Audited year ended 31 December 2022					
Balance at 1 January 2022		2,772,120	151,226	(698,333)	2,225,013
Loss for the year		--	--	(396,580)	(396,580)
Other comprehensive loss		--	(5,974)	--	(5,974)
Total comprehensive loss		--	(5,974)	(396,580)	(402,554)
Dividends	13	--	--	(131,580)	(131,580)
Balance at 31 December 2022		2,772,120	145,252	(1,226,493)	1,690,879

The notes on pages 5 to 32 are an integral part of these financial statements.

Trinidad and Tobago NGL Limited

Statement of Cash Flows

(Expressed in Trinidad & Tobago dollars)

	Notes	Unaudited Nine Months Ended 30 September 2023 $'000	Unaudited Nine Months Ended 30 September 2022 $'000	Audited Year Ended 31 December 2022 $'000
Cash flows from operating activities				
Profit/(loss) for the period/year before taxation		32,750	165,345	(396,582)
Adjustments to reconcile net profit/(loss) for the period/year to net cash used in operating activities:				
Impairment loss	11	--	--	562,448
Dividends from joint venture		23,688	65,848	105,286
Interest income		(85)	(79)	(96)
Share of profit from investment in joint venture		(33,690)	(166,621)	(168,053)
		22,663	65,493	103,003
(Decrease)/increase in amount due to related party		(72)	104	122
Increase in trade and other payables		54	1,671	1,833
Cash flows generated from operating activities		22,645	66,268	104,958
Taxation received		--	29	29
Taxation paid		(1)	(274)	(1)
Net cash flow generated from operating activities		22,644	66,023	104,986
Cash flows from financing activities				
Dividends paid	13	--	(131,580)	(131,580)
Net cash used in financing activities		--	(131,580)	(131,580)
Cash flows from investing activities				
Interest and other investment income		85	79	96
Net cash generated from investment activities		85	79	96
Net increase/(decrease) in cash at bank and on hand		22,729	(65,478)	(26,498)
Net foreign exchange differences		104	(348)	(216)
Cash at bank and on hand at beginning of year		105,547	132,261	132,261
Cash at bank and on hand at end of period/year		**128,380**	**66,435**	**105,547**

The notes on pages 5 to 32 are 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 75% Class B 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')**

a. 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 2023. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- **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.

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

- **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.

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

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

a. New IFRS and amendments to IFRS that are mandatorily effective for the current year (continued)

- **Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies**

  The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

  The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

  The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

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

- **Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates**

  The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

  The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

  - A change in accounting estimate that results from new information or new developments is not the correction of an error.
  - The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

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

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

a. New IFRS and amendments to IFRS that are mandatorily effective for the current year (continued)

- **Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

  The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

  Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease

  Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

  The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

  - A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
    - Right-of-use assets and lease liabilities
    - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
  - 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 that date.

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

b. 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 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 IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

The Company does not expect that the adoption of the Standards listed above will have a material impact on the financial statements in future periods.

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

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

- **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.

- **Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current**

  Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent 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 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early.

- **Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants**

  The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

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

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

- **Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants (continued)**

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

- **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements**

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

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

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

- **Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback**

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

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') as issued by the International Accounting Standards Board (IASB).

3.2 *Going concern*

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, we continue to adopt the going concern basis of accounting in preparing the financial statements.

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

3.3 *Basis of preparation (continued)*

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. 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, butane 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 recognising 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)**

3.3 *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 at bank and on hand*

Cash at bank and on hand are carried at amortised cost. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand and deposits held at call with financial institution, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

c) *Receivables and payables*

Amounts receivable and payable are initially recognised at fair value and subsequently at amortised cost. Trade and other payables are classified as current liabilities if payment is due within one year or less.

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 at the reporting date.

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)**

3.3 *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)**

3.3 *Basis of preparation (continued)*

g) *Financial assets and liabilities*

Recognition of 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)**

3.3 *Basis of preparation (continued)*

g) *Financial assets and liabilities (continued)*

Recognition of 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) *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. Subsequently, financial liabilities are recognised at amortised cost.

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.

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.

