Trinidad and Tobago NGL Limited

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

NAVIGATING Change

2023 ANNUAL REPORT

Contents

PPGPL CORPORATE
Statements

VISION

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

MISSION

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

CORE VALUES

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

CORPORATE Overview

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

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

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

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

Phoenix Park Gas Processors Limited (Investee Company)

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

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

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

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

THESE AREAS OF EXPERTISE INCLUDE:

- **Project development and implementation;**
- **Product trading; and**
- **Partnership with companies to expand its investment portfolio.**

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

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

CHAIRMAN'S Report

DR. JOSEPH ISHMAEL KHAN
CHAIRMAN

The year 2023 was a particularly challenging one for Trinidad and Tobago NGL Limited (TTNGL/The Company/the Company) and its underlying asset, Phoenix Park Gas Processors Limited (PPGPL). As we reflect on this past year, we acknowledge the continuing global economic turbulence, which has been exacerbated by the challenges still faced by businesses, including the macro challenges of unrelenting and stubborn inflation, continuing supply chain and labour supply issues. These have had a direct impact on already constrained markets and consumers. While it has been a less-than-ideal year, PPGPL, the Company's investee entity, continues to position itself in attractive, high-value markets as it continues to differentiate and grow its geographic footprint.

Results

For the year ended December 31, 2023, PPGPL recorded a profit after tax of US$10.7 million (2022: US$63.8 million). This translated to a share of profit to TTNGL for 2023 of TT$28.1 million (2022: TT$168.1 million). TTNGL's performance was impacted by the recognition of an impairment charge of TT$573.6 million (2022: TT$562.4 million). After accounting for expenses, the Company recorded a loss after tax of TT$547.7 million (2022: TT$396.6 million).

Like 2022, the impairment charge is unrealised and was a result of the 2023 Fair Value assessment of TTNGL's investment in PPGPL. The results of the Fair Value Less Cost of Disposal calculation were derived from management's conservative estimates for future cash flows from the asset and based on current information. Cash flows were primarily impacted by the following key assumptions:

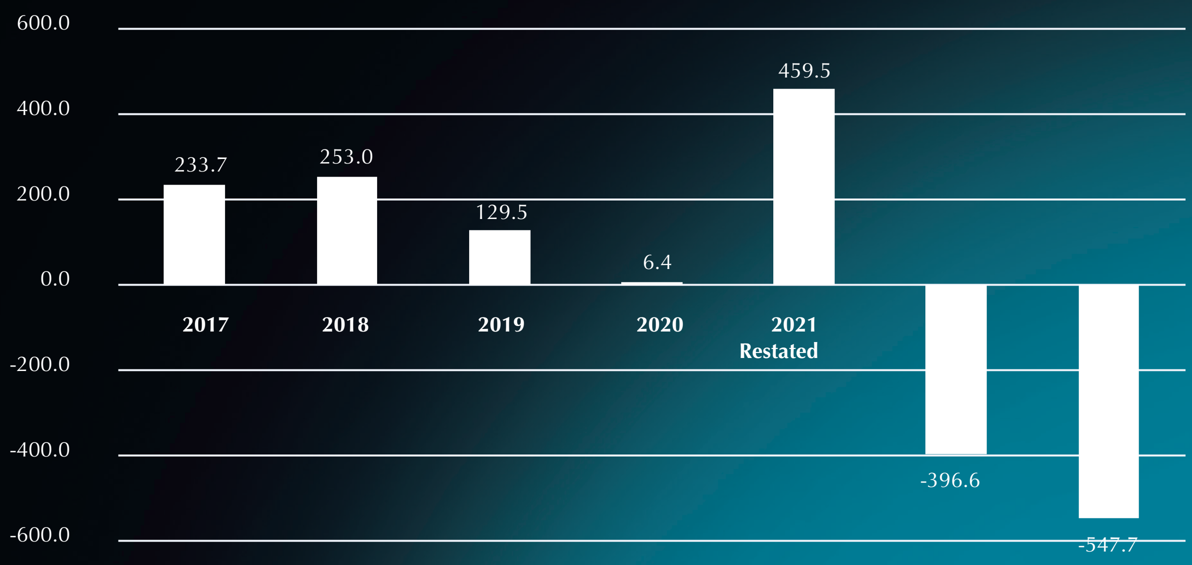
i. Lower forecast long-term gas supply volumes. These were based on the best estimates of the parent company, The National Gas Company of Trinidad and Tobago Limited (NGC). At a country level, gas exploration activities are continuing at an aggressive pace, both locally and in partnership across the region. There are proven untapped resources which, under the normal development process, will likely come online with the appropriate commercial and legal structures. This will have the effect of growing gas volumes at Point Lisas for processing and natural gas liquids (NGL) production.
ii. A higher discount factor to cater for risks inherent to the business.
iii. Lower forecast cash flows from the North American assets as PPGPL continues to grow that business segment.
iv. Lower forecast natural gas liquids (NGL) product prices.
v. Additional decommissioning cash flows related to PPGPL's plant located at Point Lisas.

It must be noted that reversal of unrealised losses is possible in future reporting periods as key inputs at the investee company are enhanced, including natural gas supply and the useful life of key assets.

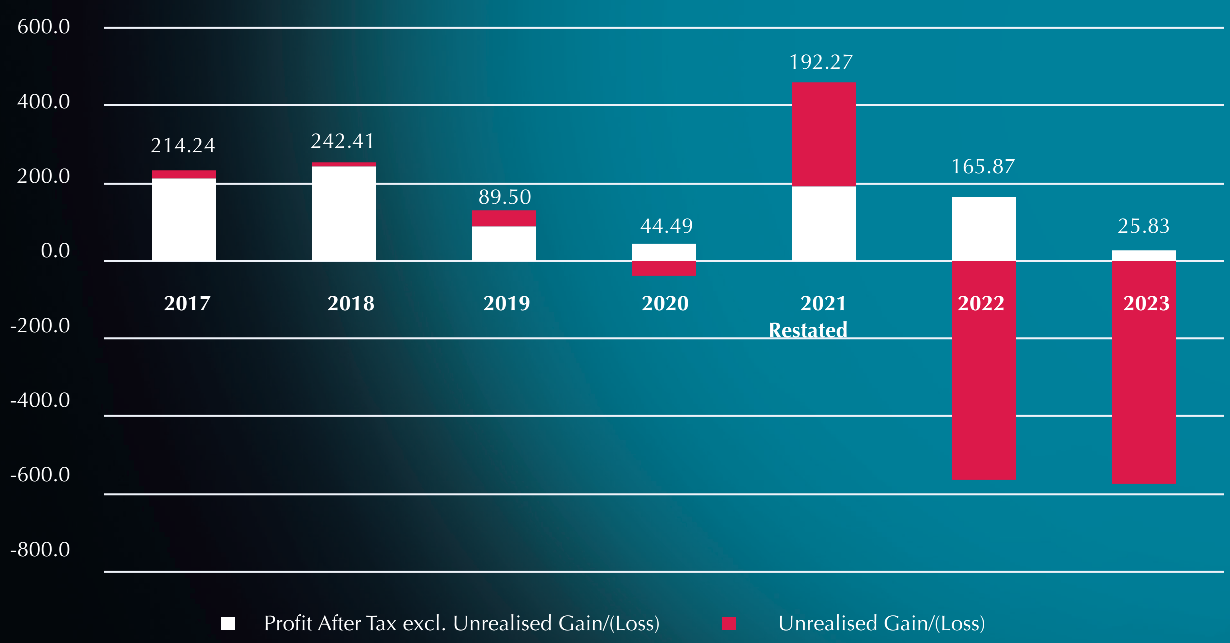
Available cash at the end of 2023 was a robust TT$127.2 million (2022: TT$105.5 million) and supports the Company's very liquid position. Given the material nature of the Company's accumulated deficit, as well as considering the provisions of Section 54 of The Companies Act, Chapter 81:01 of the laws of The Republic of Trinidad and Tobago, TTNGL was faced with the restriction of not being able to declare and pay a dividend to shareholders for 2023.

