Trinidad and Tobago NGL Limited

A subsidiary of THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Today's Investment...
Tomorrow's Reward

ANNUAL REPORT 2020

CONTENTS

CORPORATE
OVERVIEW

In August 2013, The National Gas Company of Trinidad and Tobago Limited ('NGC') acquired an additional 39% shareholding in Phoenix Park Gas Processors Limited ('PPGPL'). Trinidad and Tobago NGL Limited ('TTNGL') was incorporated by NGC for the purpose of holding the 39% of the shares of PPGPL. NGC made 49% of its ownership of TTNGL available for sale to the citizens of Trinidad and Tobago via an Initial Public Offering ('IPO') to allow the public to own an equity interest in PPGPL.

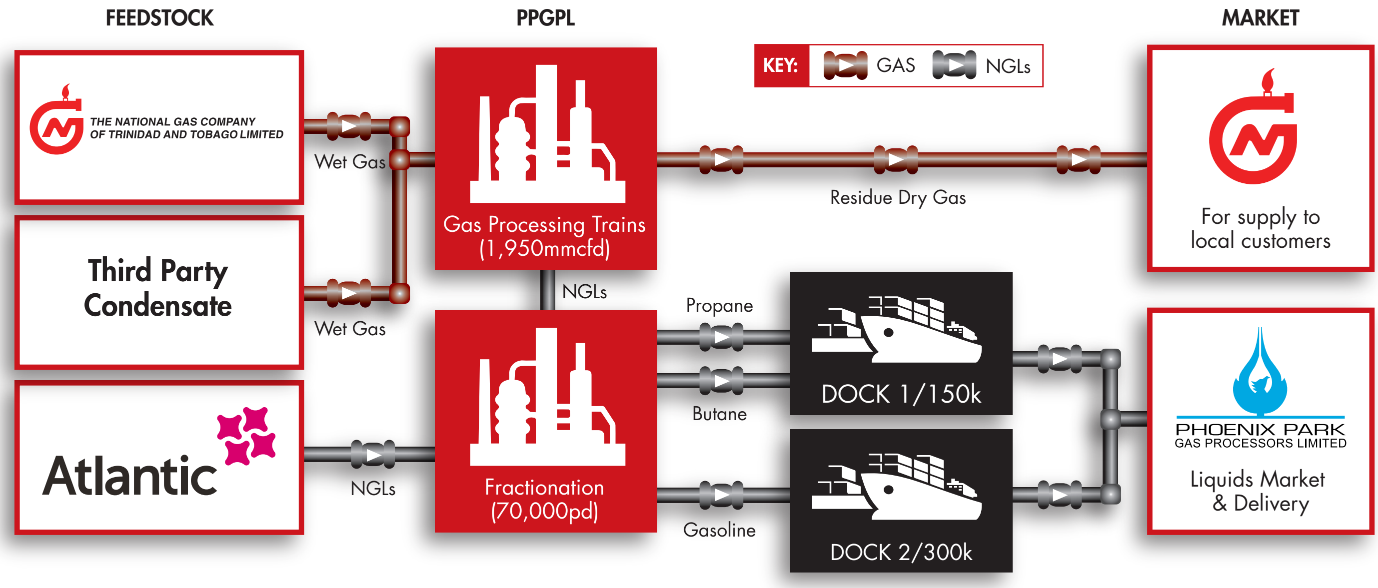
On 19 October 2015, TTNGL was listed on the Trinidad and Tobago Stock Exchange ('TTSE'). Through an Additional Public Offering ('APO'), a further divestment was undertaken in 2017, for the remainder of NGC's Class B Shares, representing 26% of its equity interest in PPGPL. Following this divestiture, the public's shareholding represents a 75% effective ownership interest in TTNGL. This amounts to 29.25% effective ownership interest in PPGPL, reducing NGC's shareholding in PPGPL to 52.9%.

Whilst TTNGL was formed as a corporate entity in 2013, its underlying asset, PPGPL, is a company with over 30 years of operating experience in Trinidad and Tobago's natural gas-based energy sector, and with whom NGC has had a long-term commercial relationship.

Phoenix Park Gas Processors Limited (Investee Company)

PPGPL is a Trinidad and Tobago company which was formed in May 1989. A subsidiary of NGC, PPGPL operates Trinidad and Tobago's only natural gas processing and natural gas liquids ('NGLs') fractionation facility, and is the largest producer and marketer of propane, butane and natural gasoline in the Caribbean.

The following graph illustrates a simplified process flow of PPGPL's operations:



The company's cryogenic gas processing plants and associated infrastructure, including its own loading terminal, are located on the Point Lisas Industrial Estate, Trinidad, where most of the major natural gas consumers are located. The company's plant facility is designed to process raw natural gas received via the existing natural gas pipeline system, and to extract the NGLs contained in the gas stream. Consequently, PPGPL is able to deliver natural gas which is free of heavy hydrocarbons, which could negatively affect equipment on downstream petrochemical plants.

The NGLs are fractionated into three components: propane, butane (together referred to as Liquefied Petroleum Gas, ['LPG']) and natural gasoline. PPGPL's LPG fulfils 100% of local needs and is marketed to the Caribbean and North America, while the natural gasoline is marketed further afield. PPGPL seeks to maximise the value of its NGL production by pursuing specific product differentiation strategies—including delivering competitively priced, high-quality products and services, and operating its physical assets in a safe, reliable, flexible and efficient manner that preserves the environment.

As part of The NGC Group of Companies, PPGPL is expanding its reach into the global market by offering its expertise internationally. These areas of expertise include: project development and implementation; product trading; and partnership with companies to expand its investment portfolio.

On 1 February 2020, PPGPL—through its wholly owned US subsidiary, Phoenix Park Energy Marketing LLC—acquired the NGL marketing assets of Twin Eagle Liquids Marketing LLC of Houston, Texas, USA, which is engaged in the business of marketing, trading and transportation of natural gas liquids in Canada, USA and Mexico via rail. This acquisition has added to PPGPL's business portfolio and to its human capital.

