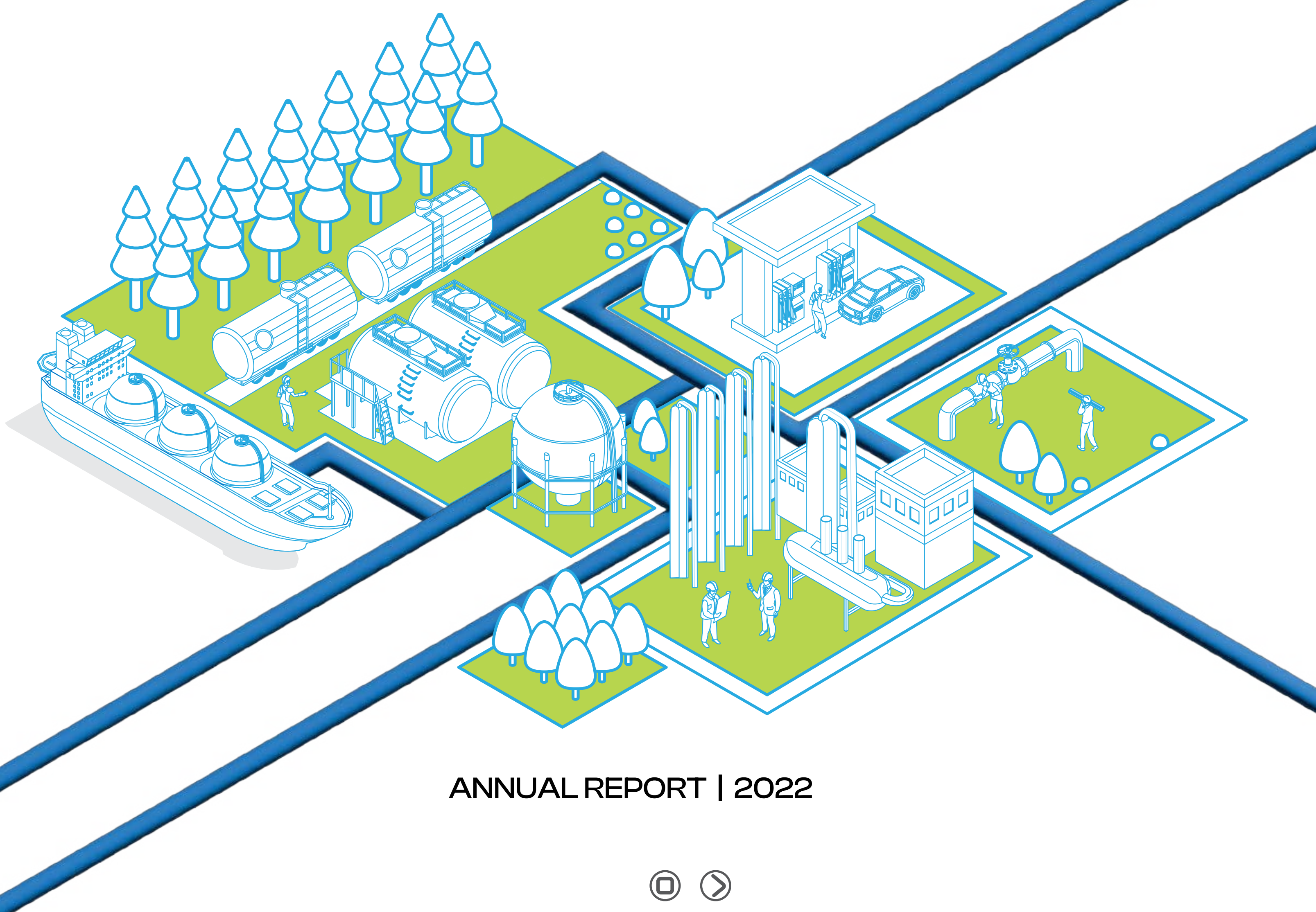
Trinidad and Tobago NGL Limited

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

Our Journey Continues



ANNUAL REPORT | 2022

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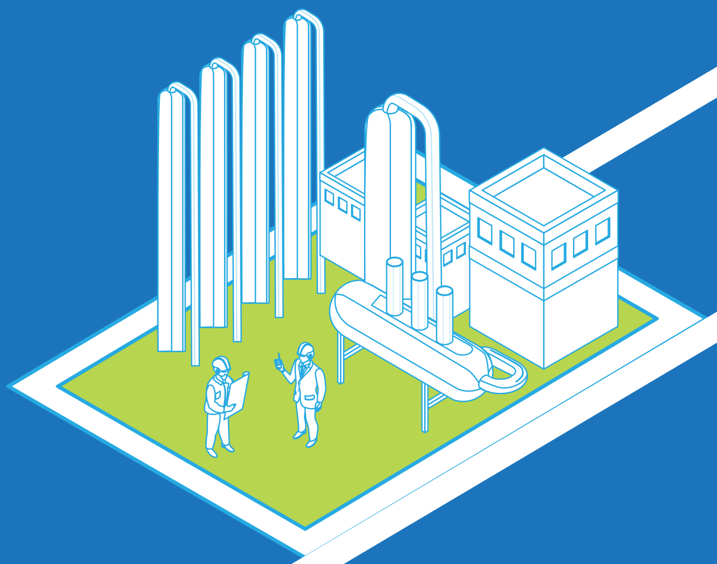

Trinidad and Tobago NGL Limited

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PPGPL Corporate Statements

Trinidad and Tobago NGL Limited

Vision

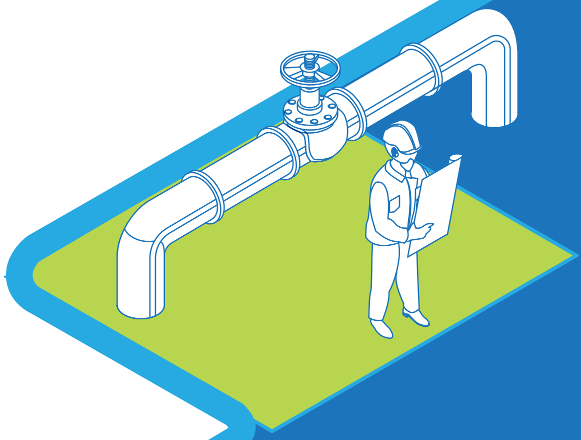
To be a recognised global leader in the development of sustainable energy-related businesses

Mission

To create exceptional value from natural gas and related energy businesses through our people and strategic partnerships

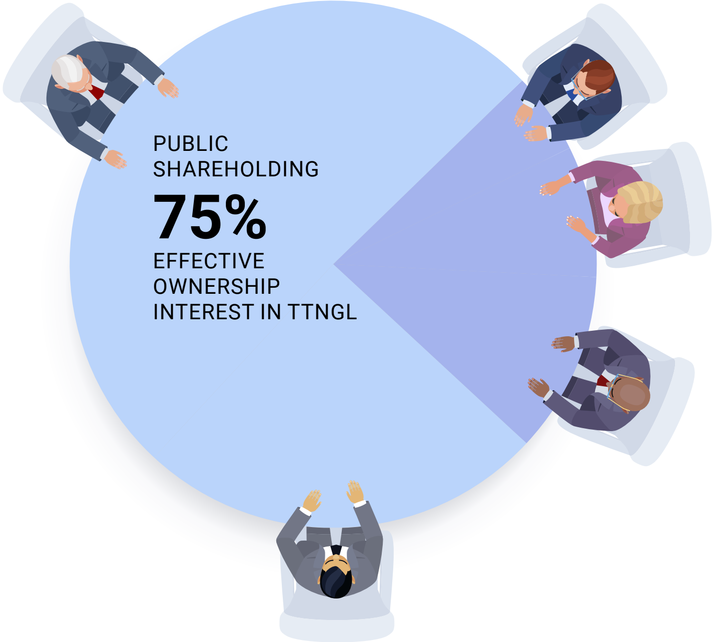
Core Values

- Safety & Environmental Preservation
- Integrity
- Employee Engagement
- Excellence
- Transparency
- Customer Focus
- Corporate Social Responsibility



Corporate Overview

In August 2013, The National Gas Company of Trinidad and Tobago Limited ('NGC') acquired an additional **39%** shareholding in Phoenix Park Gas Processors Limited ('PPGPL').



