THE NATIONAL GAS COMPANY
OF TRINIDAD AND TOBAGO LIMITED

CREATING VALUE, ENSURING SUSTAINABILITY

ANNUAL REPORT 2022

CREATING VALUE,
ENSURING SUSTAINABILITY

VISION AND MISSION

VISION STATEMENT

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

MISSION STATEMENT

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

CORE VALUES

NGC GROUP CORE VALUES

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

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED
PHOENIX PARK GAS PROCESSORS LIMITED
LA BREA INDUSTRIAL DEVELOPMENT COMPANY LIMITED
Trinidad and Tobago NGL Limited
NGC CNG Company Limited
National Energy CORPORATION OF TRINIDAD AND TOBAGO

THE NGC GROUP OF COMPANIES

CONTENTS

WHO WE ARE

The National Gas Company of Trinidad and Tobago Limited (NGC) and its subsidiaries are an integrated group of companies operating in Trinidad and Tobago's energy sector, with a growing presence in other jurisdictions. A premier state company that also serves as parent company to several subsidiaries, NGC plays a pivotal role in Trinidad and Tobago's gas-based energy sector and is strategically positioned along the entire natural gas value chain. Through its people, investments, strategic partnerships and pioneering gas pricing model, NGC has secured the profitability of the local gas-based energy sector and catalysed the social and economic development of Trinidad and Tobago for over four and a half decades.

Today, NGC and its subsidiaries are expanding the business beyond natural gas to encompass other forms of clean energy, investing and partnering to build a portfolio of energy assets and projects that support the global transition to a low-carbon future. This involves heavy focus on methane and carbon dioxide mitigation; investment in renewable energy projects; promotion of cleaner automotive fuels; energy education; energy efficiency; and associated advocacy as well as research and development.

WHAT WE DO

NGC owns, maintains and operates the country's transmission and distribution gas pipeline network of approximately 1,000 km, which comprises both offshore and onshore segments. The network's installed capacity is currently 4.4 billion standard cubic feet per day (bcf/d) and supplies power generation firms, global-scale petrochemical plants and a wide range of light manufacturing and commercial enterprises.

NGC's business model for optimising natural gas resources for long-term industrial development, prosperity, resilience and sustainability (The Trinidad Gas Model of Development) has been so successful that it is attracting interest from other emerging gas economies. NGC is now driving global alliances and international cooperation as these economies seek support from established energy players to transition to cleaner hydrocarbon fuels and renewables.

Through its subsidiaries and investments, NGC has strong linkages in the downstream and upstream sectors.

THE NGC GROUP COMPRISES:
- 10 fully owned companies
- 5 partially owned companies
- 10 indirect subsidiaries
- 8 affiliated companies

Of these, the following are the most recognised brands:

- **National Energy Corporation of Trinidad and Tobago Limited (National Energy)** is a 100% wholly owned subsidiary of NGC responsible for industrial site, port and marine infrastructure development; associated services to support the energy industry; and the development and facilitation of new downstream energy-based industries in Trinidad and Tobago.

- **Phoenix Park Gas Processors Limited (PPGPL)** is an indirect subsidiary of NGC, owned by NGC NGL Company Limited (51%) (a majority owned subsidiary of NGC), Trinidad and Tobago NGL Limited (39%) (in which NGC has a minority interest) and Pan West Engineers & Constructors LLC (10%).

  It is engaged in natural gas processing and the aggregation, fractionation and marketing of natural gas liquids (NGLs), operating as an NGL hub.

- **La Brea Industrial Development Company Limited (LABIDCO)** owns, operates and manages the La Brea Industrial Estate, inclusive of the Port of Brighton in La Brea. NGC holds 91.55% of shares in LABIDCO and Trinidad Petroleum Holdings Limited (TPHL) holds the remaining 8.45%.

- **NGC CNG Company Limited (NGC CNG)** is a 100% owned subsidiary responsible for the marketing and the sale of compressed natural gas (CNG) and exploration of renewable transportation technologies.

- **Trinidad and Tobago NGL Limited (TTNGL)** is a 25% owned subsidiary, which serves as an investment vehicle to enable the public to participate in equity ownership of PPGPL.

The NGC Group of Companies has developed a blueprint for success using world-class technical expertise and assets and by leveraging local talent to create exceptional value from national energy resources. Harnessing these strengths, The Group is now seeking to grow its brand and business to become a global leader in the new energy landscape.

Expanding Horizons

THE NGC GROUP'S BUSINESS EXTENDS FAR BEYOND OUR SHORES, WITH CARGO DESTINATIONS SPANNING THE GLOBE, COMMERCIAL AGREEMENTS IN PLACE WITH SEVERAL COUNTRIES AND A PHYSICAL PRESENCE IN THE USA AND GUYANA.

- COMMODITY TRADING PARTNERS/ PROJECT PARTNERS
- MOU TSA TERM SHEET
- INTERNATIONAL ASSET

NORTH AMERICA
- BOSTON
- HOUSTON, TEXAS
- HULL, TEXAS
- RUSH CITY, MINNESOTA

CARIBBEAN
- GRENADA (TERM SHEET, MOU)
- DOMINICAN REPUBLIC
- PUERTO RICO
- JAMAICA (MOU)
- ST. CROIX
- ANTIGUA
- BARBADOS
- MARTINIQUE
- GUADELOUPE
- ST. VINCENT
- ST. LUCIA
- ST. MAARTEN (MOU)
- HAITI
- TORTOLA
- ARUBA
- DOMINICA
- ST. KITTS and NEVIS
- ANGUILLA
- MONTSERRAT
- TRINIDAD & TOBAGO

THE GUIANAS
- SURINAME
- FRENCH GUIANA
- GUYANA

LATIN AMERICA
- COLOMBIA
- ARGENTINA
- BRAZIL
- CHILE
- PANAMA
- COSTA RICA

EUROPE

- ENGLAND
- ITALY
- FRANCE
- SPAIN
- PORTUGAL
- THE NETHERLANDS
- BELGIUM
- TURKEY

MIDDLE EAST

- ISRAEL

ASIA PACIFIC

- THAILAND
- JAPAN
- TAIWAN
- SOUTH KOREA
- INDIA
- SINGAPORE
- CHINA

AFRICA

- EGYPT
- GHANA
- MOZAMBIQUE (TSA)
- TANZANIA (MOU)
- SENEGAL
- MOROCCO

CHAIRMAN'S REPORT

DR. JOSEPH ISHMAEL KHAN
CHAIRMAN
wef 30 September 2022

In 2022, The NGC Group of Companies maintained its position of profitability in 2022, recording a profit after tax of $2.35 billion. This figure was marginally lower than the $2.6 billion posted in 2021.

Driving this profitability were two main factors: (1) high energy prices, in a year that was headlined by war and (2) global energy security concerns.

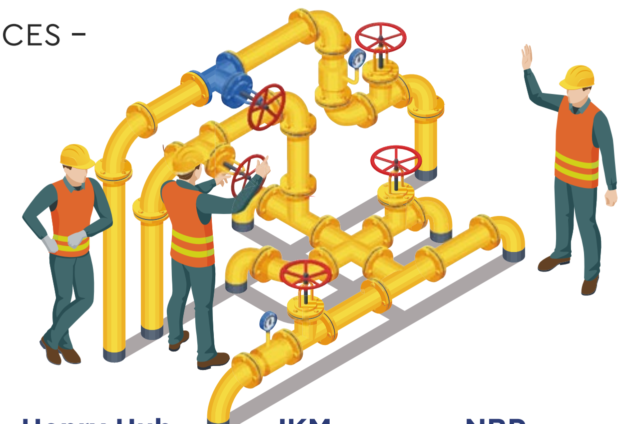
INTERNATIONAL CONTEXT

After Russia – the world's largest supplier of fossil fuels – invaded Ukraine in February 2022, a series of aggressive and defensive market manoeuvres were employed across the world to influence the outcome of the war. Ukrainian allies imposed punitive sanctions on Russian energy imports to weaken its war chest, with some countries prohibiting certain imports altogether. Although natural gas was not subject to the same sanctions as coal and oil – on account of Europe's high level of dependency on the product – trade volumes for gas out of Russia still fell, as the energy giant began restricting its supply to the European market.

With Russian energy commodities either withheld or banned or both, market vacuums opened up. Unmet European demand pushed fuel and electricity prices to painful highs for consumers, but created lucrative opportunities for external energy producers and suppliers.

The European energy crisis, along with post-pandemic energy inventory issues, caused commodity indices to register sharp surges relative to 2021. Ammonia markets – already squeezed by higher demand due to pandemic-driven food security concerns – saw prices skyrocket with higher gas prices and reduced exports out of Russia. Natural Gas Liquids (NGL) prices also climbed year-on-year. Methanol was the only exception, with prices slightly lower due to weaker demand in Europe and Asia.

NATURAL GAS INDICES – US$/MMBTU



	Henry Hub	JKM	NBP	TTF
2022	$6.38	$34.24	$24.51	$36.87
2021	$3.83	$15.03	$15.57	$15.83

Source: PIRA/Platts/US$/MMBtu

PETROCHEMICALS - US$/T

AMMONIA (CARIBBEAN FOB SPOT)	
2022	$1,136
2021	$572

METHANOL (US SPOT)	
2022	$368
2021	$399

Source: CRU
Chemical Market Analytics

Chairman's Report

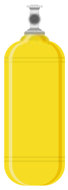
CRUDE OIL - US$/B

BRENT	
2022	$101.00
2021	$71.00

Source: Chemical Market Analytics

WTI	
2022	$94.40
2021	$68.00

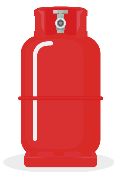
NGLs – US CENTS PER GALLON



BUTANE ISO-, NON-TET	
2022	144.07
2021	117.62

BUTANE N-, NON-TET	
2022	131.36
2021	117.88

NATURAL GASOLINE, NON-TET	
2022	190.76
2021	155.95



PROPANE, NON-TET	
2022	110.30
2021	104.41

Source: Chemical Market Analytics

As an integrated energy business invested throughout the natural gas value chain, and with commercial stakes in crude and energy commodity markets, The NGC Group was well positioned to capture value from the market movements of 2022. These upheavals also validated and energised The Group's efforts to diversify its portfolio – to buffer revenues against external shocks and strengthen energy security across all territories served by the business.

Within this context, in 2022 The NGC Group continued to pursue its strategic growth objectives, to build a globally recognised, optimally resourced, integrated energy company, operating par excellence within and beyond Trinidad and Tobago. The Group kept its focus on reinforcing core natural gas and related business activities – as well as the industries around them – while seeking new investments along the value chain and in the clean energy space.

Chairman's Report

These policies and initiatives were positive markers on the journey towards the achievement of business sustainability, shareholder value and development effectiveness for Trinidad and Tobago.

Below are some of our key achievements for 2022 that enabled us to advance our strategic growth agenda:

- Phoenix Park Gas Processors Limited (PPGPL) acquired two foreign assets in 2022 – a new NGL terminal in Hull, Texas (February 2022) and a propane terminal located in Rush City, Minnesota (December 2022).

- NGC signed an agreement with Proman to lift methanol cargoes from Methanol Holdings (Trinidad) Limited's (MHTL's) Point Lisas facilities, which will allow for expansion of NGC's energy marketing and trading portfolio.

- NGC's project to deliver a pressure regulator skid package for the existing Takoradi Distribution Station (TDS) in Ghana progressed through important milestones. The technical services project is nearing completion, with 2023 targeted for final installation and commissioning of the skid.

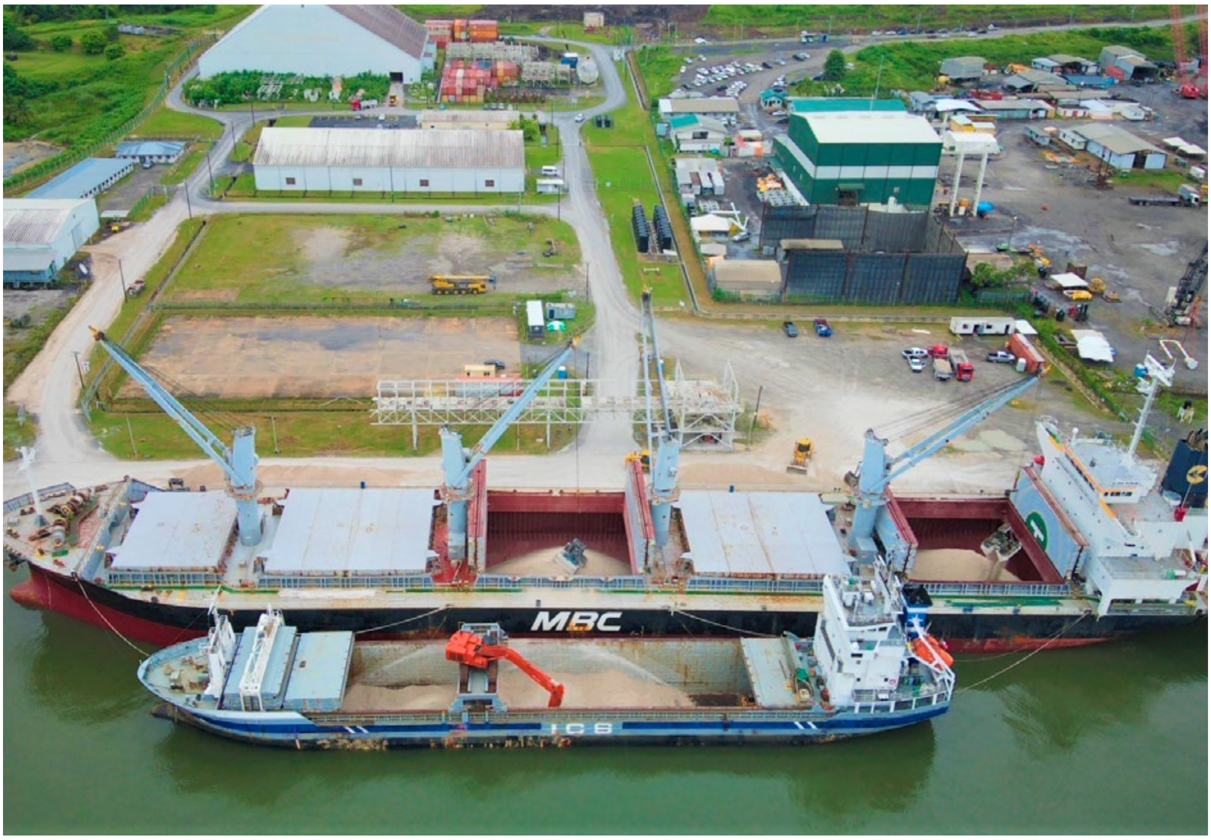
- NGC commenced construction of its natural gas pipeline infrastructure to enable production from the Ortoire onshore block.

- NGC took a positive step towards securing supply stability over the coming years with the signing of a milestone Gas Supply Contract with bp Trinidad and Tobago (bpTT). Downstream contract renewals also continued, with a Gas Sales Contract signed with local cement manufacturer CEMEX Trinidad Cement Limited (CEMEX TCL).

- The Government appointed National Energy as the agency responsible for Trinidad and Tobago's export promotion of Energy Services, under the direction of the Ministry of Energy and Energy Industries (MEEI).

Rush City, Minnesota

Chairman's Report



LABIDCO completing first ever ship-to-ship and ship-to-shore transshipment

- After joining the global Oil and Gas Methane Partnership 2.0 (OGMP 2.0) in 2021, NGC submitted its first Upstream and Mid-Downstream report for the 2021 reporting cycle. NGC achieved the Gold Standard status of reporting under the OGMP 2.0 framework for its declared commitments to reduce methane emissions by 2025.

- The Group recorded a milestone in its history of providing port and logistics support to downstream industry, with the La Brea Industrial Development Company Limited (LABIDCO) completing its first ever ship-to-ship and ship-to-shore transshipment.

- NGC CNG achieved the target set out in its founding mandate to support the introduction of 17,500 Natural Gas Vehicles (NGVs) into the domestic market.

- NGC, National Energy, LABIDCO and NGC CNG initiated the SAP Business Transformation Programme – a series of technological enhancement projects designed to improve business processes, organisational efficiency, enterprise-wide communication, data security and management and reporting.

- The Ministry of Energy and Energy Industries (MEEI) launched *The Roadmap for a Green Hydrogen Economy in Trinidad and Tobago* in November 2022. This presented the findings of a study undertaken by National Energy in collaboration with the Inter-American Development Bank (IDB) and KBR Inc., to assess the potential of Trinidad and Tobago to produce green hydrogen.

- NGC launched the Inspire to Achieve (I2A) programme, which seeks to support more rounded development of youth, and open pathways for careers and entrepreneurship based on green and sustainable economies.

Chairman's Report

I2A participants

- At the close of 2022, after years of negotiation, an Amended and Restated Heads of Agreement was signed between the GORTT and Atlantic shareholders Shell, bpTT and NGC, for the restructuring of the Atlantic facility, which would simplify commercial and operational conditions, allow for third party access to gas and give way for increased ownership in the LNG trains by NGC.

These projects and accomplishments are just a few initiatives of the 2022 work programme, which saw heavy demands on our Board of Directors, Executives, Management and staff. In this regard our people, who are our valued assets, must be acknowledged and commended for their collective enterprise and unwavering commitment to deliver value for the company and the country.

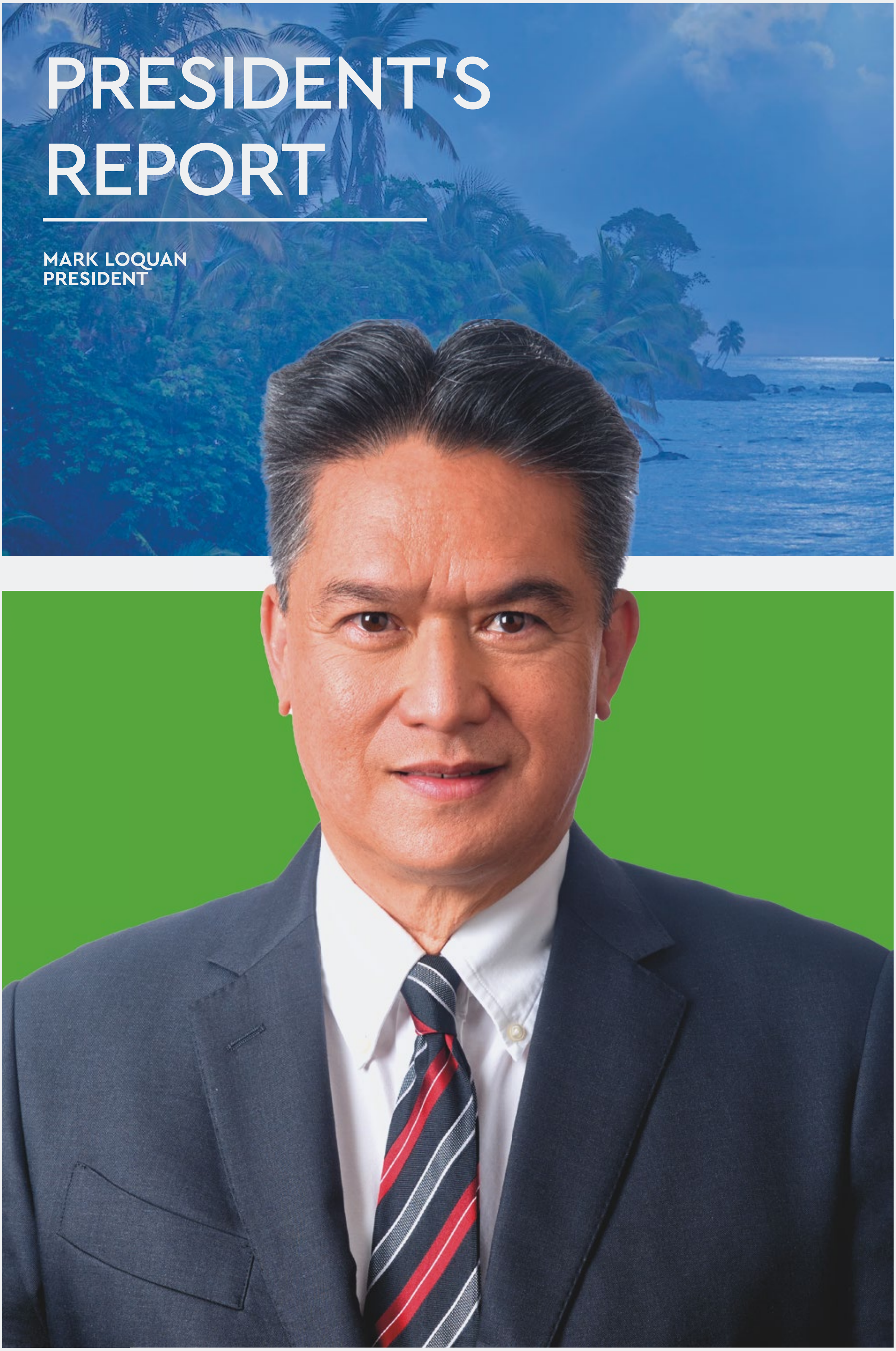
As always, we remain grateful to our line Ministries of Energy and Energy Industries and Finance, that provided invaluable support throughout the year. I wish to also recognise and thank my fellow Board members for their contribution, as we collaborated to guide the organisation through important changes and transitions. This level of collaboration at the level of the Board has truly created exceptional thought partnerships on areas relating to good governance, strategic thinking, sustainability, corporate agility and energy transition, all of which are critical for our business continuity and growth.

As we move into 2023, we do so emboldened by a solid financial, safety and sustainability performance in 2022. We are firmly set on a path of growth, with full confidence that every forward step we take will create economic value for our shareholders and ultimately uplift the people of Trinidad and Tobago.

Dr. Joseph Ishmael Khan
Chairman

PRESIDENT'S REPORT

MARK LOQUAN
PRESIDENT



President's Report

Having barely surfaced from a crippling pandemic, the world was once more plunged into a socioeconomic maelstrom at the start of 2022.

The Russian invasion of Ukraine in late February triggered crises across Europe with thousands of lives directly endangered by conflict, and millions more indirectly affected by the ensuing geopolitical and economic fallout.

Energy markets were so heavily battered and widely hit that the entire world was soon impacted in some measure by the war.

PUTTING ASIDE FOR A MOMENT THE PRICING UPHEAVALS PRECIPITATED BY THE CONFLICT, THERE ARE TWO IMPORTANT CONSEQUENCES OF THE ENERGY MARKET DISRUPTION OF 2022 THAT ARE INSTRUCTIVE FOR ENERGY BUSINESSES SUCH AS THE NGC GROUP.

President's Report

Firstly, energy security became priority number one, overshadowing for a period the urgency of climate action. Idled coal plants were fired up again in several European countries to provide a cheaper alternative to imported energy, and with economic growth in China and India, coal emissions reached an all-time high in 2022.[1] The weakening of some countries' policy positions regarding coal signalled that under crisis conditions, finding reliable and affordable energy to meet immediate needs takes precedence over clean energy commitments. This we can ill afford, as our climate is dangerously close to irreversible tipping points.

THEREIN LIES LESSON ONE: TO ENSURE ENERGY SECURITY AND CLIMATE AMBITIONS ARE NEVER MUTUALLY EXCLUSIVE, WE MUST INCREASE PRODUCTION OF LOW-CARBON ENERGY THAT IS RELIABLE AND AFFORDABLE. NATURAL GAS AND LNG ARE AMONG THE MOST ACCESSIBLE OPTIONS WE CAN PURSUE AT THIS TIME, AS WELL AS IN THE DECADES AHEAD.

[1] https://www.iea.org/reports/co2-emissions-in-2022

President's Report

Secondly, alongside sustained fossil fuel use around the world, in 2022 we saw a raft of investments in solar and wind energy. According to the International Energy Agency, "renewables met 90% of last year's global growth in electricity, as solar PV and wind generation each increased by around 275 TWh – a new annual record."[2] The energy crisis underscored the importance of having a degree of energy independence, and that renewable energy systems can contribute to that autonomy. European nations, in particular, deployed more capital to launch and accelerate clean energy projects, to reduce reliance on Russian imports.

HERE WE SEE LESSON TWO:
RENEWABLE ENERGY IS BEING INCREASINGLY VIEWED AS BOTH ENVIRONMENTALLY NECESSARY AND STRATEGICALLY IMPORTANT FOR TERRITORIAL RESILIENCE. THIS IS CREATING MORE VALUE CHAIN OPPORTUNITIES FOR BUSINESSES IN THE CLEAN ENERGY SPACE.

[2]https://www.iea.org/reports/co2-emissions-in-2022

President's Report

These two lessons – that the world needs to quickly mobilise supplies of reliable, affordable and low-carbon energy, and that commercial opportunities in clean energy markets are burgeoning – have validated The NGC Group's strategic direction to continue to focus on securing the business while pursuing sustainable energy initiatives, including energy efficiency.

Given our core business and new lines of investment, we see a clear place for our company in the new energy landscape.

BUILDING A STRONGER NATURAL GAS BUSINESS

In 2022, we continued to strengthen our business activities along the natural gas value chain – deepening our involvement in some areas – in preparation for a future where natural gas will be increasingly important.

On the domestic front, we maintained our perennial focus on supply stability. We signed a new upstream gas supply contract and commenced construction of pipeline infrastructure to receive gas from new onshore developments. At the other end of the chain, we continued the process of downstream contract renewals, and completed a major pipeline upgrade project to switch some of our low-pressure customers to a higher-pressure operating system, allowing greater flexibility.

With LNG demand multiplying in the global market, we welcomed progress in ongoing negotiations regarding the Atlantic facility. In December 2022, an Amended and Restated Heads of Agreement was signed for the restructuring of Atlantic's operations into a single unitised facility. In combination with our intended foray into micro and small-scale LNG projects in the Caribbean, the new Atlantic shareholding arrangement (once enacted) will expand our stake in the LNG business.

The NGC Group has a vision to be an integrated and global energy business. To realise this vision, we have been diversifying our portfolio and expanding geographically. In addition to finalising our agreement to purchase blue

President's Report

methanol cargoes from a US-based project currently in development, we signed an agreement with Proman to acquire additional methanol cargoes for sale on the global market through our energy marketing and trading desk. Further strengthening our international nexus was Group member Phoenix Park Gas Processors Limited (PPGPL), who acquired two US-based NGL assets in 2022, opening access to North and Central American markets.

BUILDING A SUSTAINABLE ENERGY BRAND

While our core interest in natural gas will keep us relevant in a low-carbon energy future, we cannot hope to become an international energy player without following the market, which, we acknowledge, is inclining toward more sustainable forms of energy. For this reason, through our wider Group, we are actively exploring options to participate in solar, wind, biogas and green hydrogen projects.

Our pursuit of clean energy investments is part of a more comprehensive suite of sustainability and climate action initiatives which we call our Green Agenda. In 2022, much of our work was dedicated to advancing this agenda.

We cemented multiple partnerships with industry stakeholders and NGOs to cooperate on climate change mitigation efforts; build food and nutrition security; develop a sustainable hydrogen economy for Trinidad and Tobago; and even deliver an inaugural conference on green infrastructure.

Upholding our longstanding tradition of public education, we launched updated versions of our Energy SmarTT mobile app and CariGreen research website, collaborated on a secondary schools renewable energy education initiative, and partnered on a television series to raise awareness around sustainable energy and development issues.

From an organisational standpoint, we were proud to take an important step forward in greening our business, with the submission of our first emissions report to the global Oil and Gas Methane Partnership (OGMP 2.0), which

we joined in 2021. The targets we outlined to cut our methane output by 2025 earned us the Gold Standard status of reporting – a distinguished international acknowledgement that our business is committed to methane mitigation.

NGC has also been instrumental in influencing the focus on gas-to-power efficiency. We are part of a Steering Committee that includes representatives from the electricity producers, distributor and the Ministries of Public Utilities and Energy and Energy Industries. We are also on the Council for Sustainable Development, and we lead the Sub-Committee on Sustainable Energy for the Point Lisas Energy Association where petrochemical and LNG operators are represented.

President's Report

NGC team with first cohort of I2A participants

Of course, sustainability is bigger than energy, and we continued to support holistic national development through investments under our Corporate Social Responsibility portfolio. A highlight for us was the launch of a new flagship education initiative – the Inspire to Achieve (I2A) programme. This co-curricular after-school programme marries our interests in youth development and the clean energy future, as the different modules are designed to prepare participants for work in green and sustainable economies. Similar projects are featured in our sustainability report which is available on our website.

GRATITUDE

Incontrovertibly, none of what we achieved and delivered in 2022 would have been possible without the passion and commitment of our employees. Under the guidance of a visionary Board and management team, our people have carried us successfully through every project and journey we have undertaken, from ideation to execution.

I express heartfelt gratitude to our Chairman and Board of Directors, for their invaluable support and expert captaincy over the past year. I also thank all our leaders and staff across The Group for their dedicated service, and for investing so much heart into our business.

Together, we have laid a robust foundation for growth this past year, and without doubt, will continue to build on our successes come 2023, in the face of continued volatility and uncertainty.

Mark Loquan

Mark Loquan
President

"TREAT THE EARTH AS THOUGH WE INTEND TO STAY HERE."

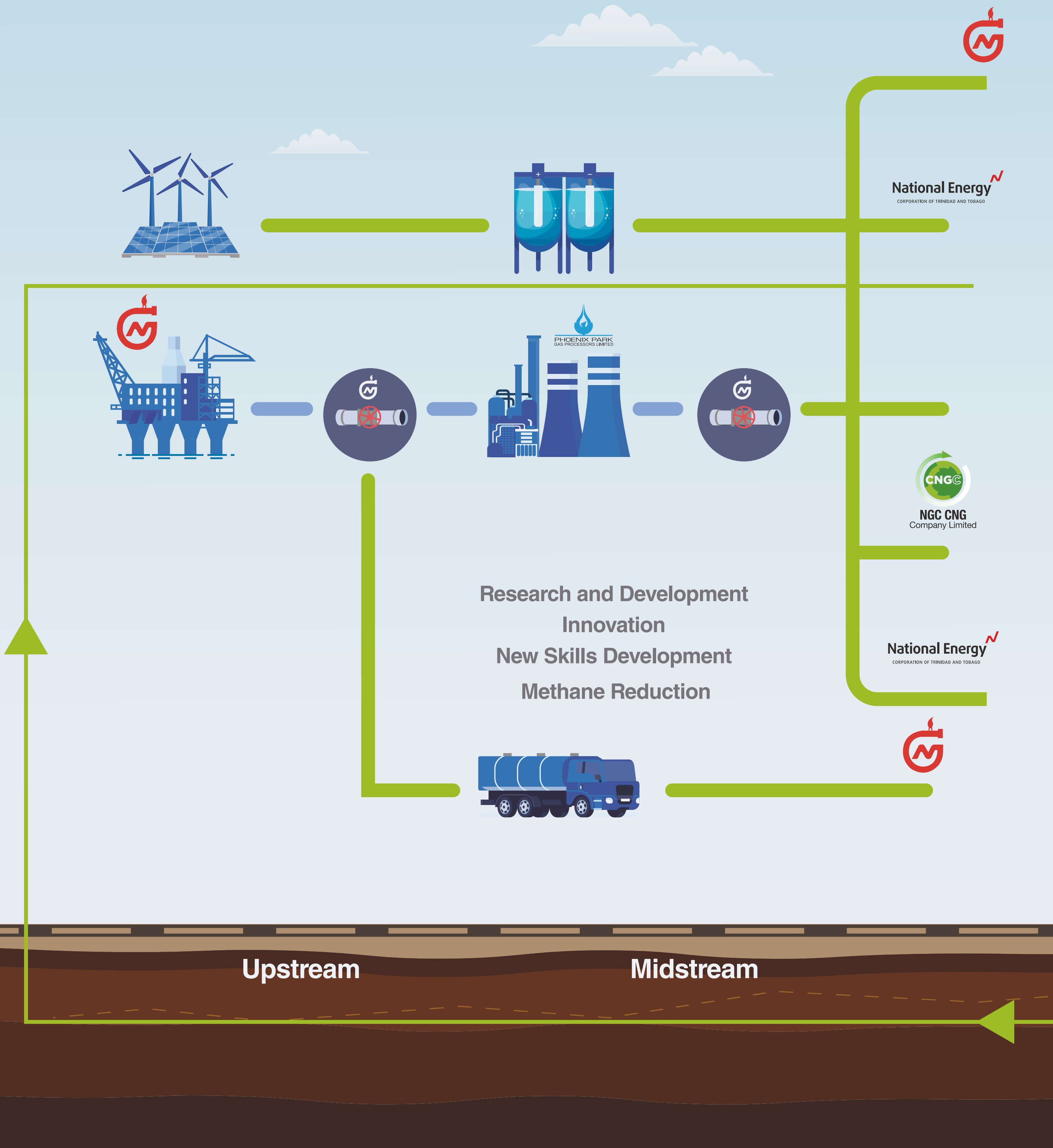
– Crispin Tickell
British diplomat, environmentalist and academic

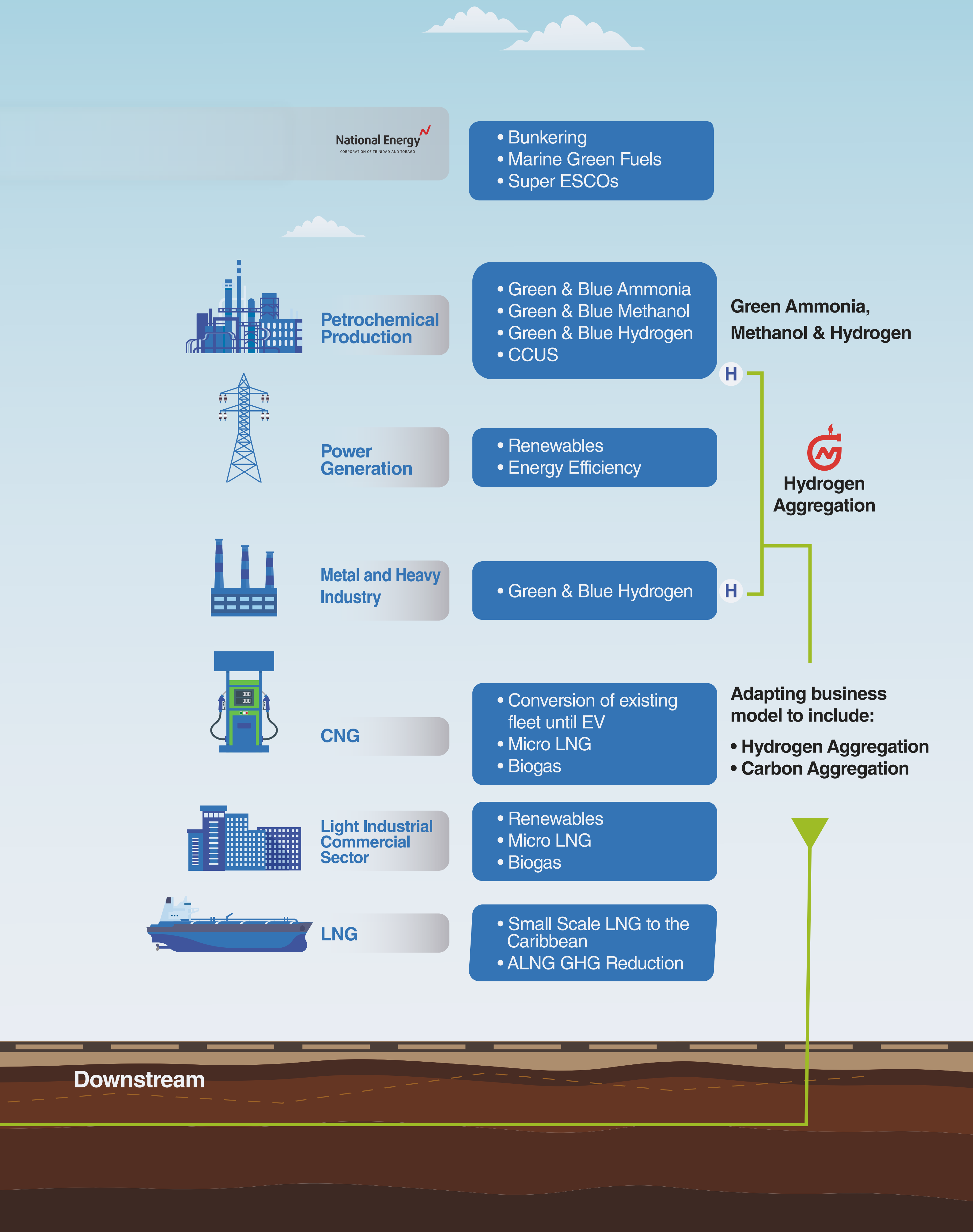
NGC's Facilitation of Point Lisas 2.0

LA BREA INDUSTRIAL DEVELOPMENT COMPANY LIMITED

Estate, Port & Marine Supporting Infrastructure

Source: NGC OSM April 2022




National Energy
CORPORATION OF TRINIDAD AND TOBAGO
• Bunkering
• Marine Green Fuels
• Super ESCOs
Petrochemical Production
• Green & Blue Ammonia
• Green & Blue Methanol
• Green & Blue Hydrogen
• CCUS
Green Ammonia, Methanol & Hydrogen
H
Power Generation
• Renewables
• Energy Efficiency
Hydrogen Aggregation
Metal and Heavy Industry
• Green & Blue Hydrogen
H
CNG
• Conversion of existing fleet until EV
• Micro LNG
• Biogas
Adapting business model to include:
• Hydrogen Aggregation
• Carbon Aggregation
Light Industrial Commercial Sector
• Renewables
• Micro LNG
• Biogas
LNG
• Small Scale LNG to the Caribbean
• ALNG GHG Reduction
Downstream

2022

OPERATIONS
REPORT

International Context

The post-COVID global recovery is slowing widening divergences among economic sectors and regions, amid financial sector turmoil, high inflation, ongoing effects of Russia's invasion of Ukraine, and the knock-on effects of the pandemic.

