Trinidad and Tobago NGL Limited

Financial statements
31 December 2021

Contents **Page**

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 2021, 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

Deloitte & Touche
54 Ariapita Avenue
Woodbrook, Port of Spain
170309
Trinidad and Tobago

Tel: +1 (868) 628 1256
Fax:+1 (868) 628 6566
www.deloitte.com/tt

Independent auditors' report

To the shareholders of Trinidad and Tobago NGL Limited

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 2021, 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 2021, 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 96% 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 a reversal of impairment loss of $302.067 million in the statement of profit or loss and other comprehensive income. As disclosed in notes 4 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	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. - Critically challenging the key assumptions and judgements, including assessing the sensitivity of the impairment determination to reasonable changes in the key assumptions and judgements.

Continued...

Independent auditors' report (continued)

To the shareholders of Trinidad and Tobago NGL Limited

Key audit matter	Summary of the key audit matter	Our audit response
Impairment assessment of investment in joint venture (continued)	• the discount rate applied to the financial projections. Management engaged a specialist to assist with the determination of the discount rate used in the assessment. 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	- 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 summary financial statements but does not include the financial statements and other auditors' report thereon. It also includes the information included in the annual report, which is expected to be made available to us after the date of this auditors' report.

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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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.

Continued...

Deloitte.

Independent auditors' report (continued)

To the shareholders of Trinidad and Tobago NGL Limited

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.
- 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

29 March 2022

Trinidad and Tobago NGL Limited

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

		As at 31 December	
		2021	2020
Assets	**Notes**	**$'000**	**$'000**
Non-current assets			
Investment in joint venture	5(b)	3,584,648	3,141,459
Total non-current assets		**3,584,648**	**3,141,459**
Current assets			
Taxation recoverable		341	341
Cash at bank and on hand	7	132,261	107,275
Total current assets		**132,602**	**107,616**
Total assets		**3,717,250**	**3,249,075**
Shareholders' equity and liabilities			
Equity			
Share capital	8	2,772,120	2,772,120
Translation reserve		153,860	152,842
Retained earnings		789,655	323,285
Total shareholders' equity		**3,715,635**	**3,248,247**
Current liabilities			
Due to parent company/related party	9	20	75
Trade and other payables	6	1,516	753
Tax payable		79	-
Total liabilities		**1,615**	**828**
Total equity and liabilities		**3,717,250**	**3,249,075**

The accompanying notes on pages 9 to 34 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 2022.

Director

Director

Trinidad and Tobago NGL Limited

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

	Notes	Year ended 31 December 2021 $'000	2020 $'000
Income			
Share of profit from investment in joint venture	5 (d)	212,603	45,565
Interest income		100	237
Foreign exchange gain		135	111
Total income		**212,838**	**45,913**
Expenses			
Impairment reversal/(loss)	11	302,067	(38,086)
Legal and professional fees		(1,168)	(845)
Other expenses		(709)	(580)
Profit before taxation		513,028	6,402
Income tax expense	10	(218)	(2)
Profit after taxation		**512,810**	**6,400**
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss			
Exchange translation differences, net of tax		1,018	(593)
Other comprehensive income/(loss)		1,018	(593)
Total comprehensive income		**513,828**	**5,807**
Earnings per share			
Basic (dollars per share)	12	**3.31**	**0.04**

The accompanying notes on pages 9 to 34 form an integral part of these financial statements.

Trinidad and Tobago NGL Limited

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

	Notes	Share capital $'000	Translation reserve $'000	Retained earnings $'000	Total equity $'000
Year ended 31 December 2021					
Balance at 1 January 2021		**2,772,120**	**152,842**	**323,285**	**3,248,247**
Profit for the year		-	-	512,810	512,810
Other comprehensive income		-	1,018	-	1,018
Total comprehensive income		-	1,018	512,810	513,828
Dividends	13	-	-	(46,440)	(46,440)
Balance at 31 December 2021		**2,772,120**	**153,860**	**789,655**	**3,715,635**
Year ended 31 December 2020					
Balance at 1 January 2020		**2,772,120**	**153,435**	**355,585**	**3,281,140**
Profit for the year		-	-	6,400	6,400
Other comprehensive loss		-	(593)	-	(593)
Total comprehensive income		-	(593)	6,400	5,807
Dividends	13	-	-	(38,700)	(38,700)
Balance at 31 December 2020		**2,772,120**	**152,842**	**323,285**	**3,248,247**

The accompanying notes on pages 9 to 34 form an integral part of these financial statements.