Trinidad and Tobago NGL Limited ('TTNGL') was incorporated by NGC for the purpose of holding the 39% of the shares of PPGPL. NGC made 49% of its ownership of TTNGL available for sale to the citizens of Trinidad and Tobago via an Initial Public Offering ('IPO') to allow the public to own an equity interest in PPGPL.

On 19 October 2015, TTNGL was listed on the Trinidad and Tobago Stock Exchange ('TTSE'). Through an Additional Public Offering ('APO'), a further divestment was undertaken in 2017, for the remainder of NGC's Class B Shares, representing 26% of its equity interest in PPGPL.

Following this divestiture, the public's shareholding represents a 75% effective ownership interest in TTNGL. This amounts to 29.25% effective ownership interest in PPGPL, reducing NGC's shareholding in PPGPL to 52.9%. While TTNGL was formed as a corporate entity in 2013, its underlying asset, PPGPL, is a company with over 30 years of operating experience in Trinidad and Tobago's natural gas-based energy sector, and with whom NGC has had a long-term commercial relationship.

Phoenix Park Gas Processors Limited (Investee Company)

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

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

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

As part of The NGC Group of Companies, PPGPL continues to expand its reach into the global market by offering its expertise internationally.

THESE AREAS OF EXPERTISE INCLUDE:
- Project development and implementation;
- Product trading; and
- Partnership with companies to expand its investment portfolio.

Following the acquisition of its first North American asset in 2020, operations are carried out in this jurisdiction under Phoenix Park Energy Marketing LLC (PPEM) which is engaged in the business of marketing, trading and transportation of natural gas liquids in Canada, USA and Mexico. During 2022, the Company acquired additional US-based assets with the purchase of two NGL terminals. The Hull terminal was acquired from Keyera Energy Limited in January 2022, while the Minnesota propane terminal was acquired from Interstate Fuel & Energy LLC. These strategic acquisitions are aligned to PPGPL's continued commitment to expand its investment portfolio along the value chain and deliver shareholder value.

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

Dr. Joseph Ishmael Khan
Chairman

Chairman's Report

PPGPL has continued to focus on high operating efficiency, operational safety, financial discipline and accruing long-term value for its shareholders. The Company continues to pursue investment opportunities that meet its disciplined financial requirements.

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Trinidad and Tobago NGL Limited (TTNGL), for the year ended 31 December 2022.

During the year, the conflict in Ukraine, the continued impact of climate change and the lingering consequences of the COVID-19 pandemic have impacted global economic recovery. These impacts, coupled with the inherent volatility in the energy commodity markets, contributed to the performance of TTNGL's underlying asset, Phoenix Park Gas Processors Limited (PPGPL). Additionally for 2022, PPGPL recognised the following accounting adjustments:

1. **Changes in accounting estimates**
2. **Decommissioning provisions**
3. **Amortisation of intangible assets**

The adjustments for decommissioning and amortisation of intangible assets have resulted in PPGPL restating its financial statements for 2020 and 2021 as per requirements of International Accounting Standard 8 (IAS 8). This treatment had a flow-through effect on TTNGL's reporting with similar restatement of its financial statements, amendments to the impairment review calculation and recognition of impairment charges (including restatements for 2020 and 2021).

Notwithstanding the foregoing, TTNGL showed a strong operational performance for 2022, recording a profit after tax (excluding impairment charges) of TT$165.8 million, compared to TT$192.3 million for 2021. Notably, there is an impairment charge for 2022 of TT$562.4 million compared to a reversal of TT$267.2 million (restated) for 2021. Available cash at the end of 2022 was a robust TT$105.5 million (2021: TT$132.3 million).

PPGPL has continued to focus on high operating efficiency, operational safety, financial discipline and accruing long-term value for its shareholders. The Company continues to pursue investment opportunities that meet its disciplined financial requirements. In 2022, it grew its North American footprint with the acquisition — through its wholly owned US subsidiary, Phoenix Park Energy Marketing LLC (PPEM) — of the assets of the Hull Terminal from Keyera Energy Inc., and the Rush City terminal from Interstate Fuel & Energy LLC, for US$39.6 million and US$5.0 million respectively.

INTERNATIONAL INDUSTRY REVIEW

Natural Gas Liquids (NGLs), like other hydrocarbons, have undergone a metamorphosis in recent years, given wild fluctuations in crude and natural gas prices in the wake of Covid-19 and the war in Ukraine.

The impacts of Russia's invasion of Ukraine are still evolving and far-reaching across the energy sector. It is important to consider that NGLs are by-products of crude oil and natural gas production, and movements in the demand/supply balance and prices of these commodities have the potential to impact NGL markets. PPGPL's benchmark NGL prices are referenced out of Mont Belvieu on the US Gulf Coast, with the recognised average price for 2022 being 151.75 US cents per gallon (cpg), which is 30.68 cpg or 25.3% higher than 2021. While NGL prices showed growth in the first half of 2022, prices began to soften in later months due to strong production, high inventories and subdued demand. The year-over-year increase in US NGL supply in 2022 was estimated to be 9% or 530,000 barrels per day (bpd).

For the first half of 2022, geopolitical tension with Russia, culminating with Russia's full-scale invasion of Ukraine on February 24, contributed to increases in crude oil prices. On March 8, 2022, the combination of Russia's invasion of Ukraine with low global crude oil inventories lifted the 2022 crude oil price to the highest inflation-adjusted price since 2014.

Our Journey Continues

Chairman's Report

According to the US Energy Information Administration (EIA), the spot price of Brent crude oil, a global benchmark priced in Northwest Europe, averages US$100 per barrel, US$29 higher than the average price at the end of 2021. The Brent price rose significantly in the first half of 2022 but generally declined in the second half of the year. The spot price for West Texas Intermediate (WTI), a benchmark price for US crude oil, followed a similar pattern, finishing the 2022 trading year averaging US$95 per barrel, US$27 per barrel higher than 2021.

For 2022, the wholesale US natural gas spot price at the national benchmark Henry Hub in Louisiana USA, averaged $6.45 per million British thermal units (MMBtu), the highest annual average since 2008, based on data from Refinitiv Eikon. The 2022 average Henry Hub real natural gas spot price increased over 53% from 2021. The high and fluctuating prices were driven by production constraints, high demand for US liquefied natural gas (LNG) exports in Europe and weather-driven demand for natural gas for electricity generation. The natural gas spot price decreased in the latter months of 2022 because of high natural gas production and inventory build.

Note is to be taken of the continued impact of increasing temperatures across the globe on NGL prices. Particularly for propane and butane, higher temperatures and warmer winters cause a reduction in the demand for both propane and butane. While in the Caribbean, demand for these products is primarily for cooking, in North America, demand is for both cooking and heating. In 2022, North America experienced a warmer winter which resulted in price decreases versus the traditional uplift in prices.

OUR NATIONAL ECONOMY

According to the Central Bank of Trinidad and Tobago, the domestic economy was on a recovery path over the course of 2022, following two (2) years of economic contraction. Gross Domestic Product (GDP) at constant prices (real GDP) was estimated to have expanded by 2.5 % in 2022. This growth was driven by increased output from the non-energy sector, which was partially offset by unexpected weak performance by the energy sector. Activity in the non-energy sector was boosted by strong performances in several sub-sectors including manufacturing (excluding refining and petrochemicals) and wholesale and retail trade (excluding energy). Conversely, reductions in the condensate extraction and asphalt sub-sectors drove the decline in output from the energy sector.