According to the IMF, global growth is projected to fall from an estimated 3.5% in 2022 to 3% in both 2023 and 2024. While the current forecast for 2023 is modestly higher earlier in the year, it remains weak by historical standards. The rise in central bank interest rates to fight inflation continues to weigh on economic activity. Global headline inflation is expected to fall from 8.7% in 2022 to 6.8% in 2023 and 5.2% by 2024, with a more gradual decline in forecasts for core inflation.

Caribbean economic performance improved in 2022 as countries navigated multiple shocks and global headwinds and policy focused on crisis management and actions to stabilise and support durable economic recovery. Regional GDP registered growth for the second consecutive year in 2022, expanding by 11.0% following 4.9% growth in 2021.

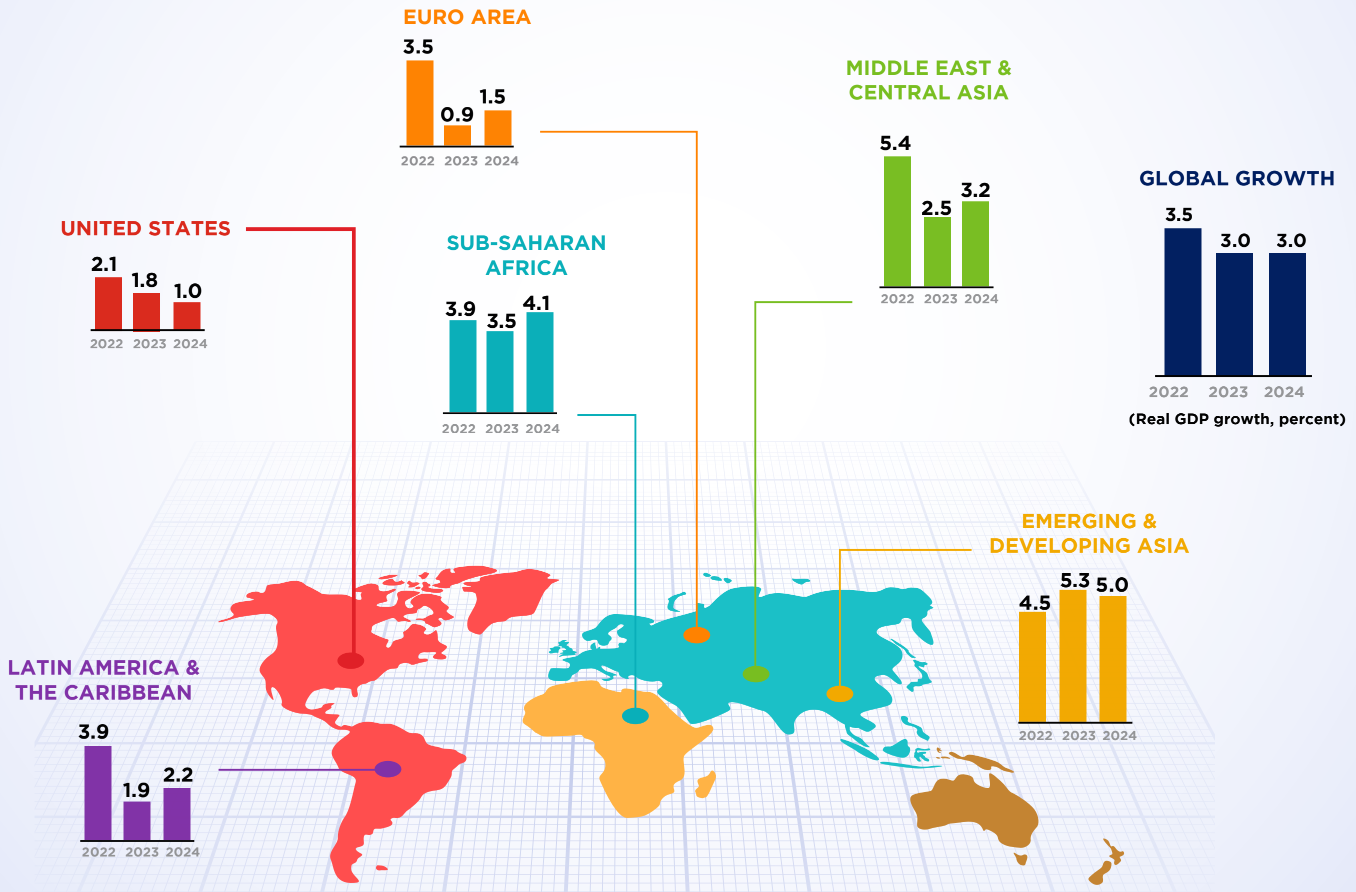
Booming oil production in Guyana paved the way for a full recovery as regional GDP ended above pre-pandemic levels. Likewise, tourism gained momentum as a surge in demand for international travel resulted in most tourism-dependent Caribbean destinations experiencing significantly higher international arrivals than for the previous year.

Accordingly, real GDP for service-exporting countries expanded by 6.9%, compared with 5.6% in 2021. However, higher imported inflation and economic uncertainty around the deepening geopolitical crisis in Eastern Europe and the persistence of those spillovers weighed on regional consumption in 2022. Debt accumulation in 2022 slowed considerably from the previous two years, but debt sustainability in the region remains a concern, with debt still above sustainable levels, especially in an environment of higher interest rates, a strengthening US dollar and slowing global economic growth.

Increased geopolitical risk, a rise in global energy prices and commodity price increases in the context of the war in Ukraine temporarily put an end to "lower for longer" commodity prices.

World Economic Outlook July 2023

GROWTH PROJECTIONS BY REGION



IMF.org

Source: IMF, World Economic Outlook, July 2023
Note: Order of bars for each group indicated (left to right): 2022, 2023 projections, and 2024 projections

Meanwhile, rising inflation because of supply chain issues and the end of the acute phase of the pandemic, currency fluctuations and the prospect of recession in much of the developed world created new challenges for the global investment environment, leading to fiscal restraint after pandemic public spending between 2020 and the end of 2021 as some governments continued to support the most vulnerable groups.

Regionally, the Caribbean Development Bank has forecast growth of approximately 6.4% in 2023. However, there are several downside risks. Stubborn inflation, monetary and financial tightening, and the energy crisis in Europe are among the factors expected to increase the likelihood of a global recession.

The Trinidad and Tobago economy was on a recovery path for most of 2022, following two years of economic contraction. Official data from the Central Statistical Office (CSO) indicate that Gross Domestic Product (GDP) at constant prices (real GDP) grew by 3.0 per cent during the first three quarters of 2022 compared to the corresponding period of the previous year. Growth was driven by increased output from the non-energy sector (4.7%) which overshadowed a fall-off in energy sector output (-0.7%).

The domestic economy is expected to improve in the short run and overall in 2023, bolstered by activity in both the energy and non-energy sectors. The energy sector is likely to be boosted by a few recent project startups while the non-energy sector is expected to benefit from increased business activity and a resurgence of consumer demand. Inflation is likely to persist locally in the near term due to lingering supply-side issues and lagging transmission effects from source markets. Though there is generally a positive outlook for the local economy in the short term, downside risks persist.

Energy Transition

As countries embark on their transition, it is already clear that it will not be smooth. At the start of the year, clean energy costs were on the rise for the first time in decades, and supply chain issues around transition infrastructure and widgets emerged as a key challenge.

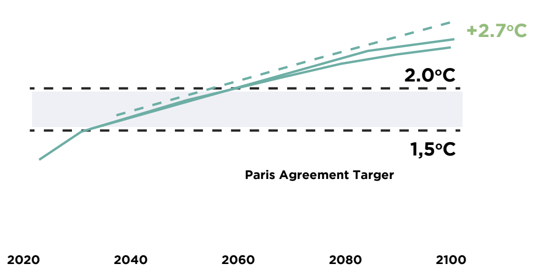
The costs of debt reversed direction and began to rise. With that rise in debt came an increase in the costs of renewable project financing. 2022 also marked the end of a four-year period of increased climate ambition on the international stage. What we saw in 2022 was countries and corporations scaling back their transition ambitions as the siren call of high oil and gas prices and high profits in 2022 compelled them to pursue short-term oil and profits over long-term renewables.

The world is already 1.2 C warmer than in pre-industrial times, an increase that is unleashing unpredictable and deadly warming, heat, wildfires, drought, floods and other extreme weather events. Moreover, climate trends in late 2022 and into 2023 revealed that countries are far below where they need to be to reduce emissions, notwithstanding the increase in countries setting CO_2-cutting targets since the Paris Agreement.

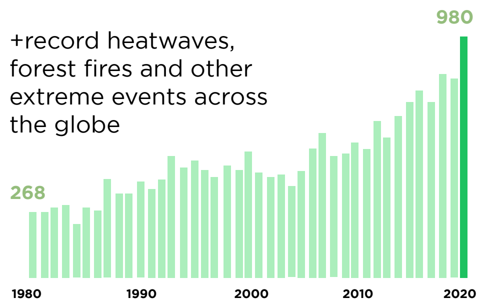
According to the United Nations, existing pledges by governments fail to stop global temperatures blowing past 1.5 C and will put the world on track to warm by approximately 2.5 C. To be effective, energy sources must match the maximum shares held by coal (55%) and oil (41%) roughly three times as fast as those commodities did and ultimately should account for most primary energy by 2050 – up to 70% in IEA's Net Zero Emissions scenario.

Current Policies Will Not Get Us to 1.5°C – and The Damage Is Mounting

Global average temperature rise if current policies and actions prevail (°C)[1]



Number of extreme physical events and selected adverse impacts such as record heatwaves and forest fires[2]



Sources: World Meteorological Organization Global Climate 2021; PBL; Global Carbon Project; Global Climate Tracker; BCG CEI analysis.
[1]Minimum, maximum, and median (calculated) temperature increases (Climate Action Tracker, "policy and action" scenario, November 2022).
[2]"Extreme physical events" are climate or environmental conditions at the extremes of historical measurements.

As part of the Paris Agreement, countries pledged to check their progress in 2023, and every five years after that. The result of this set of assessments would then guide countries to set new, more ambitious climate policies and funding for clean energy, to get closer to the 1.5 C goal. Since countries are obliged to submit new national emissions-cutting targets to the UN in 2025, the 2023 review would tell countries what to include in those goals.

Reinforcing Our Foundation

WE HAVE BEEN STRENGTHENING OUR CORE ASSETS AND SECURING OUR EXISTING LINES OF BUSINESS TO TAKE FULL ADVANTAGE OF RENEWED AND EMERGING OPPORTUNITIES FOR GAS-BASED BUSINESSES.

NGC signed a milestone Gas Supply Contract with energy major bp Trinidad and Tobago (bpTT) in 2022

Commercial Developments

GAS SUPPLY

NGC's work begins at the top of the value chain – securing supply to fulfil our obligations to downstream consumers. NGC's access to gas is governed by purchase contracts with upstream producers, and their timely renewal is crucial to ensuring continuity of supply. The year 2022 saw several positive developments in the Trinidad and Tobago upstream gas sector.

Firstly, after months of intensive negotiations, NGC signed a milestone Gas Supply Contract with energy major bp Trinidad and Tobago (bpTT) in October 2022. bpTT is the largest supplier of gas to the domestic market and the renewal of this contract stabilises the supply outlook for NGC – and by extension the downstream sector – through the medium term.

In another positive development, NGC signed a Heads of Agreement (HOA) with Shell to start the pre-Front End Engineering Design (pre-FEED) phase for the processing of gas from the Manatee field via NGC's Beachfield Facility. The HOA sets the frame for technical and commercial work to enable further progress through this phase of the Manatee project, moving Trinidad and Tobago a step closer to monetising one of its largest gas fields.

NEW GAS

Several gas fields previously in development began producing in 2022. These new fields will cumulatively shore up the volumes available for use in the industrial and LNG sectors. These include:

- **Colibri:** In March, Shell Trinidad and Tobago announced that production, started on Block 22 and NCMA-4 in the North Coast Marine Area (NCMA) in Trinidad and Tobago. This development – Project Colibri – is expected to add approximately 174 mmscf/d of sustained near-term gas production with peak production expected to be approximately 250 mmscf/d.

- **Zandolie**: DeNovo Energy Limited announced first gas from the Zandolie field in July 2022. Zandolie is expected to deliver approximately 40 mmscf/d, from an unmanned gas platform that is 100% powered by solar and wind energy.

Reinforcing Our Foundation

Commercial Developments (CONTINUED)

- **Coho:** Touchstone Exploration's Coho project is the first onshore gas project to come onstream in over 20 years in Trinidad and Tobago.

  Coho delivered its first gas in October 2022. The field has an estimated sustained gross production rate of approximately 10.5 mmscf/d (approximately 8.4 mmscf/d net). Lessons from the Coho project will provide a strong foundation for continuous improvement as Touchstone proceeds with its larger Cascadura gas project.

- **Cassia C**: bpTT's first offshore compression platform and its biggest offshore facility – Cassia C – delivered first gas in November 2022 and is expected to produce, at peak, approximately 200–300 mmscf/d.

DOWNSTREAM CONTRACTS

Sales agreements with downstream consumers are as critical to NGC's business as upstream contracts. In March, NGC signed a Gas Sales Contract with local cement manufacturer, CEMEX Trinidad Cement Limited (CEMEX TCL). This agreement will govern the sale of natural gas to CEMEX TCL and help bolster operations at the company – one of NGC's earliest customers of over 40 years.

Negotiations with other downstream customers also continued through 2022.

ATLANTIC RESTRUCTURING

With LNG demand projected to remain strong in the coming years, Trinidad and Tobago is well positioned to derive greater value from its gas export sector. However, there must be an optimal commercial structure in place at Atlantic to maximise revenues from that industry.

The complex process of recalibrating the Atlantic ownership arrangement and operational model has been ongoing for many months. Positively, in December 2022 the Government of the Republic of Trinidad and Tobago (GORTT) announced the signing of an Amended and Restated Heads of Agreement (HOA) between itself and Atlantic shareholders NGC, Shell Trinidad and Tobago, and bpTT for the restructuring of Atlantic.

Specifically, the HOA signals agreement on terms for a common ownership structure, a commercial framework for gas supply and offtake, and transitioning of Atlantic into a single unitised facility, compared to the current arrangement of LNG trains with separate and different shareholding arrangements. Following this milestone achievement, negotiations will now continue towards finalisation of binding Definitive Restructuring Agreements in 2023.

ENERGY MARKETING AND TRADING

NGC's energy marketing and trading business received a boost in 2022 through a partnership with Proman that allows NGC to lift methanol from the Methanol Holdings (Trinidad) Limited (MHTL) complex on the Point Lisas Industrial Estate.

NGC has been independently marketing ammonia, methanol, crude oil, and LNG cargoes for more than a decade, and has been taking steps to extend this branch of the business. Through this new agreement with Proman, the energy marketing and trading business has been expanded. Moreover, NGC has been exploring the possibility of using Proman's methanol-fuelled vessels to transport the cargoes. This would allow the company to reduce the emissions profile of its energy trading activities, as methanol is a far cleaner alternative to heavy fuel oil, which is typically used to power ships.

Additionally, negotiations were also completed in 2022 with Gulf Coast Methanol 1 LLC and its parent, US-based IGP Methanol LLC, for a Purchase and Sales Agreement that will allow NGC to acquire blue methanol from IGP's Gulf Coast Methanol Park (GCMP) project. This milestone achievement marks the culmination of several months of collaboration, following the announcement of a term sheet signed by the parties in December 2021.

The new agreement means NGC will soon be able to purchase blue methanol—a low-carbon petrochemical—for trading through its expanding energy marketing and trading portfolio.

LABIDCO completing first ever ship-to-ship and ship-to-shore transshipment

PORT AND LOGISTICS SERVICES

The Group recorded a milestone in its history of providing port and logistics support to downstream industry, with the La Brea Industrial Development Company Limited (LABIDCO) completing its first ever ship-to-ship and ship-to-shore transshipment.

LABIDCO facilitated the transshipment and storage of bauxite from South America, loading out over 27,500 metric tonnes destined for the Asian market. The bauxite was transhipped in feeder vessels and was loaded out on a mother ship (bulk carrier) in September 2022.

PROJECTS

LPSO

One important activity advanced in 2022 was the Low-Pressure Switch Over (LPSO) project. This is designed to divert segments of our existing 16-inch low-pressure pipeline at four locations between Barataria and Wrightson Road, Port of Spain. The project was complex since the pipeline route intersects heavily used thoroughfares in the capital, fenceline communities, and sensitive environments. However, supported by extensive stakeholder engagement and communications campaigns, the project has been significantly advanced, and is on track for completion in early 2023. Once completed, the project will upgrade customers previously served by low pressure pipelines to a high-pressure pipeline system.

LFP

This year another milestone was crossed in the Liquid Fuels Pipeline (LFP) project. The LFP system was designed to make the transportation of liquid fuels safer, more reliable and more carbon efficient, by eliminating the need for marine tanker transportation from Pointe-a-Pierre to NP Sea Lots, and the need for tanker wagons to carry jet fuel on the roads.

In 2022, we received system handover certificates from the Liquid Fuels Company of Trinidad and Tobago Limited (LFCTT) for the diesel element of the facility. With this systems handover, both the jet fuel and diesel fuel lines have been commissioned. Motor gasoline will be the final fuel to be introduced into the system over the coming months.

CASCADURA

Even as Touchstone began production from the Coho field in the onshore Ortoire block earlier in 2022, the groundwork was being laid for receipt of first gas from the adjacent Cascadura field. With reserves estimated at around 381 billion cubic feet (bcf), Cascadura is the largest onshore gas find in Trinidad and Tobago's history.

NGC has been constructing a 20-inch pipeline and gas-receiving facility to tie this field into the gas pipeline system. Overall works were significantly advanced by the end of 2022, with the project expected to be completed and commissioned in 2023.

GHANA

NGC's first international project, to deliver a pressure regulator skid package for the existing Takoradi Distribution Station (TDS) in Ghana, is nearing completion, having progressed through further milestones. The prefabricated skid was assembled in Trinidad and shipped to Ghana in April 2022, and has been installed at the TDS process plant site. Certain tasks must now be performed by the Ghanaian team before the skid can be officially commissioned.

Asset Integrity Journey

NGC is a natural gas aggregator, transporter, seller and distributor and therefore its pipeline network infrastructure is a primary engine of value creation and wealth-generation. It is the backbone of our gas transmission business. Consequently, our success and sustainability are dependent on our ability to safeguard and maintain those assets. Given the geographical footprint of our infrastructure and its proximity to residential and industrial areas, preserving the integrity of our gas transmission network is also critical from the perspective of public safety.

Having scored below the national average on a 2015 National Facilities Integrity Audit conducted by independent assurance and risk management firm DNV, NGC decided to undertake an aggressive remedial campaign on our equipment and systems to address concerns raised by the auditors. This included additional resourcing in our Operations Group, the integration of technology to automate and improve processes, a greater focus on leak detection and repair (LDAR), and methane mitigation measures to reduce the level of emissions from our infrastructure.

We periodically reassessed our asset integrity management (AIM) performance through internal assessments, and by another external audit in 2017. These assessments recorded improvements and also pointed the way to greater improvements. In 2022, we re-engaged DNV to measure our progress. Hearteningly, our asset integrity scores have improved. Our Systems score is now 2.8 (2015: 1.79) and our Equipment score is 2.6 (2015: 1.64). More importantly, the scores are above the national average for both systems and equipment. This means NGC has moved from the 'Developing' to 'Implementing' bracket in the DNV scoring rubric. Even though we have been improving on our scores over the last few DNV Audits, AIM is an ongoing process. Our next targets are to rank at levels 3 and 4, which respectively describe companies that are "Managing" and "Optimising" AIM activities and culture.

4 = Optimising	The activity or practice is effective and efficient. Visible continuous improvement culture/efforts are in place.
3 = Managing	The activity or practice is documented and effectively implemented.
2 = Implementing	The activity or practice is documented with implementation ongoing, but not fully mature.
1 = Developing	The activity or practice exists, although it may be incomplete and undocumented.
0 = Learning	The activity or practice is absent or ad hoc and little awareness of the expectation is in place.

SAP Business Transformation Programme

Over the past few years, The NGC Group has been making the implementation and use of technology a cornerstone of its efforts to build a more agile organisation and enhance its global energy brand. This involved integration of both hardware and software solutions to reduce risk and process inefficiencies.

The latest initiative being undertaken involves implementing a best-in-class technology solution from SAP – one of the world's leading producers of software for the management of business processes.

The SAP Business Transformation Programme (SAP BTP) aims to

- Remove departmental and divisional silos and allow real-time access to data, so staff can achieve synergies and greater efficiency in how they deliver work;
- Automate manual processes, creating more time for higher-level activities;
- Support agile management practices and enable quick responses to meet the demands of internal and external customers;
- Allow the company to leverage artificial intelligence (AI), machine learning, big data, and use of analytics to discern trends in the business from the data, generate more intuitive analytics, and thus make better informed, data-driven decisions.

The transition to new SAP systems will involve new processes, migration of data from legacy systems, and different and innovative ways of working. Training will therefore be provided in the transition period to ensure that all employees are equipped to use the new systems. This training will upskill staff and strengthen the company's talent pool. Since some processes will impact the company's interactions with its suppliers and business partners, there will also be onboarding activities for external stakeholders, once the new systems are in place. The changeout and implementation of the new SAP system is expected to run through the end of 2023.

When implemented, the new SAP system will have a major impact on the way the organisation manages its data and key processes.

Expanding Our Horizons

THE NGC GROUP IS WORKING TOWARDS BECOMING A RECOGNISED AND RESPECTED INTERNATIONAL ENERGY BRAND. THIS JOURNEY INVOLVES EXPANDING INTO NEW MARKETS AND TERRITORIES, TAKING A SEAT AT MORE GLOBAL TABLES, AND INCREASING OUR VISIBILITY AND NETWORKING ACROSS THE WORLD.

A GLOBAL PORTFOLIO

One of the prongs of our strategic growth plan targets internationalisation of our business and brand. This involves widening our trade network and establishing a physical presence beyond Trinidad and Tobago.

The Group began this process in 2020 with the acquisition of the Houston-based natural gas liquids (NGL) marketing assets of Twin Eagle Liquids Marketing LLC by NGC Group member PPGPL. They have since gone on to add two additional US-based assets to The Group's portfolio.

PPGPL completed its acquisition of an NGL terminal located in the community of Hull in Texas, USA in January 2022 through its wholly owned subsidiary Phoenix Park Energy Marketing LLC (PPEM). The terminal was purchased from Keyera Energy Inc. (KEI), a subsidiary of Keyera Corporation (Keyera). Keyera is one of the largest independent midstream oil and gas operators in Canada. With this acquisition, PPEM can now access and aggregate LPG supplies to sustain and grow its markets in Mexico, the remainder of Latin America, and the United States.

In December 2022, PPEM completed acquisition of a propane terminal located in Rush City, Minnesota, from Interstate Fuel & Energy, LLC. (Interstate), a subsidiary of Interstate LLC. The intent is to now increase utilisation of this terminal to continue to grow its markets in the northwestern USA. PPEM's acquisition of the terminal is another step in fulfilling PPGPL's strategy to grow the business further along the NGLs value chain, and in alignment with The NGC Group's thrust towards international growth.

These foreign assets have been performing well and are already contributing valuable revenue to The Group's balance sheet. Notably, PPGPL is the first state company from Trinidad and Tobago to acquire assets in North America and is well poised to continue its growth.

Hull, Texas

Expanding Our Horizons

National Energy tugs

ENERGY SERVICE EXPORT PROMOTIONS

Since its inception, NGC subsidiary National Energy has been pivotal in the expansion of domestic energy-based service industries through its estate development and port management services.

The company's mandate was expanded by the Government further in 2022, as National Energy was appointed as the agency responsible for Trinidad and Tobago's promotion of energy services for export to other countries, under the direction of Ministry of Energy and Energy Industries (MEEI).

National Energy is now working closely with the MEEI, the Ministry of Trade and Industry (MTI), the Energy Chamber of Trinidad and Tobago, the Trinidad and Tobago Coalition of Service Industries, and other key stakeholders on the development and implementation of a National Energy Service Export Strategy. When complete, this strategy will ensure there is a coordinated approach to increasing the promotion of exports of energy services, regionally and internationally.

GRI MEMBERSHIP

NGC began producing annual sustainability reports in 2018 as a mechanism for tracking our progress on our journey to becoming a more sustainable business, and also to increase our transparency as a state enterprise. As at 2022, NGC is the only state company producing annual sustainability reports.

This year, we became the first company from Trinidad and Tobago to be registered as a member of the Global Reporting Initiative (GRI) Community, achieving another major milestone. The GRI network comprises over 500 large and small, private and public organisations from more than 70 countries, working to jointly advance sustainability reporting across the world.

Our membership in the GRI will allow us to continuously benchmark our sustainability reporting and data collection and verification against international standards, while progressively producing higher-quality and more robust reports.

Expanding Our Horizons

EVENTS AND CONFERENCES

Increasing our brand exposure and representation through our presence and participation at international events is an essential step towards becoming a trusted household name in global energy. In addition to participating in several locally organised industry exhibitions and conferences, The NGC Group added its voice and insights to discussions at various international events:

- **World Gas Conference (South Korea)**
  Presentations and Panel Discussions
  'The role of gas and renewables in a decarbonised energy system'
  'How does the industry respond to adapt its business models to decarbonisation and net zero emissions?'

- **S&P Global Platts Caribbean Energy Conference (USA)**
  Panel Discussion
  'LNG and Natural Gas Markets in the Caribbean: What's the Role Moving Forward?'

- **2nd Suriname Energy Oil and Gas Summit (Suriname)**
  Presentation
  'Developing a Regional Gas Market'

- **Gastech 2022 (Italy)**
  New Projects Showcase Session
  'Building Back Better: Towards a Resilient, Clean and Sustainable Energy Sector in the Caribbean post Covid-19'

- **Guyana Basins Summit (Guyana)**
  National Oil Company Panel Debate
  'Shaping Upstream Growth in Partnership, Creating Beneficial Working Relationships for the Long-Term'

- **Association of Oil, Gas and Renewable Energy Companies of Latin America and the Caribbean (ARPEL) Conference 2022 (Peru)**
  Panel Discussions
  'How are companies transforming in the new reality?'
  'Global Crisis and Regional Opportunities – How could Latin America increase its participation in the international gas market?'

- **Second Caribbean ESG & Climate Financing Summit (hosted in Trinidad and Tobago)**
  Panel Discussion
  'Oil & Gas Expansion in the Region: What Does this Mean for ESG?'

Through these platforms, The Group has been promoted as a thought leader in Caribbean energy, sustainability, and energy transition issues, especially with respect to gas and LNG.

Advancing the Green Agenda

IN RECENT YEARS, A SUBSTANTIAL PART OF OUR INVESTMENT, WORK PROGRAMME AND FOCUS HAS CENTRED ON CLEAN ENERGY AND SUSTAINABILITY ISSUES. WE HAVE BEEN POSITIONING OURSELVES FOR SUCCESS IN A MARKET THAT IS INCREASINGLY INTOLERANT OF CARBON-INTENSIVE BUSINESSES, AND TO PARTICIPATE IN A CLIMATE FIGHT THAT COMMANDS ALL HANDS TO THE WHEEL.

ENERGY EDUCATION

A crucial success factor in the climate fight is widespread participation, but public buy-in is contingent on a clear understanding of the impact and implications of inaction. For this reason, The NGC Group has made sustainable energy education a central axis of its Green Agenda.

The following initiatives were delivered in 2022:

- **Upgraded Energy SmarTT and CariGreen**
  In the past two years, NGC developed and launched two resources geared toward green energy education. The first was the country's first mobile app around energy efficiency and conservation (EE&C) – Energy SmarTT, while the second was the CariGreen clean energy research website. Following the successful deployment of these resources, NGC decided to undertake expansion of both in 2022. The upgrades to Energy SmarTT now make it easier for users to calculate their energy consumption and locate energy efficient products at local retailers. Meanwhile, the CariGreen website now features more resources, including a new category with information about specific renewable energy projects in the region.

- **SustaiNGC**
  To build awareness among employees, NGC launched the SustaiNGC Portal in 2022. The portal contains resources that aim to demystify sustainability discourse, show how sustainability in business is a key advantage in today's world of risk and uncertainty, and guide individuals towards achieving sustainable lifestyles. Activities linked to the portal were added to employee performance plans to encourage engagement with the content.

- **New Energy Conversations**
  Targeting a wider national audience, NGC partnered with a leading broadcast network to produce a video series called 'New Energy Conversations'. The weekly episodes explored topics pertaining to sustainability, climate change and climate action, renewables, energy efficiency, food security and related themes.

- **Re-Energize TnT**
  NGC is not the only company to have recognised the role of energy education in galvanising climate action. In 2022, NGC joined hands with global oil major and industry partner Shell, to launch and deliver a programme called 'Re-Energize TnT'. Through its curriculum, the programme has been introducing students in six secondary schools to the fundamentals of clean energy and sustainability, while also teaching them how to engage with and mobilise their communities for sustainability and climate action initiatives. In the latter stages of the programme, students will be required to conceptualise and implement their own green initiatives.

Advancing the Green Agenda

PARTNERSHIPS

When it comes to sustainability and climate activism, there is undeniable strength in numbers. NGC collaborated with several organisations in the past year to either deliver on or explore projects focused on sustainable development and clean energy.

PARTNER	INITIATIVE	DETAILS
Caribbean Community Centre for Climate Change (CCCCC)	Memorandum of Understanding (MOU)	• This MOU commits both entities to mutually cooperate in areas and activities that can positively impact regional climate change. • It focuses heavily on strengthening the rigour of the collection and analysis of climate change data to support evidence-based decision-making throughout CARICOM. • It also allows for information from the CCCCC's Regional Clearinghouse Database to be shared on NGC's CariGreen website, to encourage greater accessibility, availability, and use of regional climate change data.
Nutrien	Food and Nutrition Security Alliance 	• NGC and Nutrien announced the intention to jointly explore opportunities to improve our nation's food and nutrition security. • Both companies will work closely with stakeholders along the local food value chain to identify opportunities to improve food and nutrition security in the areas of praedial larceny; precision agriculture; food waste; community climate-smart agriculture; and food, health, and nutritional awareness.

Advancing the Green Agenda

PARTNER | **INITIATIVE** | **DETAILS**

Partner: SURE Foundation

Initiative: Seedling distribution drive

- NGC partnered on three free seedling distribution drives in Couva and Rio Claro.
- 75,000 vegetable and herb seedlings were distributed in these communities, to help encourage kitchen gardening and build food security.

Partner: NewGen Energy Limited

Initiative: Heads of Agreement (HOA)

- NGC and NewGen signed a non-binding HOA, which outlines the framework for the establishment of Binding Definitive Agreements between the relevant parties, to enable development of a sustainable hydrogen economy for the energy sector of Trinidad and Tobago.
- The HOA followed the signing of a Letter of Intent in May 2022, which expressed NGC's intention to work collaboratively with NewGen to further evaluate the development of NewGen's hydrogen production facility.