TTNGL is exploring all options to remedy this in the shortest possible time.

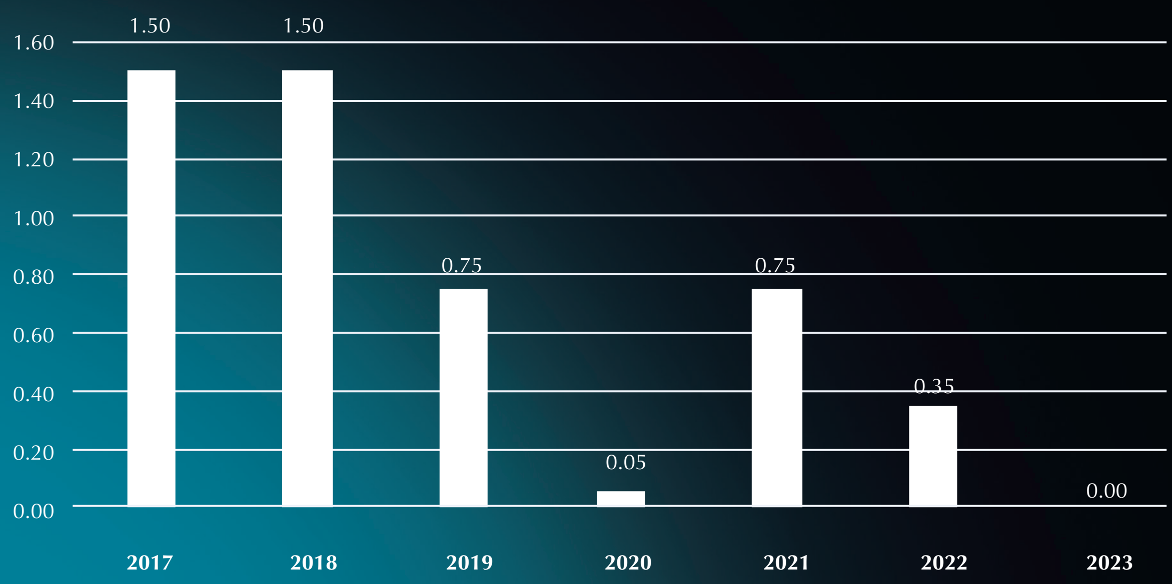
Profit/(Loss) After Tax (TT$ Million)



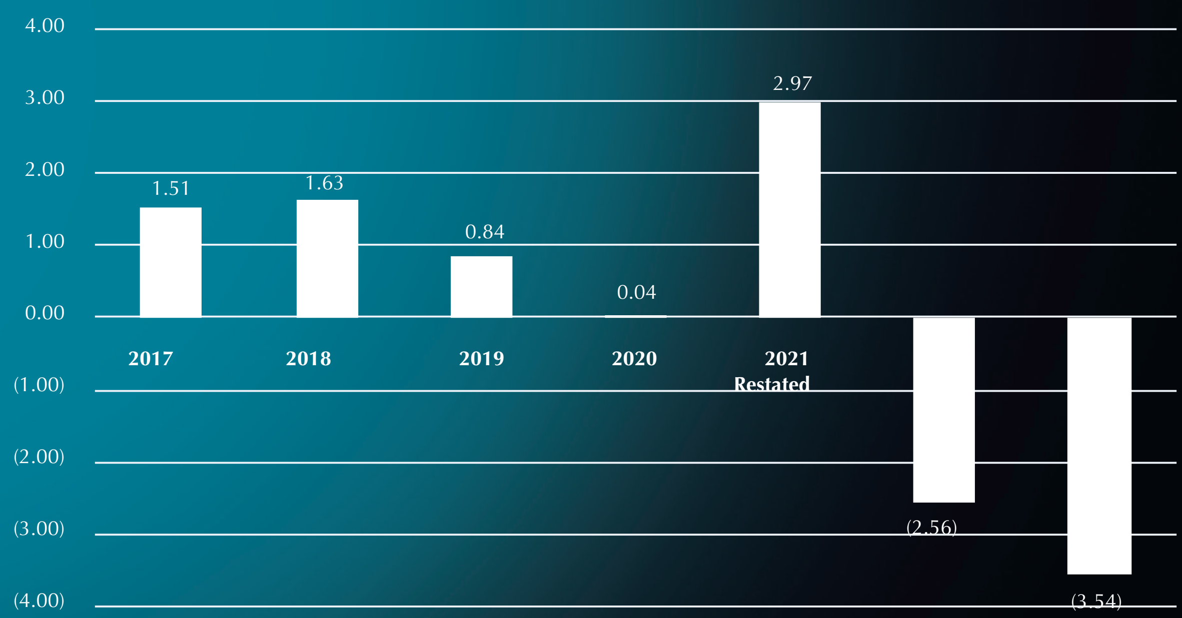
Profit/(Loss) After Tax (TT$ Million)



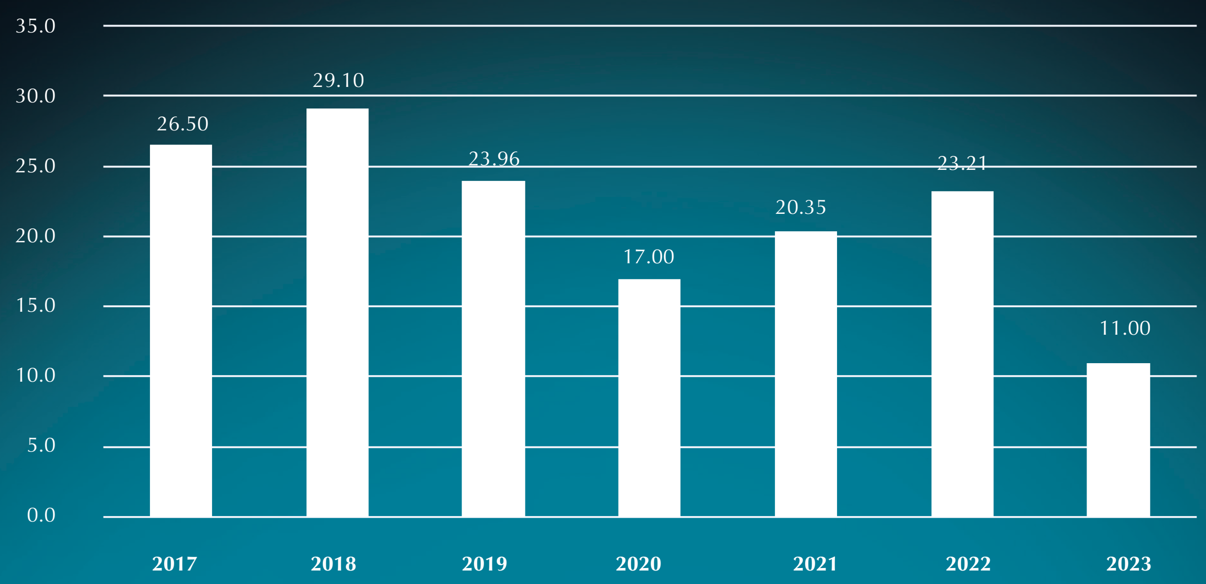
Dividend Paid (TT$)



Earnings/(Loss) Per Share (TT$)



Share Price (TT$)



INTERNATIONAL INDUSTRY REVIEW

For 2023, Mount Belvieu NGL product prices were 30% lower than in 2022, and were driven by a warmer-than-usual winter in the United States (U.S.), together with increasing production and lower global demand, particularly out of China. While movements in prices are influenced by demand and supply factors, they remain strongly correlated to the price of crude oil.

According to the Energy Information Administration (EIA), in 2023, the world produced an estimated 101.8 million barrels per day (bpd) of petroleum and other liquids, which included crude oil, condensate, natural gas liquids, biofuels and other liquids from hydrocarbon sources. It is expected that the supply of global petroleum and related liquids will increase by about 0.4 million bpd in 2024 and 2.0 million bpd in 2025.