Inflation increased during the year, reaching 8.7% by end-2022 (averaged 5.8% in 2022 versus 2.1% in 2021), driven by external supply-side factors (imported energy and food prices), partial liberalisation of domestic fuel prices in 2022, and domestic weather-related events. In 2022, the unemployment rate declined to 4.9% compared with 5.4% in 2021, with new hires mainly in the non-manufacturing and non-energy sectors.

Economic recovery is expected to gain broad-based momentum in 2023 with a 3.2% GDP expansion. Over the medium term, while new energy projects are expected to commence production, the impact of maturing oil and gas fields has the potential to slow growth. Inflation is projected to reduce to 4.5% by the end of 2023 and will continue declining in tandem with international prices.

TRINIDAD AND TOBAGO NGL LIMITED

For the year ended 31 December 2022, despite recording a profit after tax (excluding impairment charges) of TT$165.8 million, compared to TT$192.3 million for 2021, the results were impacted by an impairment charge of TT$562.4 million, resulting in total comprehensive loss of TT$402.6 million. Consequently, earnings per share was negative TT$2.56 for 2022, compared to TT$2.97 (restated) at the end of 2021.

This overall performance was derived primarily due to the following:

1. A lower share of profit from its underlying asset, PPGPL: **TT$168.1 million** in 2022 versus TT$194.1 (restated) million for the corresponding period of 2021.

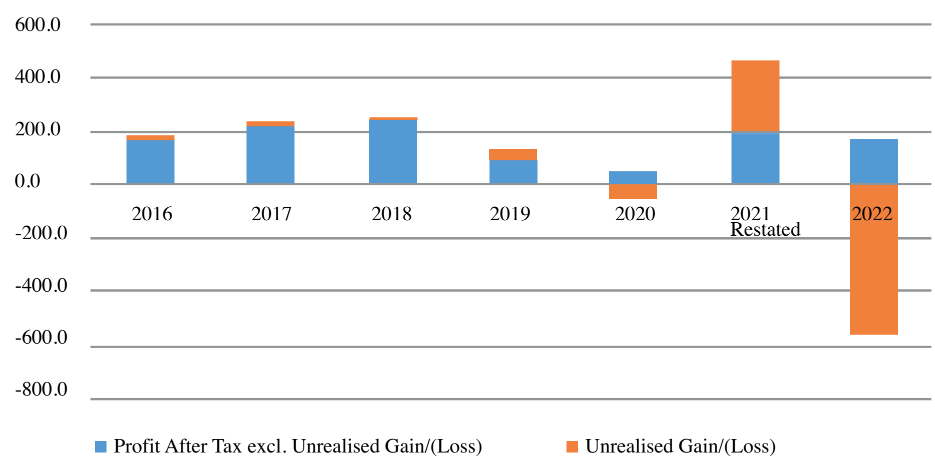
2. An impairment charge of **TT$562.4 million,** coming out of the 2022 impairment assessment of TTNGL's investment in PPGPL. The joint venture was tested for impairment utilising a Fair Value less Costs of Disposal (FVLCD) calculation, factoring in management estimates for expected future cash flows from the asset and applying a suitable discount rate to calculate the present value of those cash flows. Based on accounting changes at the investee company for 2022, the PPGPL impairment review was carried out based primarily on the assumptions around a more conservative scenario, including, among other revisions:

    i. Lower forecasted cash flows from the North American assets, as the Company rationalises the income from these operations
    ii. Inclusion, for the first time, of decommissioning cash flows related to PPGPL's plant located at Point Lisas, Trinidad
    iii. Adjustment to the impairment calculation with revision to impact terminal cash flows for PPGPL's Point Lisas operations to match the decommissioning provision timeframe expected to materialise in 2042.

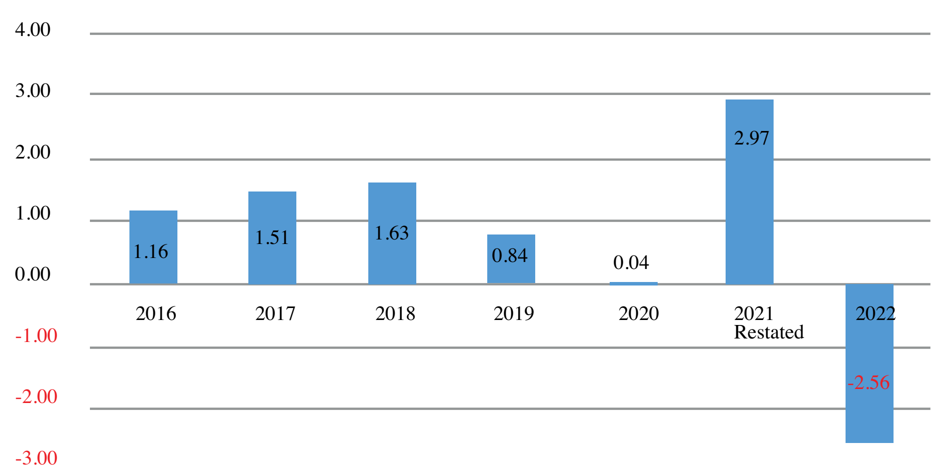
The impairment charge for 2022 as in prior periods is unrealised, with the magnitude of the amount resulting in a deficit in retained earnings at the end of the current year. Reversal of unrealised losses is possible in future periods as key inputs at the investee company improve including natural gas supply and the useful life of key assets.

Chairman's Report

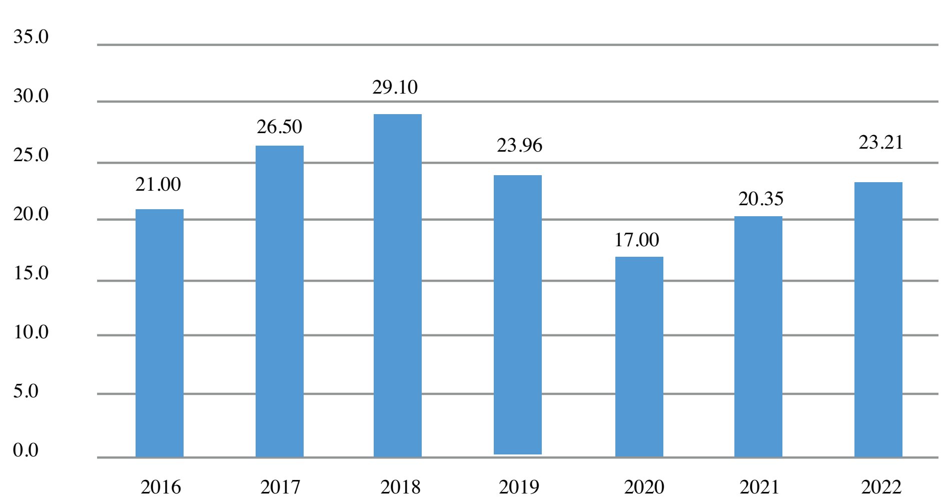
Profit/(Loss) After Tax (TT$M)



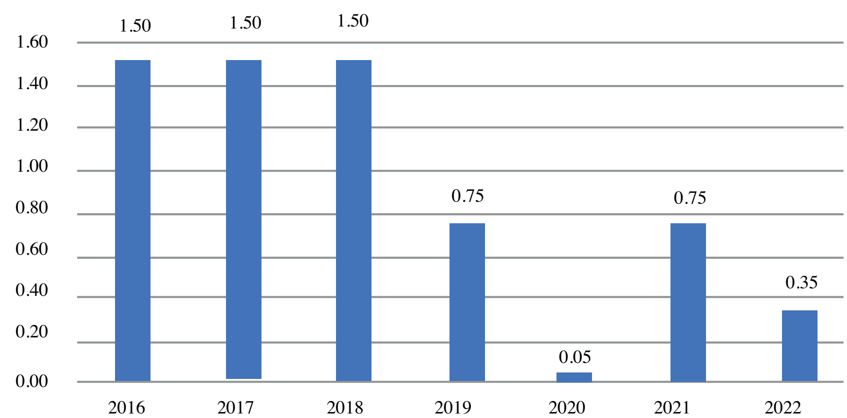
Earnings/(Loss) Per Share (TT$)