PPGPL is an excellence-driven company, focused on continuously improving its people and its business. It places a high priority on safety, as is demonstrated by its international safety accolades achieved from the Gas Processors Association ('GPA'); its philosophy of safety best practice; and its many HSSE-focused policies, procedures and initiatives. The company embraces its corporate responsibility by ensuring that its operations bring social, economic and environmental benefits to its stakeholders.

Aerial view of TTNGL's underlying asset, PPGPL

Trinidad and Tobago NGL Limited

CHAIRMAN'S REPORT

– The year 2020 will be remembered as the year a global pandemic caused economic and social disruptions.

Conrad Enill
Chairman

The coronavirus outbreak resulted in a sharp decline in the demand for energy and energy-related commodities including crude oil, natural gas, petrochemicals, and natural gas liquids ('NGLs'). This contributed significantly to oversupply and the resultant commodity-price declines in various commodity markets. These market dynamics had an undesirable impact on energy producers, with decreased output across all jurisdictions. In addition, escalating tensions between the United States and China over trade and national security issues contributed to further volatility and uncertainty.

The NGC Group implemented several measures during the COVID-19 pandemic to ensure that operations continued safely and without disruptions.

- Working from Home Protocols
- Health, Safety and Wellbeing
- Physical Distancing Guidelines
- Focus on Cybersecurity

NYMEX West Texas Intermediate ('WTI') crude oil prices started the year at a high of US$63.27 per barrel in January 2020 before falling to US$16.55 per barrel in April 2020, with prices rebounding to US$48.52 per barrel by 31 December 2020. NGL products are strongly correlated to crude oils prices and suffered similar fluctuations. Notwithstanding a rebound in product prices in Q4 2020 that is expected to continue into the first quarter of 2021, markets remain difficult to predict as issues around additional waves of the coronavirus, its economic impact on many countries and the level and rate of COVID-19 vaccinations remain opaque. Faced with such disruptions, operations at the Trinidad and Tobago NGL Limited ('TTNGL'/'Company') and its underlying asset, Phoenix Park Gas Processors Limited ('PPGPL'), were significantly impacted in 2020.

While COVID-19 remains a threat to global businesses in 2021, solid, industry-recognised business continuity planning at The National Gas Company of Trinidad and Tobago Limited ('NGC') and its subsidiaries, ensures that operations continue safely and without disruption, with strict measures in place to protect the health, safety and wellbeing of employees and contractors. Companies in the Group redesigned workplace activities for compliance with physical distancing guidelines, with all administrative and support service employees working from home as much as possible, using a combination of technology and digital platforms. This approach required us to take additional actions to ensure that the increase in the number of personnel accessing our network infrastructure remotely did not lead to any increase in cybersecurity risks.

International Industry Review

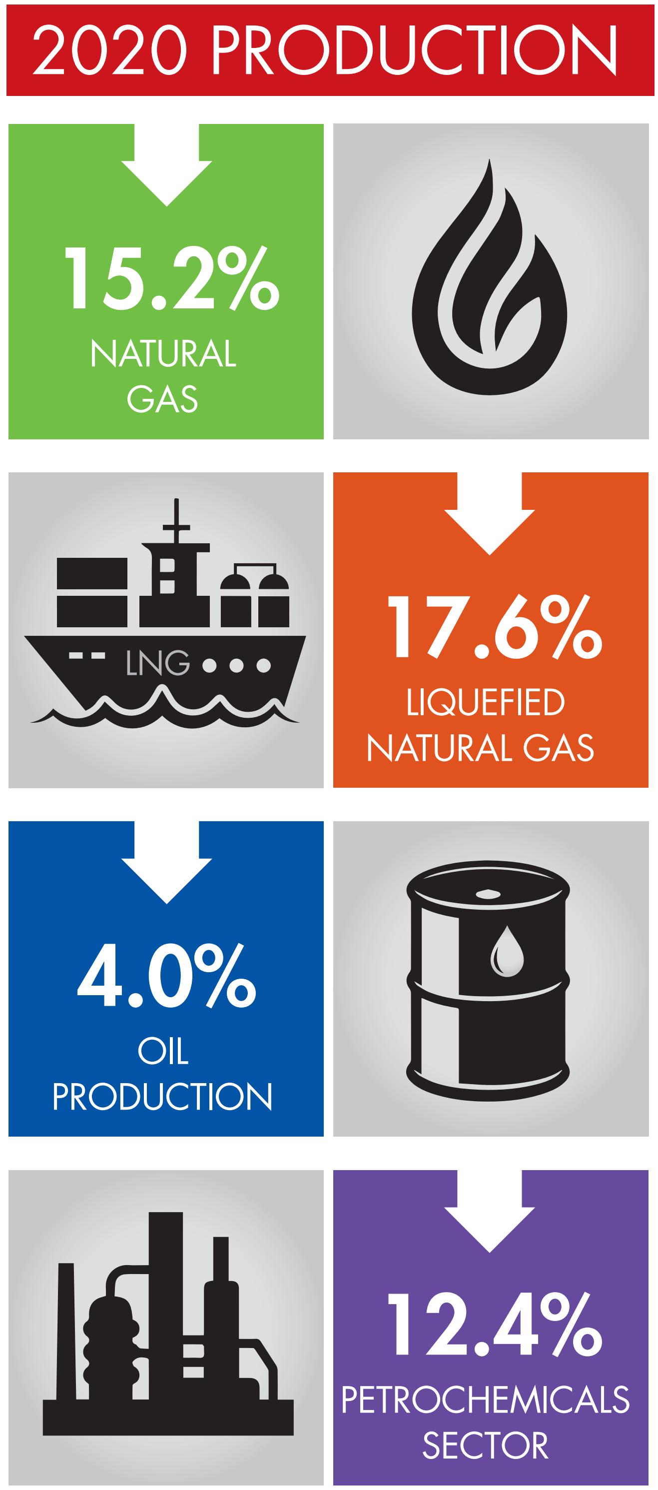
The US Energy Information Administration ('EIA') reported that the impact of the COVID-19 pandemic led to steep declines in global petroleum demand and to increased volatility in crude oil markets in the first half of 2020. As petroleum demand fell, US crude oil producers did not respond to the sudden drop in demand, and crude oil inventories increased. Between 13 March 2020 and 1 May 2020, commercial crude oil inventories at the storage hub of Cushing, Oklahoma, rose by 27 million barrels. This was 83% of the hub's working storage capacity and contributed to the negative crude oil price on 20 April 2020, the first time the WTI futures contract price fell below zero since trading began in 1983. By the following day, Brent crude oil, another global crude oil price benchmark, fell to US$9.12 per barrel, its lowest daily price in decades, before both prices recovered gradually.