This growth will be driven primarily by rising crude oil production from four countries in the Americas — the U.S., Guyana, Canada and Brazil — which would partially offset near-term voluntary production cuts in 2024 that are expected to come from countries participating in the OPEC+ agreement, and would limit significant upward crude oil price pressure. Collectively, OPEC+ countries accounted for 43% (43.7 million bpd) of global liquids production in 2023.

Guyana has increased its oil production remarkably in its very short history as a major oil producer. After first discovering crude oil in 2015 and beginning production in late 2019, the rapid development of the Liza Project and, more recently, the Payara Project, increased Guyana's crude oil production to 645,000 bpd in early 2024. The start-up of the Yellowtail Project, will help increase Guyana's petroleum liquids production by an additional 100,000 bpd in 2025, and Guyana's total petroleum liquids production will exceed 0.8 million bpd in Q4 2025.

U.S. crude oil exports established a record in 2023, averaging 4.1 million bpd, 13% (482,000 bpd) more than the previous annual record set in 2022. Growth in crude oil production in the United States has supported increases in U.S. crude oil exports.

In 2023, crude oil production reached a record-high 12.9 million bpd in the U.S., a 9% (1.0 million bpd) increase from 2022. Many U.S. refineries are optimised to run heavy, sour crude oils, but most of the crude oil produced in the U.S. is light, sweet crude oil, creating export incentives for market participants.

The U.S. benchmark Henry Hub natural gas price averaged US$2.57 per million British thermal units (MMBtu) in 2023, about a 62% drop from the 2022 average annual price according to data from Refinitiv Eikon. Record-high natural gas production, flat consumption and rising natural gas inventories contributed to lower prices in 2023 compared with 2022. It is estimated that U.S. natural gas production averaged a record-high 104 billion cubic feet per day in 2023, 4% higher than the 2022 annual average.

Production increased in the Permian region, driven by improved well-level productivity and higher crude oil prices in 2023. Warmer-than-average temperatures in January and February 2023—the peak of heating season—led to reduced consumption in the residential and commercial sectors and the lowest total U.S. natural gas consumption for these months in seven years. Mild temperatures also led to lower withdrawals of natural gas from underground storage.

Overall, natural gas demand increased by 3% in 2023 compared with 2022. Increased exports and a slight increase in natural gas consumed for electricity generation, offset lower residential and commercial sector consumption. Liquefied natural gas exports rose 12% in 2023 compared with 2022, and natural gas exports by pipeline increased 9% over the same period.

McKinsey has reported that conventional fossil fuels are likely to remain a part of the energy mix to 2050, even in a 1.5°C pathway, and may act as a bridge for an orderly transition. Therefore, decarbonising the fossil fuel system and substantially reducing emissions, including methane, are key areas of focus. The energy transition is expected to change the trajectory of global oil demand. According to the analysis, demand could fall by up to 50 percent by 2050, depending on the scenario modelled.

PHOENIX PARK GAS PROCESSORS LIMITED
2023 PPGPL GROUP SUMMARY PERFORMANCE

	2023	2022	Variance
Profit After Tax (US$'000s)	10,667	63,803	(53,136)
Dividend Paid (US$'000s)	9,000	40,000	(31,000)
Gas Inlets (mmscfd)	1,008	1,061	(53)
GPM	0.395	0.404	(0.009)
NGL Production (bpd)	13,785	14,922	(1,137)
Production: Gas Processing (bpd)	8,415	9,590	(1,175)
Production: ALNG (bpd)	5,370	5,332	38
Sales Volume (bpd)	11,351	14,732	(3,381)
Mont Belvieu Price (US cpg)	106.22	151.75	(45.53)

However, even under the most accelerated scenario, the analysis shows that investment in a broad energy mix, including oil and gas, will continue for a period to bolster security of supply and meet demand across the range of scenarios, particularly in end-use sectors such as chemicals and commercial transportation.

The analysis consistently shows a certain amount of new field development continuing to meet overall energy demand, to offset rapid production declines and to meet transition energy shortfalls. It is expected that investment in the oil and gas sector, both for fuel and non-fuel purposes, will remain robust through 2030 as the world navigates an orderly and affordable transition to renewable and sustainable energy sources.

OUR NATIONAL ECONOMY

According to the International Monetary Fund, for the first time in a decade, Trinidad and Tobago is undergoing a gradual and sustained economic recovery. Real Gross Domestic Product (GDP) rebounded in 2022 and is estimated to have further expanded by 2.1% in 2023. This reflects the strong performance of the non-energy sector, which was partially offset by a contraction in the energy sector. Inflation has declined sharply to 0.3% in January 2024, after peaking at 8.7% in December 2022, mainly due to declining food and imported goods inflation. Banks' credit to the private sector continues to expand and the financial sector appears sound and stable. The current account is estimated to have remained in a surplus in 2023, and foreign reserves coverage is adequate at 8.3 months of prospective total imports. The unemployment rate was estimated at 4.10% in the fourth quarter of 2023, from 3.20% in the third quarter of 2023.

Real GDP is expected to expand by 2.4% in 2024, supported by the non-energy sector and new energy projects coming onstream, which will help offset the structural decline in energy production. Over the medium term, the delivery of several planned natural gas projects is expected to boost growth in the energy sector, while supporting economic activity in the non-energy sector. Inflation is projected to hover around 2%, in line with international prices. The current account surplus is expected to stabilise in the medium term, exceeding 6% of GDP.

PPGPL's Performance

PPGPL's lower performance for 2023, when compared to the prior year, was primarily a result of reduced Mount Belvieu NGL product prices (30% lower than 2022), lower NGL production due to reduced gas volumes to Point Lisas for processing and facility downtime for planned maintenance activity. The depressed prices experienced in 2023 were driven by a warmer-than-usual winter in the U.S., increasing production and lower global demand, particularly out of China. PPGPL also recognised higher decommissioning costs due to revision of estimates in calculation. Product prices are expected to strengthen into 2024.

While sales volumes at the North American subsidiary – Phoenix Park Trinidad and Tobago Energy Holdings Limited (PPTTEHL) – continue to grow, performance of this segment remained subdued as PPGPL works through the challenges of this competitive trading market. Trading volumes are expected to show continued growth that will positively impact unit cost and improve margins.

PPGPL's Strategy and Outlook

PPGPL has sustained a robust business model, maintaining profitability since its inception in 1991. As a subsidiary of NGC, PPGPL shares a common vision and mission that emphasise safety, integrity, excellence and customer focus. These principles have not only guided PPGPL through three decades, but have also contributed to its position as one of the largest gas processing facilities in Latin America and the Caribbean.

With safety and sustainability at its core, PPGPL is committed to transparent reporting to all stakeholders as the company strives for excellence in all areas of its Environment, Sustainability and Governance (ESG) performance, contained in its first published ESG report.

Continuing the journey for current and future generations of Trinidad and Tobago, PPGPL is executing its strategic initiatives to ensure sustainability and safety of its people and facilities. One element of delivering on this strategy in 2023, was the safe and successful, 19-day, full facility-wide turnaround, that was led and executed by the PPGPL team. With innovation at the core of the PPGPL team's work, this turnaround was executed whilst ensuring that there was no interruption in the supply of LPG to the citizens of Trinidad and Tobago.

A total of 801,361 barrels of LPG were delivered to local customers during 2023, with 1,643,003 barrels being sold to the regional markets. Significantly contributing to the company's revenue was the sale of 1,698,827 barrels of natural gasoline product to the international market. Overall, 2023 results were impacted by 8% lower production and 30% lower product prices.

For the 21st time, in May 2024, PPGPL was awarded first place for its 2023 safety performance by the Gas Processors Association (GPA) in the International Division II category. The GPA Midstream Safety Awards Programme recognises GPA Midstream member companies for outstanding safety performance in comparison with similar companies within the association's membership. U.S. and non-U.S.-based midstream operating companies compete and are recognised separately for the safety honours.