Share Price (TT$)



Dividend Paid Per Share (TT$)



2022 PPGPL Group Summary Performance

	2022	2021	Variance
Gross Margin (US$000)	189,549	203,958	(14,409)
Profit After Tax (US$000)	63,803	73,668	(9,865)
Cash Flow from Operations (US$000)	88,675	110,080	(21,405)
Dividend Paid (US$000)	40,000	27,500	12,500
Gas Inlets (mmscfd)	1,061	1,141	(80)
NGL Content (GPM)	0.404	0.419	(0.015)
Production: Gas Processing (bpd)	9,590	10,946	(1,356)
Production: ALNG (bpd)	5,332	5,324	8
Mont Belvieu Price (cpg)	151.75	121.07	30.68
Price Differential (cpg)	8.45	6.55	1.90
PPTTEHL-Sales Volume (bpd)	14,278	12,784	1,494

Chairman's Report

PHOENIX PARK GAS PROCESSORS LIMITED

For 2022, PPGPL recorded a profit after tax of US$63.8 million, a 13.4% reduction when compared to US$73.7 million in 2021. This strong performance was driven by solid NGL market conditions (sales volumes and price) despite the higher feedstock costs and lower NGL production due to reduced gas volumes for processing. Optimisation of the gas supply stream provided to PPGPL to bolster NGL content remains a key priority for The NGC Group.

PPGPL has continued to grow its business in North America as the Company seeks to diversify its cash flows. Coming off the acquisition of the NGL marketing assets of Twin Eagle Liquids Marketing LLC in February 2020, effective 21 January 2022 and 13 December 2022, through its wholly owned US subsidiary, Phoenix Park Energy Marketing LLC, PPGPL acquired the assets of the Hull Terminal from Keyera Energy Inc. and Rush City terminal from Interstate Fuel & Energy LLC respectively.

The 2022 results for the North American subsidiary were subdued, caused by the provision of a customer bad debt, arbitrage losses from sales out of inventory in a falling MB price environment and the corporate tax optimisation resulting in the write-off of expired contracts acquired from Twin Eagle. This subsidiary did experience high trading volumes in the markets it serves, a trend which has continued into 2023.

In 2022, PPGPL reviewed the residual value and useful lives of its facilities in Trinidad. From the review performed in the current year, management increased the useful lives of certain plant assets for another 20 years. This change in the useful lives of the assets was applied prospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. As a result of this change, the depreciation expense recognised in the current year has been reduced by US$13.4 million.

Rail and truck export terminal in Hull, Texas

The effect on future periods is expected to be a depreciation reduction of approximately US$13 million per year compared to prior periods on existing gas plant assets.

Additionally, for 2022, PPGPL restated its financial statements to account for the following:

(a) Decommissioning
PPGPL recorded a decommissioning provision which represents the present value of decommissioning costs related to the plant assets which are expected to be incurred in 2042. The provision was created based on estimates provided by external consultants. Assumptions were based on the current economic environment which management believes forms a reasonable basis upon which to estimate the future liability. Decommissioning liabilities were not recognised in prior years as required under IFRS and a restatement was made for its effects in current year financial statements.

(b) Amortisation of intangible assets
In prior years, PPGPL recognised costs incurred in connection with the purchase of contracts from Twin Eagle related to its North American operations as intangible assets with indefinite useful lives.

Now that these contracts have expired, Management took the decision to write off the cost of these contracts, which resulted in corporate tax credit to the business of US$3.2 million. The original costs incurred of US$15.9 million were amortised as follows: 2020 - US$8.4 million, 2021 - US$4.5 million and 2022 - US$3.0 million.

PPGPL Strategy and Outlook
PPGPL's ability to sustain a profitable business since its commencement of operations in 1991 is testimony to the resilient business model that has been developed over the past 30 years. During this time, the Company has been able to thrive in many difficult circumstances while staying true to its stated core values. As part of The NGC Group of Companies, PPGPL shares the vision, mission and core values with all members of The Group.

Hull terminal, Texas

Since 2018, PPGPL has actively — and in a structured manner — executed its approved business strategy, included in which is the pursuit of value-added growth strategies along the NGL value chain locally and in select territories regionally and internationally.

In 2022, PPGPL completed the acquisition of the Hull Terminal from Keyera Energy Inc. as well as the Rush City terminal from Interstate Fuel & Energy LLC. These acquisitions represent a significant milestone in the Company's business strategy that complements its expansion efforts of 2020 and further establishes the US- based subsidiary, PPEM, as a key supplier of NGLs to its customers.

As PPGPL looks beyond 2022, its focus will be on strengthening its business model through the implementation of critical sustainable strategies to preserve and enhance the value of all stakeholders. Critical to this thrust will be the implementation of strategic initiatives in the areas of economic, environmental, social and people sustainability. To achieve this, PPGPL continues to pursue its sustainability-based corporate strategy with its leadership team responsible for delivering on each of the strategic initiatives aimed at ensuring the long-term sustainability of the business. The further diversification of the Company's revenue streams is a key focus of these sustainability initiatives.

The long-term sustainability of PPGPL and its subsidiaries is critical to preserving shareholder value and meeting our responsibility to contribute to the national development of Trinidad and Tobago and those territories in which we operate. The pursuit of these objectives will be done while ensuring we continue to provide a safe work environment for our employees.

LOOK AHEAD

Notwithstanding the waning impact of the pandemic and the continuation of the Ukraine war, global economic growth is expected to be subdued in 2023. Continued warming temperatures globally, social and economic turbulence emanating from the war in Ukraine, ongoing monetary policy tightening to combat inflationary pressures and rising financial vulnerabilities are expected to weigh on growth over the coming year.

Aerial view of Rush City terminal

The IMF, in its April 2023 update, forecasts a slowdown in economic activity in 2023 to 2.8%. However, cooling inflationary pressures and improving labour market conditions toward the end of 2022 and into 2023 provide some basis for cautious optimism for global prospects. The domestic economy is expected to improve in the short run, bolstered by activity in both the energy and non-energy sectors. The energy sector is likely to be boosted by recent project start-ups while the non-energy sector is expected to benefit from increased business activity and continued resurgence of consumer demand. Despite a generally positive outlook for the local economy over the coming months, downside risks persist.

Natural gas and NGLs will continue to be a vital resource for the world as we continue to move towards cleaner, more efficient fuels. NGC and its subsidiaries will strive to continue the safe and responsible production of these commodities while delivering long-term value creation to its shareholders.

ACKNOWLEDGEMENTS

I would like to take this opportunity to thank and congratulate our Executive Teams across The NGC Group, my colleagues on the Board and indeed all of our talented employees for their effort over the last year. The Group remains resilient in delivering value to shareholders, in spite of the challenging business environment. While we work through the uncertainties of the future, we remain confident of the performance of PPGPL and TTNGL and our ability to navigate the challenges ahead.

Lastly, I want to thank our shareholders for the trust you have shown in our growth strategies and leadership. We look forward to your steadfast support as we continue this journey with you.

