

# **Trinidad and Tobago NGL Limited**

Unaudited financial statements

30 September 2024

*(Expressed in thousands of Trinidad and Tobago dollars)*

# Trinidad and Tobago NGL Limited

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# Trinidad and Tobago NGL Limited

## Statement of Financial Position

(Expressed in Trinidad and Tobago dollars)

		Unaudited		Audited
		September	September	December
		2024	2023	2023
	Notes	\$'000	\$'000	\$'000
<b>Assets</b>				
<i>Non-current assets</i>				
Investment in joint venture	4(b)	1,064,062	1,600,256	1,016,296
<b>Total non-current assets</b>		<u>1,064,062</u>	<u>1,600,256</u>	<u>1,016,296</u>
<i>Current assets</i>				
Taxation recoverable		314	314	314
Dividends receivable		13,141	--	--
Cash at bank and on hand	5	152,257	128,380	127,165
<b>Total current assets</b>		<u>165,712</u>	<u>128,694</u>	<u>127,479</u>
<b>Total assets</b>		<u>1,229,774</u>	<u>1,728,950</u>	<u>1,143,775</u>
<b>Shareholders' equity and liabilities</b>				
<i>Equity</i>				
Share capital	6	2,772,120	2,772,120	2,772,120
Translation reserve		145,449	147,022	141,621
Accumulated deficit		(1,691,453)	(1,193,744)	(1,774,228)
<b>Total shareholders' equity</b>		<u>1,226,116</u>	<u>1,725,398</u>	<u>1,139,513</u>
<i>Current liabilities</i>				
Due to parent company/related party	7	208	70	178
Trade and other payables	8	3,450	3,482	4,084
<b>Total liabilities</b>		<u>3,658</u>	<u>3,552</u>	<u>4,262</u>
<b>Total shareholders' equity and liabilities</b>		<u>1,229,774</u>	<u>1,728,950</u>	<u>1,143,775</u>

The notes on pages 5 to 30 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 12 November 2024.



Director



Director

# Trinidad and Tobago NGL Limited

## Statement of Profit or Loss and Other Comprehensive Income

(Expressed in Trinidad & Tobago dollars)

	Notes	Unaudited Nine months ended 30 September		Audited Year ended 31 December
		2024 \$'000	2023 \$'000	2023 \$'000
<b>Income</b>				
Share of profit/(loss) from investment in joint venture	4(d)	83,807	33,690	28,080
Interest income		103	85	117
Foreign exchange gain		6	--	--
<b>Total income</b>		<u>83,916</u>	<u>33,775</u>	<u>28,197</u>
<b>Expenses</b>				
Impairment loss	9	--	--	(573,566)
Legal and professional fees	10/17	(684)	(679)	(1,680)
Other expenses	11/17	(456)	(346)	(685)
<b>Profit/(loss) before taxation</b>		<u>82,776</u>	<u>32,750</u>	<u>(547,734)</u>
Income tax expense	12	(1)	(1)	(1)
<b>Profit/(loss) after taxation</b>		<u>82,775</u>	<u>32,749</u>	<u>(547,735)</u>
<b>Other comprehensive loss:</b>				
<b>Items that will be reclassified subsequently to profit or loss</b>				
Exchange translation differences, net of tax		<u>3,828</u>	<u>1,770</u>	<u>(3,631)</u>
<b>Other comprehensive income/(loss)</b>		<u>3,828</u>	<u>1,770</u>	<u>(3,631)</u>
<b>Total comprehensive income/(loss)</b>		<u>86,603</u>	<u>34,519</u>	<u>(551,366)</u>
<b>Earnings/(loss) per share</b>				
Basic (dollars per share)	13	<u>0.53</u>	<u>0.21</u>	<u>(3.54)</u>

The notes on pages 5 to 30 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
<b>Unaudited nine month ended 30 September 2024</b>					
Balance at 1 January 2024		2,772,120	141,621	(1,774,228)	1,139,513
Profit for the year		--	--	82,775	82,775
Other comprehensive gain		--	3,828	--	3,828
Total comprehensive income		--	3,838	82,775	86,603
Dividends	14	--	--	--	--
Balance at 30 September 2024		<u>2,772,120</u>	<u>145,449</u>	<u>(1,691,453)</u>	<u>1,226,116</u>
<b>Unaudited nine month ended 30 September 2023</b>					
Balance at 1 January 2023		2,772,120	145,252	(1,226,493)	1,690,879
Profit for the year		--	--	32,749	32,749
Other comprehensive income		--	1,770	--	1,770
Total comprehensive income		--	1,770	32,749	34,519
Dividends	13	--	--	--	--
Balance at 30 September 2023		<u>2,722,120</u>	<u>147,022</u>	<u>(1,193,744)</u>	<u>1,725,398</u>
<b>Audited year ended 31 December 2023</b>					
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		<u>2,772,120</u>	<u>141,621</u>	<u>(1,774,228)</u>	<u>1,139,513</u>

The notes on pages 5 to 30 are an integral part of these financial statements.