Partner: bpTT

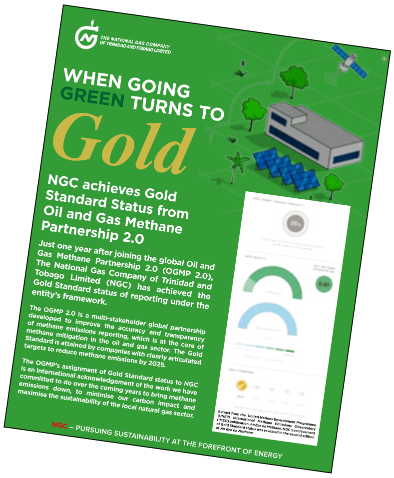
Initiative: Collaboration Agreement

- Both companies agreed to explore opportunities for cooperation in several focus areas of mutual interest within the energy industry.
- Collaborative discussions on matters concerning technical operations constitute one of the pillars of the Agreement. This allows for greater dialogue to coordinate efforts around process safety, asset integrity and an overall improvement in the reliability of supply and infrastructure availability.
- The opportunities for technical cooperation extend into the monitoring, measuring and reporting of methane emissions, a mutual focus area well suited for both NGC and bpTT as members of the Global Oil and Gas Methane Partnership (OGMP).
- Beyond operational and technical activities, the Agreement creates a space for considering opportunities within the green agenda.

Advancing the Green Agenda

PARTNER	INITIATIVE	DETAILS
IAMovement	Caribbean Green Infrastructure Conference 	• NGC partnered to deliver this inaugural conference, which spotlighted the benefits of using green infrastructure solutions to make buildings and communities more resilient. • Several sessions focused on the use of vetiver grass systems for slope stabilisation.
Inter-American Development Bank, KBR Inc.	The Roadmap for a Green Hydrogen Economy in Trinidad and Tobago 	• National Energy, the IDB and KBR Inc. collaborated to assess the potential of Trinidad and Tobago to produce green hydrogen as a major decarbonisation option for the power and industrial sectors. • In November, the summary findings of their study were published in 'The Roadmap for a Green Hydrogen Economy in Trinidad and Tobago' – a 35-year development programme split into three broad implementation horizons.
CEMEX TCL	Memorandum of Understanding	• NGC and CEMEX TCL signed an MOU to cooperate on energy efficiency initiatives. • As part of the MOU, NGC and CEMEX TCL will explore the viability of opportunities for carbon capture and sequestration (CCS), while examining the impact of energy efficiency and CCS on the use of fossil fuels in downstream industries. • The agreement will also explore the possibility of using waste oil and waste solid to power clinker kilns in TCL's operations instead of gas.

Advancing the Green Agenda



ORGANISATIONAL ACHIEVEMENTS

Gold standard OGMP reporting

Methane, a primary component of natural gas, is also one of the most potent greenhouse gases. As a climate-conscious business, NGC has made pioneering investments to track and reduce methane emissions from our operations. In 2021, we made a voluntary commitment to report on our progress after joining the global Oil and Gas Methane Partnership 2.0 (OGMP 2.0). In our first report to the OGMP in 2022, we outlined clear targets to reduce methane emissions by 2025, showing our resolve to track and reduce emissions.

This resulted in NGC achieving the Gold Standard status of reporting under the OGMP 2.0 framework. This framework subsumes different tiers of reporting, based on declared targets and rigorous measurement tools and methodologies. To reach Gold Standard status, companies need to announce absolute reduction or near-zero intensity targets by 2025.

This achievement cements NGC as a leader among state companies in terms of emissions reporting, and underscores our intent to raise the bar of accountability in the global public sector.

CNG milestone

In 2022, subsidiary NGC CNG achieved the target set out in its founding mandate to support the introduction of 17,500 Natural Gas Vehicles (NGVs) into the domestic market. As at December 31st, a total of 17,536 NGVs have been introduced. Sales of CNG also increased by 25% over 2021, hitting 21.01 million litres of gasoline equivalent, and showing strong market growth.

NGC CNG also continued to contribute to national emissions reduction efforts. In 2022, approximately 15,633 million tonnes of CO_2 emissions were avoided thanks to CNG use, bringing the estimated cumulative figure since 2014 to 59,639 million tonnes.

AMCHAM T&T award

The NGC Group's green agenda initiatives and education efforts have been recognised through various awards and commendations in recent years. The latest to be spotlighted was National Energy's REnewable Minds Portal – a collaborative project undertaken with online education platform Pennacool. The Portal was adjudged winner of the 2022 American Chamber of Commerce of Trinidad and Tobago (AMCHAM T&T) Outstanding OSH and Environment Project (Energy – Large Category) Award.

The REnewable Minds Portal focuses on educating primary school students about the energy transition, exploring energy efficiency, alternative fuels, renewable energy, and Trinidad and Tobago's development goals.

It can be accessed at [https://sea.pennacool.com/pennacool/nationalenergy/.](https://sea.pennacool.com/pennacool/nationalenergy/)

Supporting National Development

SUCCESSIVE ITERATIONS OF THE NGC GROUP'S STRATEGIC PLAN HAVE MAINTAINED NATIONAL DEVELOPMENT AS A FOUNDATIONAL PILLAR OF OUR GROWTH STRATEGY. NOT ONLY DO WE CONSIDER IT A CIVIC DUTY TO GIVE BACK TO THE NATIONAL COMMUNITY, BUT WE RECOGNISE THAT THE BENEFITS OF CORPORATE SOCIAL RESPONSIBILITY AND ALTRUISM EXTEND BEYOND THE DIRECT TARGETS OF OUR SUPPORT.

The aggregate impact of CSR is greater than the sum of its parts. A happier, healthier population with strong community bonds and ample access to opportunities stabilises the society and fuels overall economic prosperity. This, in turn, creates a more favourable environment for business success.

In 2022, we continued to support national development through ongoing sponsorships and partnerships, and introduced a new signature programme.

I2A PROGRAMME

Cognisant of changing job market demands, future requirements and gaps in mainstream academic curricula, NGC saw the need for a programme to support more holistic student development and open diverse pathways for future employment and entrepreneurship.

In November 2022, NGC launched the Inspire-2-Achieve (I2A) programme by launching a pilot programme in the community of La Brea. The programme is structured as a series of after-school and weekend training sessions delivered in different formats by professional educators and coaches and spread over two years.

THE PROGRAMME FOCUSES ON:

- Science, Technology, Research, Engineering, Arts and Math (STREAM)
- Sustainability
- Entrepreneurship
- Life skills and career coaching

NGC President Mark Loquan views demonstration by I2A participant

Supporting National Development

Each of these areas – programme tracks – is intended to build core skill set that will strengthen the ability of students to participate and compete in future job markets, whether as employees, self-employed or as self-made entrepreneurs.

Starting with La Brea, NGC is targeting an initial cohort of 100 young persons, between the ages of 7 to 17, to be onboarded to the programme. I2A will be delivered using a combination of live classroom instruction, planned field trips, interactive gameplay, and asynchronous learning content hosted on a digital learning management system.

The programme will also incorporate in-person community demonstration projects that will provide a platform for participants to showcase their newly acquired knowledge and skills among their peers and in the broader community.

NGC BOCAS LIT FEST

The NGC Bocas Lit Fest has been one of NGC's flagship corporate partnerships. Since its inception in 2011, this regional literary festival has seen significant growth and progress, driven by a clear vision for the festival, a keen national focus on development of the creative industries, and an increasing appetite for Caribbean literature. The festival's reputation and success saw NGC being honoured by the Trinidad and Tobago Energy Chamber at its 2022 Energy Conference, with the inaugural Best Social Investment Project Award.

This year, the festival continued to break new ground, travelling across the Atlantic for its first ever tour of the United Kingdom. The festival moved through five cities across the UK between October 26 and November 3, and featured writers from all genres, including a slate of Bocas Lit Fest prize winners.

NGC/NAAATT CHAMPIONSHIP GAMES

Athletics in the form of track and field has been the earliest recipient of NGC's social investment support. Under our partnership agreement with the National Association of Athletics Administrations of Trinidad and Tobago (NAAATT), we sponsor several initiatives and events aimed at unearthing and developing local athletic talent. Among these events, the NGC/NAAATT Championship Games have been a major calendar fixture.

After a two-year disruption due to the COVID-19 pandemic, the NGC/NAAATT Championship Games resumed in 2022. Junior, juvenile, and senior athletes were once more given an important competitive platform and exposure that are necessary precursors for their progression to new personal bests, achieving international standards, and being competitive at international meets.

Supporting National Development

BANYAN ARCHIVES

Founded in 1974, Banyan Limited is the oldest independent television programme production facility in the Southern Caribbean. Through its work over the past four decades, Banyan has amassed and digitised a large and invaluable collection of video footage, films, interviews, and TV programmes from across the region. With thousands of hours of irreplaceable archival footage in this collection, it is recognised as the largest digital archive of Caribbean cultural programming in existence.

At the 2022 trinidad+tobago film festival, NGC announced its intention to purchase the archives, and manage their use and promotion, in partnership with an external agency. This decision is aligned to the company's focus on preserving local arts and culture and supporting the development of regional creative industries.

For more information on our CSR initiatives, as well as for deeper insights into key performance metrics across the different areas of our business, please see our 2022 Sustainability Report – a companion reader to this publication – which is now available at **www.ngc.co.tt**.

Media Highlights

NGC SIGNS ENERGY EFFICIENCY MOU WITH TCL


Home > *Cover Story* > News

NGC and TCL sign MOU to collaborate on energy efficient initiatives


Guardian

NGC signs energy efficiency MOU with TCL

PHOENIX PARK ACQUIRES MINNESOTA TERMINAL


Trinidad & Tobago Stock Exchange

Phoenix Park acquires another American asset

FCI drops $6.61


business

Phoenix Park acquires Minnesota propane terminal

Scotia record $684M in income

Caribbean Airlines' 9th 737-8 enters commercial service


Guardian

Phoenix Park acquires Minnesota propane terminal

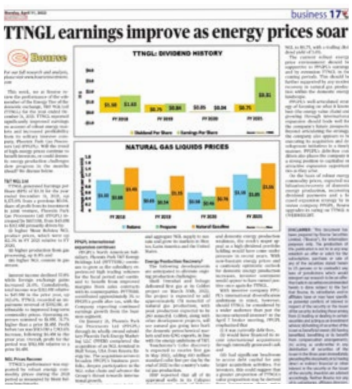
T&T HAS THE COMPETITIVE ADVANTAGE TO BECOME GREEN HYDROGEN HUB


business

IDB Country Rep:

T&T has competitive advantage to become green hydrogen hub

TTNGL RELATED NEWS


TTNGL earnings improve as energy prices soar

TTNGL: DIVIDEND HISTORY

NATURAL GAS LIQUIDS PRICES


NGL's profits rise 29.2 per cent

Trinidad & Tobago Stock Exchange

CinemaOne climbs 11.73%


TTNGL records $64.6M in first quarter profit


BUSINESS

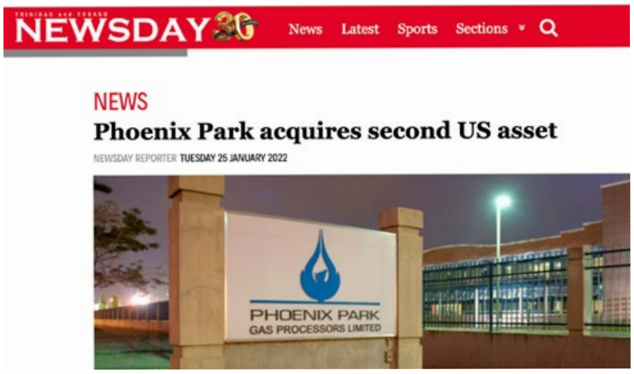
Masks to mandatory

Gas drop

NGL to benefit as PPGPL looks to expand

Media Highlights

PPGPL RELATED NEWS



NGC AND BPTT SIGN COLLABORATIVE AGREEMENT TO EXPLORE SYNERGIES IN THE ENERGY SECTOR

Media Highlights

NGC CNG RELATED NEWS

NEWSDAY News Latest Sports Sections

NEWS

NGC prepares for higher CNG demand

RYAN HAMILTON-DAVIS THURSDAY 21 APRIL 2022

NGC prepares for higher CNG demand

The National Gas Company (NGC) preparing for a surge in demand for compressed natural gas (CNG) conversions after Tuesday's increase in the prices of premium and super gasoline and diesel.

Chief financial officer of The TT National Gas Ltd (TTNGL) and acting president of NGC CNG Sheldon Sylvester told reporters at the Hyatt Regency on Wednesday, stakeholders are taking an all hands on deck approach in anticipation of the increased demand for CNG kits.

"When you compare one dollar per litre compared to five or six dollars, it is a no-brainer when you think about the economics behind it."

He said over the last three weeks the volume of CNG sold had been the highest ever and there have been increases in CNG conversions and purchases of CNG vehicles.

"We have been in contact with gas stations and converters and they are bracing for the increase in usage and the increase in conversions from the different conversion suppliers."

He said with supply at 50 per cent capacity, the company is in a "perfect position" to capitalise on the rising demand.

At a Conversations with the Prime Minister in March, Dr Rowley said the move towards a CNG policy would be "more or less obsolete" and was never fully accepted by the driving public.

On Wednesday, NGC chairman Conrad Enill said based on the information the company has, Rowley was right. He said the company will respond to what happens next for CNG based on what the government's position is.

"We will continue to see the use of natural gas, coal and fossil fuels toward 2050 based on its current trajectory," he said.

With higher gasoline prices

NGC renews CNG push

on the Economy

Andrea Perez-Sobers

THE investment to change a car from gasoline to CNG (compressed natural gas) can be re-

He said it is important to note that one litre of CNG will provide the same driving distance as one litre of gasoline.

"On CNG, a driver would

currently JMMB, Unicomer and National Entrepreneurship Development Company Ltd (Nedco) offer such financing.

With respect to how many

ANOTHER MAJOR MILESTONE FOR NGC'S ENERGY MARKETING AND TRADING PORTFOLIO

THE ENERGY YEAR
Information is power

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‹ NEWS

NGC signs sales agreement for blue methanol

Trinidad and Tobago

NGC GROUP'S FINANCIAL PERFORMANCE BOLSTERED FOR THE FIRST HALF OF 2022

10 \ Daily Express \ Thursday 29 September 2022 \ BUSINESS

BUSINESS

NGC's half-year profits jump to $1.53b

THE National Gas Company of T&T (NGC) yesterday declared an after-tax profit of $1.53 billion for the first six months of its 2022 financial year, 251 per cent more than the $437.1 million the

in the collaborative discussions with the GORTT and other Atlantic shareholders.

KFC

Andrea Perez-Sobers
andrea.perez-sobers

KFC and Pizza ... now paying a $5 ... ery fees.

The delivery ... September 20 fr... is the second h...

NEWSDAY SECTION A THURSDAY SEPTEMBER 29, 2022 PAGE 7

'make do'

wait to see how it will now distribute."

In a media release in response to the budget, MP for Moruga Tableland Michelle Benjamin said she had hoped the budget would say the "latest digital technology would be leveraged to enhance the visitor experience or even our locals," and that tourism sites such as the Caroni Bird Sanctuary, the Pitch Lake and Devil's Woodyard would be developed and modernised.

"Instead, the government's plan is to build more hotels...for what influx of visitors? The minister has been tirelessly accused of not consulting the relevant agencies including small tourism enterprises," the release said.

NGC reports $1.6b profit

THE NGC group of companies reported a $1.6 billion profit for the six months ended June 30, 2022.

The information was contained in the NGC's summary consolidated financial statements for this period.

In a statement, the company said this was an improvement over a profit of $437 million that was recorded over the same period in 2021.

The NGC group's revenues for the six months ended June 30, 2022, was $16.6 billion. This was higher than the $9.5 billion in revenues reported over the same period last year.

NGC said, "The rebound in commodity prices positively impacted revenues and margins. Prices of ammonia, methanol, liquified natural gas (LNG) and natural gas liquids (NGLs) increased by 185, four, 457 and 72

Media Highlights

NGC AND BPTT SIGN MILESTONE GAS CONTRACT FOR FUTURE DOMESTIC SUPPLIES


Energy Minister Stuart Young, from left, David Campbell, incoming bpTT president, Claire Fitzpatrick, outgoing bpTT and NGC president Mark Loquan chat after the signing of a new gas supply contract between the companies at Hyatt Regency, Port of Spain on Friday. PHOTO COURTESY NGC

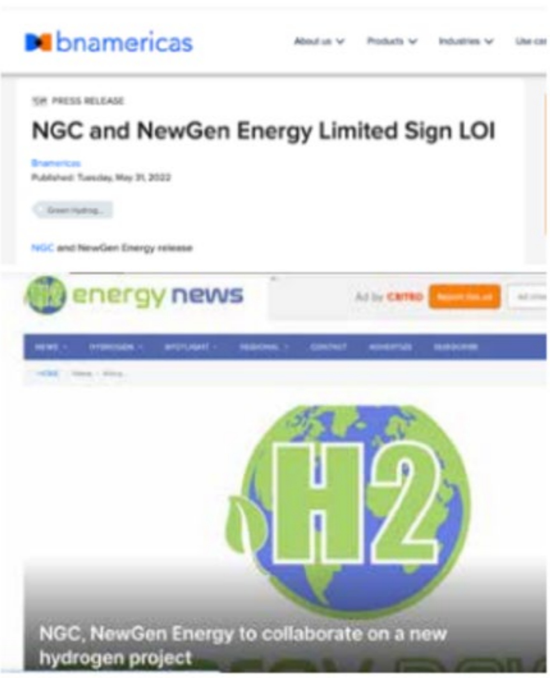
Deal described as a milestone

NGC, bpTT sign gas contract

The National Gas Company (NGC) has signed a gas supply contract with energy giant bpTT, which secures the future of the do- the process and the hard work by the bpTT team involved, with tight deadlines and timeframes involved. He noted the TT energy sector

NGC AND NEWGEN SIGN HOA

NGC AND NEWGEN SIGN LOI



Media Highlights

NGC AND SHELL SIGN HOA TO ADVANCE MANATEE PROJECT

10 \ Daily Express \ Thursday 6 January 2022 \ BUSINESS

BUSINESS

Gas rises to US$3.88

FEBRUARY natural gas rose US$0.16 to US$3.88 per 1,000 cubic feet. Brent crude for March delivery rose US$0.80 to US$80.80 per barrel. US crude oil for February delivery rose US$0.86 to US$77.85 a barrel. T&T's 2022 budget is based on natural gas at US$3.75 per 1,000 cubic feet and crude at US$65 a barrel.

NGC, Shell sign Manatee agreement

WHOLLY State-owned National Gas Company (NGC) yesterday announced it has signed a heads of agreement (HOA) with Shell to start the pre-Front End Engineering Design (pre-FEED) phase for the processing of Manatee gas via NGC's Beachfield Facility.

In a news release yesterday, NGC said the HOA sets the frame for technical and commercial work to enable further progress through this phase of the Manatee project, which is located to the south-east of Trinidad. Manatee was part of the Loran/Manatee, which straddles the maritime border of T&T and Venezuela. Manatee was delinked from the Loran field in October 2019.

In its statement yesterday, the gas company said the HOA strengthens the partnership between NGC and Shell and sets the stage for future collaboration between the two companies.

The signing bodes well for the local energy sector as it points to yet another milestone in meeting the country's future demands for natural gas, NGC said.

FLASHBACK: Eugene Okpere, senior vice-president and country chair, Shell Trinidad and Tobago, and T&T's Minister of Energy, Stuart Young, sign copies of the Manatee production-sharing contract at a ceremony held at the Hyatt Regency hotel, Port of Spain, on November 17, 2021. Standing are

ramping up to as much as 700 mmscf/d.

He said based on the development concept, the operating and capital expenditure for the project is estimated at US$1.8 billion.

In yesterday's new release, NGC president, Mark Loquan, noted the agreement advanced NGC's strategy to secure its current business in Trinidad and Tobago.

"NGC continues to collaborate with industry stakeholders and leverage the collective expertise and capabilities to sustain the energy sector," said Loquan, adding. "By working closely with Shell, NGC is actively participating in major growth projects that will significantly contribute to national development."

The NGC president said the company will work to assure the integrity and capacity of T&T's gas-related infrastructure as it remains steadfast in the commitment to provide a steady and reliable supply of natural gas.

"We recognise this is an important step for the overall Manatee project. We would like to congratulate the technical and com-

business 15

NGC, Shell sign agreement to advanc[e] Manatee Project

...d new chairman ...nancial

Caribbean Sustainable Energ[y]

GREEN AGENDA

12 THURSDAY | SEPTEMBER 29, 2022 www.Newsday.co.tt

BUSINESS DAY

Loquan advocates for renewables, energy efficiency

SEAN DOUGLAS

NATIONAL Gas Company (NGC) president Mark Loquan welcomed the budget's incentives towards energy exploration but used the opportunity of the post-budget discussion held by the TT Chamber of Industry and Commerce to advocate for energy efficiency and the use of renewables in place of gas and oil.

The event was held on Tuesday at the Hyatt Regency, Port of Spain, following Monday's budget speech by Finance

difficult to declare.

"All of this is not going to happen tomorrow. Each country will have to figure out their own energy mix."

Loquan said TT will have to be increasingly efficient in the use of its energy, even as it strives to get more gas sources.

While saying gas was "the energy bridge to the future" as the cleanest fossil fuel, he also said that its use for electricity generation was "a highly inefficient" usage.

However he also lamented the high capital cost of big projects to harness renewable forms of energy (eg wind, solar, water).

He advised, "Energy efficiency is kind of

DR. KHAN APPOINTED CHAIRMAN

Joseph Khan appointed new chairman of NGC

GEISHA KOWLESSAR-ALONZO

Dr Joseph Ishmael Khan has been appointed as the new chairman of the National Gas Company (NGC).

He will replace Conrad Enill who resigned as a director of the company in June.

Khan was appointed to NGC's Board in February 2022.

Dr Lester Henry has also been appointed to the board.

Khan is an international project management practitioner with more than 20 years of consulting, facilitating and lecturing experience.

He commenced his career as a mechanical engineering technician and mechanical inspector with several industrial process plants in the Point Lisas Industrial Estate.

Dr Joseph Ishmael Khan

ment, Faculty of Engineering and Department of Creative and Festival Arts, Faculty of Humanities and Education, University of the West Indies, and the Arthur Lok Jack Global School of Business.

NGC BOCAS WINS ENERGY CHAMBER AWARD

SOCIAL INVESTMENT: Mark Loquan, president, NGC, and Lisa Burkett, senior manager, corporate sustainability, NGC, with the Energy Chamber award for Best Social Investment Project—NGC Bocas Lit Fest.

NGC Bocas Lit Fest cops Energy Chamber award

Media Highlights

NGC AND NUTRIEN – FOOD SECURITY

BUSINE$$ EXTRA

PARTNERSHIP: Managing director of Nutrien Trinidad, Ian Walcott, left, with NGC president Mark Loquan in a meeting room at the Hyatt Regency hotel in Port of Spain on Tuesday, the first day of the 2022 Energy Conference.

NGC and Nutrien to join forces on food security

WHOLLY State-owned National Gas Company of Trinidad and Tobago (NGC) and Canadian ammonia pro-

to reduce food waste. This will support the country's efforts to reduce carbon emissions in the fight against climate change and help the most vulnerable to meet their daily

Trinidad & Tobag

Security	Quotation Price	Days High	Low	Outsta Bid
ORDINARY				
Agostini's Ltd	47.25	47.25	47.25	47.20
Angostura Holdings Ltd	22.95	22.95	22.95	22.89
Ansa Merchant Bank Ltd	45.00			42.10
Ansa McAL Ltd	55.60	56.00	56.00	56.00
FCGFH Ltd	53.00	53.00	53.00	53.00
FirstCaribbean Int'l	5.25	5.25	5.24	5.18
Guardian Holdings Ltd	27.99			27.50
GraceKennedy Ltd	5.64	5.64	5.64	5.64
Guardian Media Ltd	3.04	3.04	3.04	3.04
JMMB Group Ltd	2.45	2.50	2.50	2.42
LJ Williams Ltd A	0.20			0.23
LJ Williams Ltd B	1.70			1.70
Massy Holdings Ltd	5.21	5.24	5.20	5.20
NCB Financial Group	5.84	5.75	5.75	5.75
National Enterprises Ltd	3.02			3.02
National Flour Mills Ltd	1.65	1.80	1.80	1.65
T&T NGL Ltd	20.73	20.09	19.50	19.50
One Caribbean Media Ltd	4.00	4.00	4.00	3.55
Prestige Holdings Ltd	7.00	7.00	7.00	6.80
Point Lisas Industrial Port	3.08			3.07
Republic Finan Holdings Ltd	140.12	140.12	140.00	140.12

NGC AND CCCCC TACKLE CLIMATE CHANGE

BUSINESS E

NGC to tackle climate change

THE National Gas Company (NGC) signed a memorandum of understanding (MOU) with the Caribbean Community Centre for Climate Change (CCCCC) to mutually cooperate in areas and activities that can positively impact regional climate change.

In a statement, the wholly State-owned natural gas company explained it has long recognised that the fight against climate change can only be successful if there is an ecosystem of partners and stakeholders committed to knowledge sharing and integrating skills to build a sustainable energy future for the Caribbean.

The MOU focuses heavily on strengthening the rigour of the collection and analysis of climate change data to support evidence-based decision-making throughout Caricom.

It also allows for information from the CCCCC's Regional Clearinghouse Database to be shared on NGC's CariGreen website, to encourage greater accessibility, availability and use of regional climate change data. CariGreen was launched in June 2021 to facilitate investor, academic and citizen research into clean energy. The 2.0 version will be available by the end of May 2022.

Beyond the knowledge transfer, the MOU provides NGC, and members of The NGC Group, the opportunity of exploring investments in clean energy and renewable energy projects that are being implemented or developed by the CCCCC in Caricom countries, NGC said, adding that the collaboration has created a space for NGC and CCCCC to pursue joint projects aligned with the green sustainability agenda of both parties.

Encouraging meaningful dialogue through education and awareness is critical to transforming attitudes and behaviours around climate change. The MOU also covers joint communication and visibility programmes, which can be developed to promote climate change mitigation and adaptation awareness initiatives and net-zero commitments aimed at improving climate change

'IMMENSE POTENTIAL': NGC president Mark Loquan.

awareness in the Caricom region.

NGC president Mark Loquan remarked: "NGC is excited about the immense potential of this collaboration with CCCCC. We have already identified functional areas for practical initiatives that will produce tangible results and outcomes. The company continues to actively seek organisations, which, like NGC, are pursuing a Green Agenda to confront climate change, promote energy transition and achieve energy efficiency and environmental sustainability."

CCCCC's executive director Colin Young said: "The CCCCC is eager to pursue this collaboration with NGC that will contribute to bolstering the substantial efforts undertaken by the CCCCC to collect, analyse and use climate data for evidence-based decision making and that will better position Caricom member states to make the climate rationale necessary to attract climate finance for climate resilient development.

"Strategic partnerships, such as this one with NGC, are essential to crowd-in innovation, private sector knowledge, expertise and finance needed to accelerate the transition to net zero by 2050 in order to keep 1.5°C temperature goal alive. We are pleased to see the tangible commitments being undertaken by NGC via its CariGreen agenda towards net zero and environmental sustainability."

Composite Index edges up

OVERALL market activity resulted from trading in 14 securities of which three advanced, for declined and seven traded firm.

Trading activity resulted in the following movements of the TTSE Indices:

- The All T&T Index advanced by 1.48 points (0.07 per cent) to close at 2062.37;

- The Composite Index

ing the floor of the Exchange valued at $1,888,564.26.

Unilever Caribbean Ltd was the volume leader with 45,673 shares changing hands for a value of $799,277.50, followed by Republic Financial Holdings Ltd with a volume of 5,919 shares being traded for $828,776.07.

volume of 3 shares being traded for $86.40.

The Second Tier Market did not record any activity.

Endeavour Holdings Ltd was the only active security on the SME Market, posting a volume of 58 shares valued at $454.42.

The USD Equity Market did not record any activity.

Trinidad & Tobago Guardian

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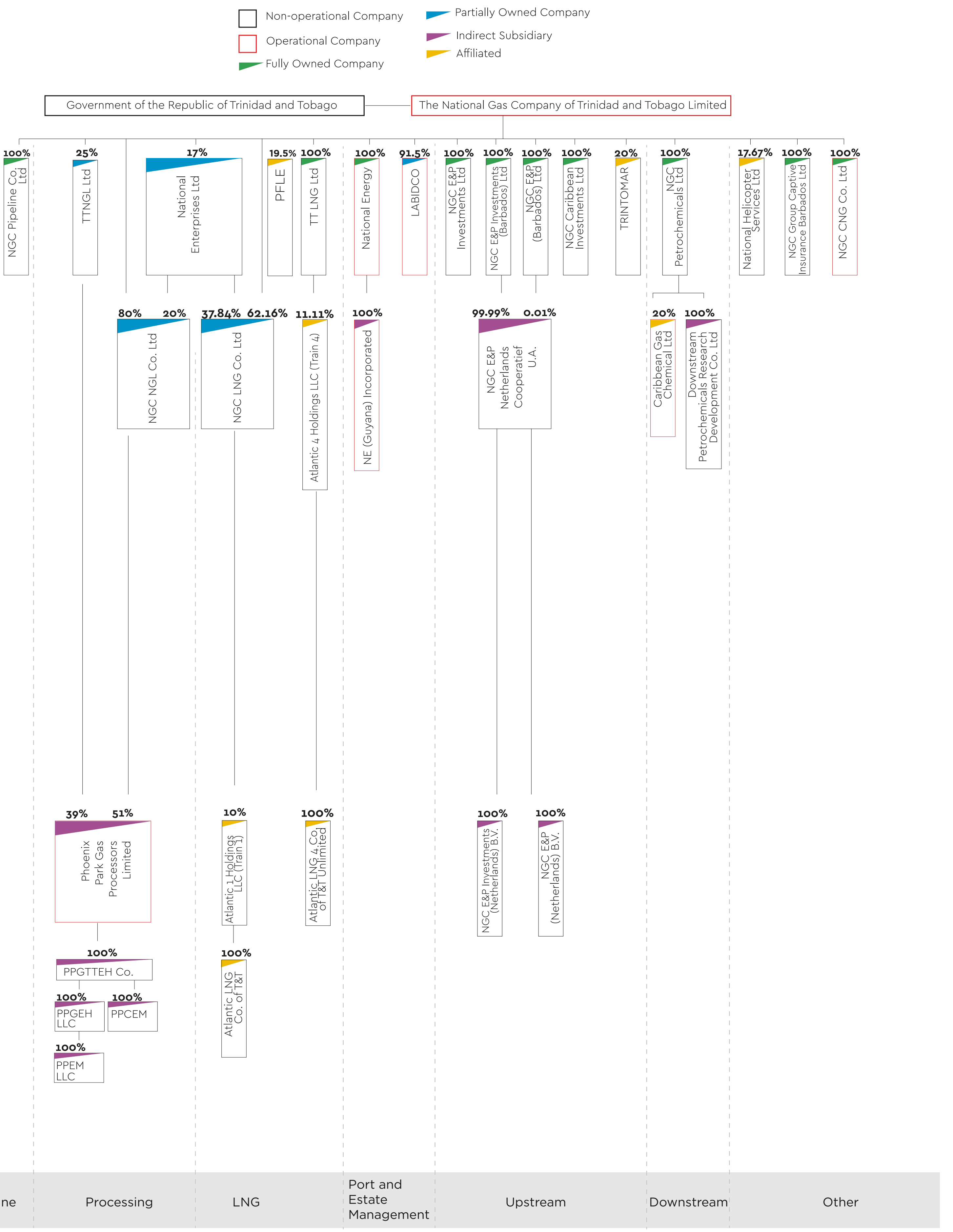
NGC and CCCCC collaborate to tackle climate change in the region

by 525 days ago 202205

Legal Structure

As at 31 December 2022



BOARD OF DIRECTORS

Dr. Joseph Ishmael Khan
Chairman
wef 30 September 2022

Sandra Fraser
Director

Mark Loquan
Director, reappointed
wef 23 February 2022

Dan Russell Ethan Martineau
Director

Howard Dottin
Director

Donnie Videsh Boodlal
Director

Venishea Paynter
Corporate Secretary

DIRECTORS DEMITTING OFFICE IN 2022:
Sean Balkissoon, Kenneth Allum, Conrad Enill (Chairman until 30 June), Dr. Lester Henry

Directors' Report

For the year ended 31 December 2022

The Directors are pleased to submit their Report to the Shareholders together with the Financial Statements for the year ended 31 December 2022.

1. BUSINESS ACTIVITIES

The National Gas Company of Trinidad and Tobago Limited (the "Company" or "NGC") whose core business includes the aggregation and distribution of natural gas also has interests across the gas value chain with Investments in the Upstream, Midstream and Downstream. Additionally, the Company provides services to the Energy Sector through its Estates, Ports and Marine Assets.

2. FINANCIAL RESULTS

The Group recorded a profit of TT$2.4B for the financial year ended 31 December 2022 compared to a restated profit of TT$2.5B in 2021.

The Group benefitted from favorable commodity prices that resulted in a higher gross profit of TT$1.6B which was partly offset by higher administrative and general expenses of $0.3B and lower onerous contract reversal of TT$1B. Consequently, the net profit decrease to TT$2.4B from a restated profit of TT$2.5B in 2021.