Dr. Joseph Ishmael Khan
Chairman

Trinidad and Tobago NGL Limited

Dr. Joseph Ishmael Khan
Chairman
(from 07 October 2022)

Mr. Ashmeer Mohamed
Director

Mr. Howard A.W. Dottin
Director
(from 24 February 2022)

Mr. Dominic Rampersad
Director
(from 24 February 2022)

Mr. Javed Razack
Director
(from 15 December 2022)

Mr. Conrad Enill
Chairman
(to 30 June 2022)

Mr. Kenneth Allum
Director
(to 24 February 2022)

Mr. Patrick Ferreira
Director
(to 14 July 2022)

Corporate Information

PRINCIPAL OFFICER
Sheldon K. Sylvester
Chief Financial Officer

BOARD OF DIRECTORS
Board of Directors as at
31 December 2022
- Dr. Joseph Khan - Chairman
- Howard Dottin
- Ashmeer Mohamed
- Dominic Rampersad
- Javed Razack

CORPORATE SECRETARY
Aegis Business
Solutions Limited

REGISTERED OFFICE
Trinidad and Tobago
NGL Limited
Orinoco Drive
Point Lisas Industrial Estate
Couva
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Fax: (868) 636-1099
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Email: ttngl@ngc.co.tt

BANKERS
First Citizens Bank Limited
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Tel: (868) 624-3178
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Website: www.firstcitizenstt.com

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5th Floor Newtown Centre
30-36 Maraval Road
Newtown, Port of Spain
Tel: (868) 225-4527
Website:www.jcscaribbeanlaw.com

AUDITORS
PricewaterhouseCoopers
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Port of Spain
Tel: (868) 299 0700
Fax: (868) 623 6025
Website: www.pwc.com/tt

REGISTRAR
Trinidad and Tobago
Central Depository Limited
10th Floor Nicholas Tower
63-65 Independence Square
Port of Spain
Tel: (868) 625-5107/9
Fax: (868) 623-0089

Directors' Report 2022

The Directors are pleased to present their report to the members together with the Audited Financial Statements for the year ended 31 December 2022. The Directors confirm to the best of their knowledge and belief that the Audited Financial Statements comply with the applicable financial reporting standards and present a true and fair view on the Financial Statements of the Company.

	TT$'000
Total comprehensive loss for the year	(402,554)
Total dividend received from joint venture: PPGPL	105,286
Interim dividend paid	54,180
Total dividend paid for the year	54,180
Cash at bank and on hand as at 31 December 2022	105,547
Retained deficit as at 31 December 2022	(1,226,493)

Dividend
A dividend of $0.35 per share for the year was paid to shareholders on 14 September 2022.

Disclosure of Interest of Directors and Officers in any Material Contract
Pursuant to Section 93 (1) of the Companies Act 1995, at no time during the financial year ended 31 December 2022, has any Director or Officer been a party to a material contract or a proposed material contract with the Company, or been a Director or Officer of any body, or had a material interest in any body that was party to a material contract or a proposed material contract with the Company.

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

By order of the Board

AEGIS
BUSINESS SOLUTIONS LIMITED

Aegis Business Solutions Limited
Company Secretary
18 Scott Bushe Street, Port of Spain
09 August 2023

Directors' & Substantial Interests Information

SHAREHOLDING OF DIRECTORS, SENIOR OFFICERS AND CONNECTED PERSONS

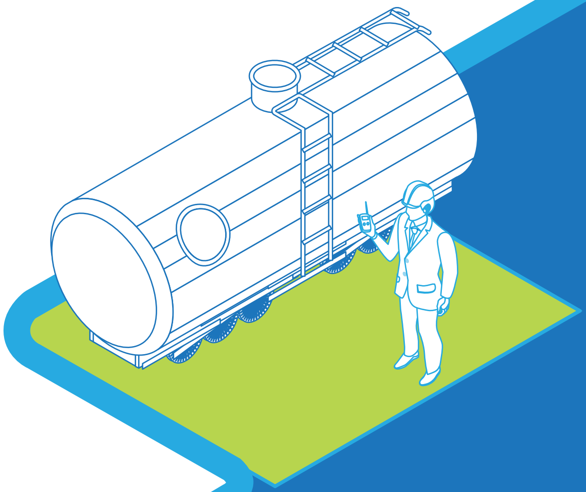
As at December 31, 2022

Directors/Senior Officers	Ordinary Shareholding Class B Shares	Connected Parties Class B Shares
Dr. Joseph Khan, Chairman	NIL	NIL
Howard Dottin, Director	NIL	NIL
Ashmeer Mohamed, Director	6,000	7,500
Dominic Rampersad, Director	22,056	NIL
Javed Razack, Director	1,400	NIL
Sheldon Sylvester, Chief Financial Officer	5,000	1,461

Shareholding of those persons holding the ten (10) largest blocks of shares

As at December 31, 2022

Name	Class A	Class B	Percentage %
	Ordinary Shares	Ordinary Shares	
The National Gas Company of Trinidad and Tobago Limited	38,700,000		25.00
National Insurance Board		19,728,342	12.74
T&T Unit Trust Corporation - FUS		11,275,766	7.28
Tatil Life Assurance Limited A/C C		2,151,177	1.39
National Enterprises Limited		1,927,420	1.25
Michael Derick Moses & Helen Marie Moses		1,885,729	1.22
Republic Bank Limited - 1162 01		1,595,538	1.03
Republic Bank Limited - 1162		1,395,382	0.90
Tatil Life Assurance Limited		1,316,460	0.85
Republic Bank Limited A/C 3243 01		1,251,923	0.81
Teachers Credit Union Co-op Society Limited		1,245,000	0.80



Financial Statements

Trinidad and Tobago NGL Limited

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Trinidad and Tobago NGL Limited, ('the Company') which comprise the statement of financial position as at 31 December 2022, 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
28 July 2023	28 July 2023

Independent auditor's report

To the Shareholders of Trinidad and Tobago NGL Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Trinidad and Tobago NGL Limited (the Company) as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2022;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview

- Overall materiality: TT$15,885,880, which represents 1% of investment in joint venture.

- In addition to determining materiality, we also assessed, amongst other factors, the following in designing our audit:
  - the risk of material misstatement in the financial statements
  - significant accounting estimates
  - the risk of management override of internal controls

- Impairment of investment in joint venture

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	TT$15,885,880
How we determined it	1% of investment in joint venture
Rationale for the materiality benchmark applied	We chose investment in joint venture as the benchmark as this is the Company's most significant asset. The Company's principal activity is holding a 39% investment in the joint venture. This asset forms the basis for income generation for the Company and as a result, the users of the financial statements are focused on the carrying amount of this asset. We chose 1% which is within a range of acceptable benchmark thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above TT$415,450, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

Impairment of investment in joint venture

Refer to notes 5(b), 11, and 16 to the financial statements for disclosures of related accounting policies and balances.

As at 31 December 2022, the Company's investment in joint venture stated on the statement of financial position has a carrying value of TT$1,588,588,000. This includes an impairment charge of TT$562,448,000 which was recognised in the current year's statement of profit or loss and other comprehensive income.

Management performs an impairment assessment in accordance with IAS 36 'Impairment of assets' when impairment triggers are noted. The following impairment triggers were noted in the current year: market capitalisation lower than the investment's carrying amount and separate impairment triggers at the joint venture level.

In determining the recoverable amount of investment in joint venture, the Company allocates assets to cash-generating units (CGUs) and analyses each CGU's assets for impairment. Two CGUs were identified by management which were:
- the Phoenix Park Gas Processors Limited (PPGPL) gas processing and fractionation facilities in Trinidad; and
- the North American operations.