# Trinidad and Tobago NGL Limited

## Statement of Cash Flows

(Expressed in Trinidad & Tobago dollars)

	Notes	Unaudited Nine months ended 30 September		Audited Year ended 31 December
		2024 \$'000	2023 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>				
Profit/(loss) for the period/year before taxation		82,776	32,750	(547,734)
Adjustments to reconcile net loss for the period/year to net cash used in operating activities:				
Impairment loss	9	--	--	573,566
Dividends from joint venture		39,396	23,688	23,688
Interest income		(103)	(85)	(117)
Share of profit from investment in joint venture		(83,807)	(33,690)	(28,080)
		38,262	22,663	21,323
Increase in dividends receivable		(13,141)	--	--
Increase/(decrease) in amount due to related party		30	(72)	36
(Decrease)/increase in trade and other payables		(634)	54	656
Cash flows generated from operating activities		24,517	22,645	22,015
Taxation paid		(1)	(1)	(1)
<b>Net cash flow generated from operating activities</b>		<u>24,516</u>	<u>22,644</u>	<u>22,014</u>
<b>Cash flows from financing activities</b>				
Dividends paid	14	--	--	--
<b>Net cash used in financing activities</b>		<u>--</u>	<u>--</u>	<u>--</u>
<b>Cash flows from investing activities</b>				
Interest and other investment income		103	85	117
<b>Net cash generated from investment activities</b>		<u>103</u>	<u>85</u>	<u>117</u>
<b>Net increase in cash at bank and on hand</b>		24,619	22,729	22,131
<b>Net foreign exchange differences</b>		473	104	(513)
<b>Cash at bank and on hand at beginning of year</b>		<u>127,165</u>	<u>105,547</u>	<u>105,547</u>
<b>Cash at bank and on hand at end of period/year</b>	5	<u><u>152,257</u></u>	<u><u>128,380</u></u>	<u><u>127,165</u></u>

The notes on pages 5 to 30 are an integral part of these financial statements.

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

Nine months ended 30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 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.

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

Nine months ended 30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 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 2024. The amendments listed below did not have any material impact on the disclosures or on the amounts reported in these financial statements.

- *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.

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.



# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

### Nine months ended 30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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## 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 1 – Non-current Liabilities with Covenants (continued)*

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.

- *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.

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

Nine months ended 30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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

#### 2.1 Basis of preparation (continued)

##### (iii) *New standards and interpretations not yet adopted (continued)*

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

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.

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

The following are new standards and interpretations that have been published but are not mandatory for the 31 March 2024 reporting period and have not yet been early adopted by 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 2
- Amendment to IAS 21                      Lack of exchangeability<sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025, with earlier application permitted.

<sup>2</sup> Effective date of the amendments has yet to be set by the IASB; however earlier application of the amendments is permitted.

- *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.

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

Nine months ended 30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 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 (continued)*

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 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.

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.

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

### Nine months ended 30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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## 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)*

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.

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.

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

### Nine months ended 30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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

### 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.

### 2.4 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.

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

Nine months ended 30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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

#### 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.

##### 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.

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

Nine months ended 30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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

#### 2.6 Financial assets and liabilities (continued)

##### *Recognition of financial assets and liabilities (continued)*

##### ii) *Impairment of financial assets (continued)*

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

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

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

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

##### iii) *Financial liabilities*

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

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

##### iv) *Financial liabilities and equity instruments*

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

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

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

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

Nine months ended 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 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).



# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

Nine months ended 30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 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.

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

### Nine months ended 30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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#### 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.

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

Nine months ended 30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 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.

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

### Nine months ended 30 September 2024

(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 30 September 2024, 30 September 2023 and 31 December 2023 are included below.

	September 2024 \$'000	September 2023 \$'000	December 2023 \$'000
Share of PPGPL's assets/liabilities:			
Investment in joint venture as at 1 January	1,016,296	1,588,588	1,588,588
Share of profit/(loss) in joint venture	83,807	33,690	28,080
Dividends received (Note 7)	(39,396)	(23,688)	(23,688)
Impairment loss on investment	--	--	(573,566)
Exchange rate adjustment	3,355	1,666	(3,118)
<b>Investment in joint venture</b>	<b>1,064,062</b>	<b>1,600,256</b>	<b>1,016,296</b>

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 nine months ended 30 September 2024 and 30 September 2023 and the year ended 31 December 2023 which have been presented in United States dollars, PPGPL's functional currency.