The second half of the year was characterised by relatively stable petroleum prices as demand began to recover in the industrialised economies. On the supply side, crude oil export volumes fell under agreements made by the Organization of the Petroleum Exporting Countries ('OPEC') in April 2020, limiting crude output in response to low crude oil prices, record-high oil production, disruptions in Libya, Iran, and to a lesser extent, Venezuela. OPEC and partners (OPEC+) subsequently maintained strong levels of commitment to agreed production with average compliance at around 100% in the second half of 2020. Overall, OPEC petroleum output fell to an estimated 30.7 million barrels per day in 2020, compared to an average 34.5 million barrels per day in 2019. Brent crude oil spot prices averaged US$41.96 in 2020, down from US$64.30 per barrel in 2019.

Natural gas spot prices at the Henry Hub in Louisiana averaged US$2.05 per million British thermal units ('MMBtu') in 2020, the lowest annual average price in decades. Prices started the year at low levels due to mild winter weather, which led to lower demand for natural gas for space heating. After the first quarter of 2020, natural gas prices remained low as economic effects induced by COVID-19 reduced natural gas production and consumption, especially in industry. While natural gas prices did recover by December 2020, these increases in price were mainly due to restrictions in availability, rather than recovery in demand. These included a slow recovery in gas production in the United States, unscheduled interruptions in LNG production at several plants, challenges in shipping and in storage availability in Asia, and the onset of colder weather in the northern hemisphere.

Our National Economy

As an oil and gas economy, Trinidad and Tobago was impacted by the fall in hydrocarbon output and prices in recent years. The trend towards lower prices and output was further exacerbated in 2020 by the impact of the pandemic, as well as the following: with decreased demand and abundant global supply depressed commodity prices; reduced economic activity; government-imposed restrictions on movement; and other public health measures designed to reduce the spread of the virus.



Natural gas production decreased by 15.2% year over year to 3.04 billion cubic feet per day in 2020. Following the trend in gas, liquefied natural gas output declined by 17.6%. Similarly, crude oil production suffered a decline of 4.0% to 56,472 barrels per day in 2020, and petrochemicals sector output suffered a marked reduction of 12.4%.

GDP GROWTH

International Monetary Fund Estimates

5.6%
2020 FALL EXPECTED

During COVID outbreak

2.6%
2021 EXPECTED GROWTH

Post-pandemic Global Economic Recovery

4.2%
2022 EXPECTED GROWTH

Post-pandemic Global Economic Recovery

According to updated estimates from the International Monetary Fund ('IMF'), GDP growth fell by 5.6% in 2020 due to the COVID-19 outbreak, marking the fourth consecutive year of contraction. However, growth is expected to pick up by 2.6% in 2021 and a further 4.2% in 2022, subject to the post-pandemic global economic recovery.

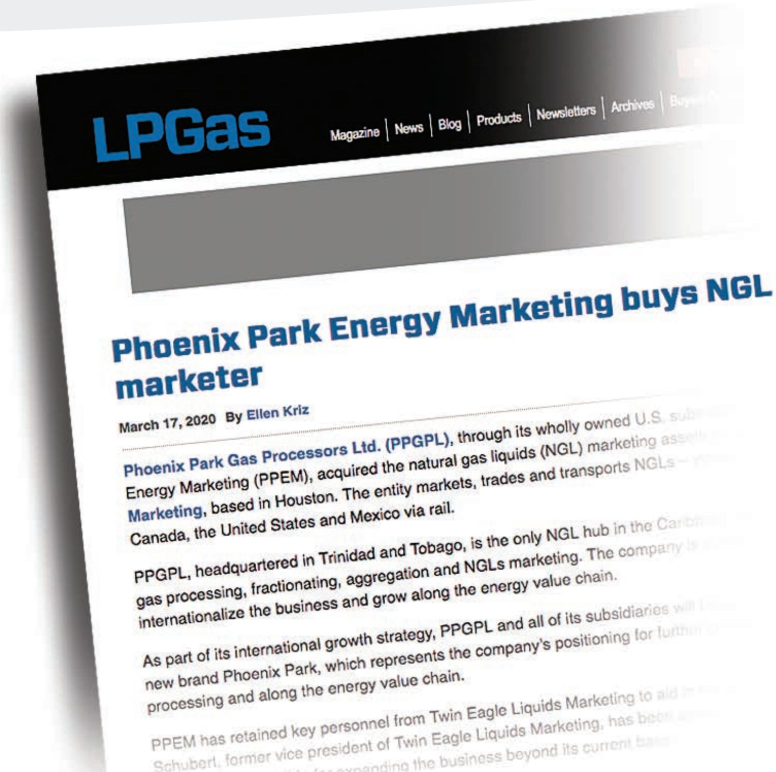
Trinidad and Tobago NGL Limited (TTNGL)

Despite a challenging year, TTNGL recorded an after-tax profit of TT$5.8 million for the year ended 31 December 2020, compared to a profit of TT$120.3 million in 2019. This translated into earnings per share of TT$0.04 in 2020, compared with earnings of TT$0.84 per share in the preceding year. The results were driven by a sharp decline in performance of TTNGL's underlying asset, PPGPL, with the recognition of a lower share of profit from the Company's investment in the joint venture compared to 2019. PPGPL recorded profit after tax of TT$116.8 million in 2020—49.5% lower than the TT$231.4 million recorded in 2019. Based on these trends, as well as the Company's results for the year ended 31 December 2020 and its current cash flow position, the Board of Directors of TTNGL ('Board') approved a final dividend of $0.05 per share. This dividend represents the total dividend for 2020 and is to be paid on 12 May 2021 to shareholders on the Register of Members as of 23 April 2021.