The recoverable amount of both CGUs is calculated as the higher of the value-in-use and fair value less costs of disposal. The fair value less costs of disposal is based on the present value of future cash flows generated by the assets in accordance with the strategic plans for each business approved by management over which the Directors make significant judgements on certain key inputs including discount rates, estimated gas supply volumes, forecasted energy prices and long-term growth rates.</td><td>With the assistance of our internal valuation experts, we performed the following procedures, amongst others:
• Evaluated the appropriateness of the valuation methodology utilised to determine the recoverable amount in accordance with IAS 36.
• Evaluated the appropriateness of the cash flows which were included against the allowed cash flows for a fair value less costs of disposal model under IAS 36.
• Tested management's impairment model's mathematical accuracy.
• Discount rates - recalculated the weighted average cost of capital (WACC) used to discount the cash flows and assessed the reasonableness of those rates based on knowledge of the economic environment and the risk premium associated with the respective industries and countries.
• Estimated gas supply volumes - assessed the reasonableness of estimated gas supply through relevant commercial data, including gas supply contracts, memorandum of understanding, and local and regional gas reserves data and gas production projections from different sources.
• Forecasted energy prices - agreed forecasted prices to market data and assessed estimated price differentials for reasonableness by comparing to historical results.
• Determined a point estimate of the recoverable amount of the investment in joint venture to assess the reasonableness of management's recoverable amount.</td></tr>
</table>

(4)

Key audit matter	How our audit addressed the key audit matter
Impairment of investment in joint venture *Refer to notes 5(b), 11, and 16 to the financial statements for disclosures of related accounting policies and balances.* We focused on this area because of the significant level of judgment required in arriving at the key assumptions used in management's impairment assessment.	• Compared the cash flow forecasts used in the impairment assessment prepared by management to those presented to the Board of Directors as part of the annual budgeting process. • Evaluated the reasonableness of the forecasts made by comparing past forecasts to historical results where this was available and by comparing to the current year results of the entity. As a result of the above audit procedures, an error in the calculation of a terminal value on the PPGPL gas processing and fractionation facilities CGU was identified. Management determined the error was material to the prior financial reporting periods and that restatement was required which impacted current year investment in joint venture opening balances. No material exceptions were identified relating to the current year impairment of investment in joint venture.

Other Matter

The financial statements of the Company for the year ended 31 December 2021 were audited by another firm of auditors whose report, dated 29 March 2022, expressed an unmodified opinion on those statements.

Other information

Management is responsible for the other information. The other information comprises the Trinidad and Tobago NGL Limited's Annual Report 2022 (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's 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.

When we read the Trinidad and Tobago NGL Limited's Annual Report 2022, 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 International Financial Reporting Standards 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.

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 auditor's 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 auditor's 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.

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Auditor's responsibilities for the audit of the financial statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned 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 provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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 auditor's 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 auditor's report is Wendell Ramoutar.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
28 July 2023

Trinidad and Tobago NGL Limited

Statement of Financial Position

(Expressed in Trinidad and Tobago dollars)

	Notes	31 December 2022 $'000	31 December 2021 $'000 Restated	1 January 2021 $'000 Restated
Assets				
Non-current assets				
Investment in joint venture	5(b),16	1,588,588	2,094,026	1,704,440
Total non-current assets		1,588,588	2,094,026	1,704,440
Current assets				
Taxation recoverable		314	341	341
Cash at bank and on hand	7	105,547	132,261	107,275
Total current assets		105,861	132,602	107,616
Total assets		1,694,449	2,226,628	1,812,056
Shareholders' equity and liabilities				
Equity				
Share capital	8	2,772,120	2,772,120	2,772,120
Translation reserve		145,252	151,226	150,525
Retained (deficit)/earnings	16	(1,226,493)	(698,333)	(1,111,417)
Total shareholders' equity		1,690,879	2,225,013	1,811,228
Current liabilities				
Due to parent company/related party	9	142	20	75
Trade and other payables	6	3,428	1,516	753
Taxation payable		--	79	--
Total liabilities		3,570	1,615	828
Total equity and liabilities		1,694,449	2,226,628	1,812,056

The notes on pages 12 to 41 are an integral part of these financial statements.

The financial statements of Trinidad and Tobago NGL Limited were authorised for issue by the Board of Directors on 28 July 2023.

Director

Director

Trinidad and Tobago NGL Limited

Statement of Profit or Loss and Other Comprehensive Income
(Expressed in Trinidad & Tobago dollars)

	Notes	Year ended 31 December 2022 $'000	2021 $'000 Restated
Income			
Share of profit from investment in joint venture	5(d),16	168,053	194,137
Interest income		96	100
Foreign exchange gain		130	135
Total income		168,279	194,372
Expenses			
Impairment (loss)/reversal	11,16	(562,448)	267,247
Legal and professional fees		(1,221)	(1,168)
Other expenses		(1,192)	(709)
(Loss)/profit before taxation		(396,582)	459,742
Income tax expense	10	2	(218)
(Loss)/profit after taxation		(396,580)	459,524
Other comprehensive (loss)/income:			
Items that will be reclassified subsequently to profit or loss			
Exchange translation differences, net of tax		(5,974)	701
Other comprehensive (loss)/income		(5,974)	701
Total comprehensive (loss)/income		(402,554)	460,225
(Loss)/earnings per share			
Basic (dollars per share)	12	(2.56)	2.97

The notes on pages 12 to 41 are an integral part of these financial statements.

Trinidad and Tobago NGL Limited

Statement of Changes in Equity

(Expressed in Trinidad & Tobago dollars)

	Notes	Share capital $'000	Translation reserve $'000	Retained (deficit)/ earnings $'000	Total equity $'000
Year ended 31 December 2022					
Balance at 1 January 2022		2,772,120	151,226	(698,333)	2,225,013
Loss for the year		--	--	(396,580)	(396,580)
Other comprehensive loss		--	(5,974)	--	(5,974)
Total comprehensive loss		--	(5,974)	(396,580)	(402,554)
Dividends	13	--	--	(131,580)	(131,580)
Balance at 31 December 2022		2,772,120	145,252	(1,226,493)	1,690,879
Balance as at 1 January 2021- originally stated		2,772,120	152,842	323,285	3,248,247
Effect of restatement (prior period error)	16	--	(2,317)	(1,434,702)	(1,437,019)
Balance as at 1 January 2021 (restated)		2,772,120	150,525	(1,111,417)	1,811,228
Year ended 31 December 2021					
Balance at 1 January 2021 (restated)		2,772,120	150,525	(1,111,417)	1,811,228
Profit for the year (restated)	16	--	--	459,524	459,524
Other comprehensive income (restated)		--	701	--	701
Total comprehensive income (restated)		--	701	459,524	460,225
Dividends	13	--	--	(46,440)	(46,440)
Balance at 31 December 2021 (restated)		2,772,120	151,226	(698,333)	2,225,013

The notes on pages 12 to 41 are an integral part of these financial statements

Trinidad and Tobago NGL Limited

Statement of Cash Flows

(Expressed in Trinidad & Tobago dollars)

	Notes	Year ended 31 December 2022 $'000	2021 $'000 Restated
Cash flows from operating activities			
(Loss)/profit for the year before taxation		(396,582)	459,742
Adjustments to reconcile net profit for the period to net cash used in operating activities:			
Impairment loss/(reversal)	11	562,448	(267,247)
Dividends from joint venture		105,286	72,317
Interest income		(96)	(100)
Share of profit from investment in joint venture		(168,053)	(194,137)
		103,003	70,575
Increase/(decrease) in amount due to related party		122	(55)
Increase in trade and other payables		1,833	763
Cash flows generated from operating activities		104,958	71,283
Taxation received		29	--
Taxation paid		(1)	(139)
Net cash flow generated from operating activities		104,986	71,144
Cash flows from financing activities			
Dividends paid	13	(131,580)	(46,440)
Net cash used in financing activities		(131,580)	(46,440)
Cash flows from investing activities			
Interest and other investment income		96	100
Net cash generated from investment activities		96	100
Net (decrease)/increase in cash at bank and on hand		(26,498)	24,804
Net foreign exchange differences		(216)	182
Cash at bank and on hand at beginning of year		132,261	107,275
Cash at bank and on hand at end of year		105,547	132,261

The notes on pages 12 to 41 are an integral part of these financial statements.