The Company's financial results for the year ended 31 December 2022 are as follows:

	2022 $'000	**2021 $'000**
Revenue	**33,398,855**	**23,608,547**
Profit before exceptional items, finance cost and share of associate	**5,425,455**	**3,606,156**
Exceptional items	56,948	1,534,059
Profit before finance cost and share of associate	**5,482,403**	**5,140,215**
Share of loss from associate	15,213	48,915
Finance cost	(417,710)	(401,529)
Profit before taxation	**5,079,906**	**4,787,601**
Taxation	(2,698,174)	(2,280,784)
Profit for the year after taxation	**2,381,732**	**2,506,817**
Other comprehensive (loss)/income for the year, net of tax	(756,578)	447,350
Total comprehensive income for the year	**1,655,154**	**2,954,167**

Directors' Report

For the year ended 31 December 2022

DIRECTORS

The Board of Directors of NGC comprised the following members as between January 2022 and December 31, 2022:

- Dr. Joseph Ishmael Khan- (Chairman) wef September 30, 2022
- Professor Donnie Boodlal
- Mr. Howard Dottin
- Ms. Sandra Fraser
- Mr. Dan Martineau
- Mr. Mark Loquan – Demitted office as a Director on February 02, 2022/Reappointed on February 23, 2022
- Mr. Kenneth Allum – Demitted office as a Director February 21, 2022
- Mr. Sean Balkissoon – Demitted office as a Director February 21, 2022
- Mr. Conrad Enill (Chairman) – Demitted office as a Director/Chairman June 30, 2022
- Mr. Lester Henry – Demitted office as a Director on October 25, 2022

The NGC Board held Seventeen (17) Meetings for the period 01 January to 31 December 2022.

Also, the following Board Sub-Committees continued to assist in formulating and guiding the business and policies of the Company.

(a) **The Audit Committee** comprised the following Members as at December 31, 2022:

- Mr. Howard Dottin- (Chairman)
- Professor Donnie Boodlal
- Ms. Sandra Fraser
- Mr. Dan Martineau
- Ms. Rachael Bissoondial (Representative from the Ministry of Finance)

The Audit Committee held Five (5) Meetings in 2022.

(b) **Finance and Investment Committee** comprised the following Members as at December 31, 2022:

- Mr. Dan Martineau – (Chairman)
- Dr. Joseph Ishmael Khan
- Howard Dottin
- Ms. Sandra Fraser

The Finance and Investment Committee held Four (4) Meetings in 2022.

(c) **Tenders Committee** comprised the following Members as at December 31, 2022:

- Ms. Sandra Fraser – (Chairman)
- Professor Donnie Boodlal

Directors' Report

For the year ended 31 December 2022

- Mr. Dan Martineau

The Tenders Committee held Eleven (11) Meetings in 2022.

d) **Human Resources Committee** comprised the following Members as at December 31, 2022:

- Ms. Sandra Fraser – (Chairman)
- Dr. Joseph Ishmael Khan
- Mr. Dan Martineau

The Human Resources Committee held Five (5) Meetings in 2022.

(e) **Operations Committee** comprised the following Members as at December 31, 2022:

- Dr. Joseph Ishamael Khan – (Chairman)
- Professor Donnie Boodlal
- Ms. Sandra Fraser
- Mr. Dan Martineau

The Operations Committee held Ten (10) meetings in 2022.

(f) **Sustainable Development and Strategic Branding Committee** comprised the following Members as at December 31, 2022:

- Professor Donnie Boodlal – (Chairman)
- Dr. Joseph Ishmael Khan
- Ms. Sandra Fraser

The Sustainable Development and Strategic Branding Committee held Four (4) Meetings in 2022.

4. DIVIDENDS

The Directors declared a dividend of TT$359.90 million for the financial year.

5. AUDITORS

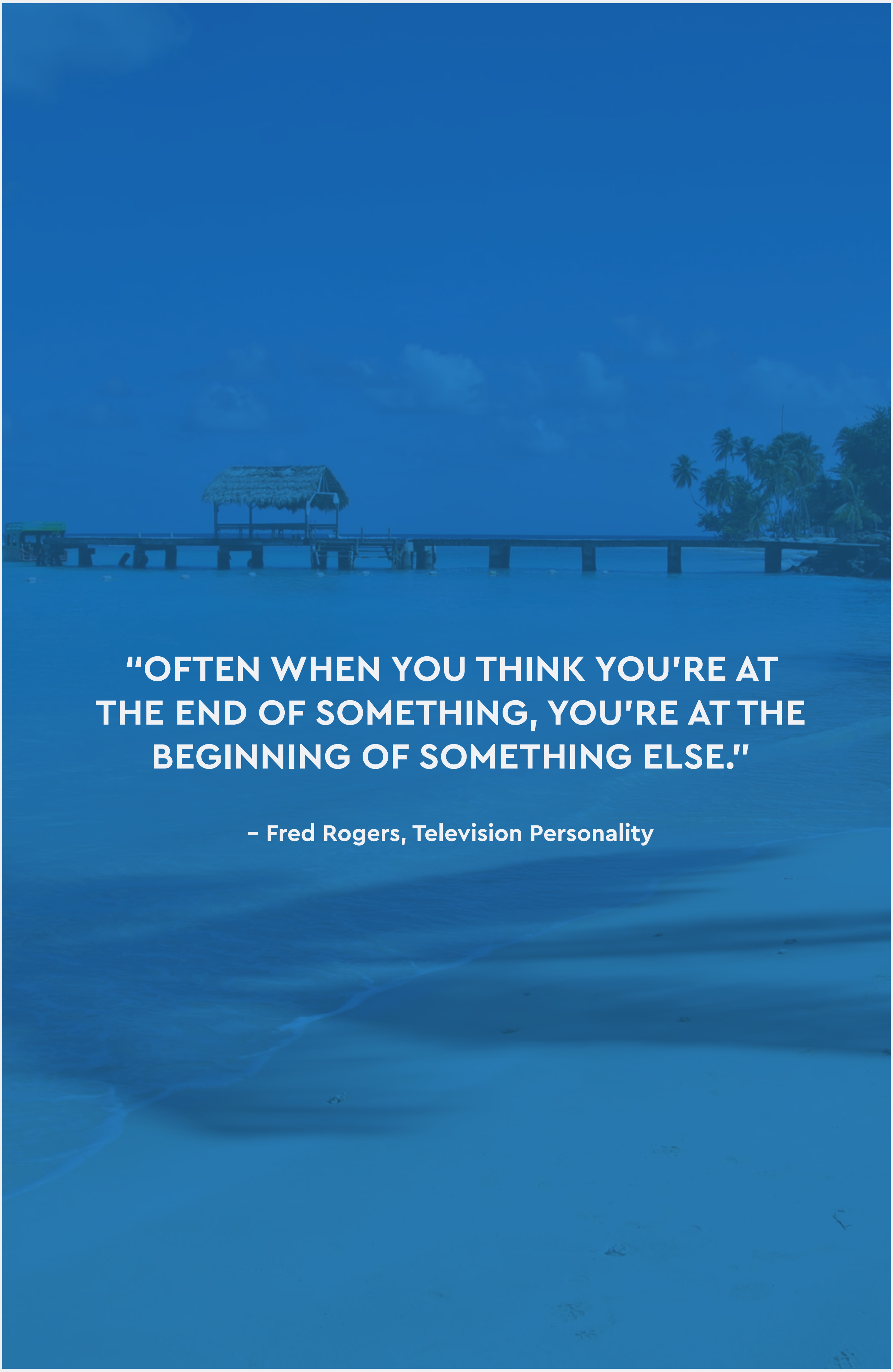
The Auditors, PricewaterhouseCoopers retire and being eligible offer themselves for re-appointment.

Dated this 02nd day of February, 2024.

By ORDER OF THE BOARD

DocuSigned by:

Venishea Paynter
Company Secretary



"OFTEN WHEN YOU THINK YOU'RE AT THE END OF SOMETHING, YOU'RE AT THE BEGINNING OF SOMETHING ELSE."

– Fred Rogers, Television Personality

2022

FINANCIAL STATEMENTS

The National Gas Company of Trinidad and Tobago Limited

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of The National Gas Company of Trinidad and Tobago Limited, ('the Company') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated 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 comply with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these consolidated 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 consolidated financial statements have been authorised for issue, if later.

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

Mark Loquan
President

15 December 2023

Narinejit Pariag
Vice President,
Finance, Technology and Risk
15 December 2023

Independent auditor's report

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

Our opinion

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

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated 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 consolidated 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 Group 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.

Other information

Management is responsible for the other information. The other information comprises the Chairman's report (but does not include the consolidated financial statements and our auditor's report thereon).

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

PricewaterhouseCoopers, PO Box 550, 11-13 Victoria Avenue, Port of Spain, 100902, Trinidad, West Indies
T: (868) 299 0700, F: (868) 623 6025, www.pwc.com/tt

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
2 January 2024

The National Gas Company of Trinidad and Tobago Limited

Consolidated Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

	Notes	2022 $'000	Restated 2021 $'000	Restated 1-Jan-2021 $'000
Assets				
Non-current assets				
Property, plant and equipment	5	13,481,735	14,478,121	14,352,277
Investment properties	6	440,687	471,245	498,456
Other intangible assets	7	24,571	40,102	72,633
Right-of-use assets	8	71,434	94,286	138,087
Goodwill	9	1,622,708	1,665,989	1,672,831
Investment in associates	10	355,765	353,069	324,052
Loans receivable	11	3,580,325	3,648,702	3,685,904
Other financial assets	12	2,927,042	3,900,489	3,638,134
Net investment in leased assets	8	131,351	174,466	182,960
Deferred tax asset	13	2,189,477	2,029,569	2,344,932
Cash in escrow	15 (b)	32,470	--	--
Pension asset	27	36,994	88,364	--
Contract assets	14	1,048	1,484	1,960
Total non-current assets		24,895,607	26,945,886	26,912,226
Current assets				
Cash and cash equivalents	15 (a)	6,081,404	5,218,147	3,407,459
Short-term investments	16	698,865	648,634	2,016,037
Loans receivable	11	59,427	54,965	136,264
Net investment in leased assets	8	51,356	25,755	17,799
Trade receivable	17	7,334,302	6,430,820	3,054,060
Sundry debtors and prepayments	18	962,700	709,109	896,619
Inventories	19	544,352	542,921	319,763
Contract assets	14	8,399	6,117	9,475
Taxation recoverable		509,060	536,684	594,682
Total current assets		16,249,865	14,173,152	10,452,158
Total assets		41,145,472	41,119,038	37,364,384

The National Gas Company of Trinidad and Tobago Limited

Consolidated Statement of Financial Position (continued)

(Expressed in Trinidad and Tobago Dollars)

	Notes	2022 $'000	Restated 2021 $'000	Restated 1-Jan-2021 $'000
Shareholder's equity and liabilities				
Shareholder's equity				
Share capital	20	1,855,266	1,855,266	1,855,266
Reserve fund	21	438,192	438,192	438,192
Other reserves	22	3,340,189	4,130,329	4,241,314
Retained earnings		16,575,427	14,611,277	12,074,505
Total equity attributable to owners of the parent		22,209,074	21,035,064	18,609,277
Non-controlling interest	40	2,208,578	2,248,146	2,102,746
Total shareholder's equity		24,417,652	23,283,210	20,712,023
Non-current liabilities				
Deferred tax liability	13	3,211,184	3,158,098	2,854,610
Borrowings	23	2,256,977	2,264,007	2,263,572
Contract liability	24	72,967	82,502	91,786
Lease liability	8	61,269	72,145	112,137
Provisions	25	5,976,365	6,447,555	7,368,748
Post retirement, medical and group life obligation	26	168,651	154,725	197,658
Pension obligation		--	--	32,720
Total non-current liabilities		11,747,413	12,179,032	12,921,231
Current liabilities				
Trade payables	28	3,423,302	4,532,229	1,978,713
Sundry payables and accruals	29	737,816	468,004	914,640
Borrowings	23	63,501	63,699	109,156
Contract liability	24	61,170	79,106	65,391
Lease liability	8	14,984	17,736	30,283
Provisions	25	477,794	212,977	617,771
Taxation payable		201,840	283,045	15,176
Total current liabilities		4,980,407	5,656,796	3,731,130
Total liabilities		16,727,820	17,835,828	16,652,361
Total equity and liabilities		41,145,472	41,119,038	37,364,384

The notes on pages 10 to 117 are an integral part of these consolidated financial statements.

The consolidated financial statements of The National Gas Company of Trinidad and Tobago Limited were authorised for issue by the Board of Directors on 15 December 2023.

______________________: Chairman ______________________: Director

The National Gas Company of Trinidad and Tobago Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Notes	2022 $'000	Restated 2021 $'000
Sales	30	33,398,855	23,608,547
Cost of sales	31	(27,040,612)	(18,932,767)
Gross profit		6,358,243	4,675,780
Other income	32	422,584	180,271
Interest and investment income	33	30,152	262,289
Gain on disposal of interest in asset		--	10,997
Administrative and general expenses	34	(1,047,539)	(722,286)
Change in provision for economic losses	35	56,948	1,534,059
Impairment	36	(337,985)	(800,895)
Finance costs	37	(417,710)	(401,529)
Share profit from associates	10 (d)	15,213	48,915
Profit before taxation		5,079,906	4,787,601
Taxation	38	(2,698,174)	(2,280,784)
Profit for the year after taxation		2,381,732	2,506,817
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of net defined (liability)/asset net of income tax		(41,716)	113,798
Net unrealised (loss)/gain on equity instruments designated at fair value through other comprehensive income		(572,003)	279,904
Foreign currency translation		(103,379)	56,967
		(717,098)	450,669
Items that may be reclassified subsequently to profit or loss:			
Net unrealised loss on debt instrument measured at fair value through other comprehensive income		(9,480)	(3,319)
Other comprehensive (loss)/profit for the year, net of tax		(726,578)	447,350
Total comprehensive income for the year		1,655,154	2,954,167
Profit for the year after tax attributable to:			
- Owners of the parent		2,257,953	2,308,474
- Non-controlling interests		123,779	198,343
		2,381,732	2,506,817
Total comprehensive income for the year, net of tax attributable to:			
- Owners of the parent		1,533,913	2,755,339
- Non-controlling interests		121,241	198,828
		1,655,154	2,954,167

The notes on pages 10 to 117 are an integral part of these consolidated financial statements.

The National Gas Company of Trinidad and Tobago Limited

Consolidated Statement of Changes in Equity

(Expressed in Trinidad and Tobago Dollars)

	Share capital $'000	Reserve fund $'000	Other reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interest $'000	Total equity $'000
Balance as at 1 January 2022	1,855,266	438,192	4,130,329	14,611,277	21,035,064	2,248,146	23,283,210
Profit for the year after taxation	--	--	--	2,257,953	2,257,953	123,779	2,381,732
Revaluation reserve	--	--	(457,413)	--	(457,413)	75	(457,338)
Other comprehensive income for the year, net of tax	--	--	(224,911)	(41,716)	(266,627)	(2,613)	(269,240)
Total comprehensive income for the year	--	--	(682,324)	2,216,237	1,533,913	121,241	1,655,154
Transfer of gain on disposal of equity investments	--	--	(6,683)	6,683	--	--	--
Transfer of depreciation for offshore plant and equipment and pipelines (Note 22)	--	--	(101,133)	101,133	--	--	--
Dividends (Note 48)	--	--	--	(359,903)	(359,903)	(160,809)	(520,712)
Balance as at 31 December 2022	1,855,266	438,192	3,340,189	16,575,427	22,209,074	2,208,578	24,417,652
Balance as at 1 January 2021 (as previously reported)	1,855,266	438,192	4,242,781	13,032,618	19,568,857	2,504,716	22,073,573
Effect of restatement (Note 49)	--	--	(1,467)	(958,113)	(959,580)	(401,970)	(1,361,550)
As at 1 January 2021 - restated	1,855,266	438,192	4,241,314	12,074,505	18,609,277	2,102,746	20,712,023
Profit for the year after taxation - restated	--	--	--	2,308,474	2,308,474	198,343	2,506,817
Revaluation reserve	--	--	(181,881)	308,086	126,205	(5)	126,200
Other comprehensive profit for the year, net of tax	--	--	206,862	113,798	320,660	490	321,150
Total comprehensive profit for the year - restated	--	--	24,981	2,730,358	2,755,339	198,828	2,954,167
Transfer of gain on disposal of equity investments	--	--	(70,025)	70,025	--	--	--
Transfer of depreciation for offshore plant and equipment and pipelines (Note 22)	--	--	(65,941)	65,941	--	--	--
Dividends (Note 48)	--	--	--	(329,552)	(329,552)	(53,428)	(382,980)
Balance as at 31 December 2021 - restated	1,855,266	438,192	4,130,329	14,611,277	21,035,064	2,248,146	23,283,210

The notes on pages 10 to 117 are an integral part of these consolidated financial statements.

The National Gas Company of Trinidad and Tobago Limited

Consolidated Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Notes	2022 $'000	Restated 2021 $'000
Cash flows from operating activities	39	4,847,322	2,797,474
Pension & other post-retirement contributions paid		(27,957)	(28,065)
Taxation paid		(2,887,847)	(1,381,472)
Taxation refunds received		29	4,760
Interest paid		(161,837)	(162,435)
Interest received		253,277	234,282
Net cash generated from operating activities		2,022,987	1,464,544
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	5/7	(699,067)	(992,943)
Purchase of investment property		(1,469)	(544)
Addition of right-of-use assets	8	(19)	--
Proceeds on disposals of property, plant and equipment		--	115,874
Purchase of investments		(614,931)	(603,446)
Sales and maturity of investments		492,297	2,021,991
Repayment of loan receivables		54,507	136,593
Dividends received		139,265	57,500
Net cash (used)/generated from investing activities		(629,417)	735,025
Cash flows from financing activities			
Dividend paid	40/48	(520,761)	(382,964)
Repayment of borrowings		--	(45,442)
Lease payments		(20,012)	(38,776)
Net cash used in financing activities		(540,773)	(467,182)
Net increase in cash and cash equivalents		852,797	1,732,387
Net foreign exchange differences		10,460	78,301
Cash and cash equivalents at beginning of year		5,218,147	3,407,459
Cash and cash equivalents at end of year	15 (a)	6,081,404	5,218,147

The notes on pages 10 to 117 are an integral part of these consolidated financial statements.

The National Gas Company of Trinidad and Tobago Limited

Notes to the Consolidated Financial Statements
31 December 2022
(Expressed in Trinidad and Tobago Dollars)

1 **Corporate information**

The National Gas Company of Trinidad and Tobago Limited (the 'Company or 'NGC') and subsidiaries (together the 'Group') is involved in all stages of the gas value chain. The Group holds investments in the upstream, midstream and downstream sector and also owns port and industrial estates to support the petrochemical sector and industrial development. The National Gas Company of Trinidad and Tobago Limited is wholly owned by the Government of the Republic of Trinidad and Tobago (the 'GORTT'). The Company's registered office is located at Orinoco Drive, Point Lisas Industrial Estate, Point Lisas, Trinidad.

2 **Significant accounting policies**

2.1 *Statement of compliance*

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board (IASB).

2.2 *Basis of preparation*

These consolidated financial statements have been prepared under the historical cost basis, except for pipelines & related facilities which have been revalued and financial assets which are measured at fair value.

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 Group 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.

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 National Gas Company of Trinidad and Tobago Limited

Notes to the Consolidated Financial Statements (continued)
31 December 2022
(Expressed in Trinidad and Tobago Dollars)

2 **Significant accounting policies (continued)**

2.3 *Basis of consolidation (continued)*

1) *Subsidiaries*

A subsidiary Company is an entity controlled by the Group. Control is achieved when the Group:

(i) has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) has exposure, or rights, to variable returns from its involvement with the investee; and
(iii) has the ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control as stated above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance. The financial statements of subsidiaries are prepared for the same reporting period as the Parent, using consistent accounting policies.

Non-controlling interests (NCI) are measured at their proportionate share of the acquiree's fair value identifiable net assets at the date of acquisition.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it;

- Derecognises the carrying amount of the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Recognises the fair value of any investment retained;
- Reclassifies to profit or loss or to retained earnings, as appropriate, the amounts recognised in OCI as would be required if the Group had directly disposed of the related assets or liabilities; and
- Recognises any resulting difference as a gain or loss in the profit or loss attributable to the Parent.

Non-controlling interests represents the interests not held by the Group in Phoenix Park Gas Processors Limited ('PPGPL'), NGC NGL Company Limited ('NGC NGL'), Trinidad and Tobago NGL Limited ('TTNGL'), NGC Trinidad and Tobago LNG Company ('NGC LNG') and La Brea Industrial Development Company Limited ('LABIDCO').

The National Gas Company of Trinidad and Tobago Limited

Notes to the Consolidated Financial Statements (continued)
31 December 2022
(Expressed in Trinidad and Tobago Dollars)

2 **Significant accounting policies (continued)**

2.3 *Basis of consolidation (continued)*

2) *Transactions eliminated on consolidation*

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.4 *Business combinations and goodwill*

Business combination are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in fair value of the contingent consideration are recognised in profit and loss.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net identifiable assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination shall, from the acquisition date, be allocated to each of the acquirer's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

The Group assesses at each reporting date annually whether there is an indication that goodwill may be impaired. If any such indication exists, or when impairment testing for an asset is required, the Group makes an estimate of the assets recoverable amount.

The National Gas Company of Trinidad and Tobago Limited

Notes to the Consolidated Financial Statements (continued)
31 December 2022
(Expressed in Trinidad and Tobago Dollars)

2 **Significant accounting policies (continued)**

2.4 *Business combinations and goodwill (continued)*

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.5 *Investment in associates*

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'.

Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group'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 Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired.

If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the statement of profit or loss. 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.

The National Gas Company of Trinidad and Tobago Limited

Notes to the Consolidated Financial Statements (continued)
31 December 2022
(Expressed in Trinidad and Tobago Dollars)

2 **Significant accounting policies (continued)**

2.5 *Investment in associates (continued)*

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value.

Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture. There is no remeasurement to fair value upon such changes in ownership interests.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate to which the equity method is not applied and which form part of the net investment in the investee.

2.6 *Interest in joint arrangements*

(i) *Investment in joint ventures*

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 the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'.

Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group'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 group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group'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 Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired.

The National Gas Company of Trinidad and Tobago Limited

Notes to the Consolidated Financial Statements (continued)
31 December 2022
(Expressed in Trinidad and Tobago Dollars)

2 **Significant accounting policies (continued)**

2.6 *Interest in joint arrangements (continued)*

(i) *Investment in joint ventures (continued)*

If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within 'Share of profit of a joint venture' in the statement of profit or loss. 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.

Upon loss of significant influence over the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value.

Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

The Group continues to use the equity method when an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in a joint venture to which the equity method is not applied and which form part of the net investment in the investee.

(ii) *Joint operations*

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When an entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRS applicable to the particular assets, liabilities, revenues and expenses.

2.7 *Non-current assets held for sale*

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and are measured at the lower of carrying amount and fair value less costs to sell. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

The National Gas Company of Trinidad and Tobago Limited

Notes to the Consolidated Financial Statements (continued)
31 December 2022
(Expressed in Trinidad and Tobago Dollars)

2 **Significant accounting policies (continued)**

2.7 *Non-current assets held for sale (continued)*

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale.

Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method.

The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

2.8 *Foreign currencies*

The functional currency of the Group is the United States dollar (‘US$’) because the US$ is the currency of the primary economic environment in which the Group operates. The Group statutory consolidated financial statements are presented in Trinidad & Tobago dollars (‘TT$’), therefore the presentation currency is the TT$.

Transactions in foreign currencies are initially recorded at the functional currency using exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Resulting exchange differences are recognised in other comprehensive income for the year.

For the presentation of the financial statements in TT$ from the functional currency, Monetary items are translated to TT$ at the functional currency rate of exchange ruling at the reporting date. Share capital, capital contributions and accumulated deficit are translated using the exchange rate as at the dates of the initial transactions. Statement of profit or loss and other comprehensive income amounts are translated using average exchange rates for the year. Gains and losses resulting from this process are recorded in a translation reserve as a separate component of equity.

The closing rate at the reporting date was 6.7415 (2021: 6.7625) and the average rate for the year was 6.7537 (2021: 6.7572).

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Notes to the Consolidated Financial Statements (continued)
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2 **Significant accounting policies (continued)**

2.9 *Property, plant and equipment*

Pipelines & related facilities

Pipelines & related facilities are initially recognised at cost and then subsequently measured at their revalued amounts, less any subsequent accumulated depreciation and impairment losses. Generally, valuations are performed every three to five years unless there is an indication that the fair value of a revalued asset differs materially from its carrying amount.

Increases arising on the revaluation of such pipelines and related facilities is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such pipelines and related facilities is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued pipelines & related facilities is recognised in profit or loss. An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings.

Freehold land, leasehold land, machinery and equipment and all other assets

All other gas assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised to write off the cost or valuation of assets less their residual values over their useful lives. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Development costs are recognised as an asset to the extent that it is expected to generate future economic benefits. Freehold land is not depreciated.

All property, plant and equipment are depreciated using the straight-line method at the following rates:

Gas plant and other related assets	- 5%	
Machinery and equipment	- 5%	- 20%
Marine infrastructural assets	- 3%	- 20%
Pipelines and related facilities	- 1.67%	- 20%
Other assets	- 10%	- 50%

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Notes to the Consolidated Financial Statements (continued)
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2 **Significant accounting policies (continued)**

2.9 *Property, plant and equipment (continued)*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as a difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Asset under construction

Assets in the course of construction for production, supply or administrative purposes are carried at cost, less recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's policy. Such assets are classified to the appropriate categories of property, plant and equipment when completed. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use. Development costs are recognised as an asset to the extent that it is expected to generate future economic benefits.

Oil and gas exploration, development and production assets

Property, plant and equipment includes capitalized costs related to exploration and evaluation expenditures, assets under construction and development. The Group capitalizes the initial acquisition costs of oil and gas properties. Impairment of initial acquisition costs is recognized based on exploratory experience and management judgement and charged to profit and loss as exploration expenses. Upon discovery of commercial reserves, acquisition costs are transferred to proved properties. The costs of drilling and equipping successful exploratory wells, all development expenditures on construction, installation or completion of infrastructure facilities such as platforms, pipelines, processing plants and the drilling of development wells and the building of enhanced recovery facilities, including those renewals and betterments that extend the economic lives of the assets are capitalized. The costs of unsuccessful exploratory wells and all other exploration costs are expensed as incurred.

The Group carries exploratory well costs as an asset when the well has found a sufficient quantity of reserves to justify its completion as a producing well and where the Group is making sufficient progress assessing the reserves and the economic and operating viability of the project. Exploratory well costs not meeting these criteria are charged to expenses. Exploratory wells that discover potentially economic reserves in areas where major capital expenditure will be required before production would begin and when the major capital expenditure depends upon the successful completion of further exploratory work remain capitalized and are reviewed periodically for impairment.

Producing oil and gas properties are depreciated on a unit of production basis. Drilling related assets are depreciated based over the proved developed reserves. Common facilities that are built specifically to service production directly attributed to designated oil and gas properties are depreciated over the total proved developed reserves of the respective oil and gas properties. Costs associated with significant development projects are not depreciated until commercial production commences and the reserves related to those costs are excluded from the calculation of depreciation.

The National Gas Company of Trinidad and Tobago Limited

Notes to the Consolidated Financial Statements (continued)
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2 **Significant accounting policies (continued)**

2.9 *Property, plant and equipment (continued)*

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated.

2.10 *Intangible assets*

a) *Intangible assets acquired separately*

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Finite life Intangible assets are amortised using the straight-line method using a rate of 50%.

b) *Intangible assets acquired in a business combination*

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

c) *Derecognition of intangible assets*

An intangible asset is derecognised when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.11 *Impairment of tangible and intangible assets other than goodwill*

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

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Notes to the Consolidated Financial Statements (continued)
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2 **Significant accounting policies (continued)**

2.11 *Impairment of tangible and intangible assets other than goodwill (continued)*

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.12 *Investment properties*

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs and subsequently stated at cost less accumulated depreciation less impairment. Depreciation is provided on a straight line basis over the estimated economic useful lives of the assets at the following rates:

Fabrication yard	3.33%
Development cost	3.33% - 33.33%
Buildings	3.33%

No depreciation is provided on freehold land.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2.13 *Taxation*

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) *Current tax*

Current income tax asset and liabilities for the current and prior periods are measured at the amount expected to be recoverable from or paid to the taxation authority. The tax rates and tax laws used in computing the amount are those that are enacted or substantively enacted at the reporting date.

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Notes to the Consolidated Financial Statements (continued)
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2 **Significant accounting policies (continued)**

2.13 *Taxation (continued)*

b) *Deferred tax*

Deferred income tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled based on the enacted tax rate at the reporting date.

The carrying amount of deferred income tax is 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 income tax asset to be utilised.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.14 *Leases*

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

a) *The Group as a lessee*

The Group considers whether a contract is, or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

To determine whether a lease exist the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

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Notes to the Consolidated Financial Statements (continued)
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2 **Significant accounting policies (continued)**

2.14 *Leases (continued)*

a) *The Group as a lessee (continued)*

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in substance fixed payments.

The lease liability is remeasured and the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

The National Gas Company of Trinidad and Tobago Limited

Notes to the Consolidated Financial Statements (continued)
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2 **Significant accounting policies (continued)**

2.14 *Leases (continued)*

b) *The Group as a lessor*

As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are defined as an operating lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to carrying amount of the leased asset. Payments made under an operating lease are charged to the statement of profit or loss on a straight-line basis over the period of the lease term.

2.15 *Financial instruments*

Financial assets and financial liabilities are recognised in the Company statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

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.

a) *Financial assets*

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

1) Financial assets at amortised cost
2) Financial assets at fair value through profit or loss (FVTPL)
3) Financial assets at 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

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented under impairment.

The Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. At initial recognition of a financial assets, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model.

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2. **Significant accounting policies (continued)**

2.15 *Financial instruments (continued)*

a) *Financial assets (continued)*

The Group reassess its business model each reporting period to determine whether the business models has changed since the preceding period.

1) *Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category includes non-derivative financial assets like loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

2) *Financial assets at fair value through profit or loss (FVTPL)*

Financial assets at FVPTL are:

- financial assets whose contractual cash flows are not SPPI;
- financial assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; and
- financial assets designated at FVPTL using the fair value option

This category includes derivative instruments.

These assets are measured at fair value with gains or losses, including any interest or dividend income recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

3) *Financial assets at fair value through other comprehensive income (FVTOCI)*

The Group accounts for financial assets at FVTOCI if the assets meet the following conditions:

- they are held under a business model whose objective is both to hold and collect the associated cash flows and to sell the financial assets; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI)

Any gains or losses recognised in OCI will be recycled upon derecognition of the asset.

The National Gas Company of Trinidad and Tobago Limited

Notes to the Consolidated Financial Statements (continued)
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2 **Significant accounting policies (continued)**

2.15 *Financial instruments (continued)*

a) *Financial assets (continued)*

3) *Financial assets at fair value through other comprehensive income (FVTOCI)*

Equity financial assets designated as FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9 unless the dividends clearly represent a recovery of part of the cost of the investment.

Debt instruments designated at FVTOCI are initially measured at fair value plus transaction cost. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the revaluation reserve. Any gains/ (loss) on disposal are recognised in the statement of comprehensive income.

Reclassification

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets.

b) *Financial liabilities*

Financial liabilities and equity instruments

Debt and equity instruments issued by a Group 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 Group entity are recognised as the proceeds received, net of direct issue costs.

Repurchase of the Group'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 Group's own equity instruments.

Other financial liabilities

Other financial liabilities including long term debt, dividends payable, trade and sundry payables and accruals are subsequently measured at amortised cost using the effective interest method or at FVTPL. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

The National Gas Company of Trinidad and Tobago Limited

Notes to the Consolidated Financial Statements (continued)
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2 **Significant accounting policies (continued)**

2.15 *Financial instruments (continued)*

b) *Financial liabilities (continued)*

Other financial liabilities (continued)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of other financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

c) *Impairment of financial assets*

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

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

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

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (‘Stage 1’) for which a 12-month ECL is recognised and 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.

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade receivables as well as contract assets. Therefore, the Group does not track changes in credit risk, but records the loss allowance based on lifetime expected credit losses at each reporting date. The Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The National Gas Company of Trinidad and Tobago Limited

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2 **Significant accounting policies (continued)**

2.15 *Financial instruments (continued)*

c) *Impairment of financial assets*

Financial assets at fair value through other comprehensive income (FVTOCI)

For debt instruments at FVTOCI, the Group applies the low credit risk simplification and recognises a 12 month expected credit losses, as most of these instruments have an investment grade credit rating, the likelihood of default is deemed to be small. However, at each reporting date the Group assesses whether it still qualifies for the low credit risk classification. For any that no longer qualify the Group assesses whether there has been a significant increase in the credit risk of the instrument.

In assessing these risks, the Group relies on readily available information such as the credit ratings issued by the major credit rating agencies for the respective asset. The Group only holds simple financial instruments for which specific credit ratings are usually available. In the unlikely event that there is no or only little information on factors influencing the ratings of the asset available, the Group would aggregate similar instruments into a portfolio to assess on this basis whether there has been a significant increase in credit risk.

In addition, the Group considers other indicators such as adverse changes in business, economic or financial conditions that could affect the borrower's ability to meet its debt obligation or unexpected changes in the borrower's operating results.

Should any of these indicators imply a significant increase in the instrument's credit risk, the Group recognises for this instrument or class of instruments the lifetime ECL.

d) *Derecognition of financial assets*

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity or when there has been a substantial decrease in valuation due to modification.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

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Notes to the Consolidated Financial Statements (continued)
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2 **Significant accounting policies (continued)**

2.16 *Take-or-pay*

The Group has take-or-pay contracts with various upstream producers. An asset is recognised in the year in which the Company has to pay for volumes contractually committed to but not yet taken. The expense is recognised on the earlier of when the gas volumes are actually taken or on expiration of the deficiency recovery period. If management determines that they will not be able to take the volumes before the expiration of the deficiency recovery period, the amount is immediately recognised as an expense within cost of sales.

The Group also has take-or-pay contracts with its major customers. A contract liability is recorded in the year in which the customers have to pay for volumes contractually committed to but not yet taken. The revenue is recognised at the earlier of the expiration of the customer's deficiency period and when the volumes are taken.

2.17 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less estimated costs of completion and selling expenses. A provision is made for all slow moving and obsolete items.

a) *Liquefied natural gas ('LNG')*

The valuation of LNG inventory includes cost of gas, processing fee and transportation cost.

b) *Natural gas liquids ('NGLs')*

Cost of natural gas liquids is determined using the first-in-first-out principle and includes a proportion of plant overheads.

c) *Spares*

Plant spares is determined using the weighted average cost of items held in inventory.

d) *Crude oil*

Inventories are measured using the weighted average cost basis (the Company's monthly entitlement expenses divided by the barrels of oil allocated to the Company).

2.18 *Cash and cash equivalents*

Cash on hand and in banks that are held to maturity are carried at amortised cost and are subject to insignificant risk and change in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash.

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2 **Significant accounting policies (continued)**

2.19 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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 risk 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).