As part of its approved business strategy, the company has invested in value-added growth strategies along the NGL value chain, locally and internationally. With innovation at its core and as a key supplier of NGLs to its customers, the U.S.-based subsidiary, Phoenix Park Energy Marketing (PPEM), has expanded its loading capacity at Hull Terminal, Texas, from 12 railcars per day in 2022 to 28 railcars per day in 2023, equivalent to a capacity of approximately 300 million gallons of NGLs, with minimal capital expenditure.

The Vision

We maintain that our flexibility and sustainability are contingent on the extent to which we continue to manifest value for our shareholders through sound operational, governance and financial decisions while navigating the volatile world of energy.

There is good news. NGL prices are expected to strengthen into 2024. The energy sector will continue to stabilise through the medium to long term. NGC and its subsidiaries (The NGC Group of Companies/The Group/the Group) will continue to play their role in the energy value chain, and deliver long-term shareholder value while navigating the challenging economic and geopolitical environment.

ACKNOWLEDGEMENTS

I would like to thank all our employees across all companies of The NGC Group for their continued support, as we navigate this challenging period. Thank you to my colleagues on the Board who have, with their commitment and dedicated efforts, steered the organisation through another year.

My thanks especially go to our shareholders, for your trust in our continued efforts to maximise value for you. Resilience and sustainability are the drivers that fuel our commitment to securing the future of our valued shareholders. PPGPL continues to steadfastly pursue its growth agenda both regionally and internationally, and I am resolute in the commitment that the long-term success of TTNGL and, by extension The NGC Group, lies in our ability to adapt and seize the opportunities that are identified, particularly in the area of gas supply to the domestic market.

I remain optimistic about the long-term future of The NGC Group as we remain focused on navigating change and managing those factors that we can control, while keeping our eyes on growing the business and managing its risks.

Dr. Joseph Ishmael Khan
Chairman

BOARD OF *Directors*

DR. JOSEPH ISHMAEL KHAN
CHAIRMAN

MR. ASHMEER MOHAMED
DIRECTOR

MR. HOWARD A.W. DOTTIN
DIRECTOR

MR. DOMINIC RAMPERSAD
DIRECTOR

MR. JAVED RAZACK
DIRECTOR

Corporate Information

PRINCIPAL OFFICER
Sheldon K. Sylvester
Chief Financial Officer

BOARD OF DIRECTORS
Board of Directors as at
31 December 2023
- Dr. Joseph Ishmael Khan — Chairman
- Howard A.W. Dottin
- Ashmeer Mohamed
- Dominic Rampersad
- Javed Razack

CORPORATE SECRETARY
Aegis Business
Solutions Limited

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Email: ttngl@ngc.co.tt

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Central Depository Limited
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Port of Spain
Tel: (868) 625-5107/9
Fax: (868) 623-0089

Directors' Report 2023

The Directors are pleased to present their report to the members together with the Audited Financial Statements for the year ended 31 December 2023. The Directors confirm to the best of their knowledge and belief that the Audited Financial Statements comply with the applicable financial reporting standards and present a true and fair view on the Financial Statements of the Company.

	TT$'000
Total comprehensive loss for the year	(551,366)
Total dividend received from joint venture: PPGPL	23,688
Interim dividend paid	0
Total dividend paid for the year	0
Cash at bank and on hand as at 31 December 2023	127,165
Accumulated deficit as at 31 December 2023	(1,774,228)

Disclosure of Interest of Directors and Officers in any Material Contract

Pursuant to Section 93 (1) of the Companies Act 1995, at no time during the financial year ended 31 December 2023, has any Director or Officer been a party to a material contract or a proposed material contract with the Company, or been a Director or Officer of any body, or had a material interest in any body that was party to a material contract or a proposed material contract with the Company.

Auditors

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

By order of the Board

Aegis Business Solutions Limited
Company Secretary
18 Scott Bushe Street, Port of Spain
28 May 2024

Directors' & Substantial Interests Information

Shareholding of Directors, Senior Officers and Connected Persons
as at December 31, 2023

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

Shareholding of those persons holding the ten (10) largest blocks of shares
as at December 31, 2023

Name	Class A Ordinary Shares	Class B Ordinary Shares	Percentage (%)
The National Gas Company of Trinidad and Tobago Limited	38,700,000		25.00
National Insurance Board		19,728,342	12.74
T&T Unit Trust Corporation – FUS		11,713,845	7.57
Tatil Life Assurance Limited A/C C		2,151,177	1.39
National Enterprises Limited		1,927,420	1.25
Michael Derick Moses & Helen Marie Moses		1,885,729	1.22
Republic Bank Limited – 1162 01		1,595,538	1.03
Republic Bank Limited – 1162		1,395,382	0.90
Tatil Life Assurance Limited		1,316,460	0.85
Republic Bank Limited A/C 3243 01		1,251,923	0.81
Teachers Credit Union Co-op Society Limited		1,245,000	0.80

FINANCIAL
Statements
2023

Trinidad and Tobago NGL Limited

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Trinidad and Tobago NGL Limited, ('the Company') which comprise the statement of financial position as at 31 December 2023, the Statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of the Company's operational efficiencies;
- Ensuring that the system of Internal control operated effectively during the reporting period;
- Producing reliable financial reporting that complies with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these financial statements, management utilised the International Financial Reporting Standards (IFRS Accounting Standards), as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where IFRS Accounting 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 financial statements have been authorised for issue, if later.

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

Director	Chief Financial Officer
28 May 2024	28 May 2024

Independent auditor’s report

To the Shareholders of Trinidad and Tobago NGL Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Trinidad and Tobago NGL Limited (the Company) as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Company’s financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the financial statements* section of our report.

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

Independence

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

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

Our audit approach

Overview

- Overall materiality: TT$23,400,000, which represents 5% of the average absolute profit/(loss) before taxation for the last 3 years.

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

- Impairment of investment in joint venture

Audit scope

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

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

Materiality

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

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

Overall materiality	TT$23,400,000
How we determined it	5% of the average absolute profit/(loss) before taxation for the last 3 years
Rationale for the materiality benchmark applied	Due to the Company's fluctuating financial results, we chose average absolute profit/(loss) before taxation as the benchmark since this is a generally accepted benchmark. We chose 5% which is within a range of acceptable benchmark thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above TT$1,170,000, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

(3)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Impairment of investment in joint venture

Refer to notes 2.3, 4(b) and 9 to the financial statements for disclosures of related accounting policies and balances.

As at 31 December 2023, the Company's investment in joint venture stated on the statement of financial position has a carrying value of TT$1,016m. This includes an impairment charge of TT$574m which was recognised in the current year's statement of profit or loss and other comprehensive income.

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

In determining the recoverable amount of investment in joint venture, the Company allocates assets to cash-generating units (CGUs) and analyses each CGU's assets for impairment. Two CGUs were identified by management which were:

- the Phoenix Park Gas Processors Limited (PPGPL) gas processing and fractionation facilities in Trinidad; and
- the North American operations.

The recoverable amount of both CGUs is calculated as the higher of the value-in-use and fair value less costs of disposal. The fair value less costs of disposal is based on the present value of future cash flows generated by the assets in accordance with the strategic plans for each business approved by management over which the Directors make significant judgements on certain key inputs including discount rates, estimated gas supply volumes, forecasted energy prices and long-term growth rates.

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With the assistance of our internal valuation experts, we performed the following procedures, amongst others:

- Evaluated the appropriateness of the valuation methodology utilised to determine the recoverable amount in accordance with IAS 36.
- Evaluated the appropriateness of the cash flows which were included against the allowed cash flows for a fair value less costs of disposal model under IAS 36.
- Tested management's impairment model's mathematical accuracy.
- Discount rates – recalculated the weighted average cost of capital (WACC) used to discount the cash flows and assessed the reasonableness of those rates based on knowledge of the economic environment and the risk premium associated with the respective industries and countries.
- Estimated gas supply volumes – assessed the reasonableness of estimated gas supply through relevant commercial data, including gas supply contracts, memorandum of understanding, and local and regional gas reserves data and gas production projections from different sources.
- Forecasted energy prices – agreed forecasted prices to market data and assessed estimated price differentials for reasonableness by comparing to historical results.
- Determined a point estimate of the recoverable amount of the investment in joint venture to assess the reasonableness of management's recoverable amount.