1 Corporate information

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

The Company is a subsidiary of The National Gas Company of Trinidad and Tobago Limited (NGC) which has 25% controlling interest through the ownership of 100% of the Class A Shares of the Company. NGC is owned by the Government of the Republic of Trinidad and Tobago ('GORTT'). The remainder 75% Class B Shares are listed on the Trinidad and Tobago Stock Exchange and are publicly traded.

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

a. *New IFRS and amendments to IFRS that are mandatorily effective for the current year*

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- **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.

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

- **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.

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

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

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

  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.

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

- **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.

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

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

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

- **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.

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

  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.

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

  IFRS 16 Leases

  The amendment removes the illustration of the reimbursement of leasehold improvements.

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

  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.

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

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

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 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 does not expect that the adoption of the Standards listed above will have a material impact on the financial statements 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)**

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

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

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

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

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

- **Amendments to IAS 1 – Classification of Liabilities as Current or Non-current**

  The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

  The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

  The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

- **Amendments to 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)**

b. *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.

  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:

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

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

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

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

3.2 *Going concern*

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

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

3.3 *Basis of preparation*

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for value in use in IAS 36.

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

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

The principal accounting policies are set out below.

a) *Investment in joint venture*

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

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

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

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

3.3 *Basis of preparation (continued)*

a) *Investment in joint venture (continued)*

share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

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

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

b) *Cash at bank and on hand*

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

c) *Receivables and payables*

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

d) *Taxes*

Current tax

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

Deferred tax

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

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

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

3.3 *Basis of preparation (continued)*

d) *Taxes (continued)*

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets arising from tax losses not yet recognised are only carried forward if it is probable that future taxable profit will be sufficient to allow the benefit of the tax losses to be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

e) *Earnings per share*

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

f) *Foreign currencies*

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

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

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

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

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

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

3.3 *Basis of preparation (continued)*

g) *Financial assets and liabilities*

Recognition of financial assets and liabilities

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

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

i) *Financial assets*

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

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

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset

The Company determines the classification of its financial assets on initial recognition and where allowed and appropriate, re-evaluates this designation at each financial year end.

Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis or other valuation models.

ii) *Impairment of financial assets*

The Company applies the forward- looking expected credit loss (ECL) approach to assess whether a financial asset or group of financial assets may be impaired.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

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

3.3 *Basis of preparation (continued)*

g) *Financial assets and liabilities (continued)*

Recognition of financial assets and liabilities

ii) *Impairment of financial assets (continued)*

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (‘Stage 1’) for which a 12-month ECL is recognised.
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (‘Stage 2’) for which ‘lifetime expected credit losses’ are recognised.
- ‘Stage 3’ would cover financial assets that have objective evidence of impairment at the reporting date. However, none of the Company’s financial assets fall into this category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. It is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information.

Credit losses are defined as the difference between all the contractual cash flows that are due to an entity and the cash flows that it actually expects to receive (‘cash shortfalls’). This difference is discounted at the original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets [POCI]).

iii) *Financial liabilities*

The Company’s financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are recognised at amortised cost.

iv) *Financial liabilities and equity instruments*

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

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

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

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

3.3 *Basis of preparation (continued)*

g) *Financial assets and liabilities (continued)*

Derecognition of financial assets and liabilities

i) *Financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

ii) *Financial Liabilities*

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

h) *Revenue recognition*

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

i) *Provisions*

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

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

3 Summary of significant accounting policies (continued)

3.3 *Basis of preparation (continued)*

h) *Revenue recognition*

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

4 Critical accounting judgements and key sources of estimation uncertainty

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

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

4.1 *Critical judgements in applying accounting policies*

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

Functional currency of the Company

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

Classification of investment held in PPGPL as a joint venture

PPGPL is a limited liability company whose legal form confers separation between parties to the joint arrangement and the Company itself, see note 3.3(a) above for details of management's assessments.

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

4.2 *Key sources of estimation uncertainty*

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

- *Impairment of joint venture*

  The Company assesses whether there are indicators of impairment of joint venture at each reporting date. Joint venture is tested for impairment when there are indicators that the carrying amounts may not be recoverable. When Fair Value less Costs of Disposal (FVLCD) calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Refer to Note 11 regarding sensitivity analysis regarding management's impairment assessment.

4.3 *Segment reporting*

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

5 Investment in joint venture

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

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

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

5 **Investment in joint venture**

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

Share for share exchange

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

Distribution of investment in specie and dissolution of TT Holdings LLC

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

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

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

The registered office of PPGPL is situated at Rio Grande Drive, Point Lisas. Its principal activity is natural gas processing, aggregation, fractionation and marketing of natural gas liquids. The Group comprises of PPGPL, Phoenix Park TT Energy Holdings Company Limited (PPTTEH) and its subsidiaries as explained below.

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

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

5 **Investment in joint venture**

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

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

The movement in the carrying value of the Company's 39% share of the assets, liabilities and income and expenses of Phoenix Park Gas Processors Limited as at 31 December 2022 and 31 December 2021 are included below.

Share of PPGPL's assets/liabilities:	**2022 $'000**	**Restated 2021 $'000**
Investment in joint venture as at 1 January as previously reported	2,094,026	3,141,459
Effect of restatement on share of profit in joint venture (prior period error)	--	(128,088)
Effect of restatement on impairment loss on investment (prior period error	--	(1,308,931)
Share of profit in joint venture	168,054	194,137
Dividends received (Note 9)	(105,286)	(72,317)
Impairment (loss)/reversal on investment	(562,448)	267,247
Exchange rate adjustment	(5,758)	519
Investment in joint venture	1,588,588	2,094,026

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

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 2022 and 31 December 2021 which have been presented in United States dollars, PPGPL'S functional currency.

	2022 US$'000	2021 US$'000 Restated
Statement of financial position of PPGPL		
Cash and cash equivalents	154,836	146,753
Other current assets	81,677	100,283
Total current assets	236,513	247,036
Non-current assets	249,625	214,250
Total assets	486,138	461,286
Current financial liabilities	(55,132)	(55,462)
Other current liabilities	(20,387)	(21,694)
Total current liabilities	(75,519)	(77,156)
Non-current financial liabilities	--	--
Other non-current liabilities	(106,502)	(103,816)
Total non-current liabilities	(106,502)	(103,816)
Total liabilities	(182,021)	(180,972)
Net assets	304,117	280,314
Statement of profit or loss and other comprehensive income of PPGPL		
Revenue	655,290	548,175
Cost of sales	(494,237)	(384,018)
Gross profit	161,053	164,157
Operating expenses	(27,824)	(19,317)
Administrative expenses	(29,552)	(17,765)
Distribution costs	(4,445)	(3,715)
Finance cost (net)	(3,441)	(4,326)
Profit before tax	95,791	119,034
Taxation	(31,988)	(45,366)
Profit after tax	63,803	73,668

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

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

	2022 **$'000**	**Restated 2021** **$'000**
Net assets of PPGPL denominated in US$ (as previously recorded)	304,117	335,911
Effect of restatement on net assets of PPGPL as at 1 January 2021	--	(48,576)
Effect of restatement on net assets of PPGPL as at 31 December 2021	--	(7,021)
Net assets of PPGPL denominated in US$	304,117	280,314
Exchange rate at reporting date	6.7415	6.7625
Net assets of PPGPL denominated in TT$	2,050,205	1,895,623
Proportion of the Company's ownership interest in the joint venture	39%	39%
39% of net assets of PPGPL	799,580	739,293
Excess of investment over carrying amount of PPGPL's net assets	789,008	1,354,733
Carrying amount of the Company's investment in the joint venture	1,588,588	2,094,026

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

	2022 **$'000**	**Restated 2021** **$'000**
PPGPL's total profit for the year denominated in US$ (as previously reported)	63,803	80,675
Effect of restatement on profit in joint venture (prior period error)	--	(7,007)
PPGPL's total profit for the year denominated in US$	63,803	73,668
Average exchange rate for the year	6.7537	6.7572
PPGPL's total profit for the year denominated in TT$	430,906	497,789
Proportion of the Company's ownership investment in joint venture	39%	39%
Share of profit from the investment in joint venture	**168,053**	**194,137**

(Expressed in Thousands of Trinidad and Tobago Dollars)

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:

	2022 $'000	2021 $'000
Audit fees	114	89
Dividend refunded by Registrar -due to shareholders	3,075	1,328
Sundry payables	239	99
	3,428	1,516

7 Cash at bank and on hand

	2022 $'000	2021 $'000
Cash at bank and on hand	105,547	132,261

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

	2022 $'000	2021 $'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 2022 and 31 December 2021.