The lower financial performance for TTNGL in 2020, resulted in volatility in the Company's share price for the period, with the share trading at a high of TT$24.00 and a low of TT$14.25. At the end of 2020 TTNGL's share price stood at TT$17.00, 29.0% below the closing price of TT$23.96 for 2019.

Phoenix Park Gas Processors Limited (PPGPL)

For 2020, PPGPL recorded profit after tax of TT$116.8 million, a 49.5% reduction when compared to the TT$231.4 million recorded in the preceding year. This decline was due primarily to: 1. Factors associated with the pandemic which also negatively impacted gas processing volumes due to reduced gas demand from petrochemical producers at Point Lisas; and 2. Lower Mont Belvieu NGL prices. PPGPL recorded average product prices and gas processing volumes that were 31.1% lower and 16.5% less, respectively, than prices and volumes in 2019.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Phoenix Park Energy Marketing buys NGL marketer

March 17, 2020 By Ellen Kriz

Phoenix Park Gas Processors Ltd. (PPGPL), through its wholly owned U.S. sub... Energy Marketing (PPEM), acquired the natural gas liquids (NGL) marketing ... Marketing, based in Houston. The entity markets, trades and transports NGLs ... Canada, the United States and Mexico via rail.

PPGPL, headquartered in Trinidad and Tobago, is the only NGL hub in the Carib... gas processing, fractionating, aggregation and NGLs marketing. The company ... internationalize the business and grow along the energy value chain.

As part of its international growth strategy, PPGPL and all of its subsidiaries ... new brand Phoenix Park, which represents the company's positioning for ... processing and along the energy value chain.

PPEM has retained key personnel from Twin Eagle Liquids Marketing to aid ... Schubert, former vice president of Twin Eagle Liquids Marketing, has been ... for expanding the business beyond its current ...

NGL production for 2020 was 15.8% lower than in 2019. Despite the negative impact of the pandemic, PPGPL continued to maintain its strong operating performance as reflected by the renewal of key NGL offtake contracts for the Eastern Caribbean market. This was achieved as demand for propane and butane in particular remained steady despite the impact of the pandemic. During Q4 2020 and Q1 2021, markets began recovering which was reflected in higher gas processing volumes and higher NGL prices. Moreover, the negative impacts of lower NGL prices and NGL volumes were mitigated by improved proportions of NGLs in the gas stream and higher differentials of 11.1% in NGL content and 3.8% improvement in prices, respectively. In 2020, there were no dividend distributions made by PPGPL, as Management ensured sufficient working capital was available to meet day to day commitments as well as having funds available to pursue value added growth opportunities.

Another positive for the company was the strong 2020 performance of PPGPL's North America NGL business, which completed eleven (11) months of operations through its subsidiary Phoenix Park Trinidad and Tobago Energy Holdings ('PPTTEH'). On 1 February 2020, PPGPL through its wholly owned US subsidiary Phoenix Park Energy Marketing LLC (now called Phoenix Park Trinidad and Tobago Energy Holdings), acquired the NGLs marketing assets of Twin Eagle Liquids Marketing LLC. Twin Eagle Liquids Marketing LLC, a Houston, Texas (USA) based company, is engaged in the marketing, trading and transportation of natural gas liquids.

This acquisition was part of PPGPL's continued aggressive growth thrust, and consistent with the pursuit of aligned organic and inorganic NGL opportunities. This operation is primarily a volume-based business with a negotiated fixed margin component, and has created a platform to explore new growth opportunities along the NGL value chain in North America. Earnings from this segment of the business are expected to continue to contribute positively to PPGPL's results in the short to medium-term. The results after the first eleven months of operation have been as planned, with steady returns continuing to be generated in Q1 2021.

PPGPL's 2020 Accomplishments

- Excellent safety performance, evidenced by the achievement of zero employee Lost Workday Case ('LWC'), zero contractor LWC, and zero environmental incidents
- High plant uptime
- Successful implementation of a cost management strategy
- Renewal of key offtake contracts for the Eastern Caribbean markets.
- Completion of the acquisition of the NGL assets of Twin Eagle Liquids Marketing LLC

Outlook

Price and demand forecasts remain highly uncertain as the global pandemic situation remains fluid in the short-term, notwithstanding the gradual rollout of COVID-19 vaccines. Any normalisation of economic activity in 2021 and subsequent years, largely depend on how the coronavirus pandemic evolves and when COVID-19 vaccines are deployed to the global public, with global efforts at the latter beginning in the UK from December 2020. To protect the business against this uncertainty and to remain resilient while achieving its strategic growth targets, PPGPL has developed a robust strategic plan that continues to focus new and diversified sources of income and seek out new territories of operation, while strengthening its indigenous performance for all stakeholders. Together with the execution of these strategies, the employees continue to be the backbone of the company's success. Significant work is ongoing to ensure consistent employee development and growth to match current and future needs and secure PPGPL's sustainability in the long-term.