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</table>

(4)

Key audit matter (continued)	How our audit addressed the key audit matter (continued)
Impairment of investment in joint venture (continued) We focused on this area because of the significant level of judgement required in arriving at the key assumptions used in management's impairment assessment.	• Compared the cash flow forecasts used in the impairment assessment prepared by management to those presented to the Board of Directors as part of the annual budgeting process. • Evaluated the reasonableness of the forecasts made by comparing past forecasts to historical results where this was available and by comparing to the current year results of the entity. • Tested the accuracy of the sensitivity disclosures in the financial statements and evaluated their reasonableness. As a result of the above audit procedures, no material exceptions were identified relating to the impairment of investment in joint venture.

Other information

Management is responsible for the other information. The other information comprises the Trinidad and Tobago NGL Limited's Annual Report 2023 (but does not include the financial statements and our auditor's report thereon).

Our opinion on the 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 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 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.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wendell Ramoutar.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
29 May 2024

Trinidad and Tobago NGL Limited

Statement of Financial Position
31 December 2023
(Expressed in Thousands of Trinidad and Tobago Dollars)

		As at 31 December	
	Notes	2023 $'000	2022 $'000
Assets			
Non-current assets			
Investment in joint venture	4(b)	1,016,296	1,588,588
Total non-current assets		1,016,296	1,588,588
Current assets			
Taxation recoverable		314	314
Cash at bank and on hand	5	127,165	105,547
Total current assets		127,479	105,861
Total assets		1,143,775	1,694,449
Shareholders' equity and liabilities			
Equity			
Share capital	6	2,772,120	2,772,120
Translation reserve		141,621	145,252
Accumulated deficit		(1,774,228)	(1,226,493)
Total shareholders' equity		1,139,513	1,690,879
Current liabilities			
Due to parent company/related party	7	178	142
Trade and other payables	8	4,084	3,428
Total liabilities		4,262	3,570
Total shareholders' equity and liabilities		1,143,775	1,694,449

The notes on pages 12 to 39 are an integral part of these financial statements.

The financial statements of Trinidad and Tobago NGL Limited were authorised for issue by the Board of Directors on 28 May 2024.

Director

Director

Trinidad and Tobago NGL Limited

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

	Notes	Year ended 31 December 2023 $'000	2022 $'000
Income			
Share of profit from investment in joint venture	4(d)	28,080	168,053
Interest income		117	96
Foreign exchange gain		--	130
Total income		28,197	168,279
Expenses			
Impairment loss	9	(573,566)	(562,448)
Legal and professional fees	10	(1,680)	(1,221)
Other expenses	11	(685)	(1,192)
Loss before taxation		(547,734)	(396,582)
Income tax (expense)/credit	12	(1)	2
Loss after taxation		(547,735)	(396,580)
Other comprehensive loss:			
Items that will be reclassified subsequently to profit or loss			
Exchange translation differences, net of tax		(3,631)	(5,974)
Other comprehensive loss		(3,631)	(5,974)
Total comprehensive loss		(551,366)	(402,554)
Loss per share			
Basic (dollars per share)	13	(3.54)	(2.56)

The notes on pages 12 to 39 are an integral part of these financial statements.

Trinidad and Tobago NGL Limited

Statement of Changes in Equity

(Expressed in Trinidad & Tobago dollars)

	Notes	Share capital $'000	Translation reserve $'000	Accumulated deficit $'000	Total equity $'000
Year ended 31 December 2023					
Balance at 1 January 2023		2,772,120	145,252	(1,226,493)	1,690,879
Loss for the year		--	--	(547,735)	(547,735)
Other comprehensive loss		--	(3,631)	--	(3,631)
Total comprehensive income		--	(3,631)	(547,735)	(551,366)
Dividends	14	--	--	--	--
Balance at 31 December 2023		2,772,120	141,621	(1,774,228)	1,139,513
Year ended 31 December 2022					
Balance at 1 January 2022		2,772,120	151,226	(698,333)	2,225,013
Loss for the year		--	--	(396,580)	(396,580)
Other comprehensive loss		--	(5,974)	--	(5,974)
Total comprehensive loss		--	(5,974)	(396,580)	(402,554)
Dividends	14	--	--	(131,580)	(131,580)
Balance at 31 December 2022		2,772,120	145,252	(1,226,493)	1,690,879

The notes on pages 12 to 39 are an integral part of these financial statements.

Trinidad and Tobago NGL Limited

Statement of Cash Flows

(Expressed in Trinidad & Tobago dollars)

	Notes	Year ended 31 December 2023 $'000	2022 $'000
Cash flows from operating activities			
Loss for the year before taxation		(547,734)	(396,582)
Adjustments to reconcile net loss for the year to net cash used in operating activities:			
Impairment loss	9	573,566	562,448
Dividends from joint venture		23,688	105,286
Interest income		(117)	(96)
Share of profit from investment in joint venture		(28,080)	(168,053)
		21,323	103,003
Increase in amount due to related party		36	122
Increase in trade and other payables		656	1,833
Cash flows generated from operating activities		22,015	104,958
Taxation received		--	29
Taxation paid		(1)	(1)
Net cash flow generated from operating activities		22,014	104,986
Cash flows from financing activities			
Dividends paid	14	--	(131,580)
Net cash used in financing activities		--	(131,580)
Cash flows from investing activities			
Interest and other investment income		117	96
Net cash generated from investment activities		117	96
Net increase/(decrease) in cash at bank and on hand		22,131	(26,498)
Net foreign exchange differences		(513)	(216)
Cash at bank and on hand at beginning of year		105,547	132,261
Cash at bank and on hand at end of year	5	127,165	105,547

The notes on pages 12 to 39 are an integral part of these financial statements.

1 Corporate information

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

The Company is a subsidiary of The National Gas Company of Trinidad and Tobago Limited (NGC) which has 25% controlling interest through the ownership of 100% of the Class A Shares of the Company. NGC is owned by the Government of the Republic of Trinidad and Tobago ('GORTT'). The remainder 75% Class B Shares are listed on the Trinidad and Tobago Stock Exchange and are publicly traded. The Board of Directors is the body responsible for approving the financial statements and they have the power to amend them after issue.

2 Summary of other potentially material accounting policies

The note provides a list of other potentially material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 *Basis of preparation*

(i) *Compliance with IFRS*

The financial statements have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC® Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC® Interpretations).

(ii) *Historic cost convention*

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

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

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

2 Summary of other potentially material accounting policies (continued)

2.1 *Basis of preparation (continued)*

(iii) *New and amended standards adopted by the Company*

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2023. The amendments listed below did not have any material impact on the disclosures or on the amounts reported in these financial statements.

- *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.

  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.

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

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

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

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

2 **Summary of other potentially material accounting policies (continued)**

2.1 *Basis of preparation (continued)*

(iii) *New and amended standards adopted by the Company (continued)*

- *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, the Company 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
  - 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.

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

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

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

  - A change in accounting estimate that results from new information or new 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.

(Expressed in Thousands of Trinidad and Tobago Dollars)

2 **Summary of other potentially material accounting policies (continued)**

2.1 *Basis of preparation (continued)*

(iii) *New and amended standards adopted by the Company (continued)*

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

  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 - International Tax Reform – Pillar Two Model Rules*

  The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), including tax law that implements qualified domestic minimum top up taxes described in those rules.