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

3.3 *Basis of preparation (continued)*

g) *Financial assets and liabilities (continued)*

Derecognition of financial assets and liabilities

i) *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.

ii) *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.

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).

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

3.3 *Basis of preparation (continued)*

i) *Provisions (continued)*

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 3.3(a) above for details of management's assessments.

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 Fair Value less Costs of Disposal (FVLCD) 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. Refer to Note 11 regarding sensitivity analysis regarding management's impairment assessment.

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

4.3 *Segment reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Makers (CODM) of the Company, which is the team responsible for allocating resources and assessing performance of the operating segments and is also responsible for making strategic decisions. The Company's CODM (comprises of the Chief Financial Officer, corporate secretariat and relevant supporting personnel), examines the Company's performance from an operations perspective and has identified one reportable segment being the Company's 39% interest in Phoenix Park Gas Processors Limited (PPGPL), which is its only investment. The Company does not exercise control over PPGPL's activities and PPGPL has its own management team. Accordingly, the Company accounts for its investment in PPGPL under the equity method as described in Note 3.3(a). For this reason, the results of the whole of the joint venture (i.e. PPGPL) are reviewed by the CODM, which are disclosed in these financial statements. This is the only reportable segment and it forms the basis used by the CODM for assessing performance and allocating resources.

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.

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

Phoenix Park Gas Processors Limited (PPGPL) is incorporated in the Republic of Trinidad and Tobago. It is owned by NGC NGL Group Limited (51%), Trinidad and Tobago NGL Limited (39%) and Pan West Engineers and Constructors LLC (10%), a consortium comprising of Unit Trust Corporation, National Insurance Board of Trinidad and Tobago and National Enterprises Limited. The Government of the Republic of Trinidad and Tobago is the ultimate parent which controls the National Gas Company, the parent of NGC NGL Group.

The registered office of PPGPL is situated at Rio Grande Drive, Point Lisas. Its principal activity is natural gas processing, aggregation, fractionation and marketing of natural gas liquids. The

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

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

Group comprises of PPGPL, Phoenix Park TT Energy Holdings Company Limited (PPTTEH) and its subsidiaries as explained below.

In November 2019, Phoenix Park TT Energy Holdings Company Limited (PPTTEH) was incorporated in the Republic of Trinidad and Tobago and is 100% owned by Phoenix Park Gas Processors Limited. The registered office of the PPTTEH is situated at Rio Grande Drive, Point Lisas. It is a holding company of the fully owned subsidiaries, Phoenix Park Global Energy Holdings LLC (PPGEH) and Phoenix Park (Canada) Energy Marketing Ltd (PPCEM). PPGEH has a 100% owned subsidiary, Phoenix Park Energy Marketing LLC (PPEM). PPEM was incorporated in the State of Delaware in the United States of America as a limited liability company in December 2019. The operations of PPEM focuses on marketing, trading and transportation of natural gas liquids in Canada, USA and Mexico via rail. PPCEM was incorporated in the Province of British Columbia, Canada in December 2019 and its principal activity is the marketing, trading and transportation of natural gas liquids in Canada, USA and Mexico via rail.

Effective 1 February 2020, Phoenix Park Gas Processors Limited through its wholly owned US subsidiary, PPEM, acquired the NGL marketing assets of Twin Eagle Liquids Marketing LLC.

Effective 21 January 2022 and 13 December 2022, Phoenix Park Gas Processors Limited through its wholly owned US subsidiary, Phoenix Park Energy Marketing LLC, acquired the assets of the Hull Terminal from Keyera Energy Inc. and Rush City terminal from Interstate Fuel & Energy LLC respectively.

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 2023, 30 September 2022 and 31 December 2022 are included below.

Share of PPGPL's assets/liabilities:	**September 2023 $'000**	**Restated September 2022 $'000**	**December 2022 $'000**
Investment in joint venture as at 1 January as previously reported	1,588,588	3,584,648	2,094,026
Effect of restatement on share of profit in joint venture (prior period error)	--	(145,954)	--
Effect of restatement on impairment loss on investment (prior period error)	--	(1,338,166)	--
Share of profit in joint venture	33,690	166,621	168,053
Dividends received (Note 9)	(23,688)	(65,848)	(105,286)
Impairment (loss)/reversal on investment	--	--	(562,448)
Exchange rate adjustment	1,666	(16,032)	(5,757)
Investment in joint venture	**1,600,256**	**2,185,269**	**1,588,588**

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 financial statements for the nine months ended 30 September 2023 and 30 September 2022 and year ended 31 December 2022 which have been presented in United States dollars, PPGPL'S functional currency.