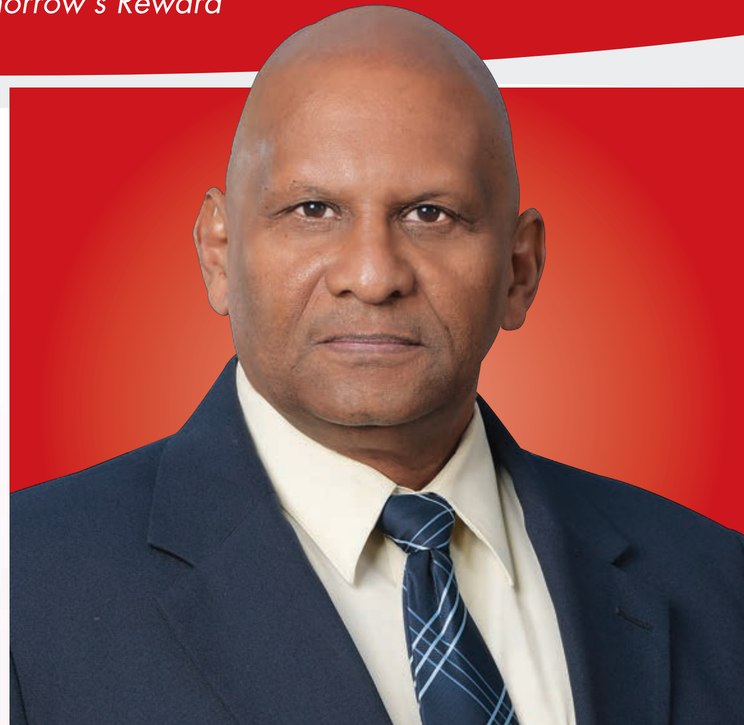
Acknowledgements

It has been a challenging year for all in 2020 as we faced and continue to face, unprecedented challenges from the COVID-19 pandemic, global economic uncertainties, and long-term disruptions to the energy industry. Despite the constraints and inconvenience, our employees across NGC and its subsidiaries, continue to perform exceptionally well, delivering quality results. I recognise the efforts of our employees during this time, as their talents and agility allowed us to successfully navigate a tough environment and laid a foundation for future growth. I wish to thank my fellow Directors for their sterling contributions during a very challenging year. I also take this opportunity to thank our Shareholders for their unstinting support and I look forward to realising our energy future together.

Conrad Enill
Chairman

Trinidad and Tobago NGL Limited

THE BOARD OF DIRECTORS



Mr. Conrad Enill
Chairman

Mr. Ashmeer Mohamed
Director

Mr. Kenneth Allum
Director

Mrs. Jacqueline Quamina
Director
(to 30th July 2020)

Mr. Marcus Ganness
Director

Mr. Patrick Ferreira
Director
(from 30th July 2020)

PRINCIPAL OFFICER
Sheldon K. Sylvester
Chief Financial Officer

CORPORATE INFORMATION

BOARD OF DIRECTORS
Conrad Enill – Chairman
Kenneth Allum – Director
Ashmeer Mohamed – Director
Marcus Ganness – Director
Jacqueline Quamina - Director
(to 30 July 2020)
Patrick Ferreira - Director
(from 30 July 2020)

CORPORATE SECRETARY
Aegis Business Solutions Limited

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DIRECTORS'
REPORT 2020

The Directors are pleased to present their report to the members together with the Audited Financial Statements for the year ended 31 December 2020. The Directors confirm to the best of their knowledge and belief that the Audited Financial Statements comply with the applicable financial reporting standards and present a true and fair view on the Financial Statements of the Company.

	TT$000
Total comprehensive profit for the year	5,807
Interim dividend paid	—
Final dividend declared	7,740
Total dividend paid for the year	7,740
Retained earnings as at 31 December, 2020	323,285

Dividend
The Directors declared a final dividend of $0.05 per share for the year ended 31 December 2020. This final dividend will be paid on 12 May 2021 to shareholders on Register of Members as at 23 April 2021.

Disclosure of Interest of Directors and Officers in any Material Contract
Pursuant to Section 93 (1) of the Companies Act 1995, at no time during the financial year ended 31 December, 2020, has any Director or Officer been a party to a material contract or a proposed material contract with the Company, or been a Director or Officer of any body, or had a material interest in any body that was party to a material contract or a proposed material contract with the Company.

Auditors
Deloitte and Touche, retire at the end of the Sixth Annual Meeting of the Company and has indicated its willingness to continue as the Auditors of Trinidad and Tobago NGL Limited.

By order of the Board

AEGIS BUSINESS SOLUTIONS LIMITED
Secretary

Aegis Business Solutions Limited
Company Secretary
18 Scott Bushe Street, Port of Spain
20 April 2021

DIRECTORS'
& SUBSTANTIAL INTERESTS INFORMATION

Shareholding of Directors/Senior Officers and Connected Parties as at 31 December, 2020

DIRECTOR/SENIOR OFFICERS	ORDINARY SHAREHOLDING-CLASS B SHARES	CONNECTED PARTIES-CLASS B SHARES
Conrad Enill	NIL	NIL
Kenneth Allum	5,694	4,770
Ashmeer Mohamed	6,000	7,500
Patrick Ferreira	NIL	NIL
Marcus Ganness	NIL	NIL
Sheldon Sylvester	5,000	1,461

Shareholding of those parties holding the ten (10) largest blocks of shares as at 31 December, 2020

Name	Class A Ordinary Shares	Class B Ordinary Shares	Percentage (%)
The National Gas Company of Trinidad and Tobago Limited	38,700,000	–	25.00
National Insurance Board	–	19,728,342	12.74
T&T Unit Trust Corporation - FUS	–	7,457,556	4.82
Tatil Life Assurance Limited A/C C	–	2,151,177	1.39
National Enterprises Limited	–	1,927,420	1.25
Michael Derick Moses & Helen Marie Moses	–	1,885,729	1.22
Republic Bank Limited – 1162 01	–	1,595,538	1.03
Republic Bank Limited - 1162	–	1,395,382	0.90
Tatil Life Assurance Limited	–	1,316,460	0.85
Republic Bank Limited A/C 3243 01	–	1,251,923	0.81
Teachers Credit Union Co-op Society Limited	–	1,245,000	0.80

FINANCIAL
STATEMENTS

TRINIDAD AND TOBAGO NGL LIMITED

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Trinidad and Tobago NGL Limited, ('the Company') which comprise the statement of financial position as at 31 December 2020, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;

- Ensuring that the Company keeps proper accounting records;

- Selecting appropriate accounting policies and applying them in a consistent manner;

- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of the Company's operational efficiencies;

- Ensuring that the system of Internal control operated effectively during the reporting period;

- Producing reliable financial reporting that complies with laws and regulations; and

- Using reasonable and prudent judgement in the determination of estimates.

