



SUMMARY CONSOLIDATED FINANCIAL STATEMENTS 2015

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The National Gas Company of Trinidad and Tobago Limited (NGC) recorded a profit of TT\$561 million for 2015. This represents a reduction of TT\$3.9 billion from the 2014 profit of TT\$4.5 billion. The 2015 performance was significantly impacted by the reduction in energy prices with ammonia and methanol declining by 18% and 30% respectively. Additionally, both oil and gas prices declined by 40%. As a result of the commodity price declines, revenues and gross profit declined by 29% and 46% respectively to TT\$16.6 billion and TT\$4.6 billion.

Additionally, the Group's performance was affected by impairment charges of TT\$2.4 billion. The decline in oil and gas prices impacted the recoverability of the Company's investment in Block 2C and Block 3A assets, which led to an impairment loss being recognized in the amount of TT\$1.3 billion. This loss is non-cash and may be reversed with improvement in prices. The Company, after careful review of the Beetham Waste Water Reuse Project, terminated the agreement. Consistent with International Accounting Standards, an impairment of TT\$943.7 million - the total cost of the project - was taken. This matter is being vigorously pursued legally.

Upon assuming office in October 2015, the new Board immediately took action to restore proper governance standards and procurement protocols. All non-strategic and unnecessary projects have been halted, as well as unauthorized expenditures on Corporate Social Responsibility programmes. The Company has commenced re-negotiation of a number of key commercial agreements, some of which have expired.

NGC's core business is the purchase, transmission, distribution, processing and sale of natural gas; the aggregation, fractionation and marketing of natural gas liquids, and oil and gas exploration. A new Strategic Plan for the period 2016-2020 is in the final stages of development, and will be completed in Q2 2016 for rollout in Q3 2016. Great progress is being made and NGC is being re-engineered to navigate and succeed in this new, more complex environment.

GERRY C. BROOKS
Chairman



REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of The National Gas Company of Trinidad and Tobago Limited

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2015, the summary consolidated statement of profit or loss and other comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of The National Gas Company of Trinidad and Tobago Limited for the year ended 31 December, 2015. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 6 April, 2016. Those consolidated financial statements, and the summary consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards applied in the preparation of the audited consolidated financial statements of The National Gas Company of Trinidad and Tobago Limited. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of The National Gas Company of Trinidad and Tobago Limited.

Management's responsibility for the summary consolidated financial statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements on the basis described in Note 1.