Trinidad and Tobago NGL Limited

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

	Notes	Year ended 31 December 2021 $'000	2020 $'000
Cash flows from operating activities			
Profit for the year before taxation		513,028	6,402
Adjustments to reconcile net profit for the year to net cash used in operating activities:			
Impairment (reversal)/loss		(302,067)	38,086
Dividends from joint venture		72,317	-
Interest income		(100)	(237)
Share of income from investment in joint venture		(212,603)	(45,565)
		70,575	(1,314)
Decrease in amount due to related party		(55)	(44)
Increase in trade and other payables		763	162
Cash flows generated from/(used in) operating activities		71,283	(1,196)
Taxation paid		(139)	(28)
Net cash flow generated from/(used in) operating activities		71,144	(1,224)
Cash flows from financing activities			
Dividends paid	13	(46,440)	(38,700)
Net cash used in financing activities		(46,440)	(38,700)
Cash flows from investing activities			
Interest and other investment income		100	237
Net cash generated from investment activities		100	237
Net increase/(decrease) in cash at bank and on hand		24,804	(39,687)
Net foreign exchange differences		182	(111)
Cash at bank and on hand at beginning of year		107,275	147,073
Cash at bank and on hand at end of year		**132,261**	**107,275**

The accompanying notes on pages 9 to 34 form an integral part of these financial statements.

1. Corporate information

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

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

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

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

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

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

  The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

  The amendments include the following practical expedients:
  - A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
  - Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
  - Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

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

- **Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS**

  This amendment provided 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. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021. In March 2021, the Board issued Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2022.

  This amendment had no impact on the financial statements of the Company.

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**

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
• Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
• Amendments to IAS 8	Definition of Accounting Estimates
• Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

- **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.

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

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

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

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

- **Amendments to IAS 1 – 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.

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 IFRS 3 – Reference to the Conceptual Framework**

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

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

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

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

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

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

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

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

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

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

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

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

- **Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract**

  The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

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

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

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

  The Annual Improvements include amendments to four Standards.

  IFRS 1 First-time Adoption of International Financial Reporting Standards

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

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

  IFRS 9 Financial Instruments

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

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

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 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.

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

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

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

  The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

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 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates**

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

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

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

  The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

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

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

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

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

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 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction (continued)**

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

  - A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
    - Right-of-use assets and lease liabilities
    - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
  - The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

  The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted

3. **Summary of significant accounting policies**

3.1 **Statement of compliance**

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

3.2 **Basis of preparation**

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

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

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.

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

3.2 **Basis of preparation (continued)**

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

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

The principal accounting policies are set out below.

a) **Investment in joint venture**

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

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

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.

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

3.2 **Basis of preparation (continued)**

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

Impairment of the investment in the joint venture

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

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

b) **Cash at bank and on hand**

Cash at bank and on hand are carried at amortised cost. Cash in bank and on hand consist of cash at bank.

c) **Receivables and payables**

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

d) **Taxes**

Current tax

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

Deferred tax

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

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

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.

3. Summary of significant accounting policies (continued)

3.2 Basis of preparation (continued)

e) Earnings per share

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

f) Foreign currencies

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

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

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

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

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

g) Financial assets and liabilities

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

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

i) Financial assets

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

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

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

3.2 **Basis of preparation (continued)**

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

i) **Financial assets (continued)**

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.

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]).

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

3.2 **Basis of preparation (continued)**

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

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. Subsequently, financial liabilities are recognised at amortised cost.

iv) **Financial liabilities and equity instruments**

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

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

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

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.

