



**THE NATIONAL GAS COMPANY
OF TRINIDAD AND TOBAGO LIMITED**

Summary Consolidated Financial Statements for the Year Ended 31 December 2019

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

I am pleased to report that despite the challenging market conditions, The National Gas Company of Trinidad and Tobago Limited (NGC) recorded a Group profit after tax of \$396 million for 2019. This represents a decrease of \$2.0 billion or 83% from the 2018 profit after tax of \$2.396 billion. NGC's 2019 performance was impacted by lower margins and higher impairment charges.

Ammonia prices fell by 23% while methanol prices experienced a 31% drop from 2018. Additionally, Natural Gas Liquids (NGL) prices weakened by 23.4% due to supply imbalance. At the same time, higher priced supplies delivered under new gas purchase contracts resulted in an uptick in the weighted average cost of gas, further compressing sales margins. Nevertheless, The NGC Group remains focused on the execution of its strategy and building a strong sustainable business.

Ensuring adequate supply in the upstream remains a critical imperative for domestic business growth. In 2019, NGC successfully negotiated a fully termed Domestic Gas Sales Contract (DGSC) with Shell. A year for growth into international markets, NGC signed a historic LNG agreement with China in 2019, subsidiary National Energy opened an office in Guyana, and Phoenix Park Gas Processors Limited (PPGPL) pursued the acquisition of NGL assets in the USA. These developments move The NGC Group closer to becoming a global energy brand. On the clean energy front, NGC CNG Company Limited began construction of a flagship fuelling station at the Preysal Interchange.

Meanwhile, the Group continued to lobby for energy efficiency through its work with the Cabinet-appointed Committee for the Development of a National Energy Conservation and Energy Efficiency Action Plan for Trinidad and Tobago. A Super Energy Services Company (ESCO) Project was launched to assess energy use among Light Industrial and Commercial Customers (LICs) with a view to improving their efficiency. The Group is also collaborating with BP, Shell and Lightsource BP to produce a 130 MW Utility Scale Renewable Energy Project in Trinidad and Tobago.

The achievements of The NGC Group in 2019 could not have been possible without the dedication and tireless service of the management and staff across all companies. I extend sincere gratitude to all for the effort invested in delivering a strong NGC Group performance despite all challenges. I am also grateful for the continued support of my Board colleagues, and the Government of Trinidad and Tobago, as we collectively work with staff to create exceptional value for the people of our country.

Conrad Enill
Chairman

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

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

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2019, 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 and its subsidiaries ('the Group') for the year ended 31 December 2019.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements described in Note 1.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditors' report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 3 August 2020.

Management's Responsibility for the Summary Financial Statements

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

Auditors' Responsibility

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

Deloitte & Touche
Daryl Walcott-Grappie (ICATT #1248)
Trinidad

17 August 2020



**THE NATIONAL GAS COMPANY
OF TRINIDAD AND TOBAGO LIMITED**

Summary Consolidated Financial Statements for the Year Ended 31 December 2019

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

(Expressed in Trinidad and Tobago dollars)

	2019 \$'000	Restated 2018 \$'000	Restated 1-Jan-18 \$'000
Assets			
Non-current assets	29,868,997	31,010,978	28,288,289
Current assets	11,006,211	11,688,568	15,877,926
Total assets	40,875,208	42,699,546	44,166,215
Equity and liabilities			
Share capital	1,855,266	1,855,266	1,855,266
Reserve fund	438,192	438,192	438,192
Other reserves	5,651,709	6,224,495	6,713,350
Retained earnings	16,908,859	16,704,169	15,437,974
Equity attributable to:			
- Owners of the parent	24,854,026	25,222,122	24,444,782
- Non-controlling interest	2,622,827	2,820,156	2,826,052
Total equity	27,476,853	28,042,278	27,270,834
Non-current liabilities	9,771,828	10,206,694	10,094,982
Current liabilities	3,626,527	4,450,574	6,800,399
Total equity and liabilities	40,875,208	42,699,546	44,166,215

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

(Expressed in Trinidad and Tobago dollars)