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

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

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

Director **Chief Financial Officer**

TO THE SHAREHOLDERS OF TRINIDAD AND TOBAGO NGL LIMITED

Independent Auditors' Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Trinidad and Tobago NGL Limited (the 'Company'), which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs').

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Summary of the key audit matter	Our audit response
Impairment assessment of investment in joint venture	The Company's investment in joint venture asset comprises approximately 97% of its total assets. The asset was recognised in the statement of financial position resulting from a series of transactions as disclosed in note 5 to the financial statements. Impairment was initially recognised on the investment in joint venture in 2014 and since then, as required by IFRS, management conducts annual impairment tests to assess the recoverability of its carrying value. This is performed using a discounted cash flow model. In the current year this resulted in an impairment loss of $38.086 million in the statement of profit or loss and other comprehensive income.	Our audit procedures included: • Reviewing the Company's process for performing the impairment assessment. • Testing the design and implementation of the key controls around the Company's impairment assessment. • Engaging our internal specialists to assist with: – Evaluating whether the model used by management complies with the requirements of IAS 36 Impairment of Assets. (continued)

TO THE SHAREHOLDERS OF TRINIDAD AND TOBAGO NGL LIMITED

Independent Auditors' Report (continued)

Report on the Audit of the Financial Statements (continued)

Key Audit Matter (continued)

Key audit matter	Summary of the key audit matter	Our audit response
Impairment assessment of investment in joint venture (continued)	As disclosed in Notes 5 and 11, there are several key judgements and assumptions made in the assessment, including: • Forecasted revenue (including projected sales volumes and selling prices) • Forecasted expenditure • The discount rate applied to the financial projections. It also relies on the integrity of the data used in the model. The impairment assessment is a matter of key audit significance because of its materiality to the financial statements and its use of significant management assumptions and judgments. Management engaged a specialist to assist with the determination of the discount rate used in the assessment.	– Critically challenging the key assumptions and judgements, including assessing the sensitivity of the impairment determination to reasonable changes in the key assumptions and judgements. – Assessed the estimates for indication of possible fraudulent management bias. • Testing the completeness and accuracy of data input to the model. • Agreeing the output from the model to the adjustments made to the underlying accounting records and the year end reported balance. • Assessing the appropriateness and completeness of the disclosures in accordance with IFRS.

Information Other than the Financial Statements and Auditors' Report
Management is responsible for the other information. The other information obtained at the date of this auditors' report comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

TO THE SHAREHOLDERS OF TRINIDAD AND TOBAGO NGL LIMITED

Independent Auditors' Report (continued)

Report on the Audit of the Financial Statements (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

TO THE SHAREHOLDERS OF TRINIDAD AND TOBAGO NGL LIMITED

Independent Auditors' Report (continued)

Report on the Audit of the Financial Statements (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also communicate to those charged with governance that we have complied with relevant ethical requirements regarding independence, and all relationships and other matters, if any, that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this Independent Auditors' report is Daryl Walcott-Grappie (ICATT#1248).

Deloitte & Touche

Deloitte & Touche
29 March 2021

TRINIDAD AND TOBAGO NGL LIMITED

Statement of Financial Position

(Amounts expressed in Trinidad and Tobago dollars)

	Notes	As at 31 December 2020 $'000	2019 $'000
Assets			
Non-current assets			
Investment in joint venture	5(b)	3,141,459	3,134,488
Total non-current assets		**3,141,459**	**3,134,488**
Current assets			
Taxation recoverable		341	315
Cash and cash equivalents	7	107,275	147,073
Total current assets		**107,616**	**147,388**
Total assets		**3,249,075**	**3,281,876**
Shareholders' equity and liabilities			
Equity			
Share capital	8	2,772,120	2,772,120
Translation reserve		152,842	153,435
Retained earnings		323,285	355,585
Total shareholders' equity		**3,248,247**	**3,281,140**
Current liabilities			
Due to parent company/related party	9	75	119
Trade and other payables	6	753	617
Total liabilities		**828**	**736**
Total equity and liabilities		**3,249,075**	**3,281,876**

The accompanying notes on pages 25 to 55 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 29 March 2021.

Director **Director**

TRINIDAD AND TOBAGO NGL LIMITED

Statement of Profit or Loss and other Comprehensive Income

(Amounts expressed in Trinidad and Tobago dollars)

		Year ended 31 December	
Income	**Notes**	**2020 $'000**	**2019 $'000**
Share of profit from investment in joint venture	5 (d)	45,565	90,258
Interest income		237	388
Foreign exchange gain		111	923
Total income		**45,913**	**91,569**
Expenses			
Impairment (loss)/reversal	11	(38,086)	40,005
Legal and professional fees		(845)	(1,056)
Other expenses		(580)	(702)
Profit before taxation		6,402	129,816
Income tax expense	10	(2)	(308)
Profit after taxation		**6,400**	**129,508**
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss			
Exchange translation differences, net of tax		(593)	(9,245)
Other comprehensive loss		(593)	(9,245)
Total comprehensive income		**5,807**	**120,263**
Earnings per share			
Basic (dollars per share)	12	**0.04**	**0.84**

The accompanying notes on pages 25 to 55 form an integral part of these financial statements.

TRINIDAD AND TOBAGO NGL LIMITED

Statement of Changes in Equity

(Amounts expressed in Trinidad and Tobago dollars)

	Notes	Share capital $'000	Translation reserve $'000	Retained earnings $'000	Total equity $'000
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**
Year ended 31 December 2019					
Balance at 31 December 2018		2,772,120	162,680	458,417	3,393,217
Net impact of adopting IFRS 16 in joint venture		-	-	(140)	(140)
Balance at 1 January 2019		**2,772,120**	**162,680**	**458,277**	**3,393,077**
Profit for the year		-	-	129,508	129,508
Other comprehensive loss		-	(9,245)	-	(9,245)
Total comprehensive income			(9,245)	129,508	120,263
Dividends	13	-	-	(232,200)	(232,200)
Balance at 31 December 2019		**2,772,120**	**153,435**	**355,585**	**3,281,140**

The accompanying notes on pages 25 to 55 form an integral part of these financial statements.