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

3.2 **Basis of preparation (continued)**

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

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

Financial liabilities

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

h) **Revenue recognition**

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

i) **Provisions**

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

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

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

4. Critical accounting judgements and key sources of estimation uncertainty

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

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

4.1 Critical judgements in applying accounting policies

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

Functional currency of the Company

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

Classification of investment held in PPGPL as a joint venture

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

4.2 Key sources of estimation uncertainty

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

- *Impairment of joint venture*

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

5. **Investment in joint venture**

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

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

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

Share for share exchange

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

Distribution of investment in specie and dissolution of TT Holdings LLC

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

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%

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 2021 and 31 December 2020 are included below.

Share of PPGPL's assets/liabilities:	**2021 $'000**	**2020 $'000**
Movement in investment in joint venture during the reporting period		
Investment in joint venture as at 1 January	3,141,459	3,134,488
Share of profit in joint venture	212,603	45,565
Dividends received (Note 9)	(72,317)	-
Impairment reversal/(loss) on investment	302,067	(38,086)
Exchange rate adjustment	836	(508)
Investment in joint venture as at 31 December	**3,584,648**	**3,141,459**

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

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

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

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

	2021 US$'000	2020 US$'000
Statement of financial position of PPGPL		
Cash and cash equivalents	146,753	76,718
Other current assets	100,283	77,731
Total current assets	247,036	154,449
Non-current assets	216,814	238,075
Total assets	463,850	392,524
Current financial liabilities	(55,464)	(33,512)
Other current liabilities	(21,694)	(13,547)
Total current liabilities	(77,158)	(47,059)
Non-current financial liabilities	-	-
Other non-current liabilities	(50,781)	(62,728)
Total non-current liabilities	(50,781)	(62,728)
Total liabilities	(127,939)	(109,787)
Net assets	**335,911**	**282,737**
Statement of profit or loss and other comprehensive income of PPGPL		
Revenue	548,175	308,547
Cost of sales	(344,038)	(213,022)
Interest income	66	224
Other operating expenses	(51,035)	(42,992)
Depreciation and amortisation	(24,670)	(24,961)
Interest expense	(1,123)	(1,529)
Profit before tax	127,375	26,267
Income tax expense	(46,700)	(8,959)
Total comprehensive income	**80,675**	**17,308**

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

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

	2021 $'000	2020 $'000
Net assets of PPGPL denominated in US$	335,911	282,737
Exchange rate at reporting date	6.7625	6.7612
Net assets of PPGPL denominated in TT$	2,271,598	1,911,641
Proportion of the Company's ownership interest in the joint venture	39%	39%
39% of net assets of PPGPL	885,923	745,540
Excess of investment over carrying amount of PPGPL's net assets	2,698,725	2,395,919
Carrying amount of the Company's investment in the joint venture	**3,584,648**	**3,141,459**

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

	2021 $'000	2020 $'000
PPGPL's total profit for the year denominated in US$	80,675	17,308
Average exchange rate for the year	6.7572	6.7503
PPGPL's total profit for the year denominated in TT$	545,137	116,834
Proportion of the Company's ownership investment in joint venture	39%	39%
Share of profit from the investment in joint venture	**212,603**	**45,565**

6. **Trade and other payables**

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

	2021 $'000	2020 $'000
Audit fees	89	84
Dividend refunded by Registrar - due to shareholders	1,328	623
Sundry payables	99	46
	1,516	**753**

7. **Cash at bank and on hand**

	2021 $'000	2020 $'000
Cash at bank and on hand	**132,261**	**107,275**

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

8. Share capital

Authorised:
An unlimited number of ordinary ‘A’ shares of no-par value
An unlimited number of ordinary ‘B’ shares of no-par value

	2021 $’000	2020 $’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 2021 and 31 December 2020.