Present values are determined using both pre and post-tax rates that reflects where appropriate the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage in time is recognised as a finance expense.

2.20 *Pension and other post-employment benefits*

a) *Pension benefits*

The Parent operates a multi-employer pension plan which includes the employees of The National Gas Company of Trinidad and Tobago Limited (NGC), National Energy Corporation of Trinidad and Tobago Limited (National Energy), La Brea Industrial Development Company Limited (LABIDCO) and NGC CNG Company Limited (NGC CNG).

The pension plan was changed from a Final Salary Defined Benefit (FSDB) plan at 31 December 2018 to a Career Average Defined Benefit (CADB) plan from 1 January 2019. The employee's pension at retirement will be sum of the pension accrued under the FSDB plan and the pension accrued under the CADB arrangement from 1 January 2019 to retirement.

A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service and compensation. The asset and liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation less the fair value of plan assets at the statement of financial position date. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. As there is no deep local market and corresponding trading liquidity for corporate bonds, the market rates on government bonds are used as benchmarks to derive prices and bond values.

The pension assets consisted of financial investments held at fair value which are based on a range of inputs obtainable from readily available liquid market prices and rates; certain securities are based on modelled prices due to limited market data.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

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Notes to the Consolidated Financial Statements (continued)
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2 **Significant accounting policies (continued)**

2.20 *Pension and other post-employment benefits (continued)*

a) *Pension benefits (continued)*

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Other post-employment obligations

The Parent provides post-retirement group life and medical benefits to its retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which it arises. These obligations are valued annually by independent qualified actuaries.

b) *Defined contribution plan*

The employees of Phoenix Park Gas Processors Limited (PPGPL), are under a defined contribution plan which came in effect from 1 January 2003. A defined contribution plan is a post-employment plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay future amounts.

The plan covers all full-time employees of PPGPL and is funded by payments from employees and employer taking into account the recommendations of independent qualified actuaries. PPGPL's contributions to the defined contribution plan are charged to profit or loss in the period to which the contributions relate. At the end of 2022, there was no liability outstanding.

2.21 *Non-refundable capital contribution*

The Group recognises a non-refundable capital contribution ('NRCC') when payment is received from industrial users as part of a condition of their connection to the pipeline network which provides them with continuous access to a supply of gas for use in their respective industries.

The contribution is recorded as contract liabilities in the statement of financial position with income recognised and the liabilities reduced on a straight-line basis over the life of the customers' sales contract.

2.22 *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

The National Gas Company of Trinidad and Tobago Limited

Notes to the Consolidated Financial Statements (continued)
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2 **Significant accounting policies (continued)**

2.23 *Government grants*

Government grants are recognised only when there is reasonable assurance that the Group will comply with any terms and conditions attached to the grants and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

2.24 *Revenue and other income recognition*

Revenue from contracts with customers excluding take-or-pay contracts is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

The Group considers whether there are other conditions in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

The following specific recognition criteria must also be met before revenue is recognised:

Revenue from contracts with customers

- Revenues associated with the sale of gas, oil, natural gas liquids and condensate are recognised when title and the related rights pass to the customer being at the point of delivery.
- Revenue associated with services and marine infrastructure income is recognised upon performance of the services over time.
- Lease rental and service charge from operating leases on investment properties are recognised as revenue over time in the period in which they are earned. Premiums on leases are recognised as revenue at the point of execution of the lease in the initial year.
- Sale of methanol is recognised at the point, control of the product is transferred to the customer, which is normally when production and title or risk of loss transfers to the customer.

The National Gas Company of Trinidad and Tobago Limited

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2 **Significant accounting policies (continued)**

2.24 *Revenue and other income recognition (continued)*

Other operating income

- Dividend income from investments is recognised when the shareholder's right to receive payment has been established.
- Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably and is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable,
- Management fees earned on government funded projects are recognised over time as the management service is provided.
- Lease rental and service at the point of initial year of execution of the lease.

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

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

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

The following are new standards and interpretations which have not yet been adopted and are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions:

- *Interest Rate Benchmark Reform Interest Rate Benchmark Reform (IBOR)*

  Effective 1 January 2022, we adopted the Phase 2 amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures and IFRS 16 Leases (the Amendments) in response to the market transition away from interbank offered rates (IBORs) to alternative benchmark rates (ABRs) as part of the IBOR reform (the Reform).

  The Amendments provide two key reliefs which are applicable to changes undertaken as a direct consequence of the Reform and where the transition from IBOR to ABRs rates are transacted on an economically equivalent basis:

  For modifications of financial instruments carried at amortised cost resulting from the Reform which are transacted on an economically equivalent basis, the Amendments allow the benchmark interest rate change to be reflected prospectively in the effective interest rate of the instrument rather than as an immediate gain or loss. The interest rate benchmark has not impacted the measurement of loan receivable.

  The benchmark interest rates subject to the Reform have yet to transition to ABRs. ICE Benchmark Administration (IBA) cease the publication of Overnight/Spot Next and Twelve (12) Months LIBOR. The Financial Conduct Authority (FCA) under The Benchmark Regulation (BMR) requested ICE Benchmark Administration (IBA) to continue publishing one month, three months and six months USD LIBOR for a temporary period after 30 June 2023, upon which these settings will cease on 30 September 2024. The amendment had no impact on the consolidated financial statements of the Group.

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Notes to the Consolidated Financial Statements (continued)
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3 **Basis of preparation and changes to the Group's accounting policies (continued)**

3.1 *Amendments to IFRS and new interpretations that are mandatorily effective for the current year (continued)*

- *Amendments to IFRS 3 – Reference to the Conceptual Framework*

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

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

  The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.

  The amendment had no impact on the consolidated financial statements of the Group.

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

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

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

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

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

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Notes to the Consolidated Financial Statements (continued)
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3 **Basis of preparation and changes to the Group's accounting policies (continued)**

3.1 *Amendments to IFRS and new interpretations that are mandatorily effective for the current year (continued)*

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

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

  The amendment had no impact on the consolidated financial statements of the Group.

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

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

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

  The amendments are effective for annual periods beginning on or after 1 January 2022.

  The Group has recorded the impact on the financial statements in provisions.

- *Annual Improvements to IFRS Standards 2018–2020*

  The Annual Improvements include amendments to four Standards, only two of which are relevant.

IFRS 9 Financial Instruments

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

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

The amendment had no impact on the consolidated financial statements of the Group.

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Notes to the Consolidated Financial Statements (continued)
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3 **Basis of preparation and changes to the Group's accounting policies (continued)**

3.1 *Amendments to IFRS and new interpretations that are mandatorily effective for the current year (continued)*

- *Annual Improvements to IFRS Standards 2018–2020 (continued)*

  IFRS 16 Leases

  The amendment removes the illustration of payments from the lessor relating to leasehold improvements. The amendment had no impact on the consolidated financial statements of the Group.

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

The following are new standards and interpretations which have not yet been adopted and are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions:

The Group has not applied the following new and revised IFRS that have been issued but are not yet effective:

• IFRS 17	Insurance Contracts [1]
▪ IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [2]
• Amendments to IAS 1	Classification of Liabilities as Current or Non-current [1]
• Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies [1]
• Amendments to IAS 8	Definition of Accounting Estimates [1]
• Amendments to IAS 12	Deferred tax related to assets and liabilities Arising from a single transaction [1]

[1] Effective for annual periods beginning on or after 1 January 2023, with earlier application permitted.
[2] Effective date of the amendments has yet to be set by the IASB; however earlier application of the amendments is permitted.

- *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.

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Notes to the Consolidated Financial Statements (continued)
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3 **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

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

- *IFRS 17 Insurance Contracts (continued)*

  IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

  IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

  The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

  The amendments defer the date of initial application of IFRS 17 to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date to annual reporting periods beginning on or after 1 January 2023. IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

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

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

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

- *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.

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Notes to the Consolidated Financial Statements (continued)
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3 **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

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

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

  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.

- *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".

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

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

- *Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors Definition of Accounting Estimates (continued)*

  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 development 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:

  - 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

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Notes to the Consolidated Financial Statements (continued)
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3 **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

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

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

    - The 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. The Group has early adopted this amendment.

4 **Critical accounting judgements and key sources of estimation uncertainty**

4.1 *Critical judgements in applying accounting policies*

In the application of the Group's accounting policies, which are described in note 2, the management of the Group 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.

4.2 *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 non-financial assets*
  (Refer to note 5 (b)- Property, plant and equipment and note 6 – Investment properties)

- *Carrying value of exploration and production assets*
  (Refer to note 5 – Property, plant and equipment: Carrying value of exploration and production assets)

- *Impairment of goodwill*
  (Refer to note 9 – Goodwill)

- Credit linked notes
  (Refer to note 12 (iii) (b) – Other financial assets)

- *Asset retirement obligation*
  (Refer to note 25 (a) – Provisions)

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

4.2 *Key sources of estimation uncertainty (continued)*

- *Provision for economic losses*
  (Refer to note 25 (b) – Provisions)

- *Land purchases*
  (Refer to note 25 (d) Provisions)

- *Post-retirement benefits*
  (Refer to note 26 – Post-retirement medical and group life obligation)

- *Pension*
  (Refer to note 27 - Pension asset)

- *Tax assessments*
  (Refer to note 42 (a) – Contingencies: Taxes)

- *Fair value measurement of financial instruments*
  (Refer to note 47 (g) - Fair Value)

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5 **Property, plant and equipment**

	Freehold land $'000	Leasehold property $'000	Development costs $'000	Machinery & equipment $'000	Pipeline & related facilities $'000	Exploration & production assets $'000	Gas plant & other related assets $'000	Offshore plant & equipment $'000	Marine infra-structural assets $'000	Other assets $'000	Assets under construction $'000	Total $'000
At 31 December 2022												
Opening net book value 1 January 2022 - restated	349,078	192,346	190	9,808	7,538,098	2,656,093	2,632,513	--	588,236	35,451	476,308	14,478,121
Additions	31,508	--	--	7,104	--	223,420	210,324	--	58,561	9,820	158,330	699,067
Transfers (Note 7)	--	--	1,749	9,544	50,729	--	13,665	--	1,232	5,643	(88,910)	(6,348)
Disposals	(1,180)	--	--	--	--	--	(3,344)	--	(1,338)	(11)	--	(5,873)
Decommissioning	--	--	--	--	(11,217)	(338,014)	(14,225)	98,809	--	--	--	(264,647)
Depreciation for year	--	(3,916)	(288)	(7,329)	(215,545)	(449,925)	(266,969)	--	(60,043)	(14,491)	--	(1,018,506)
Adjustment	(981)	--	--	--	--	(45,087)	--	--	--	(769)	(38,116)	(84,953)
Impairment (charge)/reversal (Note36)	--	--	--	--	--	(89,682)	--	(98,809)	(38,622)	--	(42,132)	(269,245)
Foreign exchange difference	(1,142)	(570)	--	(35)	(21,441)	(7,325)	(3,589)	--	--	(81)	(11,698)	(45,881)
Closing net book value	377,283	187,860	1,651	19,092	7,340,624	1,949,480	2,568,375	--	548,026	35,562	453,782	13,481,735
At 31 December 2022												
Cost	377,283	287,463	4,376	232,570	9,488,605	7,881,588	5,786,990	673,458	1,400,473	265,891	1,767,689	28,166,386
Accumulated depreciation/impairment	--	(99,603)	(2,725)	(213,478)	(2,147,981)	(5,932,108)	(3,218,615)	(673,458)	(852,447)	(230,329)	(1,313,907)	(14,684,651)
Net book value	377,283	187,860	1,651	19,092	7,340,624	1,949,480	2,568,375	--	548,026	35,562	453,782	13,481,735

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Notes to the Consolidated Financial Statements (continued)
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5 **Property, plant and equipment (continued)**

	Freehold land $'000	Leasehold property $'000	Development costs $'000	Machinery & equipment $'000	Pipeline & related facilities $'000	Exploration & production assets $'000	Gas plant & other related assets $'000	Offshore plant & equipment $'000	Marine infra-structural assets $'000	Other assets $'000	Assets under construction $'000	Total $'000
At 31 December 2021												
Opening net book value (as previously stated)	348,861	196,357	247	7,383	7,740,121	1,990,382	2,939,075	--	621,589	28,692	385,278	14,257,985
Effect of restatement for decommissioning (Note 49)	--	--	--	--	13,393	--	80,899	--	--	--	--	94,292
Closing net book value 1 January 2021 - restated	348,861	196,357	247	7,383	7,753,514	1,990,382	3,019,974	--	621,589	28,692	385,278	14,352,277
Opening net book value 1 January 2021 - restated	348,861	196,357	247	7,383	7,753,514	1,990,382	3,019,974	--	621,589	28,692	385,278	14,352,277
Additions	151	--	--	5,304	--	849,690	--	--	15,381	8,628	138,775	1,017,929
Transfers	--	--	--	3,684	--	--	1,508	--	3,011	10,138	(23,823)	(5,482)
Disposals	--	(120)	--	(12)	--	(154,197)	--	--	(1,502)	(3)	--	(155,834)
Decommissioning	--	--	--	--	(1,485)	721,138	(32,228)	(116)	--	--	--	687,309
Depreciation for year	--	(3,925)	(57)	(6,552)	(215,246)	(98,414)	(356,897)	--	(50,244)	(12,008)	--	(743,343)
Adjustment	--	--	--	--	--	302	--	--	--	--	(20,689)	(20,387)
Impairment reversal/(charge) (Note 36)	--	--	--	--	--	(656,722)	--	116	--	--	3,906	(652,700)
Foreign exchange difference	66	34	--	1	1,315	3,914	157	--	1	4	(7,140)	(1,648)
Closing net book value restated	349,078	192,346	190	9,808	7,538,098	2,656,093	2,632,514	--	588,236	35,451	476,307	14,478,121
At 31 December 2021												
Cost	349,078	288,033	2,627	215,957	9,470,534	8,048,594	5,584,160	574,649	1,342,018	251,288	1,748,083	27,875,021
Accumulated depreciation/impairment	--	(95,687)	(2,437)	(206,149)	(1,932,436)	(5,392,501)	(2,951,646)	(574,649)	(753,782)	(215,837)	(1,271,776)	(13,396,900)
Net book value - restated	349,078	192,346	190	9,808	7,538,098	2,656,093	2,632,514	--	588,236	35,451	476,307	14,478,121

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5 **Property, plant and equipment (continued)**

a) *Revaluation of pipelines and related facilities*

The Group's pipelines and related facilities are revalued every three to five years by an independent accredited valuator and are stated at their fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses. As at 31 December 2020 an independent assessment of the fair value of the pipelines and related facilities was performed.

The valuation was conducted using the depreciated replacement cost basis assuming the facilities will continue to be used for the purpose for which they were designed and intended. For valuation purposes the pipelines have been assessed to have a maximum useful life not exceeding 60 years. The estimated useful life is based on various factors, including current and estimated future gas reserves.

Details of the Group's pipeline and related facilities which are measured at fair value and information about the fair value hierarchy are as follows:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 31 December 2022	--	--	7,340,624	7,340,624
At 31 December 2021 restated	--	--	7,538,098	7,538,098

There were no transfers between Levels 1 and 2 during the year.

The net carrying amount of the pipelines if they were carried at cost rather than at the revalued amount would have been $6,419.85 million as at 31 December 2022 (2021: $6,240.28 million).

b) *Impairment of property, plant and equipment*

The Group recognised a net impairment charge amount of TT$269.2 million in 2022.

The following assets were impaired for 2022.

- Teak, Samaan and Poui assets under exploration and production assets – (TT$0.3 million) impairment reversal
- Offshore plant and equipment – TT$98.8 million impairment charge
- Pipeline and related facilities under assets under construction – TT$42.1 million impairment charge
- Block 2c under exploration and production assets - TT$209.9 million impairment charge
- Block 3A under exploration and production assets – (TT$119.9 million) impairment reversal
- Marine infrastructure assets – TT$38.6 million impairment charge

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5 **Property, plant and equipment (continued)**

b) *Impairment of property, plant and equipment (continued)*

(i) *Teak, Samaan and Poui (TSP)*

Management conducted an impairment assessment of the Company's 15% investment in Teak, Samaan & Poui as at the date of the statement of financial position. For 2022, the impairment assessment conducted resulted in an impairment reversal of (TT$0.3 million)/(US$0.04 million) (2021: (TT$66.2 million/US$9.8 million).

The key assumptions used in the value in use calculations are as follows:

- Discount rate of 10.50% (2021: 10.52%)
- Projected oil and gas prices for the years 2023 – 2031
- Projected crude oil and gas production for the years 2023-2031

- Discount rate of 10.50%

A 1% decrease/ increase in the discount rate, holding all other variables constant will result in the following movements shown in the table below:

2022	Rate changes		Movement in (impairment)/surplus	
	From	To	From	To
	%	%	$'000	$'000
Discount rate - 100 bps decrease	10.50	9.50	268	9,946
Discount rate - 100 bps increase	10.50	11.50	268	(9,379)

- Gas and crude volume

A 10% decrease/ increase in the production volume, holding all other variables constant will result in the following movements shown in the table below:

2022	Volume changes		Movement in (impairment)/surplus	
	From	To	From	To
	MMBtu/BBLs	MMBtu/BBLs	$'000	$'000
Gas and crude volume – increase 10%	4,580,453	5,038,498	268	67,656
Gas and crude volume – decrease 10%	4,580,453	4,122,408	268	(67,656)

(ii) *NGC Offshore Platform*

The Group has fully impaired its two offshore platforms as at the date of the statement of financial position. For 2022, an impairment charge of TT$98.8 million/US $14.6 million has been recorded as a result of increased decommissioning cost.

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5 **Property, plant and equipment (continued)**

b) *Impairment of property, plant and equipment (continued)*

(iii) *Pipeline and related facilities*

The Parent's Management completed a full operational and commercial review it's slug catcher & odorization facilities projects and concluded that these projects would not be economical in the future. Any subsequent cost related to these projects will be fully impaired. An impairment of TT$42.1 million/US$6.2 million was recorded in 2022.

(iv) *Block 3A*

Management conducted an impairment assessment of Block 3A on annual basis. The assessment uses a value in use calculation which uses discounted cash flow techniques and cash flow projections. This was based on financial budgeted information provided by Operator Annual Work Programme and approved commercial budget covering the respective terms of the license agreement that was subsequently reviewed and approved by NCIL's management.

An impairment assessment of the Group's investments led to the recognition of an impairment reversal of Block 3A asset of (TT$119.9 million)/(US$17.64 million) (2021: TT$722.9 million/US$106.9 million). The impairment was recognised and disclosed on the statement of profit and loss for the year.

The key assumptions used in the value in use calculations Block 3A are as follows:

- Discount rate of 10.70% (2021: 10.52%)
- Crude oil and gas forecasted prices and production projections for the year 2023 to 2027. Based on the cash flows computed, sensitivity analyses were conducted on the discount rate used
- Key assumptions used in arriving at the WACC Rate:
  - Inflation adjusted risk free rate.
  - Equity risk premium.
  - Country risk premium.
  - After tax cost of Debt Tax rate.

The other assumptions used in the value in use calculations Block 3A are as follows:

- The Company's entitlement of gas assets was estimated at 23.66% of total gas revenue and oil entitlement was estimated at 19 %, over the five-year period.
- Total expenses which included operating cost, other cost and capital expenditure.

Utilising cashflows computed, the following sensitivity analysis was conducted, holding all other factors constant would change the impairment as follows:

- Discount rate of 10.70%

A 1% decrease/increase in the discount rate, holding all other variables constant will result in the following movements shown in the table below:

2022	Rate changes		Movement in (impairment)/surplus	
	From %	To %	From $'000	To $'000
Discount rate - 100 bps decrease	10.70	9.70	119,974	128,202
Discount rate - 100 bps increase	10.70	11.70	119,974	111,965

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5 **Property, plant and equipment (continued)**

b) *Impairment of property, plant and equipment (continued)*

(iv) *Block 3A (continued)*

- *Gas and crude volume*
  A 10% decrease/increase in the production volume, holding all other variables constant will result in the following movements shown in the table below:

2022	**Volume changes**		**Movement in (impairment)/surplus**	
	From	**To**	**From**	**To**
	MMBtu	**MMBtu**	**$'000**	**$'000**
Gas and crude volume – increase 10%	14,966,470	16,463,117	119,974	173,246
Gas and crude volume – decrease 10%	14,966,470	13,469,823	119,974	66,703

- *Expenses*

  A 10% decrease/increase in expenses which is inclusive of operating, other and capital expenditure while holding all other variables constant will result in the following movements shown in the table below:

2022	**Expense changes**		**Movement in (impairment)/surplus**	
	From	**To**	**From**	**To**
	$'000	**$'000**	**$'000**	**$'000**
Expenses – increase 10%	23,813	26,195	119,974	107,017
Expenses – decrease 10%	23,813	21,432	119,974	132,933

(v) *Block 2C*

Management conducted an impairment assessment of Block 2C on annual basis. The assessment uses a value in use calculation which uses discounted cash flow techniques and cash flow projections. This was based on financial budgeted information provided by Woodside Energy Annual Work Programme and approved commercial budget covering the respective terms of the license agreement that was subsequently reviewed and approved by NCIL's management.

An impairment assessment of the Group's investments led to the recognition of an impairment expense of Block 2C asset of TT$209.92 million/US$31.1 million. The impairment was recognised and disclosed on the statement of profit and loss for the year.

The key assumptions used in the value in use calculations for Block 2C are as follows:
- Discount rate of 10.46%
- Crude oil and gas forecasted prices and production projections for the year 2023 to 2027.

The other assumptions used in the value in use calculations Block 3A are as follows:
- The Company's entitlement of gas assets was estimated at 14.27% of total gas revenue and oil entitlement was estimated at 13 %, over the five-year period.
- Total expenses which included operating cost, other cost and capital expenditure.

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Notes to the Consolidated Financial Statements (continued)
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5 **Property, plant and equipment (continued)**

b) *Impairment of property, plant and equipment (continued)*

(v) *Block 2C (continued)*

Utilising cashflows computed, the following sensitivity analysis was conducted, holding all other factors constant would change the impairment as follows:

- *Discount rate of 9.95%*

A 1% decrease/ increase in the discount rate while holding all other variables constant will result in the following movements shown in the table below:

2022	**Rate changes**		**Movement in (impairment)/surplus**	
	From	**To**	**From**	**To**
	%	**%**	**$'000**	**$'000**
Discount rate - 100 bps decrease	10.46	9.46	(209,925)	(198,940)
Discount rate - 100 bps increase	10.46	11.46	(209,925)	(220,628)

- *Gas and crude volume*

A 10% decrease/ increase in the production volume while holding all other variables constant will result in the following movements shown in the table below:

2022	**Volume changes**		**Movement in (impairment)/surplus**	
	From	**To**	**From**	**To**
	MMBtu.	**MMBtu.**	**$'000**	**$'000**
Gas and crude volume – increase 10%	35,065,350	38,571,885	(209,925)	(90,754)
Gas and crude volume – decrease 10%	35,065,350	31,558,815	(209,925)	(329,613)

- *Expenses*

A 10% decrease/ increase in expenses which is inclusive of operating, other and capital expenditure while holding all other variables constant will result in the following movements shown in the table below:

2022	**Expense changes**		**Movement in (impairment)/surplus**	
	From	**To**	**From**	**To**
	$'000	**$'000**	**$'000**	**$'000**
Expenses – increase 10%	623,251	685,576	(209,925)	(258,889)
Expenses – decrease 10%	623,251	560,926	(209,925)	(161,827)

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Notes to the Consolidated Financial Statements (continued)
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5 **Property, plant and equipment (continued)**

b) *Impairment of property, plant and equipment (continued)*

(vi) *Marine infrastructure assets*

An impairment assessment was conducted by Management of its marine infrastructure assets which resulted in an impairment expense of TT$38.62 million/US$5.73 million using the value-in-use method.

The key assumptions used in the value in use calculations are as follows:

• Discount rate of 9.63% (2021:9.34%).
• Projected port revenue for the years 2023 - 2027.
• Projected marine infrastructure expenses for the years 2023 – 2027.

Utilising cashflows computed, the following sensitivity analysis was conducted, holding all other factors constant would change the impairment as follows:

- *Discount rate of 9.63%*

A 1% decrease/ increase in the discount rate while holding all other variables constant will result in the following movements shown in the table below:

2022	Rate changes		Movement in (impairment)/surplus	
	From %	To %	From $'000	To $'000
Discount rate - 100 bps decrease	9.63	8.63	(38,622)	(8,739)
Discount rate - 100 bps increase	9.63	10.63	(38,622)	(62,848)

- *Revenue*

A 5% decrease/ increase in revenue, while holding all other variables constant will result in the following movements shown in the table below:

2022	Revenue changes		Movement in (impairment)/surplus	
	From $'000	To $'000	From $'000	To $'000
Revenue – increase 5%	242,443	254,565	(38,622)	(12,258)
Revenue – decrease 5%	242,443	230,321	(38,622)	(64,986)

c) *Freehold land*

Included in 'Freehold land 'the parent currently owns an estimated 770 km of gas pipelines onshore which traverse a total land corridor area of approximately 9.856 square km and has not yet obtained full legal title to the asset because all the Rights of Way associated with the pipeline system have not yet been acquired. NGC has therefore made a provision of TT$ 318.6 million/US$ 47.1 million acquisition cost to purchase right of way lands. During 2022, payment of TT$0.9 million/US$ 0.1 million has been made toward acquiring the right of way lands. Refer Note 25 (d).

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6 **Investment properties**

	Buildings $'000	Freehold land $'000	Estate $'000	Fabrication Yard $'000	Assets under construction $'000	Total $'000
Year ended 31 December 2022						
Opening net book value	110,543	46,465	301,336	6,529	6,372	471,245
Additions	--	--	527	--	942	1,469
Transfers	--	--	(1,749)	--	--	(1,749)
Depreciation for year	(4,776)	--	(23,185)	(465)	--	(28,426)
Impairment (charge)/reversal (note 36)	--	6,919	(8,771)	--	--	(1,852)
Closing net book value	105,767	53,384	268,158	6,064	7,314	440,687
At 31 December 2022						
Cost	600,539	46,465	651,970	45,174	7,314	1,351,462
Accumulated depreciation/impairment	(494,772)	6,919	(383,812)	(39,110)	--	(910,775)
Net book value	105,767	53,384	268,158	6,064	7,314	440,687
Year ended 31 December 2021						
Opening net book value	111,195	46,465	324,819	10,149	5,828	498,456
Additions	--	--	--	--	544	544
Depreciation for year	(652)	--	(26,878)	(732)	--	(28,262)
Impairment expense (note 36)	--	--	3,395	(2,888)	--	507
Closing net book value	110,543	46,465	301,336	6,529	6,372	471,245
At 31 December 2021						
Cost	600,539	46,465	653,192	45,174	6,372	1,351,742
Accumulated depreciation/impairment	(489,996)	--	(351,856)	(38,645)	--	(880,497)
Net book value	110,543	46,465	301,336	6,529	6,372	471,245

Investment properties include the lands at Union Industrial Estate ('UIE') plus the lands on which the fabrication yard sits and a warehousing facility which was constructed on the UIE. The Group has applied for a reclamation licence in respect of the land on which the warehouse facility sits.

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6 **Investment properties (continued)**

	2022 $'000	2021 $'000
Amount recognised in the statement of profit or loss		
Rental income from investment properties	27,661	29,919
Direct operating expenses	6,780	6,234

Impairment of investment properties - TT$1.85 million

This includes an impairment charge of TT$ 20.2 million/US$2.99 million for the warehousing facility net of an impairment reversal of TT$ 18.35million/US$2.72 million for the fabrication yard and estate.

Warehousing facility

An impairment assessment was conducted by Management of the warehousing facility which resulted in an impairment of TT$20.2 million/US$2.99 million.

The fair value measurements of the Brighton Materials Storage and Handling Warehouse facility (included in Buildings) as at 31 December 2022 was performed by an independent qualified valuator. The fair value of the facility was determined using the cost approach that reflects the current replacement/reproduction cost of the building structure of comparable utility less allowances for physical deterioration plus an estimate of the market value.

The key assumptions used in the fair value less cost to sell calculations are as follows:

• Present market conditions.
• The demand and supply factor.
• Sustainability of present rent of leased building.

Details of the Group's Union Industrial Estate and information about the fair value hierarchy are as follows:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000	Carrying value $'000
At 31 December 2022	--	--	550,000	550,000	255,440
At 31 December 2021	--	--	232,538	232,538	231,908

Details of the Group's Brighton Materials Storage and Handling Warehouse facility and information about the fair value hierarchy are as follows:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000	Carrying value $'000
At 31 December 2022	--	--	65,123	65,123	65,123
At 31 December 2021	--	--	78,364	78,364	78,364

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6 **Investment properties (continued)**

Fabrication yard land

An impairment assessment was conducted by Management of its land on which the fabrication yard sits, resulted in an impairment reversal of TT$6.92 million/US$1.02 million.

The fair value measurements of the land on which the fabrication yard sits as at 31 December 2022 was performed by an independent qualified valuator. The fair value of the facility was determined using the investment and comparative approach methods which is based on the principle that annual values and capital values are related to each other and that, given the income a property produces or its annual value, the capital value can be found.

The key assumptions used in the fair value less cost to sell calculations are as follows:

- Current local market conditions and prevailing economic international factors.
- The demand and supply factor.
- Information contained in Geological study on land movement.
- Sustainability of present rent.

Utilising cashflows computed, the following sensitivity analysis was conducted, holding all other factors constant would change the impairment as follows:

- Price per hectare of $1.944 million

A 5% decrease/ increase in the price while holding all other variables constant will result in the following movements shown in the table below:

2022	**Price**		**Movement in (impairment)/surplus**	
	From $	**To $**	**From $**	**To $**
Price – increase 5%	1,944	2,042	6,919	13,632
Price – decrease 5%	1,944	1,847	6,919	(12,334)

LABIDCO Estate

An impairment assessment was conducted by Management of its estate lands at La Brea, resulted in an impairment reversal of TT$11.43 million/US$1.69 million.

The fair value measurements of the estate lands at La Brea as at 31 December 2022 was performed by an independent qualified valuator. The fair value of the facility was determined using the investment and comparative approach methods which is based on the principle that annual values and capital values are related to each other and that, given the income a property produces or its annual value, the capital value can be found.

The key assumptions used in the fair value less cost to sell calculations are as follows:

- Current local market conditions and prevailing economic international factors.
- The demand and supply factor.
- Information contained in Geological study on land movement.
- Sustainability of present rent.

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Notes to the Consolidated Financial Statements (continued)
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6 **Investment properties (continued)**

LABIDCO Estate (continued)

Based on the valuation conducted, the assessment resulted in the fair value being in excess of the carrying amount as at 31 December 2022. The Group reversed previously recorded impairment in the amount of TT$11.43 million/US$1.69 million.

Details of the Group's LABIDCO estate and information about the fair value hierarchy are as follows:

	Level 1	Level 2	Level 3	Total	Carrying value
	$'000	$'000	$'000	$'000	$'000
At 31 December 2022	--	--	98,517	98,517	98,517
At 31 December 2021	--	--	87,131	87,131	87,131

7 **Other intangible assets**

The category of intangible assets comprise of computer software and purchased contracts (Note 2.10). The movement in intangible assets are shown below.

	Software $'000	Purchased contracts $'000	Total $'000
At 31 December 2022			
Opening net book value 1 January 2022 - restated	19,621	20,481	40,102
Additions	222	--	222
Transfers (Note 5)	8,097	--	8,097
Amortisation charge for the year (Note 34)	(3,314)	(20,443)	(23,757)
Foreign exchange difference	(55)	(38)	(93)
Closing net book value 31 December 2022	24,571	--	24,571
At 31 December 2022			
Cost	177,070	107,553	284,623
Accumulated amortisation	(152,499)	(107,553)	(260,052)
Closing net book value 31 December 2022	24,571	--	24,571
At 31 December 2021			
Opening net book value 1 January 2021 - restated	21,444	51,189	72,633
Additions	1,129	--	1,129
Amortisation charge for the year (Note 34)	(2,955)	(30,693)	(33,648)
Foreign exchange difference	3	(15)	(12)
Closing net book value 31 December 2021 restated	19,621	20,481	40,102
At 31 December 2021			
Cost (as previously reported)	168,806	107,591	276,397
Accumulated amortisation (as previously reported)	(149,185)	--	(149,185)
Effect of restatement : Amortisation	--	(87,110)	(87,110)
Closing net book value 31 December 2021 restated	19,621	20,481	40,102

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7 **Other intangible assets (continued)**

	Software $'000	Purchased contracts $'000	Total $'000
At 1 January 2021 restated			
Closing net book value 31 December 2020 (as previously reported)	21,444	107,571	129,015
Effect of restatement	--	(56,382)	(56,382)
Closing net book value 1 January 2021 restated	21,444	51,189	72,633

8 **Leases**

The Group as a lessee

The Group has lease contracts for land, machinery, equipment and motor vehicles. Set out below are the terms:

(i) Land – with lease term ranging between 30-99 years
(ii) Machinery and equipment which consist of:
- photo copiers with a lease term of three years. These leases ended during 2022 and there is no option to purchase the copiers.
- cell tower with lease terms of four years. This lease ended in 2022.

(iii) Motor vehicles have a lease term of four years which ended during 2022.