  The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

  Following the amendments, the Company is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

(iv) *New standards and interpretations not yet adopted*

The following are new standards and interpretations has been published that are not mandatory for 31 December 2023 reporting period and have not yet been early adopted the Company. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions:

The Company has not applied the following new and revised IFRS Accounting Standards issued but are not yet effective:

▪ IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [3]
• Amendments to IAS 1	Classification of Liabilities as Current or Non-current [1]
• Amendments to IAS 1	Non-current Liabilities with Covenants [1]
• Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements [1]
• Amendments to IFRS 16	Lease Liability in a Sale and Leaseback [1]
• Amendment to IAS 21	Lack of exchangeability[2]

[1] Effective for annual periods beginning on or after 1 January 2024, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2025, with earlier application permitted.
[3] Effective date of the amendments has yet to be set by the IASB; however earlier application of the amendments is permitted.

2 **Summary of other potentially material accounting policies (continued)**

2.1 *Basis of preparation (continued)*

(iv) *New standards and interpretations not yet adopted (continued)*

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

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

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

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

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

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

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

  The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted.

- *Amendments to IAS 1 – Non-current Liabilities with Covenants*

  The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

  The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period.

2 **Summary of other potentially material accounting policies (continued)**

2.1 *Basis of preparation (continued)*

(iv) *New standards and interpretations not yet adopted (continued)*

- *Amendments to IAS 1 – Non-current Liabilities with Covenants (continued)*

  However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. The disclosures include:

  - the carrying amount of the liability
  - information about the covenants, and
  - facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

  The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

  The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted.

- *Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements*

  The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

  The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

  To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:
  - The terms and conditions of the arrangements
  - The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
  - The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
  - Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
  - Liquidity risk information

  The amendments, which contain specific transition reliefs for the first annual reporting period beginning on or after 1 January 2024. Earlier application is permitted.

2 **Summary of other potentially material accounting policies (continued)**

2.1 *Basis of preparation (continued)*

(iv) *New standards and interpretations not yet adopted (continued)*

- *Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback*

  The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

  The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

  A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

- *Amendments to IAS 21 – Lack of exchangeability*

  Under IAS 21 The Effects of Changes in Foreign Exchange Rates, a company uses a spot exchange rate when translating a foreign currency transaction. It is possible that one currency cannot be exchanged into another. This lack of exchangeability may arise when a government imposes controls on capital imports and exports, for example, or when it provides an official exchange rate but limits the volume of foreign currency transactions that can be undertaken at that rate.

  Consequently, market participants are unable to buy and sell currency to meet their needs at the official exchange rate and turn instead to unofficial, parallel markets.

  The International Accounting Standards Board (IASB) amended IAS 21 by clarifying when a currency is exchangeable into another currency; and how a company estimates a spot rate when a currency lacks exchangeability.

  A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.

  A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate.

2 **Summary of other potentially material accounting policies (continued)**

2.1 *Basis of preparation (continued)*

(iv) *New standards and interpretations not yet adopted (continued)*

- *Amendments to IAS 21 – Lack of exchangeability (continued)*

  When estimating a spot rate a company can use an observable exchange rate without adjustment (the rate reflects that at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions); or another estimation technique.

  When estimating a spot rate, a company may use any observable exchange rate and adjust it as necessary. This includes using rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations. However, the technique used needs to meet the estimation objective.

  The following are new disclosures to help users assess the impact of using an estimated exchange rate:

  - the nature and financial impacts of the currency not being exchangeable;
  - the spot exchange rate used;
  - the estimation process; and
  - risks to the company because the currency is not exchangeable.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

2.2 *Foreign currencies*

The presentation currency of the Company's financial statements is Trinidad and Tobago dollars ('TT$'). The Company has determined that its functional currency is the United States dollar ('US$'). The US$ is the currency of the primary economic environment in which the Company's joint venture operates. The Company is an investment holding company and is not engaged in any other activities. Management has analysed primary and secondary factors as guided by IAS 21 The Effects of Changes in Foreign Exchange Rates and has determined that the functional currency of the Company is the US$. This judgement is made on the basis that all of the Company's income is denominated in US$ which is consistent with the functional currency of PPGPL.

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

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

2 Summary of other potentially material accounting policies (continued)

2.2 *Foreign currencies (continued)*

For the purpose of presenting the financial statements, monetary assets and liabilities are translated into TT$ using the period-end exchange rate and the operations and cash flows are translated using the average rates of exchange over the period. Exchange differences arising from the translation into the presentation currency are recognised in other comprehensive income and recorded in the Company's translation reserve as a component of equity.

2.3 *Investment in joint venture*

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

The Company does not exercise unilateral control over PPGPL's significant operating and financial decisions and, therefore, accounts for PPGPL under the equity method of accounting. Under the equity method, the investment in a joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the joint venture.

When the Company's share of losses of a joint venture exceeds the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the joint venture), the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The investment in a joint venture is accounted for using the equity method from the date of acquisition. On acquisition of the investment in the joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

Impairment of the investment in the joint venture

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

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

2 Summary of other potentially material accounting policies (continued)

2.4 Cash at bank and on hand

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

2.5 Receivables and payables

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

2.6 *Financial assets and liabilities*

Recognition of financial assets and liabilities

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

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

(i) *Financial assets*

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

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

The classification is determined by both:
- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset

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

Fair value

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

2 **Summary of other potentially material accounting policies (continued)**

2.6 *Financial assets and liabilities*

Recognition of financial assets and liabilities (continued)

(ii) *Impairment of financial assets*

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

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

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

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

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

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

(iii) *Financial liabilities*

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

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

(iv) *Financial liabilities and equity instruments*

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

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

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

2 **Summary of other potentially material accounting policies (continued)**

2.6 *Financial assets and liabilities (continued)*

Derecognition of financial assets and liabilities

(i) *Financial assets*

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

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

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

(ii) *Financial Liabilities*

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

2.7 *Revenue recognition*

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

2.8 *Provisions*

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

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

2 **Summary of other potentially material accounting policies (continued)**

2.8 *Provisions (continued)*

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

2.9 *Taxes*

Current tax

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

Deferred tax

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

2.10 *Earnings per share*

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

2.11 *Dividends*

Dividends to shareholders are recorded in the period in which they are declared by the Board of Directors.

3 Critical accounting judgements and key sources of estimation uncertainty

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

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

3.1 *Critical judgements in applying accounting policies*

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

Classification of investment held in PPGPL as a joint venture

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

3.2 *Key sources of estimation uncertainty*

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

- *Impairment of joint venture*

  The Company assesses whether there are indicators of impairment of investment in joint venture at each reporting date. Investment in joint venture is tested for impairment when there are indicators that the carrying amounts may not be recoverable. When Fair Value less Costs of Disposal (FVLCD) calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Refer to Note 9 regarding sensitivity analysis regarding management's impairment assessment.

3.3 *Segment reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Makers (CODM) of the Company, which is the team responsible for allocating resources and assessing performance of the operating segments and is also responsible for making strategic decisions. The Company's CODM (comprises of the Chief Financial Officer, corporate secretariat and relevant supporting personnel), examines the Company's performance from an operations perspective and has identified one reportable segment being the Company's 39% interest in Phoenix Park Gas Processors Limited (PPGPL), which is its only investment. The Company does not exercise control over PPGPL's activities and PPGPL has its own management team. Accordingly, the Company accounts for its investment in PPGPL under the equity method as described in Note 2.3. For this reason, the results of the whole of the joint venture (i.e. PPGPL) are reviewed by the CODM, which are disclosed in these financial statements. This is the only reportable segment and it forms the basis used by the CODM for assessing performance and allocating resources.

4 **Investment in joint venture**

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

Share for share exchange

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

Distribution of investment in specie and dissolution of TT Holdings LLC

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

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

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

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

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

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

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

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

The movement in the carrying value of the Company's 39% share of the assets, liabilities and income and expenses of Phoenix Park Gas Processors Limited as at 31 December 2023 and 31 December 2022 are included below.