	September 2023 US$'000	September 2022 US$'000	December 2022 US$'000
Statement of financial position of PPGPL			
Cash and cash equivalents	129,192	156,684	154,836
Other current assets	101,707	114,832	81,677
Total current assets	230,899	271,516	236,513
Non-current assets	246,100	222,932	249,625
Total assets	476,999	494,448	486,138
Current financial liabilities	(49,449)	(54,342)	(55,132)
Other current liabilities	(15,025)	(19,471)	(20,387)
Total current liabilities	(64,474)	(73,813)	(75,519)
Non-current financial liabilities	--	--	--
Other non-current liabilities	(104,609)	(46,475)	(106,502)
Total non-current liabilities	(104,609)	(46,475)	(106,502)
Total liabilities	(169,083)	(120,288)	(182,021)
Net assets	**307,916**	**374,160**	**304,117**
Statement of profit or loss and other comprehensive income of PPGPL			
Revenue	309,625	531,615	655,290
Cost of sales	(249,765)	(397,880)	(494,237)
Gross profit	59,861	133,735	161,053
Operating expenses	(21,760)	(16,127)	(27,824)
Administrative expenses	(17,677)	(15,003)	(29,552)
Distribution costs	(1,807)	(3,064)	(4,445)
Finance cost (net)	1,263	(316)	(3,441)
Profit before tax	19,880	99,225	95,791
Taxation	(7,081)	(35,979)	(31,988)
Profit after tax	12,799	63,246	63,803
Other comprehensive income	--	--	--
Total comprehensive income	**12,799**	**63,246**	**63,803**

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 2023 $'000	Restated September 2022 $'000	December 2022 $'000
Net assets of PPGPL denominated in US$	307,916	374,160	304,117
Exchange rate at reporting date	6.7486	6.7330	6.7415
Net assets of PPGPL denominated in TT$	2,078,002	2,519,219	2,050,205
Proportion of the Company's ownership interest in the joint venture	39%	39%	39%
39% of net assets of PPGPL	810,421	982,495	799,580
Excess of investment over carrying amount of PPGPL's net assets	789,835	1,202,774	789,008
Carrying amount of the Company's investment in the joint venture	1,600,256	2,185,269	1,588,588

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

	September 2023 $'000	September 2022 $'000	December 2022 $'000
PPGPL's total profit for the year denominated in US$	12,799	63,246	63,803
Average exchange rate for the year	6.7493	6.7551	6.7537
PPGPL's total profit for the year denominated in TT$	86,384	427,233	430,906
Proportion of the Company's ownership investment in joint venture	39%	39%	39%
Share of (loss)/profit from the investment in joint venture	**33,690**	**166,621**	**168,053**

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 2023 $'000	September 2022 $'000	December 2022 $'000
Audit fees	--	34	114
Dividend refunded by Registrar -due to shareholders	3,335	3,072	3,075
Sundry payables	147	145	239
	3,482	3,217	3,428

7 Cash at bank and on hand

	September 2023 $'000	September 2022 $'000	December 2022 $'000
Cash at bank and on hand	128,380	66,435	105,547

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 2023 $'000	September 2022 $'000	December 2022 $'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 2023 and 30 September 2022 and year ended 31 December 2022.