	2022 $'000	2021 $'000
Amount due to related parties		
The National Gas Company of Trinidad and Tobago Limited:		
Reimbursement for expenses paid on behalf of the Company	(142)	(20)

(Expressed in Thousands of Trinidad and Tobago Dollars)

9 **Related party balances and transactions (continued)**

	2022 $'000	2021 $'000
Income/(expenses) from related parties		
The National Gas Company of Trinidad and Tobago Limited:		
Dividends paid	(32,895)	(11,610)
Phoenix Park Gas Processors Limited:		
Dividends received (Note 5 b)	105,286	72,317
Management fee	(81)	(81)
Key management compensation		
Directors' fees and allowances	(167)	(223)

10 **Taxation**

	2022 $'000	2021 $'000
a) The taxation charge consists of the following:		
Green fund levy	--	217
Business levy	1	1
Prior year tax	(3)	--
	(2)	218

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

	2022	2021
(Loss)/profit before taxation	(396,582)	459,742
Income taxes at the rate of 30%:	(118,975)	137,923
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	118,975	(137,923)
Green fund levy	--	217
Business levy	1	1
Prior year taxation	(3)	--
	(2)	218

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

11 Impairment

	2022 $'000	2021 $'000 Restated
Impairment (loss)/reversal	(562,448)	267,247

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

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

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

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

Details of the movement in impairment:

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

11 **Impairment (continued)**

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

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

- Selling prices of NGLs are expected to show some volatility in 2023. Selling prices of NGLs included in the cash flow projections are based on management's best estimate taking into consideration current market conditions. Prices are based on forecasted market prices which are provided by a highly reputable company.

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

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

- Cash flows from PPGPL's operations in North America

- Gas supply volumes from NGC

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

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

- Discount rate

  A 1% decrease in the discount rate while holding all other variables constant will result in a reduction of the impairment loss by TT$147.567 million while a 1% increase in the discount rate results in an increase of the impairment loss by TT$117.289 million.

- Selling prices of NGLs

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

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

11 **Impairment (continued)**

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

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

12 **(Loss)/earnings per share**

	2022	**Restated 2021**
Basic earnings per share (as previously stated)	--	$ 3.31
Effect on basic earning per share due to restatement on statement of profit and loss (prior period error)	--	($ 0.34)
Basic earnings per share (restated)	--	$ 2.97
Basic (loss)/earnings per share	($2.56)	$ 2.97

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

	$'000	**$'000**
(Loss)/profit used in the calculation of basic earnings per share	(396,580)	459,524
	Shares '000	**Shares '000**
Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share	154,800	154,800

13 **Dividends**

		2022 $'000	**2021 $'000**
2020 final dividend	- **$0.05** per share	--	7,740
2021 interim dividend	- **$0.25** per share	--	38,700
2021 final dividend	- **$0.50** per share	77,400	--
2022 interim dividend	**- $0.35** per share	54,180	--
		131,580	46,440

13 **Dividends (continued)**

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.

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

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

14 **Capital management**

The Company manages its shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue and to maintain a flexible capital structure which optimises the costs of capital at an acceptable risk. The Company has no borrowings.

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

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

The Company expects its current capital resources will be sufficient to carry its operations through its current operating period.

15 **Financial risk management objectives and policies**

Risk management

In the normal course of business, the Company is exposed to financial risk and manages that risk, as follows:

Liquidity 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.

(Expressed in Thousands of Trinidad and Tobago Dollars)

15 Financial risk management objectives and policies (continued)

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.

The following tables show balances outstanding as at 31 December 2022 and 31 December 2021 denominated in foreign currencies:

	TT Denominated $'000	US Denominated $'000	Total $'000
As at 31 December 2022			
Assets			
Cash at bank and on hand	1,089	104,458	105,547
Total assets	1,089	104,458	105,547
Liabilities			
Due to parent company/related party	142	--	142
Trade and other payables	3,428	--	3,428
Total liabilities	3,570	--	3,570
Net position	(2,481)	104,458	101,977
As at 31 December 2021			
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

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

Currency risk (continued)

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

	Increase/ (decrease) in exchange rate %	Effect on other comprehensive (loss)/income $'000
As at 31 December 2022	**3%**	**(11,884)**
	(3%)	**11,884**
As at 31 December 2021	**3%**	**13,792**
	(3%)	**(13,792)**

Other price risk

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

Fair values

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

16 **Restatements**

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

1) Restatements of the financial statements of PPGPL

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

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

16 **Restatements (continued)**

PPGPL's financial statements were restated for the following:

i) Decommissioning

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

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

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

ii) Amortisation of intangible assets

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

Changes to the Company's impairment calculation:

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

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

Impairment calculation was adjusted for the following:

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

16 **Restatements (continued)**

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

	Balance before restatement $'000	Adjustments $'000	Restated balance $'000
As at 31 December 2021			
Investment in joint venture	3,584,648	(1,490,622)	2,094,026
Translation reserve	153,860	(2,634)	151,226
Retained earnings/(deficit)	789,655	(1,487,988)	(698,333)
As at 1 January 2021			
Investment in joint venture (see Note 5(b))	3,141,459	(1,437,019)	1,704,440
Translation reserve	152,842	(2,317)	150,525
Retained earnings/(deficit)	323,285	(1,434,702)	(1,111,417)

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

	31 December 2021 $'000	1 January 2021 $'000
Retained earnings as previously report	789,655	323,285
Effect of restatement on share of profit in joint venture as at 1 January 2021	(127,882)	(127,882)
Effect of restatement on impairment loss as at 1 January 2021	(1,306,820)	(1,306,820)
Effect of restatement on share of profit in joint venture for the year ended 31 December 2021	(18,466)	--
Effect of restatement on impairment reversal for the year ended 31 December 2021	(34,820)	--
Retained deficit restated	(698,333)	(1,111,417)

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

	As previously reported $'000	Adjustments $'000	Effect of restatement $'000
For the year ended 31 December 2021			
Share of profit from joint venture	212,603	(18,466)	194,137
Impairment reversal	302,067	(34,820)	267,247
Profit before taxation	513,028	(53,286)	459,742
Profit for the year	512,810	(53,286)	459,524
Exchange translation differences, net of tax	1,018	(317)	701
Other comprehensive income for the year	1,018	(317)	701
Total comprehensive income for the year	513,828	(53,603)	460,225

(Expressed in Thousands of Trinidad and Tobago Dollars)

16 **Restatements (continued)**

The table below summarizes the effect of the restatement to the statement of cashflows:

	As previously reported $'000	Adjustments $'000	Effect of restatement $'000
For the year ended 31 December 2021			
Profit before taxation	513,028	(53,286)	459,742
Adjustment for:			
Impairment reversal	(302,067)	34,820	(267,247)
Share of income from joint venture	(212,603)	18,466	(194,137)

17 **Commitments and contingencies**

At 31 December 2022, the Company had no contractual commitments or contingencies with third parties or as a result of its investment in joint venture (2021: Nil).

18 **Subsequent events**

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

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Trinidad and Tobago NGL Limited

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