	2023 $'000	2022 $'000
Share of PPGPL's assets/liabilities:		
Investment in joint venture as at 1 January	1,588,588	2,094,026
Share of profit in joint venture	28,080	168,054
Dividends received (Note 7)	(23,688)	(105,286)
Impairment loss on investment	(573,566)	(562,448)
Exchange rate adjustment	(3,118)	(5,758)
Investment in joint venture	1,016,296	1,588,588

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

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

The summarised financial information below represents amounts shown in the PPGPL's financial statements prepared in accordance with IFRSs. The information was extracted from PPGPL's financial statements for the years ended 31 December 2023 and 31 December 2022 which have been presented in United States dollars, PPGPL's functional currency.

	2023 US$'000	2022 US$'000
Statement of financial position of PPGPL		
Cash and cash equivalents	132,289	154,836
Other current assets	113,913	81,677
Total current assets	246,202	236,513
Non-current assets	298,036	249,625
Total assets	544,238	486,138
Current financial liabilities	(59,199)	(55,132)
Other current liabilities	(25,717)	(20,387)
Total current liabilities	(84,916)	(75,519)
Other non-current liabilities	(153,538)	(106,502)
Total non-current liabilities	(153,538)	(106,502)
Total liabilities	(238,454)	(182,021)
Net assets	305,784	304,117

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

(c) *Summarised financial information in respect of the Company's joint venture is set out below (continued):*

	2023 US$'000	2022 US$'000
Statement of profit or loss and other comprehensive income of PPGPL		
Revenue	441,317	655,290
Cost of sales	(359,559)	(494,237)
Gross profit	81,758	161,053
Other expense	(241)	--
Operating expenses	(29,591)	(27,824)
Administrative expenses	(23,127)	(29,552)
Distribution costs	(3,959)	(4,445)
Finance cost (net)	(3,123)	(3,441)
Profit before tax	21,717	95,791
Taxation	(11,050)	(31,988)
Profit for the year and total comprehensive income	**10,667**	**63,803**

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

	2023 $'000	2022 $'000
Net assets of PPGPL denominated in US$	305,784	304,117
Exchange rate at reporting date	6.7159	6.7415
Net assets of PPGPL denominated in TT$	2,053,615	2,050,205
Proportion of the Company's ownership interest in the joint venture	39%	39%
39% of net assets of PPGPL	800,910	799,580
Excess of investment over carrying amount of PPGPL's net assets	215,386	789,008
Carrying amount of the Company's investment in the joint venture	1,016,296	1,588,588

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

PPGPL's total profit for the year denominated in US$	10,667	63,803
Average exchange rate for the year	6.7497	6.7537
PPGPL's total profit for the year denominated in TT$	71,999	430,906
Proportion of the Company's ownership investment in joint venture	39%	39%
Share of profit from the investment in joint venture	28,080	168,053

(Expressed in Thousands of Trinidad and Tobago Dollars)

5 Cash at bank and on hand

	2023 $'000	2022 $'000
Cash at bank and on hand	127,165	105,547

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

6 Share capital

Authorised:
An unlimited number of ordinary 'A' shares of no par value
An unlimited number of ordinary 'B' shares of no par value

	2023 $'000	2022 $'000
Issued and fully paid:		
38,700,000 ordinary 'A' shares of no par value	693,030	693,030
116,100,000 ordinary 'B' shares of no par value	2,079,090	2,079,090
	2,772,120	2,772,120

7 Related party balances and transactions

The following table provides the total amount of material transactions, which have been entered into with related parties and the balances outstanding for the years ended 31 December 2023 and 31 December 2022.

	2023 $'000	2022 $'000
Amount due to related parties		
The National Gas Company of Trinidad and Tobago Limited:		
Reimbursement for expenses paid on behalf of the Company	(178)	(142)
Income/(expenses) from related parties		
The National Gas Company of Trinidad and Tobago Limited:		
Dividends paid	--	(32,895)
Phoenix Park Gas Processors Limited:		
Dividends received (Note 4 b)	23,688	105,286
Management fee	(81)	(81)
Key management compensation		
Directors' fees and allowances	(246)	(167)

(Expressed in Thousands of Trinidad and Tobago Dollars)

8 Trade and other payables

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

	2023 $'000	2022 $'000
Audit fees	526	114
Dividend refunded by Registrar - due to shareholders	3,339	3,075
Sundry payables	219	239
	4,084	3,428

9 Impairment

	2023 $'000	2022 $'000
Impairment loss	(573,566)	(562,448)

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

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

Assumptions	PPGPL Group	
	Trinidad & Tobago	North America
Gas supply and quality – based on past performance and management's expectation of the future of Trinidad and Tobago's 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.	√	√
NGL content in gas stream	√	x
Decommissioning expenses	√	x
Long term growth rate	x	√
Income Taxes	√	√
Post Tax Discount Rate	√	√
Trading volume	x	√
Trading margin	x	√

(Expressed in Thousands of Trinidad and Tobago Dollars)

9 Impairment

Details of the movement in impairment:

Year	(Loss)/reversal TT$'000
2014	(1,097,880)
2015	235,195
2016	17,831
2017	19,499
2018	10,568
2019	40,005
2020 - Restated	(1,347,017)
2021 - Restated	267,247
2022	(562,448)
2023	(573,566)

The recoverable amount of the Company's investment in joint venture is based on a fair value less cost to dispose (FVLCD) calculation which uses cash flow projections which was determined from financial information approved by the Board of Directors of the Company covering a nineteen-year period from 2024 to 2042, and a discount rate 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 $573.566 million (2022: $562.448 million) which is separately disclosed on the statement of profit and loss and other comprehensive income. The key assumptions used in the FVLCD calculations are as follows:

- Post Tax Discount rate of 10.55% for PPGPL's Trinidad operations and 9.50% for PPGPL's North America operations. In 2022, a single discount rate of 9.18% was used for both operations. The discount rates were calculated based on the specific risks of PPGPL's identifiable Cash Generating Units (CGUs) taking into account the time value of money, different territories and exposure to market risks of the specific jurisdictions.

- Selling prices of NGLs are expected to show some volatility in 2024. 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 in Trinidad which are expected to be incurred in 2042. The provision was determined based on estimated cost provided by external consultants. Assumptions are based on historic experience and projected outcomes which management believes forms a reasonable basis upon which to estimate the future liability.

	2023 US$'000	2022 US$'000
Provision	66,953	52,002

- Cash flows from PPGPL's operations in North America.

- Gas supply volumes from NGC. These are based on NGC's most recent long-term forecast for gas supply to Point Lisas and includes base case assumptions for non-domestic supply. The geopolitical and commercial uncertainties around gas supply outside the local jurisdiction have been risk assessed and gas volumes have been appropriately represented in the impairment review process for quantity and timing to market. As the commercial discussions and evaluation work progress around non-domestic gas supply, any impact to PPGPL's feedstock cost profile will be defined. These potential risks for costs have also been incorporated in the discount rate used for the assessment.

9 **Impairment (continued)**

- The NGL content used in the forecast for the gas stream to PPGPL is based on a representative medium-term historical average that has been adjusted in periods where new gas supplies come online and taking into account the associated production and NGL content profiles of these new sources.

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

- Discount rate

  - A decrease in the discount rate by 1% while holding all other variables constant will result in a reduction of the impairment loss by TT$77.198 million (2022: TT$147.567 million) while an increase in the discount rate by 1% results in an increase of the impairment loss by TT$61.007 million (2022: TT$117.289 million).

- Selling prices of NGLs

  - A 5% increase in the selling prices of NGLs while holding all other variables constant will result in a reduction of the impairment loss by TT$65.313 million (2022: TT$101.336 million) while a 5% decrease in the selling price results in an increase of the impairment loss by TT$65.313 million (2022: TT$101.337 million).

  - A 10% increase in the selling prices of NGLs while holding all other variables constant will result in a reduction of the impairment loss by TT$130.626 million (2022: TT$202.673 million) while a 10% decrease in the selling price results in an increase of the impairment loss by TT$130.626 million (2022: TT$202.673 million).