	September 2023 $'000	September 2022 $'000	December 2022 $'000
Amount due to related parties			
The National Gas Company of Trinidad and Tobago Limited:			
Reimbursement for expenses paid on behalf of the Company	(70)	(124)	(142)
Income/(expenses) from related parties			
The National Gas Company of Trinidad and Tobago Limited:			
Dividends paid	--	(32,895)	(32,895)
Phoenix Park Gas Processors Limited:			
Dividends received (Note 5 b)	23,688	65,848	105,286
Management fee	(81)	(81)	(81)
Key management compensation			
Directors' fees and allowances	(190)	(145)	(167)

10 **Taxation**

	September 2023 $'000	September 2022 $'000	December 2022 $'000
a) The taxation charge consists of the following:			
Green fund levy	--	197	--
Business levy	1	1	1
Prior year tax	--	-	(3)
	1	198	(2)

b) Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate:

	September 2023 $'000	September 2022 $'000	December 2022 $'000
Profit/(loss) before taxation	32,750	165,345	(396,582)
Income taxes at the rate of 30%:	9,825	49,604	(118,975)
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	(9,825)	(49,604)	118,975
Green fund levy	--	197	--
Business levy	1	1	1
Prior year taxation	--	--	(3)
	1	198	(2)

c) In December 2022, green fund levy was reclassified to other expenses, prior period amount was not reclassified. This adjustment was made to reflect the provision of the Income Tax Act. Green fund levy disclosed under other expenses on the statement of profit and loss and other comprehensive income for the year ended 31 December 2022 amounted to $0.316 million.

11 **Impairment**

	September 2023 $'000	September 2022 $'000	December 2022 $'000
Impairment (loss)/reversal	--	--	(562,448)

Management conducted an impairment assessment of the Company's 39% shareholding investment in the PPGPL group as at the date of the statement of financial position. The following impairment triggers were noted in the current year: The Company's market capitalisation is lower than the investment's carrying amount and separate impairment triggers at the joint venture level.

For December 2022, the impairment assessment was conducted using the FVLCD approach instead of the value in use approach used for 2021 assessment. The 2021 impairment reversal was restated from $302.067m to $267.247 million as described in Note 16. Management has determined the FVLCD approach is a more representative approach given uncertainty of cash flows over the long term.

The primary PPGPL group assumptions used for the impairment assessment are as follows:

Assumptions	PPGPL Group	
	Trinidad & Tobago	North America
Gas supply and quality– based on past performance and management's expectation of the future of Trinidad and Tobago gas industry.	√	x
Product Prices – based on IHS Markit Ltd published forecast prices. IHS Markit Ltd is a global provider of information, predictive analytics and solutions for governments and financial markets. PPGPL sells its products at a differential to the base Mont Belvieu (MB) price. The differential may be a premium or discount to the MB price and its value is primarily driven by NGL product quality and PPPGL's geographic location in relation to the markets it serves.	√	√
Overhead and operating expenses and major maintenance- based on past performance adjusted for inflation.	√	√
Decommissioning expenses	√	x
Long term growth rate	x	√
Income Taxes	√	√
Post Tax Discount Rate	√	√
Trading volume	x	√
Trading margin	x	√

Details of the movement in impairment:

Year	(Loss)/reversal TT$'000
2014	(1,097,880)
2015	235,195
2016	17,831
2017	19,499
2018	10,568
2019	40,005
2020 - Restated	(1,347,017)
2021 - Restated	267,247
2022	(562,448)

11 **Impairment (continued)**

The recoverable amount of the Company's investment in joint venture is based on a fair value less cost to sell calculation which uses cash flow projections which was determined from financial information approved by the Board of Directors of the Company covering a twenty-year period from 2023 to 2042, and a discount rate of 9.18% per annum which was based on a market estimate of the weighted average cost of capital. This has led to the recognition of an impairment loss of $562.448 million which is separately disclosed on the statement of profit and loss and other comprehensive income. The key assumptions used in the FVLCD calculations are as follows:

- Post Tax Discount rate of 9.18% (2021: 10.11%)

- Selling prices of NGLs are expected to show some volatility in 2023. 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 decommissioning provision which represents the present value of decommissioing costs related to the plant assets which are expected to be incurred in 2042. The provision was determined based on estimates provided by external consultants. Assumptions are based on the current economic environment which management believes forms a reasonable basis upon which to estimate the future liability.

Period	Provision (US$000)
2022	52,002
Restated 2021	50,705
Restated 1-Jan-2021	52,202

- Cash flows from PPGPL's operations in North America

- Gas supply volumes from NGC

- Removal of terminal value calculation for PPGPL's Point Lisas operation to match cash outflows of decommissioning expected to materialise in 2042.