	2021 $’000	2020 $’000
Amount due to related parties		
The National Gas Company of Trinidad and Tobago Limited:		
Reimbursement for expenses paid on behalf of the Company	**(20)**	**(75)**
Transaction with related parties		
The National Gas Company of Trinidad and Tobago Limited:		
Dividends paid	**(11,610)**	**(9,675)**
Phoenix Park Gas Processors Limited:		
Dividends received (Note 5 b)	**72,317**	**-**
Key management compensation		
Directors’ fees and allowances	**(223)**	**(254)**

10. Taxation

	2021 $'000	2020 $'000
a) The taxation charge consists of the following:		
Green fund levy	217	1
Business levy	1	1
	218	**2**

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

	2021 $'000	2020 $'000
Profit before taxation	**513,028**	**6,402**
Income taxes at the rate of 30%:	153,908	1,921
Tax effect of items not allowable for tax: Income derived from dividends from investment in PPGPL and not subject to taxation at the corporate rate	(153,908)	(1,921)
Green fund levy	217	1
Business levy	1	1
	218	**2**

11. Impairment

	2021 $'000	2020 $'000
Impairment reversal/(loss)	**302,067**	**(38,086)**

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

For 2020, a similar impairment assessment led to the recognition of an impairment loss of $38.086 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 2020 exercise, the primary drivers for the impairment assessment continue to be the following factors:

- Accessibility of available sources of energy (particularly North American shale resources), coupled with the impact of geopolitical forces on demand/supply dynamics and the prices for natural gas products. Overall global supply remains below demand resulting in lower inventory levels and enhanced 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.

11. **Impairment (continued)**

The impairment assessment for 2021 led to a reversal of $302.067 million. The reversal was due to an increase in the recoverable amount, which was driven by improved commodity prices and further enhanced by the continued implementation of value creating opportunities including foreign investments.

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)
2021	302,067

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 2022 to 2031, and a discount rate of 10.11% 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 10.11% (2020: 10.15%)
- Selling prices of NGLs are expected to show some volatility in 2022. Selling prices of NGLs included in the cash flow projections are based on management's best estimate taking into consideration current market conditions. Prices are based on forecasted market prices which are provided by a highly reputable company.

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

- Discount rate

  A 1% decrease in the discount rate while holding all other variables constant will result in an impairment reversal of US$116.109 million while a 1% increase in the discount rate results in an impairment loss of US$10.840 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$73.515 million while a 5% decrease in the selling price results in an impairment reversal of US$15.891 million.

- Selling prices of NGLs (continued)

  - A 10% increase in the selling prices of NGLs while holding all other variables constant will result in an impairment reversal of US$102.327 million while a 10% decrease in the selling price results in an impairment loss of US$12.921 million.

12. Earnings per share

	2021 $	2020 $
Basic earnings per share	**3.31**	**0.04**

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

	2021 $'000	2020 $'000
Profit used in the calculation of basic earnings per share	**512,810**	**6,400**

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

13. Dividends

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

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

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

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

14. Capital management

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

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

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

The Company 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.

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

Currency risk (continued)

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

As at 31 December 2021	**TT Denominated $'000**	**US Denominated $'000**	**Total $'000**
Assets			
Cash at bank and on hand	1,439	130,822	132,261
Total assets	**1,439**	**130,822**	**132,261**
Liabilities			
Due to parent company/related party	20	-	20
Trade and other payables	1,516	-	1,516
Tax payable	79	-	79
Total liabilities	**1,615**	**-**	**1,615**
Net position	**(176)**	**130,822**	**130,646**
As at 31 December 2020			
Assets			
Cash at bank and on hand	167	107,108	107,275
Total assets	**167**	**107,108**	**107,275**
Liabilities			
Due to parent company/related party	75	-	75
Trade and other payables	753	-	753
Total liabilities	**828**	**-**	**828**
Net position	**(661)**	**107,108**	**106,447**

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

	Increase/ (decrease) in exchange rate %	**Effect on other comprehensive (loss)/income $'000**
As at 31 December 2021	**3%**	**15,402**
	(3%)	**(15,402)**
As at 31 December 2020	**3%**	**192**
	(3%)	**(192)**

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

Other price risk

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

Fair values

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

16. **Events after the reporting date**

On 29 March 2022, the Board of Directors declared a final dividend payment of $0.50 per share payable to shareholders.