(a) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	Office Space $'000	Land Leases $'000	Machinery & Equipment $'000	Motor Vehicle $'000	Total $'000
Year ended 31 December 2022					
As at 1 January 2022	1,249	78,180	6,257	8,600	94,286
Additions	--	--	19	--	19
Depreciation for year	(358)	(10,192)	(3,041)	(8,600)	(22,191)
Foreign exchange difference	4	(684)	--	(0)	(680)
Closing net book value	895	67,304	3,235	--	71,434
At 31 December 2022					
Cost	2,744	106,838	18,050	39,573	167,205
Accumulated depreciation/impairment	(1,849)	(39,534)	(14,815)	(39,573)	(95,771)
Net book value	895	67,304	3,235	--	71,434
Year ended 31 December 2021					
As at 1 January 2021	2,292	107,361	9,974	18,460	138,087
Additions	--	3,406	--	662	4,068
Adjustments	(568)	(23,577)	--	--	(24,145)
Depreciation for year	(472)	(8,985)	(3,711)	(10,519)	(23,687)
Foreign exchange difference	(3)	(25)	(6)	(3)	(37)
Closing net book value	1,249	78,180	6,257	8,600	94,286
At 31 December 2021					
Cost	2,740	107,522	18,031	39,573	167,866
Accumulated depreciation/impairment	(1,491)	(29,342)	(11,774)	(30,973)	(73,580)
Net book value	1,249	78,180	6,257	8,600	94,286

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8 **Leases (continued)**

(b) *Lease liability amounts recognised in the statement of financial position*

The statement of financial position shows the following amounts relating to lease liability:

Lease liabilities

	2022 $'000	2021 $'000
Analysed as:		
Current	14,984	17,736
Non-current	61,269	72,145
	76,253	89,881
Maturity analysis:		
Year 1	14,984	17,736
Year 2	14,362	10,070
Year 3	14,267	2,122
Year 4	14,358	2,006
More than 4 years	18,282	57,947
	76,253	89,881

(c) *Amounts recognised in the statement of profit or loss*

The statement of profit or loss shows the following amounts relating to leases:

Amortisation charge of right-of-use assets	22,191	23,687
Interest expense on lease liabilities	8,299	9,718
Short term lease rental expense	414	537

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8 **Leases (continued)**

(d) *The Group as a lessor*

(i) *Net investment in leased assets*

In December 2010 the Company entered into a lease agreement for seventeen (17) years with an upstream supplier, for the use of 85% of the 58.8-mile 24-inch diameter offshore subsea pipeline and related facilities. The lessee is responsible for maintaining the pipeline over the lease term.

	2022 $'000	**Restated 2021 $'000**
Finance lease - gross investment	189,543	228,072
less: Unearned finance income	(14,705)	(37,452)
	174,838	190,620

The gross investment in leased assets has the following maturity profile:

Within 1 year	57,050	58,341
2 to 5 years	132,493	153,136
Over 5 years	--	16,595
	189,543	228,072

The net investment in leased assets has the following maturity profile:

Within 1 year	51,356	25,755
2 to 5 years	123,482	148,574
Over 5 years	--	16,291
	174,838	190,620
Current	51,356	25,755
Non-current	123,482	164,865
	174,838	190,620

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Notes to the Consolidated Financial Statements (continued)
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8 **Leases (continued)**

(ii) *Decommissioning asset on net investment in leased asset*

	2022 $'000	Restated 2021 $'000
Opening net book value	9,601	10,840
Change in estimate	(107)	308
Depreciation charge for the year	(1,598)	(1,549)
Foreign exchange difference	(27)	2
	7,869	9,601
Cost	26,947	27,081
Accumulated depreciation	(19,078)	(17,480)
	7,869	9,601

Total net investment in leased asset and dolphin pipeline decommissioning:

	2022	2021
Current:		
Net investment in leased assets	51,356	25,755
Non-current:		
Net investment in leased assets	123,482	164,865
Dolphin pipeline	7,869	9,601
Total non-current	131,351	174,466
	182,707	200,221

9 **Goodwill**

	2022 $'000	Restated 2021 $'000
Balance at beginning of the period	1,665,989	1,672,831
Impairment expense (parent)	(19,298)	--
Impairment expense (non-controlling interest)	(18,878)	--
Effects of movement in foreign exchange rates	(5,105)	(6,842)
Balance at end of the period	1,622,708	1,665,989

The goodwill arose upon the step acquisition of the additional interest in Phoenix Park Gas Processors Limited ('PPGPL').

The goodwill was tested for impairment as at 31 December 2022.

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9 **Goodwill (continued)**

The primary PPGPL group key assumptions used in the fair value less cost to sell calculations 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	√

The recoverable amount of the Group's goodwill 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 $38.18 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$
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.

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9 **Goodwill (continued)**

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

- *Discount rate of 9.18%*

A 1% decrease/ increase in the discount rate, holding all other variables constant will result in the following movements shown in the table below:

2022	Rate changes		Movement in (impairment)/surplus	
	From	To	From	To
	%	%	$'000	$'000
Discount rate - 100 bps decrease	9.18	8.18	(38,176)	--
Discount rate - 100 bps increase	9.18	10.18	(38,176)	(372,328)

- *Selling prices of NGLs*

A 5% and 10% decrease/ increase in the selling price of NGL's while holding all other variables constant will result in the following movements shown in the table below:

2022	Movement in (impairment)/surplus	
	From	To
	$'000	$'000
Selling price of NGL's- increase 5%	(38,176)	--
Selling price of NGL's- decrease 5%	(38,176)	(326,884)
Selling price of NGL's- increase 10%	(38,176)	--
Selling price of NGL's- decrease 10%	(38,176)	(615,592)

- *Gas volume*

A 5% decrease/ increase in the production volume while holding all other variables constant will result in the following movements shown in the table below:

2022	Volume changes		Movement in (impairment)/surplus	
	From	To	From	To
	MMBtu	MMBtu	$'000	$'000
Volumes -5% increase	22,216	23,327	(38,176)	--
Volumes -5% decrease	22,216	21,105	(38,176)	(276,475)

- *North America growth rate*

A 5% decrease/ increase in the growth rate for marketed NGL volumes in North America while holding all other variables constant will result in the following movements shown in the table below:

2022	Movement in (impairment)/surplus	
	From	To
	$'000	$'000
Growth rate -5% increase	(38,176)	(16,862)
Growth rate -5% decrease	(38,176)	(58,757)

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10 **Investment in associates**

(i) NGC through NGC Petrochemicals Limited (NPL) holds a 20.00% equity interest in Caribbean Gas Chemical Limited ('CGCL') whose core business is the production and sale of Methanol.

(ii) The Group acquired a 19.50% equity interest Point Fortin LNG Export Limited ('PFLE') whose main trading activity is the marketing of liquefied natural gas (LNG) on which an operating margin is earned on the sale of each LNG cargo.

Name of Group	Place of incorporation and operation	Proportion of ownership interest and voting powers held by the Group	
		2022	2021
Caribbean Gas Chemical Limited (CGCL)	Trinidad and Tobago	20.0%	20.0%
Point Fortin LNG Export Limited (PFLE)	Trinidad and Tobago	19.5%	19.5%

	2022			2021		
	$'000	$'000	$'000	$'000	$'000	$'000
	CGCL 20%	PFLE 19.5%	Total	CGCL 20%	PFLE 19.5%	Total
Balance as at 1 January	329,599	23,470	353,069	324,052	--	324,052
Share of profit/(loss) from associate	23,735	(8,522)	15,213	25,462	23,452	48,915
Distribution receivable from associate	(11,331)	--	(11,331)	(20,000)	--	(20,000)
Effects of movement in foreign exchange rates	(1,128)	(58)	(1,186)	85	18	102
Balance at end of the year	340,875	14,890	355,765	329,599	23,470	353,069

	Caribbean Gas Chemical Limited		Point Fortin LNG Export Limited	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
(a) *Statement of Financial Position*				
Cash and cash equivalents	650,800	415,608	84,107	130,480
Other current assets	366,950	287,298	1,021,853	812,638
Total current assets	1,017,750	702,906	1,105,960	943,118
Non-current assets	6,567,468	6,856,843	--	--
Total assets	7,585,218	7,559,749	1,105,960	943,118
Current financial liabilities	(670,437)	(619,577)	(1,017,239)	(810,360)
Non-current financial liabilities	(5,210,407)	(5,422,666)	--	--
Total liabilities	(5,880,844)	(6,042,243)	(1,017,239)	(810,360)
Net assets	1,704,374	1,517,506	88,721	132,758

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10 **Investment in associates (continued)**

(b) *Statement of profit or loss and other comprehensive income*

	Caribbean Gas Chemical Limited		Point Fortin LNG Export Limited	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Revenue	1,547,303	1,556,163	7,171,231	175,478
Cost of Sales	(1,257,617)	(1,242,115)	(7,156,136)	--
Interest income	160,180	94,236	884	47
Other operating expenses (net)	(149,041)	(175,782)	(2,944)	(4,467)
- Interest expense	(152,326)	(102,460)	--	--
Profit/(loss) before tax	148,499	130,042	13,035	171,058
Income tax expense	(29,824)	(2,730)	(56,740)	(53,906)
Profit/(loss) after tax	118,675	127,312	(43,705)	117,152
Total comprehensive income/(loss)	118,675	127,312	(43,705)	117,152

(c) *Statement of Financial Position:*

	Caribbean Gas Chemical Limited		Point Fortin LNG Export Limited	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Net assets	1,704,374	1,517,506	120,359	132,758
Adjustment:				
(Loss)/profit after tax for the year	--	--	(43,705)	--
Foreign currency translation	--	--	(297)	--
- Prior to acquisition of investment	--	130,489	--	(12,399)
	1,704,374	1,647,995	76,357	120,359
Proportion of the Company's ownership investment in the associate	20%	20%	19.50%	19.50%
Carrying amount of the Company's investment in the associate (Note 10 (a))	340,875	329,599	14,890	23,470

(d) *Share of profit from investment in associate*

Profit/(loss) after tax for the year (Note 10 (b))	174,094	127,312	(43,705)	117,152
Adjustment to share of profit	(55,419)	--	--	--
Profit prior to acquisitions on investment	--	--	--	3,115
Adjusted profit/(loss) for the year	118,675	127,312	(43,705)	120,267
Proportion of the Company's ownership investment in the associate	20%	20%	19.50%	19.50%
Share of profit/(loss) from investment in associate	23,735	25,642	(8,522)	23,452

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10 Investment in associates (continued)

	2022 $'000	2021 $'000
Share of profit/(loss) from associates:		
- CGCL	23,735	25,463
- PFLE	(8,522)	23,452
	15,213	48,915

11 Loans receivable

	2022	2021
Trinidad and Tobago Electricity Commission (T&TEC) (a)	3,593,639	3,659,413
Caribbean Gas Chemical Limited (b)	98,110	62,551
	3,691,749	3,721,964
Less: expected credit loss Note 47 (a (i))	(51,997)	(18,297)
	3,639,752	3,703,667
Current portion	(59,427)	(54,965)
Long-term portion	3,580,325	3,648,702

a) *Trinidad and Tobago Electricity Commission ('T&TEC')*

On 31 December 2018, the Group converted trade receivables of TT$3.50 billion/US$524 million for unpaid gas sales to a ten (10) year loan facility issued in two (2) tranches at 6% per annum.

Tranche A - Principal amount of TT$1,776.5 million/US$262 million at interest rate of 6 percent with a one (1) year moratorium on the repayment of principal and interest, with semi-annual interest capitalised over the first (1st) year and thereafter, eighteen (18) equal semi-annual instalments of principal and interest from June 2020 to December 2028. Principal repayment during 2022 amounted to TT$54.6 million/US$8.1 million, (2021: TT$51.4 million (US$7.6 million)).

Tranche B - Principal amount of TT$1,776.5 million/US$262 million at an interest rate of 6 percent with a five (5) year moratorium on the repayment of principal and interest, with semi-annual interest capitalised over the five (5) years and thereafter, ten (10) equal semi-annual payments of principal and interest payments commencing from June 2024 until December 2028.

T&TEC is wholly owned by the Government of Trinidad and Tobago and is considered a related party of the Group.

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11 **Loans receivable (continued)**

b) *Caribbean Gas Chemical Limited*

Pursuant to the clause of the Shareholders Loan Agreement with Caribbean Gas Chemicals (CGCL) Limited dated 22 September 2020, a subordinated loan of US$6.8 million was issued to CGCL in 2020 for the completion of the methanol and DME plant.

In September 2022, an additional shareholder loan was issued in the amount of TT$32.6 million /US$4.8 million and TT$1.7 million/US$0.3 million. Subject to the terms and conditions of the Equity Support Deed, included in schedule 3, clause 6.1 (Subordinated Liabilities) thereof, CGCL shall repay the aggregated principal amount of the advances outstanding hereunder in full on the final maturity date (as defined in the Common Terms Agreement) or such date as the Company and the Lenders may Agree.

Included in schedule 3, clause 5.3 of the Equity Support Deed, interest payments falling anytime during up to Project completion be capitalized thereby increasing principal amount. This loan is expected to mature on 31 December 2035.

This loan is unsecured, and interest is calculated on the principal amount outstanding and payable semi-annually on March and September of each year at a rate of LIBOR plus a margin of 2% per annum. The effective interest rate at the reporting date was 6.17514% (2021: 2.1525%).

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12 **Other financial assets**

	2022 $'000	2021 $'000
Financial assets at fair value through other comprehensive income (FVTOCI):		
(i) **Equity instruments designated at fair value through OCI:**		
Listed equity investments		
Local shares	399,165	401,484
Foreign shares	456,268	555,277
Non-listed equity investment		
Atlantic LNG 4 Company of Trinidad and Tobago Unlimited	588,896	1,049,692
Local shares	964	967
Equity instruments at FVTOCI	1,445,293	2,007,420
(ii) **Debt instruments at fair value through OCI:**		
Quoted debt instruments		
Foreign bonds	90,019	97,484
Unquoted debt instruments		
Local bonds	200,000	213,628
Debt instrument at FVTOCI	290,019	311,112
(iii) **Financial assets at fair value through profit or loss**		
Local bonds	6,365	6,365
Credit linked notes	579,769	852,075
Alternative investments/ mutual funds	605,596	723,517
Financial assets at FVTPL	1,191,730	1,581,957
Total other financial assets	2,927,042	3,900,489

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12 **Other financial assets (continued)**

The local shares and bonds movement for the year are shown below:

	2022 $'000	2021 $'000
Opening balance	622,444	573,571
(Decrease)/increase in value	(8,348)	40,493
Dividends	141	90
Foreign exchange difference	(7,743)	8,290
	606,494	622,444

The foreign shares and bonds movement for the year are shown below:

	2022 $'000	2021 $'000
Opening balance	652,761	685,500
Purchase of equities	125,869	224,464
Amortisation of bonds	(547)	(1,462)
(Decrease)/increase in value	(230,011)	(255,886)
Interest on dividends	52	13
Foreign exchange difference	(1,837)	132
	546,287	652,761

(i) *Equity instruments designated at fair value through OCI*

Listed equity investments

The Group sold some of its investments in equity shares during 2022. The consideration received for the sale of these shares was TT$116.0 million/US$17.2 million. An accumulated gain of TT$7.2 million/US$1.07 million from the sale of these shares was transferred to retained earnings.

Non - Listed equity investments

This category includes non-listed equity investments that were fully impaired.

	2022 $'000	2021 $'000
National Helicopter Services Limited	6,640	6,661
Trinidad and Tobago Marine Petroleum Company (Trintomar)	150,187	150,628
	156,827	157,289
Less*:* Impairment	(156,827)	(157,289)
Balance as at 31 December	--	--

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12 **Other financial assets (continued)**

(i) *Equity instruments designated at fair value through OCI (continued)*

The Group has classified its equity investment in Atlantic LNG Company of Trinidad and Tobago and Atlantic LNG 4 Company of Trinidad and Tobago Unlimited as FVTOCI as the Group intends to hold them for the long term for strategic purposes.

	2022 $'000	2021 $'000
Atlantic LNG 4 Company of Trinidad and Tobago Unlimited		
Balance as at 1 January	1,049,692	912,398
Movement in fair value assessment	(457,535)	137,119
Effect of changes in foreign exchange rate	(3,261)	175
Balance as at 31 December	588,896	1,049,692

(ii) *Debt instruments at fair value through OCI*

This includes investments in quoted and unquoted government and corporate bonds. Fair values of the quoted debt instruments were determined by reference to published price quotations. The fair value of the unquoted bond was determined using the present value of the future cashflows, discounted by the yield that corresponds to the tenor on the relevant yield curve plus the relevant credit risk spread and illiquidity premium. The expected credit loss of TT$0.05 million was recorded for 2022 (2021: TT$0.7 million) in other reserves within equity.

(iii) *Financial assets at fair value through profit or loss*

a) In 2020, the Company recovered TT$6.365 million from the Government of the Republic of Trinidad and Tobago as a 3 year 3.30% fixed rate bond 2020-2023. Interest of 3.30% is payable semi-annually with the principal payment at maturity.

b) Investment in Credit Linked Notes.

In 2008, the Company issued two (2) single tranche Credit Linked Notes at a cost of TT$240.1 million/US$35.5 million to meet 50% of the Company's bond liability that matures in 2036. The fair value of the Credit Linked Notes was determined using a proprietary model for valuation. The notes have a maturity value of TT$1,348.3 million/US$200.0 million and is subject to the credit risk of the issuer.

	2022 $'000	2021 $'000
Credit linked notes		
Opening balance	852,075	858,672
Fair value gain/(loss) on financial asset (Note 33)	(270,148)	(6,757)
Forex adjustment	(2,158)	160
Closing balance	579,769	852,075

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12 **Other financial assets (continued)**

(iii) *Financial assets at fair value through profit or loss (continued)*

c) *Alternative investments*

This includes investments in international mutual and hedge funds. The fair value was determined using bid prices for listed securities and proprietary models for bond valuations.

	2022 $'000	2021 $'000
Alternative investments/mutual funds		
Opening balance	723,518	607,993
Fair value gain/(loss) on financial asset (Note 33)	(115,139)	(27,688)
Sale/(purchase)	(744)	143,114
Forex adjustment	(2,039)	98
Closing balance	605,596	723,517
	1,185,365	1,575,592

13 **Deferred tax**

Significant components of the deferred tax asset and liability are as follows:

Significant components of the deferred tax asset and liability are as follows:

	2022 $'000	Restated 2021 $'000
Deferred tax asset:		
Asset retirement obligation	435,625	517,805
Property, plant and equipment	122,624	--
Other intangible assets	12,062	--
Post-retirement medical and group life and pension obligation	59,135	54,154
Tax losses	120,963	62,113
Accrued interest expense	26,792	26,414
Expected credit losses	248,277	256,866
Provision for economic loss	1,117,205	1,087,524
Other	46,794	24,693
	2,189,477	2,029,569
Deferred tax liability:		
Pension asset	12,974	--
Decommissioning	55,387	24,327
Property, plant and equipment	3,142,823	3,133,771
	3,211,184	3,158,098

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13 Deferred tax (continued)

Deferred income taxes are calculated in full, on temporary differences under the liability method using a principal tax rate of 35% (2021: 35%). The deferred income tax asset/(liability) in the statement of financial position and the deferred income tax credit in the statement of comprehensive income are attributable to the following:

	Restated 1-Jan-2021 $'000	Charge to statement of comprehensive income $'000	Restated 31-Dec-2021 $'000
Deferred tax asset:			
Asset retirement obligation	188,558	329,247	517,805
Post-retirement medical and group life and pension obligation	80,634	(26,480)	54,154
Tax losses	238,963	(176,850)	62,113
Accrued interest expense	26,627	(213)	26,414
Expected credit losses	215,626	41,240	256,866
Provision for economic loss	1,566,653	(479,129)	1,087,524
Other	27,870	(3,177)	24,693
	2,344,931	(315,362)	2,029,569

	Restated 2021 $'000	Charge to statement of comprehensive income $'000	2022 $'000
Deferred tax asset:			
Asset retirement obligation	517,805	(82,180)	435,625
Property, plant and equipment	--	122,624	122,624
Other intangible assets	22	12,040	12,062
Post-retirement medical and group life and pension obligation	54,154	4,981	59,135
Tax losses	62,113	58,850	120,963
Accrued interest expense	26,414	378	26,792
Expected credit losses	256,866	(8,589)	248,277
Provision for economic loss	1,087,524	29,681	1,117,205
Other	24,671	22,123	46,794
	2,029,569	159,908	2,189,477

Deferred tax liability:	Restated 1-Jan-2021 $'000	Charge to statement of comprehensive income $'000	31-Dec-2021 $'000
Decommissioning	--	24,327	24,327
Property, plant and equipment	2,854,610	279,161	3,133,771
	2,854,610	303,488	3,158,098

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13 **Deferred tax (continued)**

Deferred tax liability:	**Restated 2021 $'000**	**Charge to statement of comprehensive income $'000**	**2022 $'000**
Pension asset	--	12,974	12,974
Decommissioning	--	55,387	55,387
Property, plant and equipment	3,158,098	(15,275)	3,142,823
	3,158,098	53,086	3,211,184

14 **Contract assets**

	2022 $'000	**2021 $'000**
Prepaid software subscription	7,472	5,139
Other	1,975	2,462
	9,447	7,601
Current	8,399	6,117
Non-current	1,048	1,484
	9,447	7,601

15a) **Cash and cash equivalent**

	2022 $'000	**2021 $'000**
Cash at bank	5,005,374	5,218,147
Short-term investment (under 3 months)	1,076,030	--
	6,081,404	5,218,147

Cash at banks earn interest based on daily deposit rates.

15b) **Cash in escrow**

The Production Sharing Contract (PSC) for one of the Group's upstream investment includes a clause requiring the Company to establish an interest-bearing account with an escrow agent approved by The Ministry of Energy and Energy Industries (MEEI) to carry out the approved abandonment programme. All monies accumulated in the account is to be used by the Company to carry out the abandonment programme. The MEEI has sole discretion and access to these funds in the event that the Company fails to effect any environmental clean up, properly abandon wells, decommission facilities or the facility is delivered up to him. Any portion of the escrow account not required for the abandonment programme shall be transferred to the MEEI.

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16 Short-term investments

	2022 $'000	2021 $'000
Gross short-term investments	1,233,855	1,185,268
Less: Expected credit losses	(534,990)	(536,634)
Short-term investments	698,865	648,634

a) Short-term investments are made for varying periods of between 30 days and twelve months, depending on the immediate cash requirements of the Group.
b) The Group has an outstanding balance of TT$535.03 million as at 31 December 2022 from the insolvency of a financial institution which has been fully impaired in the consolidated financial statements.

17 Trade receivable

	2022 $'000	2021 $'000
Gross trade receivable	8,054,237	7,157,217
Less: expected credit losses	(719,935)	(726,397)
Net trade receivable	7,334,302	6,430,820

All trade receivable are non-interest bearing and are generally on a 30-60 day terms.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

The expected credit loss on trade receivables are presented within impairment losses, subsequent recoveries of amounts previously written off are credited against the same line item.

Balances that were individually assessed relates to customers where evidence of impairment exist as at the reporting. These customers are either in liquidation or are no longer in business except for the power customer which was assessed using the general approach due to the nature of the receivables. All other balances are assessed collectively under the provision matrix.

	2022			2021		
	Individually Assessed $'000	Collectively Assessed $'000	Total $'000	Individually Assessed $'000	Collectively Assessed $'000	Total $'000
Opening Balance as at 1 January	691,181	35,216	726,397	579,793	13,629	593,422
Increase/(decrease) in expected credit loss recognised in profit and loss during the year	(38,173)	32,052	(6,121)	111,364	21,583	132,947
Foreign exchange adjustment	(338)	(3)	(341)	24	4	28
Closing balance as at 31 December	652,670	67,265	719,935	691,181	35,216	726,397

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17 **Trade receivable (continued)**

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

	Current $'000	**> 30 days $'000**	**> 60 days $'000**	**> 90 days $'000**	**> 180 days $'000**	**> 365 days $'000**	**Total $'000**
As at 31 December 2022							
Trade receivables individually assessed							
Expected loss rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Gross receivables	--	--	--	--	--	480,403	480,403
Loss allowance	--	--	--	--	--	(480,403)	(480,403)
	--	--	--	--	--	--	--
Trade receivables individually assessed – Power *							
Expected loss rate	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	
Gross receivables	257,638	92,635	105,095	207,480	609,658	2,767,022	4,039,528
Loss allowance	(13,022)	(4,682)	(5,312)	(10,487)	(30,815)	(139,859)	(204,177)
	244,616	87,953	99,783	196,993	578,843	2,627,163	3,835,351
Trade receivables collectively assessed							
Expected loss rate	0.8%	1.2%	1.9%	3.3%	3.0%	6.9%	
Gross receivables	3,105,954	199,040	123,719	6,104	25,104	74,385	3,534,306
Loss allowance	(24,574)	(2,340)	(2,309)	(203)	(762)	(5,167)	(35,355)
	3,081,380	196,700	121,410	5,901	24,342	69,218	3,498,951
Net carrying amount	3,325,996	284,653	221,193	202,894	603,185	2,696,381	7,334,302

* The general approach was used to determine the expected credit loss (ECL) for the Receivables relating to "Power", as historically this has been converted to a loan receivable.

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17 **Trade receivable (continued)**

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

	Current $'000	> 30 days $'000	> 60 days $'000	> 90 days $'000	> 180 days $'000	> 365 days $'000	Total $'000
As at 31 December 2021							
Trade receivables individually assessed							
Expected loss rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Gross receivables	--	--	--	--	--	442,789	442,789
Loss allowance	--	--	--	--	--	(442,789)	(442,789)
	--	--	--	--	--	--	--
Trade receivables individually assessed - Power							
Expected loss rate	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	
Gross receivables	175,447	189,067	85,620	170,513	473,130	1,857,256	2,951,033
Loss allowance	(14,458)	(15,580)	(7,056)	(14,051)	(38,989)	(153,049)	(243,183)
	160,989	173,487	78,564	156,462	434,141	1,704,207	2,707,850
Trade receivables collectively assessed *							
Expected loss rate	0.9%	1.0%	1.9%	2.4%	3.1%	13.6%	
Gross receivables	3,473,328	73,071	51,465	90,492	45,764	29,275	3,763,395
Loss allowance	(31,099)	(737)	(1,001)	(2,196)	(1,425)	(3,967)	(40,425)
	3,442,229	72,334	50,464	88,296	44,339	25,308	3,722,970
Net carrying amount	3,603,218	245,821	129,028	244,758	478,480	1,729,515	6,430,820

* The general approach was used to determine the expected credit loss (ECL) for the Receivables relating to "Power", as historically this has been converted to a loan receivable.

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18 Sundry debtors and prepayments

	2022 $'000	2021 $'000
Sundry debtors and prepayments comprise the following:		
Due from the Ministry of Energy and Energy Industries	493,016	494,088
Impairment charge (a)	(493,016)	(494,088)
Prepayments (b)	270,675	170,192
Staff related balances	1,459	2,292
Value Added Tax	416,045	335,642
Interest receivable	29,188	24,320
Accrued income	76,444	33,886
Penalties and interest	14,891	--
Other	153,998	142,777
	962,700	709,109

(a) *Impairment charge*

The Group invested funds in excess of the approved Public Sector Investment Programme (PSIP) allocation. This additional investment remains outstanding from the Ministry of Energy and Energy Industries and due to uncertainty of repayment a full provision was made for the outstanding balance.

(b) *Prepayments*

Included in prepayments is an amount of TT$75.1 million/US$11.1 million representing a 60% balance receivable on tax objections settled (100% - US$18.5 million) with Board of Inland Revenue (BIR) during 2021.

19 Inventories

	2022 $'000	2021 $'000
Liquefied natural gas	187,467	149,607
Consumable spares	238,126	206,448
Natural gas liquids	135,174	205,452
Stock of crude oil	5,285	2,617
Other	6,265	5,566
Allowance for slow moving and obsolete stock	(27,965)	(26,769)
	544,352	542,921

20 Shared capital

Authorised
An unlimited number of ordinary shares of no-par value

Issued and fully paid	2022 $'000	2021 $'000
1,855,266,340 ordinary shares of no par value	1,855,266	1,855,266

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21 Reserve fund

A reserve fund has been set up by the Board of Directors with the objective of minimising the Group's exposure arising from business interruption, adverse gas price fluctuations, and liabilities or losses which may result from accidents on its self-insured assets.

Transfers to the reserve fund will be made in such cases where the Group's standard return on equity is exceeded. The fund cap is 25% of the issued stated capital of the NGC.

22 Other reserves

	2022 $'000	Restated 2021 $'000
Other reserves comprise the following:		
Revaluation surplus for plant and equipment and pipelines, net of deferred tax	1,580,682	1,682,700
Unrealised gain on financial assets at fair value through other comprehensive income	365,326	953,567
Foreign currency translation	1,394,181	1,494,062
	3,340,189	4,130,329

23 Borrowings

	Current portion $'000	Long-term portion $'000	2022 Total $'000	2021 Total $'000
US$400M 30-year bond	--	2,256,977	2,256,977	2,264,007
Interest payable	63,501	--	63,501	63,699
Total	63,501	2,256,977	2,320,478	2,327,706

This loan relates to a US$400 million bond issued on 20 January 2006 to finance the construction/ acquisition of two new offshore pipelines and for advances to Trinidad & Tobago LNG Limited to fund 11.11% of its shareholder loans to ALNG 4 Company of Trinidad and Tobago Unlimited. The amount outstanding is TT$2.3 billion/US$344.2 million as at 31 December 2022. The Company has extinguished TT$407.8milillion/US$60.3 million of the bond outstanding as at 31 December 2022.

The bond will be redeemed via a bullet payment on 15 January 2036. Interest is payable semi-annually in arrears at a fixed rate of 6.05% which commenced in 2006. The fair value of the bond was TT$2,106.2 million/US$312.4 million as at 31 December 2022 (2021: TT$2,355.6 million (US$348.3 million)) based on the quoted bid price as at 31 December 2022.

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24 **Contract liability**

	2022 $'000	**2021 $'000**
Non-refundable capital contribution (a)	2,132	2,337
Capital grant (b)	68,950	72,068
Transportation tariff (c)	14,416	14,469
Pier user charges (d)	18,656	16,106
Other	29,983	56,628
	134,137	161,608
Current	61,170	79,106
Non-current	72,967	82,502
	134,137	161,608

Revenue recognized in period from:
Amounts included in contract liability at the beginning of the period

	2022 $'000	**2021 $'000**
Capital grant	3,118	3,117
Transportation tariff	174,399	174,490
Other	8,440	8,512
	185,957	186,119

Notes

a) Non-refundable capital contributions received from industrial users are amortised to profit or loss over the period of the industrial users' sales contracts. Refer to Note 2.21.

b) This amount relates to capital grants expended on depreciable assets and are to be amortised to profit or loss over the useful lives of the related asset.

c) This amount comprises shippers reserve capacity, which is billed one month in advance.

d) This amount comprises pier user charges, which are billed in advance.

e) Take-or-pay on gas sales represents revenue for gas volumes contractually committed to but not yet taken by customers. Income is recognised on the earlier of the expiration of the deficiency period and when the gas volumes are actually taken. There is no take or pay liability as at 31 December 2022.

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25 **Provisions**

	2022 $'000	Restated 2021 $'000
Asset retirement obligation: (Note (a))		
Balance as at 1 January	2,647,021	1,940,670
(Decrease)/increase in provision	(284,019)	745,761
Unwinding of provision (Note 37)	88,204	--
Derecognition of provision due to disposal of Block 1A	--	(41,551)
Foreign currency translation	(4,899)	2,141
Balance as at 31 December	2,446,307	2,647,021
Provision for economic loss: (Note (b))		
Balance as at 1 January	3,107,208	4,476,138
Increase/(decrease) in provision	678,795	(950,326)
Provision used during the year	(735,743)	(583,733)
Unwinding of discount rate	147,196	165,342
Foreign currency translation	(12,003)	(213)
Balance as at 31 December	3,185,453	3,107,208
Claims: (Note (c))		
Balance as at 1 January	587,661	1,251,130
Decrease in provision	(80,369)	(663,189)
Foreign currency translation	(1,679)	(280)
Balance as at 31 December	505,613	587,661
Land: (Note (d))		
Balance as at 1 January	318,642	318,580
Payment	(866)	--
Foreign currency translation	(990)	62
Balance as at 31 December	316,786	318,642
Total provision as at 31 December	6,454,159	6,660,532
Current	477,794	212,977
Non-current	5,976,365	6,447,555
Total	6,454,159	6,660,532

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25 **Provisions (continued)**

(a) *Asset retirement obligation*

The Group owns two offshore platforms (Teak and Poui), a gas plant and related facilities, a network of pipelines and related facilities as well as joint interests in Teak, Samaan and Poui (TSP), Block 2C, Block 3A, Block 22 and NCMA Blocks 22, Block 4 and Block 9 with an obligation to return the assets to its original condition after assets are retired. As such a provision has been made for the expected cost for the decommissioning of these assets. The provision has been estimated using existing technology, at current prices adjusted for risk, and discounted. The discount rate is determined by reference to the interest rate on government bonds with a similar maturity date as the estimated decommissioning date for the various assets.

(i) *NGC Offshore Platform*

The Parent has two offshore platforms and is required to decommission and dismantle facilities at the end of the life of the asset. The restoration obligation requires judgmental assumptions regarding removal date, environmental legislation and regulations, the extent of restoration activities required, the methodology for estimating cost and liability-specific discount rates to determine the present value of these cash flows.

NGC conducted a decommissioning study in 2023 which increased the reported decommissioning cost by TT$176.9 million/US$26.2 million as at 31 December, 2022. The decommissioning provision as at 31 December, 2022 is TT$551.9 million/US$81.8 million.

The Economist Intelligence Unit yield curve was used for the same tenor as the estimated timeline for future decommissioning activities and a discount rate of 3.96% was used in 2022 (2021: 1.26%). We used the average inflation rate from EIU Global Forecasting and the International Monetary Fund to smoothen the effects of economic cycles.

A change in each of the key assumptions has been analysed and presented below with the other variables held constant.

	2022 Effect on profit before tax $'000	**2022 Movement in the carrying value of Provision $'000**	**2021 Effect on profit before tax $'000**	**2021 Movement in the carrying value of Provision $'000**
1% increase in inflation rate	337	33,204	233	26,806
1% decrease in inflation rate	(321)	(31,688)	(218)	(25,535)
1% increase in discount rate	3,990	(30,807)	3,932	(21,520)
1% decrease in discount rate	(4,415)	32,953	(4,531)	22,834
1% increase in cost	56	5,519	29	4,488
1% decrease in cost	(56)	(5,519)	(29)	(4,488)

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25 **Provisions (continued)**

(a) *Asset retirement obligation (continued)*

(ii) *Teak, Samaan and Poui (TSP)*

The Parent has a non-operating interest of 15% in the TSP platform. The Company is required to fund its share of decommissioning cost . The provision is based on the operator projected cost and the Company has established a Letter of Credit in the amount of TT$156.4 million/US$23.2 million, (2021:TT$166.9 million/US$24.7 million) for its share of its obligation. The TSP platform in expected to be decommissioned no later than 2031. The decommissioning provision as at 31 December 2022 is TT$135.6 million/US$20.1 million.

The Economist Intelligence Unit yield curve was used for the same tenor as the estimated timeline for future decommissioning activities and a discount rate of 3.80% was used in 2022 (2021: 1.26%). We used the average inflation rate from EIU Global Forecasting and the International Monetary Fund to smoothen the effects of economic cycles.