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 a reduction of the impairment loss by TT$147.567 million while a 1% increase in the discount rate results in an increase of the impairment loss by TT$117.289 million.

- Selling prices of NGLs

  - A 5% increase in the selling prices of NGLs while holding all other variables constant will result in a reduction of the impairment loss by TT$101.336 million while a 5% decrease in the selling price results in an increase of the impairment loss by TT$101.337 million.

  - A 10% increase in the selling prices of NGLs while holding all other variables constant will result in a reduction of the impairment loss byTT$202.673 million while a 10% decrease in the selling price results in an increase of the impairment loss by TT$202.673 million.

11 **Impairment (continued)**

A change in the key assumptions has been analysed and presented below (continued)

- Gas volume
  - A 5% increase in natural gas supply to PPGPL while holding all other variables constant will result in a reduction of the impairment loss by TT$83.642 million while a 5% decrease in natural gas supply to PPGPL results in an increase of the impairment loss by TT$83.643 million.
- North America growth rate
  - A 5% increase in the growth rate for marketed NGL volumes in North America while holding all other variables constant will result in a reduction of the impairment loss by TT$7.481 million while a 5% decrease in the growth rate for marketed NGL volumes in North America results in an increase of the impairment loss by TT$7.224 million.

12 **Earnings/(loss) per share**

	September 2023	September 2022	December 2022
Basic earnings/(loss) per share (dollar per share)	**$0.21**	**$1.07**	**($2.56)**

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

	September 2023 $'000	September 2022 $'000	December 2022 $'000
Profit/(loss) used in the calculation of basic earnings per share	32,749	165,147	(396,580)
	Shares '000	**Shares '000**	**Shares '000**
Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share	154,800	154,800	154,800

13 **Dividends**

		September 2023 $'000	September 2022 $'000	December 2022 $'000
2021 final dividend	- **$0.50** per share	--	77,400	77,400
2022 interim dividend	**- $0.35** per share	--	54,180	54,180
		--	131,580	131,580

On 29 March 2022, the Board of Directors declared a final dividend of $0.50 per share for 2021. This final dividend was paid on 12 May 2022.

On 11 August 2022, the Board of Directors declared an interim dividend of $0.35 per share for 2022. This interim dividend was paid on 14 September 2022.

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 has no borrowings.

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 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 ris*k

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.

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.

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

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 2023, 30 September 2022 and 31 December 2022 denominated in foreign currencies:

	TT Denominated $'000	US Denominated $'000	Total $'000
As at 30 September 2023			
Assets			
Cash at bank and on hand	1,055	127,325	128,380
Total assets	**1,055**	**127,325**	**128,380**
Liabilities			
Due to parent company/related party	70	--	70
Trade and other payables	3,482	--	3,482
Total liabilities	**3,552**	**--**	**3,552**
Net position	**(2,497)**	**127,325**	**117,246**
As at 30 September 2022			
Assets			
Cash at bank and on hand	1,516	64,919	66,435
Total assets	**1,516**	**64,919**	**66,435**
Liabilities			
Due to parent company/related party	124	--	124
Trade and other payables	3,217	--	3,217
Total liabilities	**3,341**	**--**	**3,341**
Net position	**(1,825)**	**64,919**	**63,094**

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

Currency risk (continued)

	TT Denominated $'000	US Denominated $'000	Total $'000
As at 31 December 2022			
Assets			
Cash at bank and on hand	1,089	104,458	105,547
Total assets	**1,089**	**104,458**	**105,547**
Liabilities			
Due to parent company/related party	142	--	142
Trade and other payables	3,428	--	3,428
Total liabilities	**3,570**	**--**	**3,570**
Net position	**(2,481)**	**104,458**	**101,977**

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 2023	**3%**	**983**
	(3%)	**(983)**
As at 30 September 2022	**3%**	**4,946**
	(3%)	**(4,946)**
As at 31 December 2022	**3%**	**(11,884)**
	(3%)	**11,884**

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 **Restatements**

The Company has restated the financial statements to account for the following:

1) Restatements of the financial statements of PPGPL

The financial effects of this restatement on the Company's financial statements are as follows:

- Investment in joint venture – reduction of $128.088 million as at 1 January 2021 and $18.480 million as at 31 December 2021.
- Retained earnings – reduction of $127.882 million as at 1 January 2021 and $18.470 million as at 31 December 2021.