	2019 \$'000	Restated 2018 \$'000
Revenue	13,609,390	16,004,936
Profit before finance cost	705,596	4,149,504
Finance costs	(230,130)	(202,949)
Share of loss from associate	(4,513)	(6,007)
Profit before taxation	470,953	3,940,548
Taxation	(75,202)	(1,544,662)
Profit for the year after taxation	395,751	2,395,886
Other comprehensive income, net of taxes:		
Items that will not be reclassified subsequently to profit or loss	(117,413)	71,439
Items that may be reclassified subsequently to profit or loss	(65,602)	(233,539)
Total other comprehensive income for the year, net of tax	(183,015)	(162,100)
Total comprehensive income for the year	212,736	2,233,786
Total comprehensive income for the year Attributable to:		
- Owners of the parent	151,891	1,964,064
- Non-controlling interests	60,845	269,722
	212,736	2,233,786

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

(Expressed in Trinidad and Tobago dollars)

	Attributable to Equity Holders of the Parent					Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Reserve fund \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000		
Year ended 31 December 2018							
Balance as at 1 January 2018 (restated)	1,855,266	438,192	6,713,350	15,437,974	24,444,782	2,826,052	27,270,834
Profit for the year after taxation	-	-	-	2,128,291	2,128,291	267,594	2,395,885
Other comprehensive income for the year, net of tax	-	-	(165,128)	(1,139)	(166,267)	2,129	(164,138)
Revaluation reserve	-	-	(129,137)	-	(129,137)	(40,434)	(169,571)
Transfer of gain on disposal of equity investments	-	-	(94,752)	94,752	-	-	-
Transfer of depreciation for offshore plant and equipment and pipelines	-	-	(99,838)	99,838	-	-	-
Dividends	-	-	-	(1,055,547)	(1,055,547)	(235,185)	(1,290,732)
Balance as at 31 December 2018	1,855,266	438,192	6,224,495	16,704,169	25,222,122	2,820,156	28,042,278
Year ended 31 December 2019							
Balance as at 1 January 2019	1,855,266	438,192	6,224,495	16,704,169	25,222,122	2,820,156	28,042,278
Profit for the year after taxation	-	-	-	332,033	332,033	63,718	395,751
Other comprehensive income for the year, net of tax	-	-	(148,701)	(31,441)	(180,142)	(2,873)	(183,015)
Revaluation reserve	-	-	(327,046)	-	(327,046)	(8,899)	(335,945)
Transfer of gain on disposal of equity investments	-	-	2,488	(2,488)	-	-	-
Transfer of depreciation for offshore plant and equipment and pipelines	-	-	(99,527)	99,527	-	-	-
Dividends	-	-	-	(192,941)	(192,941)	(249,275)	(442,216)
Balance as at 31 December 2019	1,855,266	438,192	5,651,709	16,908,859	24,854,026	2,622,827	27,476,853

Summary Consolidated Financial Statements for the Year Ended 31 December 2019

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019
(Expressed in Trinidad and Tobago Dollars)

	2019 \$'000	2018 \$'000
Cash flows from operating activities		
Profit before tax	470,953	3,940,548
Adjustment for non-cash items	1,445,968	788,653
Operating profit before working capital changes	1,916,921	4,729,201
Changes in working capital	(1,194,659)	(718,261)
Cash generated from operations	722,262	4,010,940
Net taxation, interest and pension contributions paid	(1,681,302)	(969,151)
Net cash (used in)/generated from operating activities	(959,040)	3,041,789
Net cash used in investing activities	(1,578,958)	(1,168,686)
Net cash used in financing activities	(668,440)	(1,480,455)
Net (decrease)/increase in cash and cash equivalents	(3,206,438)	392,648
Net foreign exchange differences	(25,541)	10,743
Cash and cash equivalents beginning of year	6,837,681	6,434,290
Cash and cash equivalents end of year	3,605,702	6,837,681

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019
(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 2019 prepared in accordance with International Financial Reporting Standards.



MEMBERS OF THE NCG GROUP OF COMPANIES