A change in each of the key assumptions has been analysed and presented below with the other variables held constant.

	2022 Effect on profit before tax $'000	2022 Movement in the carrying value of Provision $'000	2021 Effect on profit before tax $'000	2021 Movement in the carrying value of Provision $'000
1% increase in inflation rate	2,740	12,425	(1,038)	12,584
1% decrease in inflation rate	(3,047)	(11,489)	(1,194)	(11,871)
1% increase in discount rate	(1,340)	(11,211)	442	(10,279)
1% decrease in discount rate	(4,659)	12,345	(2,916)	11,015
1% increase in cost	2,876	1,356	1,106	1,795
1% decrease in cost	(2,876)	(1,356)	(1,106)	(1,795)

(iii) *Pipelines and related facilities*

The Parent has a network of pipelines and related facilities and is required to decommission in place at the end of the life of the asset. Where a legal obligation does not exist, due to an established pattern of past practice and the Group's published policies the parent has created a valid expectation that it will decommission certain pipelines. The restoration obligation requires judgmental assumptions regarding removal date, environmental legislation and regulations, the extent of restoration activities required, the methodology for estimating cost and liability-specific discount rates to determine the present value of these cash flows.

The Central Bank of Trinidad and Tobago yield curve was used for the same tenor as the estimated timeline for future decommissioning activities and discount rates ranging from 4.06% to 7.36% for 2022 (2021: 4.02% to 6.85%). A long-term inflation rate was derived using Trinidad and Tobago inflation data as the majority of the resources (labour and material) will be sourced from within Trinidad and Tobago, to smoothen the effects of economic cycles.

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25 **Provisions (continued)**

(a) *Asset retirement obligation (continued)*

(iii) *Pipelines and related facilities*

A 1% change in each of the key assumptions has been analysed and presented below with the other variables held constant.

	2022 Effect on profit before tax $'000	2022 Movement in the carrying value of Provision $'000	2021 Effect on profit before tax $'000	2021 Movement in the carrying value of Provision $'000
1% increase in inflation rate	(5,513)	67,365	(5,890)	87,299
1% decrease in inflation rate	3,213	(43,866)	2,821	(42,757)
1% increase in discount rate	(1,657)	(41,735)	(1,540)	(40,569)
1% decrease in discount rate	2,394	64,495	2,230	84,426
1% increase in cost	(487)	3,949	(847)	12,777
1% decrease in cost	(225)	(160)	(594)	(8,513)

(iv) *56-inch Cross Island Pipeline ('CIP') from Beachfield*

A 1% change in the inflation and discount rate, with other variables remaining constant, will have the following impact on the provision for decommissioning and profit before tax:

	2022 Effect on profit before tax $'000	2022 Movement in the carrying value of Provision $'000	2021 Effect on profit before tax $'000	2021 Movement in the carrying value of Provision $'000
1% increase in inflation rate	(705)	9,269	(671)	10,803
1% decrease in inflation rate	368	(3,940)	344	4,855
1% increase in discount rate	(125)	(3,706)	(114)	(4,603)
1% decrease in discount rate	195	8,908	179	10,425
1% increase in cost	(67)	1,446	(65)	1,489
1% decrease in cost	(43)	(1,148)	(43)	(1,144)

(v) *Block 2c and 3a*

This provision represents management's best estimate of the cost of dismantling the exploration and production assets of Block 2c and Block 3a at the end of its useful life and includes the costs of environmental remediation.

The estimated decommissioning costs are prepared by the Operator, Woodside Energy on an annual basis on behalf of the Joint Venture Partners. Decommissioning costs for jointly controlled assets are recognised for the proportion for which the Company is liable and is measured at the present value of the expenditures expected to be required to settle the obligations.

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25 **Provisions (continued)**

(a) *Asset retirement obligation (continued)*

(v) *Block 2c and 3a (continued)*

The discount rates were obtained from the US Department of Treasury and the escalation rate is an average rate of inflation obtained from International Monetary Fund and EIU Global Forecasting Service as at year end. The provision has been estimated using a discount rate of 3.88% (2021: 1.52%) and inflation rates of 7.25% (2021: 4.90%)

The amount and timing of settlement in respect of future decommissioning provisions are uncertain and dependent on various factors that are not always within management's control but are currently anticipated to be completed in 2031.

The reported decrease in decommissioning costs of $139,907 relates to a significant increase in the discount and inflation rate from 2021 to 2022.

Changes in significant assumptions will have the following impact on decommissioning provision and profit before tax:

	2022 Effect on profit before tax $'000	2022 Movement in the carrying value of Provision $'000	2021 Effect on profit before tax $'000	2021 Movement in the carrying value of Provision $'000
1% increase in inflation rate	(11,799)	64,484	(14,160)	84,544
1% decrease in inflation rate	11,808	(59,069)	13,845	(76,693)
1% increase in discount rate	4,634	(53,309)	5,988	(70,109)
1% decrease in discount rate	(4,667)	57,595	(6,079)	77,133
1% increase in cost	(1,158)	6,331	(1,258)	7,509
1% decrease in cost	1,158	(6,331)	1,258	(7,509)

(vi) *NCMA Blocks 22, Block 4 and Block 9*

This provision represents management's best estimate of the cost of dismantling exploration and production assets of North Coast Marine Area (NCMA) Blocks 22, Block 4 and Block 9 at the end of their useful life and includes the costs of environmental remediation.

The estimated decommissioning costs are prepared by the Operator, Shell Trinidad and Tobago Limited on an annual basis on behalf of the Joint Venture Partners. Decommissioning costs for jointly controlled assets are recognised for the proportion for which the Company is liable and is measured at the present value of the expenditures expected to be required to settle the obligations.

The US Department of Treasury, EIU Global Forecasting Service and International Monetary Fund was used for the same tenor as the estimated timeline for future decommissioning activities and a discount rate of 3.96% was used in 2022 (2021: 1.69%).

The amount and timing of settlement in respect of future decommissioning provisions are uncertain and dependent on various factors that are not always within management's control but are currently anticipated to be completed in 2035.

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25 **Provisions (continued)**

(a) *Asset retirement obligation (continued)*

(vi) *NCMA Blocks 22, Block 4 and Block 9 (continued)*

The reported decrease in decommissioning costs of $133.8 million relates to a significant increase in the discount rate from 2021 to 2022. The increase of $600.2 million in 2021 is due to the purchase of North Coast Marine Area (NCMA) assets from Heritage Petroleum Company Limited. In July 2021 the company sold its 20% interest in De Novo Energy (Block 1a) and the provision previously recorded was reversed.

Changes in significant assumptions will have the following impact on decommissioning provision and profit before tax:

	2022 Effect on profit before tax $'000	2022 Movement in the carrying value of Provision $'000	2021 Effect on profit before tax $'000	2021 Movement in the carrying value of Provision $'000
1% increase in inflation rate	(2,360)	475,466	(2,607)	572,796
1% decrease in inflation rate	2,252	(455,072)	2,365	(462,245)
1% increase in discount rate	13,934	(406,661)	(2,058)	(444,544)
1% decrease in discount rate	(14,469)	532,364	2,101	597,092
1% increase in cost	(1,276)	469,635	(232)	519,977
1% decrease in cost	1,276	(460,335)	232	(509,681)

(vii) *Gas Plant and related facilities*

PPGPL's decommissioning 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.

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25 **Provisions (continued)**

(a) *Asset retirement obligation (continued)*

(viii) *Gas Plant and related facilities*

Changes in significant assumptions will have the following impact on decommissioning provision and profit before tax:

	2022 Effect on profit before tax $'000	2022 Movement in the carrying value of Provision $'000	2021 Effect on profit before tax $'000	2021 Movement in the carrying value of Provision $'000
1% increase in inflation rate	(8,764)	77,527	(8,090)	75,505
1% decrease in inflation rate	6,067	(63,370)	6,742	(62,022)
1% increase in discount rate	3,371	(63,370)	4,045	(64,718)
1% decrease in discount rate	(4,719)	76,853	(4,045)	79,550

(b) *Provision for economic loss*

The Group has made a provision for economic losses for certain contracts under which the unavoidable costs of meeting these obligations exceed the economic benefits expected to be received during the respective contract periods.

The USD Government of the Republic of Trinidad and Tobago (GORTT) bond yield was used for similar tenor of the remaining life of the contracts to estimate the future economic loss.

A change in each of the key assumptions has been analysed and presented below with the other variables held constant.

	2022 Effect on profit before tax $'000	2022 Movement in the carrying value of Provision $'000	2021 Effect on profit before tax $'000	2021 Movement in the carrying value of Provision $'000
1% increase in discount rate	167,578	(167,578)	146,644	(146,644)
1% decrease in discount rate	(182,818)	182,818	(159,738)	159,738
5% increase in volumes	(182,353)	182,353	(185,359)	185,359
5% decrease in volumes	182,353	(182,353)	185,359	(185,359)
5% increase in weighted average selling price	477,964	(477,964)	491,672	(491,672)
5% decrease in weighted average selling price	(477,964)	477,964	(491,672)	491,672

(c) *Claims*

This relates to a provision made for a claim made by a customer in which the settlement value has been agreed at $505.6million/US$75.0 million. The claim was settled subsequent to the year ended 31 December 2022.

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25 **Provisions (continued)**

(d) Land

This provision represents management's best estimate of the cost to acquire Right of Way land associated with the pipeline network. The Group has not yet obtained full legal title to this land. The total land corridor area of approximately 9.856 square km.

The cost to purchase the land was derived by an internal assessment conducted by management and is measured using the acreage to be acquired at a fair value price determined for each parcel of land. Due to the nature of this transaction, significant judgment was exercised by management to arrive at provision recorded.

The amount and timing of settlement in respect of this provision is uncertain and dependent on various factors that are not always within management's control.

The Parent made a provision of TT$ 318.6 million/US$ 47.1 million for cost to purchase right of way lands. During 2022, payment of TT$0.9 million/TT$ 0.1 million has been made toward acquiring the right of way lands.

A change in each of the key assumptions has been analysed and presented below with the other variables held constant.

	2022	2021
	Movement in the carrying value of Provision	**Movement in the carrying value of Provision**
	$'000	**$'000**
Increase in setback distance -21 feet	84,533	84,533
Increase in price -5%	13,754	12,888
Decrease in price- 5%	(13,754)	(12,888)

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26 **Post-retirement medical and group life obligation**

Funding

The Parent provides both medical and life benefits for its retirees. The benefits are determined using actuarial valuations which involves making assumptions about discount rates, future salary increases and medical cost inflation. Due to the long term nature of these plans such estimates are subject to significant uncertainty. This plan has no assets. The Parent expects to pay TT$0.5 million and TT$3.7 million in Post retirement life and medical respectively in 2023.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2022 **%**	**2021** **%**
Medical cost inflation	5.75	5.75
Discount rate	6.00	6.00
General salary increases	5.00	6.00

Assumptions regarding future mortality are based on published mortality tables. The life expectancies underlying the value of the defined benefit obligation as at 31 December 2022 and 2021 are as follows:

Life expectancy at age 60 for current pensioner in years:		
Male	21.9	21.8
Female	26.1	26.1
Life expectancy at age 60 for current members aged 40 in years:		
Male	22.7	22.7
Female	27.1	27.0

Expense recognised in profit or loss are as follows:

	2022 **$'000**	**2021** **$'000**
Current service cost	11,051	9,841
Net interest on net defined benefit liability	9,150	10,768
Net benefit cost	20,201	20,609

Re-measurement recognised in other comprehensive income:

Experience losses	2,620	60,365
Net pension cost in other comprehensive income	2,620	60,365

Net liability in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:

	2022 **$'000**	**2021** **$'000**
Net defined benefit liability	168,651	154,725

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26 **Post-retirement medical and group life obligation (continued)**

Reconciliation of opening and closing statement of financial position:

	2022 $'000	2021 $'000
Opening defined benefit liability	154,725	197,658
Net post-retirement medical and group life obligation	20,201	20,609
Re-measurements:		
Experience adjustments	(1,766)	(9,682)
Re-measurement due to changes in attribution method	(854)	(29,349)
Actuarial gains from changes in financial assumptions	--	(12,445)
Actuarial gains from changes in demographic	--	(8,889)
Group's premiums paid	(3,655)	(3,177)
Closing defined benefit obligation	168,651	154,725

27 **Pension asset**

The Parent and its subsidiaries' employees excluding PPGPL are members of The National Gas Company of Trinidad and Tobago Limited Pension Fund Plan. The final salary defined benefit plan which was effective from 1 May 1977 and covered all permanent employees has been wound up effective 31 December 2018 and a new Career Average Defined Plan with an effective date of 1 January 2019. The plan's financial funding position is assessed by means of triennial actuarial valuations which was completed as at 1st January 2022 and carried out by an independent actuary.

The employees of PPGPL, are under a defined contribution plan which came in effect from 1 January 2003. This plan is a post-employment plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay future amounts covering all full-time employees and is funded by payments from employees and employer taking into account the recommendations of independent qualified actuaries.

Funding

The Group meets the balance of the cost of funding the defined benefit pension plan and must pay contributions at least equal to twice those paid by members, which are fixed. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the plan. The Group expects to pay $40.0 million to pensions during 2023.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2022 %	2021 %
Discount rate	6.0	6.0
General salary increases	4.0	4.0
Salary increases due to age, merit and promotion	1.0	2.0
Future pension increases	0.0	0.0

Life expectancy at age 60 for current pensioner in years:

Male	21.9	21.8
Female	26.1	26.1

Life expectancy at age 60 for current members aged 40 in years:

Male	22.7	22.7
Female	27.1	27.0

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27 **Pension asset (continued)**

Expenses recognised in the statement of profit or loss is as follows:

	2022 $'000	2021 $'000
Current service cost	(23,634)	(25,748)
Net interest on net defined benefit liability	6,627	(572)
Administration expenses	(1,136)	(1,047)
Net benefit cost	(18,143)	(27,367)

Re-measurement recognised in other comprehensive income:

Experience gains	(66,742)	114,709
Total amount recognised in other comprehensive income	(66,742)	114,709

The net liability in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:

Present value of defined benefit obligation	(1,053,291)	(1,058,377)
Fair value of plan assets	1,090,285	1,146,741
Net defined benefit asset	36,994	88,364

Reconciliation of opening and closing statement of financial position entries:

Opening defined benefit liability	88,364	(32,720)
Net pension cost	(18,143)	(27,367)
Re-measurement recognised in other comprehensive income	(66,742)	114,709
Group contributions paid	33,515	33,742
Closing defined benefit asset/(obligation)	36,994	88,364

Movement in present value of defined benefit obligation:

Defined benefit obligation at start of year	1,058,377	1,084,202
Current service cost	23,634	25,748
Interest cost	61,778	58,160
Members contribution	12,456	12,562
Re-measurements:		
Experience adjustments	(34,485)	(864)
Actuarial (gain)/losses from changes in financial assumptions	(10,137)	(67,209)
Benefits paid	(58,332)	(54,222)
Defined benefit obligation at end of year	1,053,291	1,058,377

Movement in fair value of plan assets/asset allocation:

Fair value of plan assets at start of year	1,146,741	1,051,482
Interest income	68,405	57,588
Return on plan assets excluding interest income	(111,364)	46,636
Group contributions	33,515	33,742
Members' contributions	12,456	12,562
Benefits paid	(58,332)	(54,222)
Expenses	(1,136)	(1,047)
Fair value of plan assets at end of year	1,090,285	1,146,741

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27 **Pension asset (continued)**

Asset allocation:

	2022 $'000	2021 $'000
Locally listed equities	298,636	317,127
Overseas equities	207,987	244,705
Government issued bonds	412,818	390,561
Corporate bonds	82,720	102,812
Mutual funds	27,090	31,252
Cash	57,194	57,714
Annuities	3,840	2,570
Fair value of plan assets at end of year	1,090,285	1,146,741

Re-measurement recognised in Other Comprehensive Income:
Experience losses/(gains)

	2022 $'000	2021 $'000
Pension	(66,742)	114,709
Post retirement medical (see note 26)	2,592	54,942
Post retirement group life (see note 26)	(28)	5,423
Fair value of plan assets at end of year	(64,178)	175,074

28 **Trade payables**

	2022 $'000	2021 $'000
Trade payables are settled on 30 day terms	3,423,302	4,532,229

Trade payables are non-interest bearing and are generally settled within 30 days.

29 **Sundry payables and accruals**

	2022 $'000	2021 $'000
Withholding tax	10,810	11,241
VAT payable	2,736	2,807
Material/service amounts	395,170	175,167
Contract provisions	176,951	173,400
Employee related	152,149	105,389
	737,816	468,004

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30 Sales

	2022 $'000	2021 $'000
Natural gas	25,320,352	16,811,226
Natural gasoline	1,649,591	1,170,198
Natural gas liquids	2,689,681	2,448,573
Condensate	81,053	--
Transportation tariffs	212,502	207,286
Crude oil	552,809	1,071,592
Rental	27,666	29,919
Liquefied natural gas	2,275,311	1,258,196
Methanol	239,677	250,057
Marine facilities and services	350,213	361,500
	33,398,855	23,608,547

31 Cost of sales

	2022 $'000	Restated 2021 $'000
Gas purchases	22,133,421	15,121,802
Feedstock purchases	2,307,033	1,855,773
Methanol	140,428	168,836
Processing charges	327,391	249,779
Depreciation	1,008,250	740,462
Production taxes/Supplemental petroleum taxes	144,750	99,974
Maintenance cost	75,380	52,259
Staff cost	81,942	88,619
Royalties	46,746	38,712
Royalty tax	195,746	98,605
Exploration and production costs	293,790	251,988
Other operating cost	285,735	165,958
	27,040,612	18,932,767

32 Other income

	2022 $'000	2021 $'000
Lease income	18,474	21,120
Liquefied natural gas production payments	393,993	116,446
Other income	10,117	42,705
	422,584	180,271

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33 Interest and investment income

	2022 $'000	Restated 2021 $'000
Interest and investment income	57,736	16,783
Interest income on loan receivable	218,474	221,717
Fair value loss on financial assets	(385,287)	(34,445)
(Loss)/gain on disposal of investments	(54)	734
Dividend income	139,283	57,500
	30,152	262,289

34 Administrative, maintenance and general expenses

Staff costs	445,580	371,007
Pension and post-retirement medical and group life	49,489	58,494
Depreciation and amortisation	86,228	90,027
Material, service and contract labor	101,653	21,758
Consulting and professional fees	34,384	83,882
Legal claims	(80,369)	(291,326)
Non-operating maintenance and decommissioning charges	(39,685)	55,407
Green fund levy	98,835	--
Other	351,424	333,037
	1,047,539	722,286

35 Change in provision for economic losses

Onerous contracts	678,795	(950,326)
Provision used during the year (Note 25 (b))	(735,743)	(583,733)
	(56,948)	(1,534,059)

36 Impairment

Property, plant and equipment – (Note 5)	269,245	654,115
Goodwill (Note 9)	38,176	--
Loan receivable (a) (Note 11)	33,553	(1,587)
Trade receivable (b) (Note 17)	(4,841)	148,874
Investment properties (Note 6)	1,852	(507)
	337,985	800,895

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36 **Impairment (continued)**

(a) *Loan receivable*

In 2022, the Group recorded an expected credit allowance (ECL) on its loan receivables of TT$33.6 million/US$4.9 million.

(b) *Trade receivables*

In 2022, the Group recorded a reversal of expected credit allowance (ECL) on its trade receivables of TT$4.8 million/US$ 0.71 million.

37 **Finance costs**

	2022 $'000	Restated 2021 $'000
Interest on loan receivables	163,292	161,865
Unwinding of discount rate on onerous contracts (Note 25 (b))	147,196	165,342
Decommissioning obligation (Note 25 a)	88,204	64,604
Interest on leases	8,299	9,718
Other	10,719	--
	417,710	401,529

38 **Taxation**

	2022 $'000	Restated 2021 $'000
Corporation tax	1,195,738	886,254
Petroleum profit tax	1,596,831	698,399
Business levy	443	917
Green fund levy	3,191	71,138
Current tax expense	2,796,203	1,656,708
Deferred tax (credit)/expense	(98,029)	624,076
	2,698,174	2,280,784

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38 **Taxation (continued)**

	2022 $'000	Restated 2021 $'000
Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rate:		
Profit for the year before taxation	5,079,906	4,787,601
Tax at the rate of 35%	1,777,967	1,675,660
Tax exempt income	(88,083)	(291,876)
Non-deductible expenses/permanent differences	45,783	316,533
Prior years' tax	45,214	59,310
Business levy	443	917
Green fund	3,191	71,138
Indemnification of petroleum profit tax and unemployment levy	357,616	--
Limiting of deferred tax asset to deferred tax liability impact	69,255	--
Unemployment levy	94,278	--
Tax effect of subsidiaries at different rate	444,981	270,395
Tax losses un-utilized/utilized	3,595	205,252
Foreign exchange translation	(54,668)	9,553
Other differences	(1,398)	(36,098)
Taxation expense	2,698,174	2,280,784

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.

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39 Cash generated from operations

	Notes	2022 $'000	Restated 2021 $'000
Profit for the year before taxation		5,079,906	4,787,601
Adjustments to reconcile profit for the year before taxation with net cash from operating activities:			
Depreciation and amortisation	5/6/7/8	1,094,478	829,856
Impairment charge of property, plant and equipment, intangible assets and investment properties	36	271,097	650,825
Impairment charge of other receivables	36	28,712	150,070
Impairment charge of goodwill	36	38,176	--
Increase/decrease in decommissioning provision		25,743	(8,030)
Decrease in onerous contract provision	25	(56,948)	(1,534,059)
Decrease in claims	25	(80,369)	(680,315)
Loss/(gain) on disposal of property, plant and equipment	5	5,015	(10,099)
Increase in escrow		(32,470)	--
Non-cash adjustment to property, plant and equipment		45,589	--
Share of gain in associate	10	(15,213)	(48,915)
Post-retirement costs	26/27	34,541	47,978
Dividend income		(139,283)	(57,500)
Finance costs	37	417,710	401,529
Interest income on finance lease		(9,856)	(16,027)
Interest and investment income		110,488	(203,834)
Operating profit before working capital changes		6,817,316	4,309,080
Working capital changes:			
Increase in accounts receivable, sundry debtors and net investment in leased assets		(1,115,259)	(3,304,681)
(Increase)/decrease in contract assets		(1,846)	3,822
Increase in inventories		(1,431)	(222,921)
(Decrease)/increase in contract liability		(27,471)	(11,825)
(Decrease)/increase in trade creditors, sundry creditors and accruals		(823,987)	2,024,099
Cash flows from operating activities		4,847,322	2,797,474

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40 **Subsidiaries**

a) The subsidiaries are as follows:

Entities	Principal activity	Place of incorporation and operation	Proportion of shareholding and voting power held 2022	2021
Subsidiaries fully owned				
National Energy Corporation of Trinidad and Tobago Limited	Management of marine infrastructural facilities and Industrial Estate	Trinidad and Tobago	100%	100%
NGC Pipeline Company Limited	Own, operate and maintain a 56 inch cross island pipeline ('CIP')	Trinidad and Tobago	100%	100%
Trinidad and Tobago LNG Limited	11.11% ownership at Atlantic Train 4 which sells liquified natural gas ('LNG') and natural gas liquids ('NGLs')	Trinidad and Tobago	100%	100%
NGC CNG Company Limited	Construct, operate and maintain compressed Natural Gas Service Stations	Trinidad and Tobago	100%	100%
NGC Petrochemicals Limited	20% equity interest in Caribbean Gas Chemical Limited which produces, markets and sells DME and Methanol	Trinidad and Tobago	100%	100%
NGC E&P Investments Limited	20% equity interest in exploration, development and production of gas of Block 1A was sold on 1 January 2021. The Company holds 10% and 20% working interest respectively in Block 22 and NCMA-4 in the North Coast Marine Area, 19.5% working interest in Block 9 and NCMA 1 Unitization and 19.5% of issued share capital of Point Fortin LNG Export Limited.	Trinidad and Tobago	100%	100%
NGC Group Captive Insurance (Barbados) Limited	Insurer of various risk of its Parent (NGC) and subsidiaries assets	Barbados	100%	100%

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40 **Subsidiaries (continued)**

a) *The subsidiaries are as follows (continued):*

Entities	Principal activity	Place of incorporation and operation	Proportion of shareholding and voting power held 2022	2021
Subsidiaries fully owned				
NGC Caribbean Investments Limited	30% interest in Block 2c and 31.54% interest in Block 3a. These blocks explore, develop and produce of oil and gas.	Trinidad and Tobago	100%	100%
NGC E&P (Barbados) Limited	0.01% membership in NGC E&P Netherlands Coöperatief U.A. which holds a 30% interest in Block 2c and 11.41% interest in Block 3a	Barbados	100%	100%
NGC E&P Investments (Barbados) Limited	99.99% membership in NGC E&P Netherlands Coöperatief U.A. which holds a 30% interest in Block 2c and 11.41% interest in Block 3a	Barbados	100%	100%
Subsidiaries with non-controlling interest				
La Brea Industrial Development Company Limited	Management of industrial estate and marine infrastructure facilities	Trinidad and Tobago	91.55%	91.55%
NGC NGL Company Limited	51% equity interest in Phoenix Park Gas Processors Limited which processes natural gas, the aggregation, fractionation and marketing of natural gas liquids	Trinidad and Tobago	80%	80%
NGC Trinidad and Tobago LNG Limited	10% ownership in Atlantic Train 1 which sells liquified natural gas (‘LNG’) and natural gas liquids (‘NGLs’)	Trinidad and Tobago	62.16%	62.16%

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40 **Subsidiaries (continued)**

a) *The subsidiaries are as follows (continued):*

Entities	Principal activity	Place of incorporation and operation	Proportion of shareholding and voting power held 2022	2021
Subsidiaries with non-controlling interest				
Trinidad and Tobago NGL Limited	39% equity interest in Phoenix Park Gas Processors Limited which processes natural gas, the aggregation, fractionation and marketing of natural gas liquids	Trinidad and Tobago	25%	25%
Subsidiaries dormant				
Downstream Petrochemicals Research and Development Limited	Management of DME and Downstream Promotion Fund	Trinidad and Tobago	100%	100%
Sub-Subsidiaries				
Phoenix Park Gas Processors Limited	Natural gas processing, the aggregation, fractionation and marketing of natural gas liquids	Trinidad and Tobago	50.55%	50.55%
NGC E&P Netherlands Coöperatief U.A	The company held 100% equity interest in NGC E&P Investments (Netherlands) B.V. and NGC E&P (Netherlands) B.V.	Incorporation – Netherlands Operation - Trinidad and Tobago	100%	100%
NGC E&P (Netherlands) B.V.	The company held 11.41% equity in exploration, development and production of oil and gas of Block 3 (a)	Incorporation – Netherlands Operation - Trinidad and Tobago	100%	100%
NGC E&P Investments (Netherlands) B.V.	The company held 30% equity interest in the exploration, development and production of oil and gas of Block 2 (c)	Incorporation – Netherlands Operation - Trinidad and Tobago	100%	100%

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40 **Subsidiaries (continued)**

b) *Details of non-wholly owned subsidiaries with material non-controlling interest*

Entities	Place of incorporation and operation	Proportion of shareholding and voting rights held by non-controlling interest		Profit allocated to non-controlling interests		Accumulated non-controlling interest	
		2022	2021	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Phoenix Park Gas Processors Limited	Trinidad and Tobago	10%*	10%*	43,091	49,779	205,021	166,318
Fair value adjustment to non-controlling interest in PPGPL				(65,312)	(65,515)	(71,144)	(5,832)
Trinidad and Tobago NGL Limited	Trinidad and Tobago	75%*	75%*	107,161	159,480	1,733,753	1,711,103
NGC Trinidad and Tobago LNG Company Limited	Trinidad and Tobago	37.84%	37.84%	(3,495)	(776)	39,297	42,919
NGC NGL Company Limited	Trinidad and Tobago	20%	20%	43,741	55,174	272,284	302,864
La Brea Industrial Development Company Limited	Trinidad and Tobago	8.45%	8.45%	(1,408)	(192)	29,367	30,774
Total						2,208,578	2,248,146

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40 **Subsidiaries (continued)**

b) *Details of non-wholly owned subsidiaries with a material non-controlling interest (continued)*

Summarised financial information in respect of each of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts after intragroup eliminations.

Phoenix Park Gas Processors Limited ('PPGPL')	**2022 $'000**	**Restated 2021 $'000**
Summary statement of financial position		
Current Assets	1,594,452	1,670,581
Non-current assets	1,682,847	1,448,866
Current Liabilities	(509,111)	(521,767)
Non-current Liabilities	(717,983)	(702,056)
Equity attributable to owners of the PPGPL	1,845,184	1,729,306
Non-controlling interest of PPGPL	205,021	166,318
Summary statement of profit or loss and other comprehensive income		
Revenue	4,432,305	3,704,574
Expenses	(4,001,399)	(3,206,785)
Profit for the year	430,906	497,789
Profit attributable to owners of PPGPL	387,815	448,010
Profit attributable to the non-controlling interest	43,091	49,779
Profit for the year	430,906	497,789
Other comprehensive income attributable to owners of PPGPL	--	--
Other comprehensive income attributable to the non-controlling interest	--	--
Other comprehensive income for the year	--	--
Total comprehensive income attributable to owners of PPGPL	387,815	448,010
Total comprehensive income attributable to the non-controlling interest	43,091	49,779
Total comprehensive income for the year	430,906	497,789
Dividends paid to non-controlling interest	26,966	18,597
Summary statement of cash flows		
Net cash generated from operating activities	598,884	743,833
Net cash used in investing activities	(260,774)	(22,231)
Net cash used in financing activities	(283,520)	(248,361)
Net cash inflow	54,590	473,241

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40 **Subsidiaries (continued)**

b) *Details of non-wholly owned subsidiaries with a material non-controlling interest (continued)*

Trinidad and Tobago NGL Limited ('TTNGL')	2022 $'000	Restated 2021 $'000
Summary statement of financial position		
Current Assets	105,861	132,602
Non-current assets	1,588,588	2,094,026
Current Liabilities	(3,570)	(1,615)
Equity attributable to owners of TTNGL	28,270	519,742
Non-controlling interest	1,662,609	1,705,271
Summary statement of profit or loss and other comprehensive income		
Revenue	168,279	194,372
Other expenses	(564,859)	265,152
Profit for the year	(396,580)	459,524
Profit attributable to owners of TTNGL	(503,741)	300,044
Profit attributable to the non-controlling interest	107,161	159,480
Profit for the year	(396,580)	459,524
Other comprehensive income attributable to owners of TTNGL	(1,493)	175
Other comprehensive income attributable to the non-controlling interest	(4,481)	526
Other comprehensive income for the year	(5,974)	701
Total comprehensive income attributable to owners of TTNGL	(505,235)	300,219
Total comprehensive income attributable to the non-controlling interest	102,681	160,006
Total comprehensive income for the year	(402,554)	460,225
Dividends paid to non-controlling interest	98,685	34,830
Summary statement of cash flows		
Net cash generated from operating activities	104,986	71,144
Net cash generated from investing activities	96	100
Net cash used in financing activities	(131,580)	(46,440)
Net cash (outflow)/inflow	(26,498)	24,804

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40 **Subsidiaries (continued)**

b) *Details of non-wholly owned subsidiaries with a material non-controlling interest (continued)*

NGC NGL Company Limited ('NGC NGL')	**2022** **$'000**	**Restated** **2021** **$'000**
Summary statement of financial position		
Current Assets	305,400	345,902
Non-current assets	1,045,604	966,770
Current Liabilities	(221)	(738)
Equity attributable to owners of NGC NGL	1,078,499	1,009,070
Non-controlling interest	272,284	302,864
Summary statement of profit or loss and other comprehensive income		
Revenue	221,280	254,003
Other expenses	(2,576)	(2,281)
Profit for the year	218,704	251,722
Profit attributable to owners of NGC NGL	174,963	196,548
Profit attributable to the non-controlling interest	43,741	55,174
Profit for the year	218,704	251,722
Other comprehensive income attributable to owners of NGC NGL	(3,252)	318
Other comprehensive income attributable to the non-controlling interest	(813)	79
Other comprehensive income for the year	(4,065)	397
Total comprehensive income attributable to owners of NGC NGL	171,711	201,695
Total comprehensive income attributable to the non-controlling interest	42,928	50,424
Total comprehensive income for the year	214,639	252,119
Dividends paid to non-controlling interest	35,158	--
Summary statement of cash flows		
Net cash used in operating activities	(3,109)	(1,867)
Net cash generated from investing activities	139,346	95,059
Net cash used in financing activities	(175,791)	--
Net cash (outflow)/inflow	(39,554)	93,192

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40 **Subsidiaries (continued)**

b) *Details of non-wholly owned subsidiaries with a material non-controlling interest (continued)*

NGC Trinidad and Tobago LNG Limited ('NGC LNG')	**2022 $'000**	**2021 $'000**
Summary statement of financial position		
Current Assets	205,084	214,942
Non-current assets	--	--
Current Liabilities	(111)	(82)
Non-current Liabilities	(101,123)	(101,438)
Equity attributable to owners of NGC LNG	64,553	70,503
Non-controlling interest	39,297	42,919
Summary statement of profit or loss and other comprehensive income		
Revenue	16,061	124
Expenses	(25,298)	(2,176)
Profit for the year	(9,237)	(2,052)
Profit attributable to owners of NGC LNG	(5,742)	(1,276)
Profit attributable to the non-controlling interest	(3,495)	(776)
Profit for the year	(9,327)	(2,052)
Other comprehensive income attributable to owners of NGC LNG	(208)	27
Other comprehensive income attributable to the non-controlling interest	(127)	16
Other comprehensive income for the year	(335)	43
Total comprehensive income attributable to owners of NGC LNG	(5,950)	(1,249)
Total comprehensive income attributable to the non-controlling interest	(3,622)	(760)
Total comprehensive income for the year	(9,572)	(2,009)
Dividends paid to non-controlling interest	--	--
Summary statement of cash flows		
Net cash (used in)/generated from operating activities	(2,361)	164,743
Net cash generated from investing activities	1,051	143
Net cash used in financing activities	--	--
Net cash (outflow)/inflow	(1,310)	164,886

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity. Comparative notes to the financial statements are based on information received by Management as at the reporting date.