	September 2024 \$'000	September 2023 \$'000	December 2023 \$'000
<b>Statement of financial position of PPGPL</b>			
Cash and cash equivalents	162,686	129,192	132,289
Other current assets	86,876	101,707	113,913
<b>Total current assets</b>	<b>249,561</b>	<b>230,899</b>	<b>246,202</b>
Non-current assets	291,360	246,100	298,036
<b>Total assets</b>	<b>540,921</b>	<b>476,999</b>	<b>544,238</b>
Current financial liabilities	37,779	(49,449)	(59,199)
Other current liabilities	33,632	(15,025)	(25,717)
<b>Total current liabilities</b>	<b>71,412</b>	<b>(64,474)</b>	<b>(84,916)</b>
Non-current financial liabilities	--	--	--
Other non-current liabilities	146,882	(104,609)	(153,538)
<b>Total non-current liabilities</b>	<b>146,882</b>	<b>(104,609)</b>	<b>(153,538)</b>
<b>Total liabilities</b>	<b>218,294</b>	<b>(169,083)</b>	<b>(238,454)</b>
<b>Net assets</b>	<b>322,627</b>	<b>307,916</b>	<b>305,784</b>

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

Nine months ended 30 September 2024

(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):

	September 2024 \$'000	September 2023 \$'000	December 2023 \$'000
<b>Statement of profit or loss and other comprehensive income of PPGPL</b>			
Revenue	417,081	309,625	441,317
Cost of sales	(331,433)	(249,765)	(359,559)
Gross profit	85,648	59,861	81,758
Other expense	--	--	(241)
Operating expenses	(14,507)	(21,760)	(29,591)
Administrative expenses	(17,030)	(17,677)	(23,127)
Distribution costs	(3,289)	(1,807)	(3,959)
Finance cost (net)	(2,520)	1,263	(3,123)
Profit before tax	48,302	19,880	21,717
Taxation	(16,459)	(7,081)	(11,050)
Profit after tax	31,843	12,799	10,667
Other comprehensive income	--	--	--
<b>Total comprehensive income</b>	<b>31,843</b>	<b>12,799</b>	<b>10,667</b>

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:

	September 2024 \$'000	September 2023 \$'000	December 2023 \$'000
Net assets of PPGPL denominated in US\$	322,627	307,916	305,784
Exchange rate at reporting date	6.7390	6.7486	6.7159
Net assets of PPGPL denominated in TT\$	2,174,183	2,078,002	2,053,615
Proportion of the Company's ownership interest in the joint venture	39%	39%	39%
39% of net assets of PPGPL	847,931	810,421	800,910
Excess of investment over carrying amount of PPGPL's net assets	216,131	789,835	215,386
<b>Carrying amount of the Company's investment in the joint venture</b>	<b>1,064,062</b>	<b>1,600,256</b>	<b>1,016,296</b>

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 period/year denominated in US\$	31,843	12,799	10,667
Average exchange rate for the year	6.7484	6.7493	6.7497
PPGPL's total profit for the period/year denominated in TT\$	214,889	86,384	71,999
Proportion of the Company's ownership investment in joint venture	39%	39%	39%
<b>Share of profit from the investment in joint venture</b>	<b>83,807</b>	<b>33,690</b>	<b>28,080</b>

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

Nine months ended 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 5 Cash at bank and on hand

	September 2024 \$'000	September 2023 \$'000	December 2023 \$'000
Cash at bank and on hand	<u>152,257</u>	<u>128,380</u>	<u>127,165</u>

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

	September 2024 \$'000	September 2023 \$'000	December 2023 \$'000
Issued and fully paid:			
38,700,000 ordinary 'A' shares of no par value	693,030	693,030	693,030
116,100,000 ordinary 'B' shares of no par value	<u>2,079,090</u>	<u>2,079,090</u>	<u>2,079,090</u>
	<u><b>2,772,120</b></u>	<u><b>2,772,120</b></u>	<u><b>2,772,120</b></u>

### 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 six months ended 30 September 2024 and 30 September 2023 and the year ended 31 December 2023.

	September 2024 \$'000	September 2023 \$'000	December 2023 \$'000
<b>Amount due to related parties</b>			
The National Gas Company of Trinidad and Tobago Limited:			
Reimbursement for expenses paid on behalf of the Company	(208)	(70)	(178)
<b>Income/(expenses) from related parties</b>			
The National Gas Company of Trinidad and Tobago Limited:			
Dividends paid	<u>—</u>	<u>—</u>	<u>—</u>
Phoenix Park Gas Processors Limited:			
Dividends received (Note 5 b)	<u>39,396</u>	<u>23,688</u>	<u>23,688</u>
Management fee	<u>(81)</u>	<u>(81)</u>	<u>(81)</u>
<b>Key management compensation</b>			
Directors' fees and allowances	<u>(145)</u>	<u>(190)</u>	<u>(246)</u>