TRINIDAD AND TOBAGO NGL LIMITED

Statement of Cash Flows

(Amounts expressed in Trinidad and Tobago dollars)

	Notes	Year ended 31 December 2020 $'000	2019 $'000
Cash flows from operating activities			
Profit for the year before taxation		6,402	129,816
Adjustments to reconcile net profit for the period to net cash used in operating activities:			
Impairment loss/(reversal)		38,086	(40,005)
Dividends from joint venture		-	101,573
Interest income		(237)	(388)
Share of income from investment in joint venture		(45,565)	(90,258)
		(1,314)	100,738
Decrease in amount due to related party		(44)	(118)
Increase in trade and other payables		162	592
Cash flows (used in)/generated from operating activities		(1,196)	101,212
Taxation paid		(28)	(308)
Net cash flow (used in)/generated from operating activities		(1,224)	100,904
Cash flows from financing activities			
Dividends paid	13	(38,700)	(232,200)
Net cash used in financing activities		(38,700)	(232,200)
Cash flows from investing activities			
Interest and other investment income		237	388
Net cash generated from investment activities		237	388
Net decrease in cash and cash equivalents		(39,687)	(130,908)
Net foreign exchange differences		(111)	(905)
Cash and cash equivalents at beginning of year		147,073	278,886
Cash and cash equivalents at end of year		**107,275**	**147,073**

The accompanying notes on pages 25 to 55 form an integral part of these financial statements.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

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 2020. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

The amendments to IFRS 9, IAS 39 and IFRS 7 modify specific hedge accounting requirement to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms. The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

These amendments had no impact on the financial statements of the Company as it does not apply hedge accounting to its benchmark interest rate exposures.

Initial application of COVID-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued COVID-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-Related Rent Concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-Related Rent Concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

Notes to the Financial Statements

For the year ended 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

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

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

Initial application of COVID-19-Related Rent Concessions Amendment to IFRS 16 (continued)

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
c) There is no substantive change to other terms and conditions of the lease.

This amendment had no impact on the financial statements of the Company as there were no changes in lease payments resulting from the COVID-19-Related Rent Concessions.

Amendments to References to the Conceptual Framework in IFRS Standards

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

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

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

Amendments to References to the Conceptual Framework in IFRS Standards (continued)

Key changes include:

- Increasing the prominence of stewardship in the objective of financial reporting;
- Reinstating prudence as a component of neutrality;
- Defining a reporting entity, which may be a legal entity, or a portion of an entity;
- Revising the definitions of an asset and a liability;
- Removing the probability threshold for recognition and adding guidance on derecognition;
- Adding guidance on different measurement basis; and
- Stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

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

Amendments to IFRS 3 Definition of a business

The amendments to IFRS 3 aim at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. They clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

An optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business was introduced. Under this test, the acquired set of activities and assets is not a business, if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

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

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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

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

Amendments to IAS 1 and IAS 8 Definition of material
The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. They provide a new definition of materiality that states, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The concept of 'obscuring' material information with immaterial information is now included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

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

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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.

Notes to the Financial Statements

For the year ended 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

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 recognise 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.

Notes to the Financial Statements

For the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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 operatin 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.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

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 derecognise 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.

Notes to the Financial Statements

For the year ended 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

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.

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 ('PPGPL'), 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.

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

3.2 **Basis of preparation** (continued)

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

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.

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 income.

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.

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

3.2 **Basis of preparation** (continued)

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.

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.

Notes to the Financial Statements

For the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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

3.2 **Basis of preparation** (continued)

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.

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.

Notes to the Financial Statements

For the year ended 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

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

3.2 **Basis of preparation** (continued)

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

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.

Notes to the Financial Statements

For the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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.

Notes to the Financial Statements

For the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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)

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.

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.

Notes to the Financial Statements

For the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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

3.2 **Basis of preparation** (continued)

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).

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.

Notes to the Financial Statements

For the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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

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.

4.2 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.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

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:

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%

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

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)

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 31 December 2020 and 31 December 2019 are included below.

	2020 $'000	2019 $'000
Share of PPGPL's assets/liabilities:		
Movement in investment in joint venture during the reporting period		
Investment in joint venture as at 1 January	3,134,488	3,097,751
Share of impact adopting IFRS 16 in joint venture (Note 5(d))	-	(140)
Restated balance	3,134,488	3,097,611
Share of profit in joint venture	45,565	90,258
Dividends received (Note 9)	-	(85,058)
Impairment (loss)/reversal on investment	(38,086)	40,005
Exchange rate adjustment	(508)	(8,328)
Investment in joint venture	**3,141,459**	**3,134,488**

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

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 audited financial statements for the years ended 31 December 2020 and 31 December 2019 which have been presented in United States dollars, PPGPL'S functional currency.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)dad and Tobago dollars)

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

c) Summarised financial information (continued)

	2020 US$'000	2019 US$'000
Statement of financial position of PPGPL		
Cash and cash equivalents	87,413	77,485
Other current assets	67,036	99,319
Total current assets	154,449	176,804
Non-current assets	238,075	233,904
Total assets	392,524	410,708
Current financial liabilities	(33,512)	(58,841)
Other current liabilities	(13,547)	(10,605)
Total current liabilities	(47,059)	(69,446)
Non-current financial liabilities	-	(6,725)
Other non-current liabilities	(62,728)	(69,108)
Total non-current liabilities	(62,728)	(75,833)
Total liabilities	(109,787)	(145,279)
Net assets	**282,737**	**265,429**
Statement of profit or loss and other comprehensive income of PPGPL		
Revenue	308,547	307,273
Cost of sales	(213,022)	(169,274)
Interest income	224	1,040
Other operating expenses	(42,992)	(57,817)
Depreciation and amortisation	(24,961)	(24,187)
Interest expense	(1,529)	(1,618)
Profit before tax	26,267	55,417
Income tax expense	(8,959)	(21,158)
Total comprehensive income	**17,308**	**34,259**
Impact of adopting new IFRS in retained earnings		
Impact of IFRS 16	**-**	**(53)**