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41 **Associates**

Company	**Place of incorporation and operation**	**Proportion of ownership interest and voting powers 2022**	**2021**
Caribbean Gas Chemical Limited	Trinidad and Tobago	20%	20%
Point Fortin LNG Exports Limited	Trinidad and Tobago	19.5%	19.5%
Trinidad and Tobago Marine Petroleum Company Limited (Trintomar)	Trinidad and Tobago	20%	20%

The investment in Trintomar was fully impaired.

42 **Contingencies**

a) *Taxes*

Claims made on NGC

The Board of Inland Revenue (BIR) issued additional assessments for years of income 1993 to 1994 in respect of re-translation gains and resultant additional taxes totalling TT$20.1 million. The Parent has objected to the assessments by the Board of Inland Revenue. Management is currently awaiting judgement on this matter. Management has assessed the impact of the application of IFRIC 23, however the expected value is immaterial, and no provision has been made in the financial statements for any additional tax liabilities.

b) *Debt tail buy down agreement*

The financing arrangements for the construction of the Trinidad Methanol and DME Project owned by Caribbean Gas Chemical Limited ("CGCL") requires a Gas Reserves Adequacy Ratio of not less than zero. If in any year during the tenor of the long-term project debt, the Gas Reserves Adequacy Ratio is not achieved then a debt tail buy down (DTBD) is triggered. In this instance, the Parent will effectively pay the debt owed and related costs (including interest, fees, swap amount and breakage costs) to the lenders of the project. NGC will then effectively assume the role of project lender to CGCL and CGCL shall repay NGC under similar terms and conditions, with an appropriate level of security transferred to NGC.

c) *Property Tax*

The Property Tax Act of (2009) PTA was enacted into law by the government of the Republic of Trinidad and Tobago (GORTT), effective from 1 January 2010. As of present date there have been no further changes to the legislation or extension of the waivers previously granted by the GORTT. The PTA has not yet been enforced primarily due to non-completion of property valuations by the statutory authority and assessments not being sent to taxpayers. While a present obligation exists, taxpayers are unable to reliably estimate the liability as the basis for fair value at this time has not been clarified. Property tax was not accrued for the year ended 31 December 2022.

d) *Claims*

The Group is aware of certain claims (both asserted and unasserted) arising in the ordinary course of business. These include a number of contractual matters. Further information has not been disclosed so as not to prejudice the Group's position on these matters. These matters are ongoing and it is not practical to estimate the potential impact of these claims. However legal advice obtained by the Group indicates that the Group is likely to prevail in its defence of these matters.

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43 Capital commitments

	2022 $'000	2021 $'000
Approved and contracted capital expenditure	504,052	537,857

44 Commitment contracts

Take-or-pay

The Group has take-or-pay contracts with its customers, where the customer will be contractually required to take a specified volume for the contract year (the take-or-pay volume). If actual volume taken by a customer is below the take-or-pay Volume, then the customer is liable to pay a take-or-pay amount which is the product of the gas price and the difference between the take or pay volume and the actual volume taken. For 2022, the Group had no take-or-pay liability.

Sales

The Group's customers are obligated to take or if not taken pay for said natural gas at the current price, up to the contracted take-or-pay volume. The price of natural gas sold to the producers of ammonia and methanol are linked to the commodity produced by the customer. The contracts include floor prices that escalate annually, which represents the minimum prices for which natural gas can be sold to the respective customers.

One of the Group's subsidiaries is committed to sell natural gas liquids to various companies under the terms of negotiated sales contracts.

45 Related party transactions

The NGC is wholly-owned by the Government of Trinidad & Tobago (GORTT). In the ordinary course of its business, the NGC enters into transactions concerning the exchange of goods, provision of services and financing with affiliate companies as well as with entities directly and indirectly owned or controlled by the GORTT.

Outstanding balances at the year-end are unsecured and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

46 Compensation of key management personnel

	2022 $'000	2021 $'000
Short-term employee benefits	49,987	43,039
Post-employment benefit	3,559	3,332
	53,546	46,371

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47 **Financial risk management**

Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including the effects of credit risks, liquidity risk, interest rates, foreign currency exchange rates and market price risk. Accordingly, the Group's financial performance and position are subject to changes in the financial markets. Overall risk management measures are focused on minimising the potential adverse effects on the financial performance of the Group. Set out below are the Group's financial assets and liabilities.

Categories of financial instruments

	2022 $'000	2021 $'000
Assets:		
Financial assets at fair value through OCI:		
Other financial assets (Note 12)	1,535,312	2,104,904
Financial assets at fair value through P&L:		
Other financial assets (Note 12)	1,191,730	1,581,957
Financial assets at amortised cost:		
Other financial assets (Note 12)	200,000	213,628
Loans receivable (Note 11)	3,639,752	3,703,667
Trade receivable (Note 17)	7,334,302	6,430,820
Cash and cash equivalents (Note 15)	6,081,404	5,218,147
Short-term investments (Note 16)	698,865	648,634
Sundry debtors (Note 18)	275,980	203,275
Net investment in leased assets (Note 8)	182,707	200,221
Total financial assets	21,140,052	20,305,253
Liabilities:		
Financial liabilities at amortised cost:		
Borrowings (Note 23)	2,320,478	2,327,706
Trade payables (Note 28)	3,423,302	4,532,229
Sundry payables and accruals (Note 29)	737,816	468,004
Total financial liabilities	6,481,596	7,327,939

Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk strategies principles, policies and procedures. Day to day adherence to risk principles are carried out by the Executive Management of the Group in compliance with the policies approved by the Board of Directors.

The main risk arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk, foreign currency risk and other price risks. Management reviews and agrees policies for managing each of these risks which are summarised below:

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47 **Financial risk management (continued)**

a) *Credit risk*

Credit risk is the risk that a counter-party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and from its financial activities including deposits with banks and financial institution, foreign exchange transactions and other financial instruments.

(i) *Trade receivables*

The Group evaluates the concentration of risk with respect to trade receivables and computed the expected credit loss on customers.

(ii) *Debt instruments*

The Group's loan receivables are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses.

The closing loss allowance as at 31 December 2022 as follows:

Unquoted debt instruments

	TT$'000
As at 1 January 2022	18,297
Expected credit loss in the current year	33,553
Foreign exchange	147
As at 31 December 2022	**51,997**

Quoted debt investments

	TT$'000
As at 1 January 2021	2,929
Expected credit loss in the current year	47
Foreign exchange	(6)
As at 31 December 2022	**2,970**

(iii) *Other financial assets*

Credit risks from balances with banks and financial institutions are managed in accordance with the Group's policy. Investments or surplus funds are made only with approved counterparties and within limits assigned to each counterparty. Counterparty limits are reviewed by the Group's Board of Directors on an annual basis. The limits are set to minimise the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

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47 **Financial risk management (continued)**

b) *Liquidity risk*

The Group monitors its risk to a shortage of funds by considering planned and probable expenditures against projected cash inflows from operations and from the settlement of financial assets such as account receivables and levels of cash sales.

The table below summarises the maturity profile of the Group's financial liabilities and commitments based on contractual (earliest date on which the Group can be required to pay) undiscounted payments at the statement of financial position date. The table includes both interest and principal cash flows.

	On demand $'000	≤ 3 months $'000	3 - 12 months $'000	1 - 5 years $'000	≥ 5 years $'000	Total $'000
As at 31 December 2022						
Assets						
Other financial assets *	--	200,001	90,019	6,365	2,630,657	2,927,042
Loans receivable	--	1,290	276,747	2,923,232	1,391,683	4,592,952
Net investment in leased assets	--	9,568	41,787	123,483	--	174,838
Cash and cash equivalents	5,005,374	269,660	806,370	--	--	6,081,404
Short-term investments	--	--	698,108	757	--	698,865
Trade receivable	--	7,334,302	--	--	--	7,334,302
Sundry debtors	--	275,980	--	--	--	275,980
	5,005,374	8,090,801	1,913,031	3,053,837	4,022,340	22,085,383
Liabilities						
Borrowings	--	69,399	69,399	555,196	3,469,845	4,163,839
Trade and other payables	--	4,127,657	33,460	--	--	4,161,117
	--	4,197,056	102,859	555,196	3,469,845	8,324,956
Net position	5,005,374	3,893,745	1,810,172	2,498,641	552,495	13,760,427

- Included in Other financial assets under the more than 5 years category is the Credit linked note (Refer to Note 12 (iii) (b)).

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47 **Financial risk management (continued)**

b) *Liquidity risk (continued)*

As at 31 December 2021	On demand $'000	≤ 3 months $'000	3-12 months $'000	1-5 years $'000	≥ 5 years $'000	Total $'000
Assets						
Other financial assets	938	907	99,359	216,273	3,583,012	3,900,489
Loans receivable	--	314	274,107	2,772,653	1,738,171	4,785,245
Net investment in leased assets	--	6,527	40,128	127,674	16,291	190,620
Cash and cash equivalents	5,218,147	--	--	--	--	5,218,147
Short-term investments	--	289,208	358,669	757	--	648,634
Trade receivable	--	6,430,820	--	--	--	6,430,820
Sundry debtors	--	203,275	--	--	--	203,275
	5,219,085	6,931,051	772,263	3,117,357	5,337,474	21,377,230
Liabilities						
Borrowings	--	69,435	69,435	555,484	3,616,462	4,310,816
Trade and other payables	--	4,995,727	4,506	--	--	5,000,233
	--	5,065,162	73,941	555,484	3,616,462	9,311,049
Net position	5,219,085	1,865,889	698,322	2,561,873	1,721,012	12,066,181

c) *Interest rate risk*

Interest rate risk for the Group's centres primarily on the risk relating to the Group's long-term loan receivables which carries varying interest rates.

	Increase/ (decrease) in basis points	Effect on profit before tax $'000
Loan receivables		
2022	+50	483
	–50	(483)
2021	+50	274
	–50	(274)

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47 **Financial risk management (continued)**

d) *Foreign currency risk*

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

Such exposures arise from sales and purchases denominated in currencies other than the Group's functional currency. As highlighted in the table below the Group's exposure to foreign currency changes is immaterial.

As at 31 December 2022	Amounts denominated in TT currency $'000	Amounts denominated in US currency $'000	Amounts denominated in Other $'000	Total $'000
Assets				
Loans receivable	--	3,639,752	--	3,639,752
Other financial assets	606,494	2,320,548	--	2,927,042
Net investment in leased assets	--	182,707	--	182,707
Cash and cash equivalents	398,855	5,682,113	436	6,081,404
Short-term investments	757	698,108	--	698,865
Trade receivable	3,888	7,330,414	--	7,334,302
Sundry debtors	178,376	95,979	1,625	275,980
	1,188,370	19,949,621	2,061	21,140,052
Liabilities				
Borrowings	--	2,320,478	--	2,320,478
Trade and other payables	635,893	3,522,752	2,473	4,161,118
	635,893	5,843,230	2,473	6,481,596
Net position	552,477	14,106,391	(412)	14,658,456

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47 **Financial risk management (continued)**

d) *Foreign currency risk (continued)*

As at 31 December 2021	Amounts denominated in TT currency TT$'000	Amounts denominated in US currency TT$'000	Amounts denominated in Other currency TT$'000	Total TT$'000
Assets				
Loans receivable	--	3,703,666	--	3,703,666
Other financial assets	622,444	3,278,045	--	3,900,489
Net investment in leased assets	--	201,419	--	201,419
Cash and cash equivalents	337,064	4,880,645	438	5,218,147
Short-term investments	87,090	561,544	--	648,634
Trade receivable	3,665	6,427,155	--	6,430,820
Sundry debtors	--	223,275	--	223,275
	1,050,263	19,275,750	438	20,326,451
Liabilities				
Borrowings	--	2,327,706	--	2,327,706
Trade and other payables	1,089,558	3,910,227	448	5,000,233
	1,089,558	6,237,933	448	7,327,939
Net position	(39,295)	13,037,817	(10)	12,998,512

e) *Market price risk*

i) *Equity price risk*

The Group takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate and currency, which are exposed to general and specific market movements. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the Group's return on its assets.

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Notes to the Consolidated Financial Statements (continued)
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47 **Financial risk management (continued)**

e) *Market price risk (continued)*

ii) *Commodity price risk*

The Group is exposed to commodity price risk for natural gas, liquified natural gas, natural gas liquids and oil sold. The market price movement that the Group is exposed to includes commodity prices for ammonia and methanol prices. This movement could adversely affect the value of the Group's financial assets, liabilities and future cash flows. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the Group's return on its assets.

f) *Capital management*

The primary objective of the Group's capital management policy is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value. It also manages its capital to ensure that the Group will be able to continue as a going concern.

The Group monitors capital using a gearing ratio which is debt divided by equity plus debt. The Group's policy is to maintain a gearing ratio no higher than 30%.

Set out below are details of the Group's capital structure:

	2022 $'000	**Restated 2021 $'000**
Debt	2,320,478	2,327,706
Equity	22,209,074	21,035,064
Total Capital	24,529,552	23,362,770
Gearing ratio	9.46%	9.96%

g) *Fair values*

i) *Fair value hierarchy*

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets and liabilities recorded at fair value in the consolidated financial statements based upon the level of judgement associated with the inputs used to measure their fair value. The hierarchical levels, from lowest to highest based on the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities are as follows:

Level 1

Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date. The types of assets carried at level 1 fair value are equity and debt securities listed in active markets. The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price.

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47 **Financial risk management (continued)**

g) *Fair values (continued)*

i) *Fair value hierarchy (continued)*

Level 2

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are derived principally from or corroborated by observable market data by correlation or other means at the measurement date and for the duration of the instruments' anticipated life.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

Level 3

Inputs that are unobservable for the asset or liability for which there are no active markets to determine a price. These financial instruments are held at cost being the fair value of the consideration paid for the acquisition of the investments and are regularly assessed for impairment.

Set out below are the financial instruments of the Group categorised in accordance with Level 1, Level 2 and Level 3 as set out in Note 2.15:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at FVTPL and FVTOCI				
Quoted equities	945,510	--	--	945,510
Unquoted debt	--	200,001	589,801	789,802
Credit linked note	--	579,769	--	579,769
Alternative investments	--	611,961	--	611,961
As at 31 December 2022	945,510	1,391,731	589,801	2,927,042
Financial assets at FVTPL and FVTOCI				
Quoted equities	1,054,245	--	--	1,054,245
Unquoted debt	--	213,628	1,050,659	1,264,287
Credit linked note	--	852,075	--	852,075
Alternative investments	--	723,518	--	723,518
As at 31 December 2021	1,054,245	1,789,221	1,050,659	3,894,125

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47 **Financial risk management (continued)**

g) *Fair values (continued)*

ii) *Fair value of the Group's financial assets and financial liabilities that are measured at amortised cost are as follows:*

	2022		2021	
	Fair value $'000	Carrying value $'000	Fair value $'000	Carrying value $'000
Loans receivable:				
Trinidad and Tobago Electricity Commission	3,542,124	3,542,124	3,641,116	3,641,116
Caribbean Gas Chemical Limited	97,628	97,628	62,551	62,551
	3,639,752	3,639,752	3,703,667	3,703,667
Borrowings:				
US$400M 30year bond	2,106,231	2,320,478	2,355,582	2,327,706
	2,106,231	2,320,478	2,355,582	2,327,706
Net receivables/ borrowings	1,533,521	1,319,274	1,351,085	1,378,961

Fair value hierarchy

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 31 December 2022				
Loans receivable	--	--	3,639,752	3,639,752
Borrowings	(2,106,231)	--	--	(2,106,231)
	(2,106,231)	--	3,639,752	1,533,521
At 31 December 2021				
Loans receivable	--	--	3,706,667	3,706,667
Borrowings	(2,355,582)	--	--	(2,355,582)
	(2,355,582)	--	3,706,667	1,351,085

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47 **Financial risk management (continued)**

g) *Fair values (continued)*

iii) *Fair values of financial assets and financial liabilities that are not measured at fair value but fair value disclosures are required:*

Short-term financial assets and liabilities

The carrying amount of short-term financial assets and liabilities comprising cash and cash equivalents, short-term investments, sundry debtors and current liabilities are a reasonable estimate of fair values because of the short-term nature of these instruments.

The fair value of investments that are actively traded in financial markets is determined by reference to quoted market prices at the close of business at the reporting period date. For investments where there is no active market the fair value estimates cannot be reasonably assessed and as such are measured at cost.

48 **Dividends**

	2022 $'000	**2021 $'000**
Dividends paid to shareholder	359,903	329,552

Dividend per share for 2022 was TT$0.19 (2021:TT$0.18).

49 **Restatements**

The Group has restated its consolidated financial statements as at 1 January 2021 and 31 December 2021 to account for the following:

a. *Decommissioning*

In prior years, the Group did not record provisions for decommissioning of (i) its pipeline and related facilities which are assets of NGC parent company and the NGC Pipeline Company and (ii) the PPGPL gas plant and related facilities.

(i) *Decommissioning of pipeline and related facilities*

Prior to construction of a pipeline, NGC applies to the Ministry of Energy and Energy Industries (MEEI) for construction permission. Once approved, the MEEI issues a pipeline license outlining the terms and conditions for construction. The granting of a license to construct pipelines does not include a legal obligation to remove the pipeline and reinstate the site to the original condition.

However, NGC has always been focused on carrying on its operations in a safe manner and protection of the environment. This past practice has formed the basis for the treatment of the decommissioning of Group's onshore pipelines as a constructive obligation, with the effective date of initial recognition being the later of the construction date of each individual pipeline and 31 December 2000.

Additional disclosures are included in Note 25(a)(iii).

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49 **Restatements (continued)**

a. *Decommissioning (continued)*

(i) *Decommissioning of pipeline and related facilities*

The present value of future decommissioning costs was recognised under non-current liabilities, with the corresponding amounts recorded in property, plant and equipment and retained earnings respectively as at 1 January 2021 and 31 December 2021. Finance costs associated with the unwinding of the liability were recorded within retained earnings and the 2021 profit and loss account. Depreciation on the asset component the provision was recorded within retained earnings and the 2021 profit and loss account. Deferred tax assets and liabilities were recorded on the liability and asset balances respectively, with the deferred tax assets being restricted in line with the Group's accounting policy for recognition. The restatement amount as at 1 January 2021 was TT$203.1 million and TT$213.0 million as at 31 December 2021.

(ii) *Decommissioning of Gas plant and other related facilities*

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 termination of the leases. This legal obligation was not previously recognised and is now recognised with an effective date of initial recognition of the earlier of 31 December 2000 or the construction date. The provision represents the present value of decommissioning and dismantlement costs with an expected date of 2042.

The provision 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. The restatement amount as at 1 January 2021 was TT$352.9 million and TT$342.9 million as at 31 December 2021.

Additional disclosures are included in Note 25(a)(viii).

b. *Amortisation of intangible assets*

In prior years the Group recognised costs incurred in connection with the purchase of contracts related to its North American operations as intangible assets with indefinite useful lives. As the contracts had set termination dates, 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. The restatement amount as at 1 January 2021 was TT$56.4 million and TT$87.1 million as at 31 December 2021.

Additional disclosures included in Note 7.

The National Gas Company of Trinidad and Tobago Limited

Notes to the Consolidated Financial Statements (continued)
31 December 2022
(Expressed in Trinidad and Tobago Dollars)

49 **Restatements (continued)**

c. *Impairment of goodwill*

As at 31 December 2022, the group conducted its annual impairment assessment of assets at subsidiary levels. The source data and cash generating unit for the TTNGL and PPGPL individual assessments is the same as that used for the annual goodwill impairment test. (See note 9 for the origination of the goodwill). Restatements recorded at the PPGPL level had implications for the accuracy and appropriateness of the model and data used for the goodwill impairment testing conducted in the prior year. This included:

- Inaccurate inclusion of a terminal value for the PPGPL gas processing and fractionation facilities; and
- Omission of decommissioning liabilities for its gas plant and other related facilities (see Notes 25 (1)(vii)).

Impairment of goodwill was not recognised in prior years as required under IFRS and a restatement was made for its effects in these financial statements. The restatement amount as at 1 January 2021 was TT$747.7 million and TT$747.8 million as at 31 December 2021.

See Note 9 for additional information.

d. *Deferred tax asset*

The deferred tax asset recognised on the offshore asset retirement obligation of Teak, Samaan and Poui platform has been restated as at 1 January 2021 and 31 December 2021 as a result of no availability of future taxable profits after the decommissioning of the platform in 2031 against which the deferred tax asset can be utilised. The deferred tax expense related to the asset retirement obligation recorded within the retained earnings as at 1 January 2021 and 31 December 2021 has also been restated. The restatement amount as at 1 January 2021 was TT$103 million and TT$103 million as at 31 December 2021.

Refer to Note 38 for details regarding this restatement.

The National Gas Company of Trinidad and Tobago Limited

Notes to the Consolidated Financial Statements (continued)
31 December 2022
(Expressed in Trinidad and Tobago Dollars)

49 **Restatements (continued)**

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

	As previously reported	Effect of restatement	Restated balance
	$'000	$'000	$'000
As at 31 December 2021			
Assets			
Property, plant and equipment	14,421,562	56,559	14,478,121
Other intangible assets	127,212	(87,110)	40,102
Goodwill	2,413,822	(747,833)	1,665,989
Net investment in leased assets	164,865	9,601	174,466
Deferred tax asset	2,102,262	(72,693)	2,029,569
Liabilities			
Deferred tax liability	(3,133,771)	(24,327)	(3,158,098)
Provisions	(5,889,682)	(555,873)	(6,447,555)
Equity			
Other reserves	(4,132,107)	1,778	(4,130,329)
Non-controlling interest	(2,654,861)	406,715	(2,248,146)
Retained earnings	(15,626,460)	1,015,183	(14,611,277)

The National Gas Company of Trinidad and Tobago Limited

Notes to the Consolidated Financial Statements (continued)
31 December 2022
(Expressed in Trinidad and Tobago Dollars)

49 **Restatements (continued)**

	As previously reported	Effect of restatement	Restated balance
	$'000	$'000	$'000
As at 1 January 2021			
Assets			
Property, plant and equipment	14,257,985	94,292	14,352,277
Other intangible assets	129,015	(56,382)	72,633
Goodwill	2,420,520	(747,689)	1,672,831
Net investment in leased assets	172,120	10,840	182,960
Deferred tax asset	2,414,658	(69,726)	2,344,932
Liabilities			
Deferred tax liability	(2,817,814)	(36,796)	(2,854,610)
Provisions	(6,812,659)	(556,089)	(7,368,748)
Equity			
Non-controlling interest	(2,504,716)	401,970	(2,102,746)
Other reserves	(4,242,781)	1,467	(4,241,314)
Retained earnings	(13,032,618)	958,113	(12,074,505)

The National Gas Company of Trinidad and Tobago Limited

Notes to the Consolidated Financial Statements (continued)
31 December 2022
(Expressed in Trinidad and Tobago Dollars)

49 **Restatements (continued)**

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

	As previously reported	Effect of restatement	Restated balance
	$'000	$'000	$'000
Year ended 31 December 2021			
Cost of sales	(18,927,185)	(5,582)	(18,932,767)
Finance cost	(201,132)	(200,397)	(401,529)
Change in provision for economic losses	1,368,717	165,342	1,534,059
Administrative, maintenance & general expenses	(691,593)	(30,693)	(722,286)
Profit for the year before taxation	4,858,931	(71,330)	4,787,601
Taxation	(2,290,300)	9,516	(2,280,784)
Profit for the year after taxation	2,568,631	(61,814)	2,506,817

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

	As previously reported	Effect of restatement	Restated balance
	$'000	$'000	$'000
Year ended 31 December 2021			
Profit before tax	4,858,931	(71,330)	4,787,601
Adjustments for:			
Depreciation and amortisation	793,581	36,275	829,856
Change in provision for economic losses	(1,368,717)	(165,342)	(1,534,059)
Finance costs	201,132	200,397	401,529
Operating profit before working capital changes	4,325,704	--	4,309,080

The National Gas Company of Trinidad and Tobago Limited

Notes to the Consolidated Financial Statements (continued)
31 December 2022
(Expressed in Trinidad and Tobago Dollars)

50 **Events after the reporting**

On 1 December 2023, the members of Atlantic 1 Holdings LLC ("A-1") which own Atlantic LNG Company of Trinidad and Tobago ("ALNG 1"), Atlantic 2/3 Holdings LLC ("A-2/3") which own Atlantic LNG 2/3 Company of Trinidad and Tobago Unlimited ("ALNG 2/3"); and Atlantic 4 Holdings LLC ("A-4") which own Atlantic LNG 4 Company of Trinidad and Tobago Unlimited ("ALNG 4") executed agreement to merge the Companies in 2 phases.

Phase (1) which becomes effective on October 1, 2024 would see the merger of A-1 and A-2/3 LLCs and A-2/3 shall continue as the sole surviving LLC under Delaware Laws. Simultaneously ALNG 1 and ALNG 2/3 will amalgamate under TT Laws with ALNG 1 continuing as the surviving entity. NGC LNG, a subsidiary of NGC will have a 5.7% shareholding and the balance of the equity will be shared equally between the other Members.

Phase (2) which becomes effective on May 2, 2027 would see the merger of A-2/3 and A-4 LLCs and A-2/3 shall continue as the sole surviving LLC, under Delaware Laws. Simultaneously ALNG 1 and ALNG 4 will amalgamate under TT Laws with ALNG 1 continuing as the surviving entity. On that date, NGC LNG's equity percentage will increase to 10% and the balance of the equity will be shared equally between the other Members.

When ALNG 4 is merged with ALNG 2/3, NGC LNG's interest would be increased from 5.7% to 10.0%. TTLNG would no longer have any interest in ALNG 4 separately. TTLNG, as an entity owned by NGC, would be a trading entity.

2018–2022

FIVE-YEAR REVIEW

FIVE-YEAR CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER
(Amounts expressed in Trinidad and Tobago dollars)

	2022 $'000	RESTATED 2021 $'000	RESTATED 2020 $'000	RESTATED 2019 $'000	RESTATED 2018 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	13,481,735	14,478,121	14,352,277	17,271,170	18,980,432
Investment properties	440,687	471,245	498,456	529,005	550,630
Other intangible assets	24,571	40,102	72,633	21,702	16,953
Right-of-use assets	71,434	94,286	138,087	141,641	–
Goodwill	1,622,708	1,665,989	1,672,831	2,413,786	2,420,247
Investment in associates	355,765	353,069	324,052	339,293	314,897
Loans receivable	3,580,325	3,648,702	3,685,904	3,692,007	3,644,417
Other financial assets	2,927,042	3,900,489	3,638,134	3,791,616	3,962,609
Net investment in leased asset	131,351	174,466	182,960	224,635	209,121
Deferred tax asset	2,189,477	2,029,569	2,344,932	2,077,132	793,192
Cash in escrow	32,470	–	–	–	–
Pension asset	36,994	88,364	–	–	–
Contract assets	1,048	1,484	1,960	–	217
Debt reserve funds	–	–	–	120,384	118,263
Total non-current assets	**24,895,607**	**26,945,886**	**26,912,226**	**30,622,371**	**31,010,978**
Current assets					
Cash and cash equivalents	6,081,404	5,218,147	3,407,459	3,605,702	6,837,681
Short-term investments	698,865	648,634	2,016,037	2,881,747	1,426,841
Loans receivable	59,427	54,965	136,264	280,273	–
Net investment in leased assets	51,356	25,755	17,799	187,059	191,199
Trade receivables	7,334,302	6,430,820	3,054,060	2,189,909	1,519,087
Sundry debtors and prepayments	962,700	709,109	896,619	887,272	982,874
Inventories	544,352	542,921	319,763	401,945	307,808
Contract assets	8,399	6,117	9,475	5,516	14,621
Taxation recoverable	509,060	536,684	594,682	566,788	408,457
Total current assets	**16,249,865**	**14,173,152**	**10,452,158**	**11,006,211**	**11,688,568**
Total assets	**41,145,472**	**41,119,038**	**37,364,384**	**41,628,582**	**42,699,546**

FIVE-YEAR CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER
(Amounts expressed in Trinidad and Tobago dollars)

	2022 $'000	RESTATED 2021 $'000	RESTATED 2020 $'000	RESTATED 2019 $'000	RESTATED 2018 $'000
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholder's equity					
Share capital	1,855,266	1,855,266	1,855,266	1,855,266	1,855,266
Reserve fund	438,192	438,192	438,192	438,192	438,192
Other reserves	3,340,189	4,130,329	4,241,314	5,565,159	6,224,495
Retained earnings	16,575,427	14,611,277	12,074,505	15,125,139	16,704,169
Total equity attributable to owners of the parent	22,209,074	21,035,064	18,609,277	22,983,756	25,222,122
Non-controlling interest	2,208,578	2,248,146	2,102,746	2,622,827	2,820,156
Total shareholder's equity	**24,417,652**	**23,283,210**	**20,712,023**	**25,606,583**	**28,042,278**
Non-current liabilities					
Deferred tax liability	3,211,184	3,158,098	2,854,610	4,639,261	5,329,925
Borrowings	2,256,977	2,264,007	2,263,572	2,309,451	2,514,475
Contract liabilities	72,967	82,502	91,786	97,505	108,597
Lease Liability	61,269	72,145	112,137	132,093	–
Provisions	5,976,365	6,447,555	7,368,748	4,649,536	2,044,093
Post-retirement medical and group life obligation	168,651	154,725	197,658	189,999	153,875
Pension obligation	–	–	32,720	106,637	55,729
Total non-current liabilities	**11,747,413**	**12,179,032**	**12,921,231**	**12,124,482**	**10,206,694**
Current Liabilities					
Trade payables	3,423,302	4,532,229	1,978,713	1,781,063	2,488,356
Sundry payables and accruals	737,816	468,004	914,640	1,488,757	1,286,021
Borrowings	63,501	63,699	109,156	263,626	193,990
Contract liabilities	1,170	79,106	65,391	74,012	59,758
Lease Liability	14,984	17,736	30,283	12,397	–
Provisions	477,794	212,977	617,771	270,990	–
Dividends payable	–	–	–	–	4,238
Taxation payable	201,840	283,045	15,176	6,672	418,211
Total current liabilities	**4,920,407**	**5,656,796**	**3,731,130**	**3,897,517**	**4,450,574**
Total liabilities	**16,667,820**	**17,835,828**	**16,652,361**	**16,021,999**	**14,657,268**
Total equity and liabilities	**41,085,472**	**41,119,038**	**37,364,384**	**41,628,582**	**42,699,546**

FIVE-YEAR CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER
(Amounts expressed in Trinidad and Tobago dollars)

	2022 $'000	RESTATED 2021 $'000	2020 $'000	RESTATED 2019 $'000	RESTATED 2018 $'000
Sales	33,398,855	23,608,547	11,413,901	13,609,390	16,004,936
Cost of sales	(27,040,612)	(18,932,767)	(10,078,419)	(12,601,711)	(12,563,642)
Gross profit	6,358,243	4,675,780	1,335,482	1,007,679	3,441,294
Other operating income	422,584	180,271	181,871	636,823	744,261
Interest and other investment income	30,152	262,289	523,685	654,842	922,393
Gain on disposal of interest in asset	–	10,997	–	–	–
Administrative, maintenance and general expenses	(1,047,539)	(722,286)	(1,713,515)	(899,885)	(1,002,626)
Provision for economic loss	56,948	1,534,059	(1,784,312)	128,008	–
Impairment (expense)/reversal	(337,985)	(800,895)	(1,532,188)	(688,853)	44,182
Finance costs	(417,710)	(401,529)	(161,743)	(230,130)	(202,949)
Share of loss from associate	15,213	48,915	(39,185)	(4,513)	(6,007)
Profit/(loss) for the year before taxation	5,079,906	4,787,601	(3,189,905)	603,971	3,940,548
Taxation	(2,698,174)	(2,280,784)	1,055,302	(121,758)	(1,544,662)
Profit/(loss) for the year after taxation	**2,381,732**	**2,506,817**	**(2,134,603)**	**482,213**	**2,395,886**
Other comprehensive (loss)/income, net of taxes:					
Items that will not be reclassified subsequently to profit or loss:					
Re-measurement of defined benefit (liability)/assess net of income tax	(41,716)	113,798	21,794	(18,822)	(292)
Revaluation loss on pipeline net of income tax	–	–	(878,506)	–	
Net unrealised (loss)/gain on equity instruments designated at fair value through other comprehensive income	(572,003)	279,904	(401,523)	(420,966)	(173,156)
Foreign currency translation	(103,379)	56,967	18,647	(96,466)	244,887
	(717,098)	450,669	(1,239,588)	(536,254)	71,439

FIVE-YEAR CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)
FOR THE YEAR ENDED 31 DECEMBER
(Amounts expressed in Trinidad and Tobago dollars)

	2022 $'000	RESTATED 2021 $'000	2020 $'000	RESTATED 2019 $'000	RESTATED 2018 $'000
Items that may be reclassified subsequently to profit or loss:					
Net unrealised (loss)/ gain on debt instrument at fair value through other comprehensive income	(9,480)	(3,319)	136	22,622	(233,539)
Other comprehensive(loss)/ profit for the year, net of tax	**(726,578)**	**447,350**	**(1,239,452)**	**(513,632)**	**(162,100)**
Total comprehensive income/ (loss) for the year	**1,655,154**	**2,954,167**	**(3,374,055)**	**(31,419)**	**2,233,786**
Profit/(loss) for the year after tax attributable to:					
- Owners of the parent	2,257,953	2,308,474	(2,088,252)	418,495	2,128,292
- Non-controlling interests	123,779	198,343	(46,351)	63,718	267,594
	2,381,732	**2,506,817**	**(2,134,603)**	**482,213**	**2,395,886**
Total comprehensive income/ (loss) for the year, net of tax attributable to:					
- Owners of the parent	1,533,913	2,755,339	(3,304,969)	(83,365)	1,964,064
- Non-controlling interests	121,241	198,828	(69,086)	51,946	269,722
	1,655,154	**2,954,167**	**(3,374,055)**	**(31,419)**	**2,233,786**

Corporate Information

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President, NGC

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President, National Energy

Dominic Rampersad
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Brighton Port
Material Storage & Handling Facility
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THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

PHOENIX PARK GAS PROCESSORS LIMITED

LA BREA INDUSTRIAL DEVELOPMENT COMPANY LIMITED

Trinidad and Tobago NGL Limited

NGC CNG Company Limited

National Energy CORPORATION OF TRINIDAD AND TOBAGO

THE NGC GROUP OF COMPANIES