PPGPL's financial statements were restated for the following:

i) Decommissioning

PPGPL recorded a decommissioning provision which represents the present value of decommissioing costs related to the plant assets which are expected to be incurred in 2042. Decommissioning liabilities were not recognised in prior years as required under IFRS and a restatement was made for its effects in these financial statements.

The land on which the PPGPL's Trinidad facilities have been built is leased from Point Lisas Industrial Port Development Corporation Ltd (PLIPDECO). In accordance with the underlying lease agreements, PPGPL is required to decommission and dismantle the facilities upon expiry of the leases.The restoration obligation requires judgmental assumptions regarding removal date, environmental legislation and regulations, the extent of restoration activities required, the methodology for estimating cost, future removal technologies in determining the removal cost, and liability-specific discount rates to determine the present value of these cash flows.

PPGPL's provision includes the costs to dismantle the gas plants, fractionation units and storage tanks. A suitably qualified and experienced external expert was engaged by PPGPL to determine a current cost estimate of the decommissioning costs. Further studies and detailed analysis will be performed annually and also near the end of the operational life. Any adjustments in the provisions will be made upon review of such estimates for each financial period and will depend on changes in prices, technology, inflation rate and discount rate. These uncertainties may result in actual expenditure differing from amounts included in the provision recognised as at 31 December 2022.

ii) Amortisation of intangible assets

In prior years PPGPL recognised costs incurred in connection with the purchase of contracts related to its North American operations as intangible assets with indefinite useful lives. This treatment was incorrect and a restatement was made for the amortisation of the costs over the term of the contracts on a straight line basis.

16 **Restatements (continued)**

The Company has restated the financial statements to account for the following: (continued)

2. Changes to the Company's impairment calculation:

The financial effects of this restatement on the Company's financial statement are as follows:

- Investment in joint venture – reduction of $1,308.931 million as at 1 January 2021 and $34.847 million as at 31 December 2021
- Retained earnings – reduction of $1,306.818 million as at 1 January 2021 and $34.820 million as at 31 December 2021

Impairment calculation was adjusted for the following:

i) Adjusted cash outflow to include decommissioning cost of the PPGPL's plant located at Point Lisas, Trinidad and
ii) Removal of terminal value calculation for PPGPL's Point Lisas operation to match decommissioning provision expected to materialise in 2042.

The table below summarizes the effect of the restatement to the statement of financial position:

	Balance before restatement $'000	Adjustments $'000	Restated balance $'000
As at 30 September 2022			
Investment in joint venture	3,669,389	(1,484,120)	2,185,269
Translation reserve	137,531	3,868	141,399
Retained earnings/(deficit)	823,222	(1,487,988)	(664,766)

The table below summarizes the effect of the restatement to retained earnings on the statement of financial position:

	30 September 2022 $'000
Retained earnings as previously report	823,222
Effect of restatement on share of profit in joint venture as at 1 January 2021	(127,882)
Effect of restatement on impairment loss as at 1 January 2021	(1,306,820)
Effect of restatement on share of profit in joint venture for the year ended 31 December 2021	(18,466)
Effect of restatement on impairment reversal for the year ended 31 December 2021	(34,820)
Retained deficit restated	(664,766)

16 **Restatements (continued)**

The table below summarizes the effect of the restatement to the statement of profit or loss:

	As previously reported $'000	Adjustments $'000	Effect of restatement $'000
For the nine months ended 30 September 2022			
Exchange translation differences, net of tax	(16,329)	6,502	(9,827)
Other comprehensive loss for the year	(16,329)	6,502	(9,827)
Total comprehensive income for the year	148,818	6,502	155,320

17 **Commitments and contingencies**

At 30 September 2023, the Company had no contractual commitments or contingencies with third parties or as a result of its investment in joint venture (2022: Nil).

18 **Subsequent events**

There were no subsequent events identified that require disclosure or adjustments to the financial statements.