- Gas volume

  - A 5% increase in natural gas supply to PPGPL while holding all other variables constant will result in a reduction of the impairment loss by TT$47.372 million (2022: TT$83.642 million) while a 5% decrease in natural gas supply to PPGPL results in an increase of the impairment loss by TT$47.372 million (2022: TT$83.643 million).

- North America growth rate

  - An increase in the growth rate by 1% for marketed NGL volumes in North America while holding all other variables constant will result in a reduction of the impairment loss by TT$1.094 million (2022: TT$31.566 million) while a decrease in the growth rate by 1% for marketed NGL volumes in North America results in an increase of the impairment loss by TT$0.964 million (2022: TT$27.443 million).

- NGL content in the gas stream

  - A 5% increase in NGL content while holding all other variables constant will result in a reduction of the impairment loss by TT$47.372 million (2022: TT$83.642 million) while a 5% decrease in NGL content results in an increase of the impairment loss by TT$47.372 million (2022: TT$83.643 million).

- Feedstock cost to NGC

  - A 5% increase in feedstock cost while holding all other variables constant will result in an increase of the impairment loss by TT$40.029 million (2022: TT$62.518 million) while a 5% decrease in feedstock cost results in a decrease of the impairment loss by TT$40.029 million (2022: TT$62.518 million).

(Expressed in Thousands of Trinidad and Tobago Dollars)

10 Legal and professional fees

Legal and professional fees comprise the following:

	2023 $'000	2022 $'000
Corporate secretariat services	315	338
Audit fees (Note 10 (a))	526	114
Penalties – late filing	274	--
Management fee	81	81
Listing and central depository services	370	659
Other fees	114	29
	1,680	1,221

a) Audit fees for the year ended 31 December 2023 totalled $0.526 million of which $0.326 million represents additional audit fees for the year 2022 (2022: $0.114 million). Non-audit fees were not incurred for the current year and prior year.

11 Other expenses

Other expenses comprise the following:

	2023 $'000	2022 $'000
Directors' fees and allowances	246	167
Green fund levy	71	316
Printing and publishing costs	212	426
Shareholders' meeting	156	246
Other expenses	--	37
	685	1,192

12 Taxation

a) The taxation charge consists of the following:

	2023 $'000	2022 $'000
Business levy	1	1
Prior year tax	--	(3)
	1	(2)

(Expressed in Thousands of Trinidad and Tobago Dollars)

12 Taxation (continued)

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

	2023 $'000	2022 $'000
Loss before taxation	(547,734)	(396,582)
Income taxes at the rate of 30%:	(164,320)	(118,975)
Tax effect of items not allowable for tax: Income derived from dividends from investment in PPGPL and not subject to taxation at the corporate rate	164,320	118,975
Green fund levy		
Business levy	1	1
Prior year taxation	--	(3)
Tax expense/(credit)	1	(2)

13 Loss per share

	2023	2022
Basic loss per share	($3.54)	($2.56)

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

	$'000	$'000
Loss used in the calculation of basic earnings per share	(547,735)	(396,580)
	Shares '000	**Shares '000**
Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share	154,800	154,800

The Company has no shares with dilutive rights and as such diluted loss per share is not applicable.

14 Dividends

		2023 $'000	2022 $'000
2021 final dividend	- $0.50 per share	--	77,400
2022 interim dividend	- $0.35 per share	--	54,180
		--	131,580

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

(Expressed in Thousands of Trinidad and Tobago Dollars)

14 **Dividends (continued)**

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

At the time that the Board of Directors declared and paid the final 2021 dividends and the interim 2022 dividends, the Company was in compliance with its Dividend Policy and the provisions of the Companies Act.

15 **Financial risk management**

Financial risk management objectives and policies

The Company'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 Company'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 Company. Set out below are the Company's financial assets and liabilities.

Categories of financial instruments

	2023	2022
	$'000	$'000
Assets:		
Financial assets at amortised cost:		
Cash at bank and on hand	127,165	105,547
Total financial assets	127,165	105,547
Liabilities		
Financial liabilities at amortised cost:		
Due to parent company/related party	178	142
Trade and other payables	4,084	3,428
Total financial liabilities	4,262	3,570

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 Company in compliance with the policies approved by the Board of Directors.

The main risk arising from the Company'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:

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 Company is exposed to credit risk from its operating activities and from its financial activities including deposits with banks and foreign exchange transactions.

(Expressed in Thousands of Trinidad and Tobago Dollars)

15 **Financial risk management (continued)**

a) *Credit risk (continued)*

Cash at bank and on hand

These funds are held at a local bank. Management considers the risk of default of this counterparty to be very low.

b) *Liquidity risk*

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is expected to be dividend income, which is used to finance working capital and to meet the Company's financial obligations associated with financial liabilities.

The table below summarises the maturity profile of the Company's financial liabilities and commitments based on contractual (earliest date on which the Company can be required to pay) undiscounted payments at the statement of financial position date.

	On demand $'000	Under 3 months $'000	3 - 12 months $'000	1 - 4 years $'000	>5 Years $'000	Total $'000
As at 31 December 2023						
Assets						
Cash and cash equivalents	127,165	--	--	--	--	127,165
	127,165	--	--			127,165
Liabilities						
Due to parent company	--	19	159	--	--	178
Trade and other payables	--	145	3,939	--	--	4,084
	--	164	4,098	--	--	4,262
Net liquidity position	**127,165**	**(164)**	**(4,098)**	**--**	**--**	**122,903**
As at 31 December 2022						
Assets						
Cash and cash equivalents	105,547	--	--	--	--	105,547
	105,547	--	--			105,547
Liabilities						
Due to parent company	--	142	--	--	--	142
Trade and other payables	--	265	3,163	--	--	3,428
	--	407	3,163	--	--	3,570
Net liquidity position	**105,547**	**(407)**	**(3,163)**	**--**	**--**	**101,977**

(Expressed in Thousands of Trinidad and Tobago Dollars)

15 **Financial risk management (continued)**

(c) *Interest rate risk*

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk. The Company is not currently exposed to interest rate risk as it does not have any interest-bearing financial liabilities and interest-bearing financial assets are at fixed rates of interest.

(d) *Foreign currency risk*

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. The Company is exposed to foreign currency risk arising from exposure with respect to the Trinidad and Tobago dollar. Management monitors its exposure to foreign currency fluctuations on a continuous basis and employs appropriate mitigation strategies.

The following tables show balances outstanding as at 31 December 2023 and 31 December 2022 denominated in foreign currencies:

	TT Denominated $'000	**US Denominated $'000**	**Total $'000**
As at 31 December 2023			
Assets			
Cash at bank and on hand	425	126,740	127,165
Total assets	425	126,740	127,165
Liabilities			
Due to parent company/related party	178	--	178
Trade and other payables	4,084	--	4,084
Total liabilities	4,262	--	4,262
Net position	(3,837)	126,740	122,903
As at 31 December 2022			
Assets			
Cash at bank and on hand	1,089	104,458	105,547
Total assets	1,089	104,458	105,547
Liabilities			
Due to parent company/related party	142	--	142
Trade and other payables	3,428	--	3,428
Total liabilities	3,570	--	3,570
Net position	(2,481)	104,458	101,977

(Expressed in Thousands of Trinidad and Tobago Dollars)

15 **Financial risk management (continued)**

(d) *Foreign currency risk (continued)*

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

	Increase/ (decrease) in exchange rate %	**Effect on other comprehensive (loss)/income $'000**
As at 31 December 2023	3%	(16,432)
	(3%)	16,432
As at 31 December 2022	3%	(11,884)
	(3%)	11,884

(e) *Other price risk*

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

(f) *Capital management*

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

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

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

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

(g) *Fair values*

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 and current liabilities are a reasonable estimate of fair values because of the short-term nature of these instruments.

16 Commitments and contingencies

At 31 December 2023, the Company had no contractual commitments or contingencies with third parties or as a result of its investment in joint venture (2022: Nil).

17 Subsequent events

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

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Trinidad and Tobago NGL Limited

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