Notes to the Financial Statements

For the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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:

	2020 $'000	**2019 $'000**
Net assets of PPGPL denominated in US$	282,737	265,429
Exchange rate at reporting date	6.7612	6.7624
Net assets of PPGPL denominated in TT$	1,911,641	1,794,937
Proportion of the Company's ownership interest in the joint venture	39%	39%
39% of net assets of PPGPL	745,540	700,025
Excess of investment over carrying amount of PPGPL's net assets	2,395,919	2,434,463
Carrying amount of the Company's investment in the joint venture	**3,141,459**	**3,134,488**

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

	2020 $'000	**2019 $'000**
PPGPL's total profit for the year denominated in US$	17,308	34,259
Average exchange rate for the year	6.7503	6.7553
PPGPL's total profit for the year denominated in TT$	116,834	231,430
Proportion of the Company's ownership in investment in joint venture	39%	39%
Share of profit in the joint venture	45,565	90,258
Share of profit from the investment in joint venture	**45,565**	**90,258**

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

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: (continued)

Share of adopting new IFRS in joint venture

Reconciliation of the above summarised financial information to the share of adopting IFRS 16 in the joint venture recognised in the Company's financial statements:

	2020 $'000	2019 $'000
PPGPL's impact of adopting IFRS denominated in US$	-	(53)
Average exchange rate for the year ended 31 December	6.7503	6.7553
PPGPL's impact of adopting IFRS 9 denominated in TT$	-	(358)
Proportion of the Company's ownership investment in joint venture	39%	39%
Share of impact of adopting IFRS in the joint venture	**-**	**(140)**

Differences that arose from the adoption of IFRS 16, have been recognised directly in retained earnings in the joint venture.

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:

	2020 $'000	2019 $'000
Audit fees	84	84
Dividend refunded by Registrar - due to shareholders	623	514
Sundry payables	46	19
	753	**617**

7. **Cash and cash equivalents**

	2020 $'000	2019 $'000
Cash at bank and on hand	**107,275**	**147,073**

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

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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

	2020 $'000	2019 $'000
Issued and fully paid:		
38,700,000 ordinary 'A' shares of no par value	693,030	693,030
116,100,000 ordinary 'B' shares of no par value	2,079,090	2,079,090
	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 years ended 31 December 2020 and 31 December 2019.

	2020 $'000	2019 $'000
Amount due to related parties		
The National Gas Company of Trinidad and Tobago Limited:		
Reimbursement for expenses paid on behalf of the Company	**(75)**	**(119)**

	2020 $'000	2019 $'000
Income/(expenses) from related parties		
The National Gas Company of Trinidad and Tobago Limited:		
Dividends paid	**(9,675)**	**(58,050)**
Phoenix Park Gas Processors Limited:		
Dividends received (Note 5 (b))	**-**	**85,058**
Key management compensation		
Directors' fees and allowances	**(254)**	**(252)**

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

10. Taxation

	2020 $'000	2019 $'000
a) The taxation charge consists of the following:		
Green fund levy	1	306
Business levy	1	2
	2	**308**
b) Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate:		
Profit before taxation	**6,402**	**129,816**
Income taxes at the rate of 30%:	1,921	38,945
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	(1,921)	(38,945)
Green fund levy	1	306
Business levy	1	2
	2	**308**

11. Impairment

	2020 $'000	2019 $'000
Impairment (loss)/reversal	**(38,086)**	**40,005**

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

Notes to the Financial Statements

For the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

11. **Impairment** (continued)

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:

- 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.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020
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11. Impairment (continued)

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.
  - 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

	2020	2019
Basic earnings per share	$ 0.04	$ 0.84

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

	$'000	$'000
Profit used in the calculation of basic earnings per share	6,400	129,508

	Shares '000	Shares '000
Weighted average number of ordinary shares for the purposes of basic earnings per share	154,800	154,800

13. Dividends

	2020 $'000	2019 $'000
2018 final dividend – **$1.00** per share	-	154,800
2019 interim dividend – **$0.50** per share	-	77,400
2019 final dividend – **$0.25** per share	38,700	-
	38,700	**232,200**

Notes to the Financial Statements

For the year ended 31 December 2020

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13. **Dividends** (continued)

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 12 August 2019, the Board of Directors declared an interim dividend of $0.50 per share for 2019. This interim dividend was paid on 10 September 2019.

On 25 March 2019, the Board of Directors declared a final dividend of $1.00 per share for 2018. This final dividend was paid on 18 April 2019.

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.

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.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020
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15. **Financial risk management objectives and policies** (continued)

Currency risk (continued)

The following tables show balances outstanding as at 31 December 2020 and 31 December 2019 denominated in foreign currencies:

As at 31 December 2020	**TT Denominated $'000**	**US Denominated $'000**	**Total $'000**
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**
As at 31 December 2019			
Assets			
Cash and cash equivalents	968	146,105	147,073
Total assets	**968**	**146,105**	**147,073**
Liabilities			
Due to parent company/related party	119	-	119
Trade and other payables	617	-	617
Total liabilities	**736**	**-**	**736**
Net position	**232**	**146,105**	**146,337**

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

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

Currency risk (continued)

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 31 December 2020	**3%**	**192**
	(3%)	**(192)**
As at 31 December 2019	**3%**	**3,892**
	(3%)	**(3,892)**

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. **Events after the reporting date**

On 29 March 2021, the Board of Directors declared a final dividend payment of $0.05 per share payable to shareholders.

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