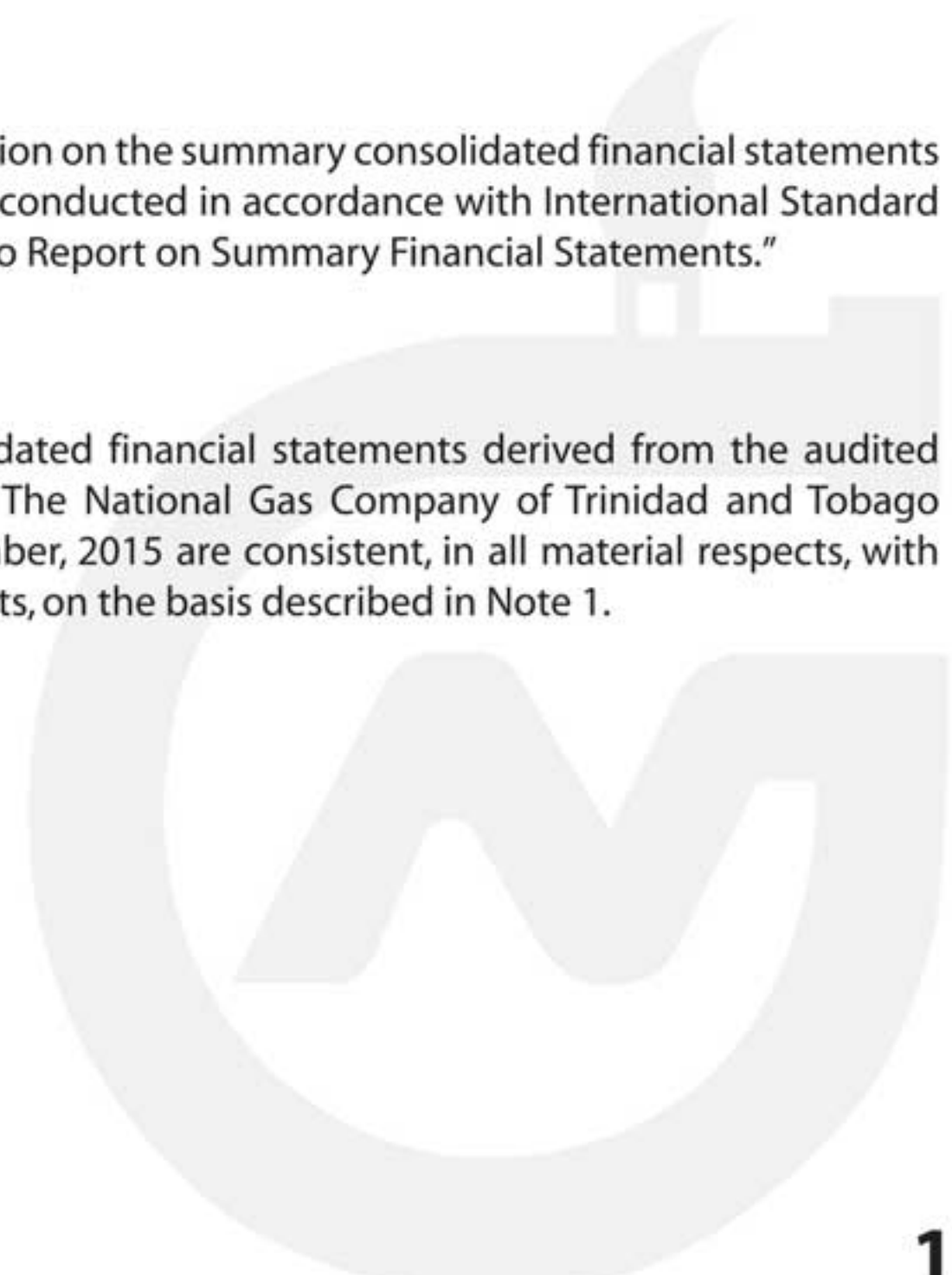
Auditor's responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of The National Gas Company of Trinidad and Tobago Limited for the year ended 31 December, 2015 are consistent, in all material respects, with those consolidated financial statements, on the basis described in Note 1.

Deloitte & Touche
Port of Spain
Trinidad
13 June, 2016





SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Trinidad and Tobago dollars)

	2015 \$'000	2014 \$'000
Assets		
Non-current assets	26,156,629	27,986,871
Current assets	12,966,765	16,347,599
Total assets	<u>39,123,394</u>	<u>44,334,470</u>
Equity and liabilities		
Share capital	1,855,266	1,855,266
Reserve fund	438,192	438,192
Other reserves	2,720,150	2,766,744
Retained earnings	17,788,895	23,720,064
Equity attributable to:		
- Owners of the parent	22,802,503	28,780,266
- Non-controlling interest	2,169,237	1,037,999
Total equity	24,971,740	29,818,265
Non-current liabilities	9,168,014	9,395,183
Current liabilities	4,983,640	5,121,022
Total equity and liabilities	<u>39,123,394</u>	<u>44,334,470</u>

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Trinidad and Tobago dollars)

	2015 \$'000	2014 \$'000
Sales	16,623,353	23,513,318
Gross profit	4,529,463	8,406,786
Other operating income	389,371	393,327
Interest, investment and other income	641,402	947,273
Administrative, maintenance & general expenses	(1,487,260)	(1,143,603)
Impairment expense	(2,415,677)	(562,413)
Finance costs	(281,770)	(357,812)
Other expenses	(252,551)	(102,357)
Profit before tax	1,122,978	7,581,201
Income tax expense	(561,986)	(3,102,389)
Profit for the year after taxation	<u>560,992</u>	<u>4,478,812</u>
Other comprehensive income, net of taxes:		
Items that will not be reclassified subsequently to profit or loss		
Re-measurement of net defined benefit liability	321,508	(148,840)
Income tax relating to net defined benefit liability	(108,978)	62,877
Foreign currency translation differences	225,200	(291,564)
	<u>437,730</u>	<u>(377,527)</u>
Items that may be reclassified subsequently to profit or loss		
Net (loss)/gain on available-for-sale financial assets	(222,519)	12,002
Total other comprehensive income/(loss) for the year, net of tax	<u>215,211</u>	<u>(365,525)</u>
Total comprehensive income for the year	<u>776,203</u>	<u>4,113,287</u>
Attributable to:		
- Owners of the parent	685,057	3,845,347
- Non-controlling interest	91,146	267,940
	<u>776,203</u>	<u>4,113,287</u>



SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Expressed in Trinidad and Tobago dollars)

	Attributable to owners of the parent				Total \$'000	Non-controlling interest \$'000	Total equity \$'000
	Share capital \$'000	Reserve fund \$'000	Other reserves \$'000	Retained earnings \$'000			
Year ended 31 December 2015							
Balance at 1 January 2015	1,855,266	438,192	2,766,744	23,720,064	28,780,266	1,037,999	29,818,265
Profit for the year after taxation	-	-	-	479,493	479,493	81,499	560,992
Other comprehensive income for the year, net of tax	-	-	(6,966)	212,530	205,564	9,647	215,211
Transfer of depreciation for offshore plant and equipment and pipelines	-	-	(39,628)	39,628	-	-	-
Disposal of partial interest in subsidiary	-	-	-	175,017	175,017	1,358,339	1,533,356
Dividends	-	-	-	(6,837,837)	(6,837,837)	(318,247)	(7,156,084)
Balance as at 31 December 2015	<u>1,855,266</u>	<u>438,192</u>	<u>2,720,150</u>	<u>17,788,895</u>	<u>22,802,503</u>	<u>2,169,237</u>	<u>24,971,740</u>
Year ended 31 December 2014							
Balance at 1 January 2014	1,855,266	438,192	3,075,536	23,365,380	28,734,374	1,063,166	29,797,540
Issue of ordinary shares by subsidiary	-	-	-	-	-	24,574	24,574
Profit for the year after taxation	-	-	-	4,200,569	4,200,569	278,243	4,478,812
Other comprehensive income for the year, net of tax	-	-	(269,257)	(85,965)	(355,222)	(10,303)	(365,525)
Transfer of depreciation for offshore plant and equipment and pipelines	-	-	(39,535)	39,535	-	-	-
Dividends	-	-	-	(3,799,455)	(3,799,455)	(317,681)	(4,117,136)
Balance as at 31 December 2014	<u>1,855,266</u>	<u>438,192</u>	<u>2,766,744</u>	<u>23,720,064</u>	<u>28,780,266</u>	<u>1,037,999</u>	<u>29,818,265</u>

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in Trinidad and Tobago dollars)

	2015 \$'000	2014 \$'000
Cash flows from operating activities		
Profit before tax	1,122,978	7,581,201
Adjustment for non-cash items	<u>1,944,687</u>	<u>751,259</u>
Operating profit before working capital changes	3,067,665	8,332,460
Changes in working capital	<u>(113,069)</u>	<u>19,951</u>
Cash generated from operations	<u>2,954,596</u>	<u>8,352,411</u>
Net taxation, interest and pension contributions paid	<u>(1,160,535)</u>	<u>(3,149,562)</u>
Net cash generated from operating activities	1,794,061	5,202,849
Net cash generated from/(used in) investing activities	3,639,682	(282,637)
Net cash used in financing activities	<u>(7,129,612)</u>	<u>(4,289,993)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(1,695,869)</u>	<u>630,219</u>
Net foreign exchange differences	40,029	(192,074)
Cash and cash equivalents beginning of year	<u>8,028,970</u>	<u>7,590,825</u>
Cash and cash equivalents end of year	<u>6,373,130</u>	<u>8,028,970</u>

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Trinidad and Tobago dollars)

1. Basis of preparation

The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary consolidated statement of financial position, summary consolidated statement of profit or loss and other comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows. These summary consolidated financial statements are derived from the audited consolidated financial statements of The National Gas Company of Trinidad and Tobago Limited and its subsidiaries for the year ended 31 December 2015 prepared in accordance with International Financial Reporting Standards. Copies of the audited consolidated financial statements of The National Gas Company of Trinidad and Tobago Limited and its subsidiaries for the year ended 31 December 2015 can be requested from The National Gas Company of Trinidad and Tobago Limited, Orinoco Drive, Point Lisas Industrial Estate, Couva.