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

Nine months ended 30 September 2024

(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:

	September 2024 \$'000	September 2023 \$'000	December 2023 \$'000
Audit fees	--	--	526
Dividend refunded by Registrar - due to shareholders	3,377	3,335	3,339
Sundry payables	73	147	219
	<u>3,450</u>	<u>3,482</u>	<u>4,084</u>

### 9 Impairment

	September 2024 \$'000	September 2023 \$'000	December 2023 \$'000
Impairment loss	<u>--</u>	<u>--</u>	<u>(573,566)</u>

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 PPGPL'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	√

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

Nine months ended 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 9 Impairment (continued)

Details of the movement in impairment:

<u>Year</u>	<u>(Loss)/reversal TT\$'000</u>
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 decommissioning 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.

	<b>December 2023</b>	<b>December 2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
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.



# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

Nine months ended 30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 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).

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

### Nine months ended 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

#### 10 Legal and professional fees

Legal and professional fees comprise the following:

	September 2024 \$'000	September 2023 \$'000	December 2023 \$'000
Corporate secretariat services	234	210	315
Audit fees (Note 10 (a))	--	--	526
Penalties – late filing	48	--	274
Management fee	81	81	81
Listing and central depository services	278	296	370
Other fees	43	92	114
	<u>684</u>	<u>679</u>	<u>1,680</u>

- 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. Non-audit fees were not incurred for the current year and prior year.

#### 11 Other expenses

Other expenses comprise the following:

	September 2024 \$'000	September 2023 \$'000	December 2023 \$'000
Directors' fees and allowances	145	190	246
Green fund levy	118	71	71
Printing and publishing costs	193	85	212
Shareholders' meeting	--	--	156
	<u>456</u>	<u>346</u>	<u>685</u>

#### 12 Taxation

- a) The taxation charge consists of the following:

	September 2024 \$'000	September 2023 \$'000	December 2023 \$'000
Business levy	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

Nine months ended 30 September 2024

(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:

	September 2024 \$'000	September 2023 \$'000	December 2023 \$'000
Profit/(loss) before taxation	<u>82,776</u>	<u>32,750</u>	<u>(547,734)</u>
Income taxes at the rate of 30%:	24,833	9,825	(164,320)
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	(24,733)	(9,825)	164,320
Business levy	<u>1</u>	<u>1</u>	<u>1</u>
<b>Tax expense</b>	<b><u>1</u></b>	<b><u>1</u></b>	<b><u>1</u></b>

### 13 Earnings/(loss) per share

	September 2024	September 2023	December 2023
Basic earnings/(loss) per share	<u>\$0.53</u>	<u>\$0.21</u>	<u>(\$3.54)</u>

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

	\$'000	\$'000	\$'000
Earnings/(loss) used in the calculation of basic earnings/(loss) per share	<u>82,775</u>	<u>32,749</u>	<u>(547,735)</u>
	Shares '000	Shares '000	Shares '000
Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share	<u>154,800</u>	<u>154,800</u>	<u>154,800</u>

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

### 14 Dividends

No dividends were paid during the nine months ended 30 September 2024 and 30 September 2023 and the year ended 31 December 2023.

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

Nine months ended 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 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*

	September 2024 \$'000	September 2023 \$'000	December 2023 \$'000
<b>Assets:</b>			
<b>Financial assets at amortised cost:</b>			
Cash at bank and on hand	152,257	128,380	127,165
Dividend receivable	13,141	--	--
<b>Total financial assets</b>	<b>165,398</b>	<b>128,380</b>	<b>127,165</b>
<b>Liabilities</b>			
<b>Financial liabilities at amortised cost:</b>			
Due to parent company/related party	208	70	178
Trade and other payables	3,450	3,482	4,084
<b>Total financial liabilities</b>	<b>3,658</b>	<b>3,552</b>	<b>4,292</b>

#### *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.

#### *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.

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

Nine months ended 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 15 Financial risk management (continued)

#### 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
<b>As at 30 September 2024</b>						
<b>Assets</b>						
Cash and cash equivalents	152,257	--	--	--	--	152,257
Dividend receivable	--	13,141	--	--	--	13,141
	<b>152,257</b>	<b>13,141</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>165,398</b>
<b>Liabilities</b>						
Due to parent company	--	208	--	--	--	208
Trade and other payables	--	73	3,377	--	--	3,450
	--	<b>281</b>	<b>3,377</b>	--	--	<b>3,658</b>
<b>Net liquidity position</b>	<b>152,257</b>	<b>12,860</b>	<b>(3,377)</b>	<b>--</b>	<b>--</b>	<b>161,740</b>
<b>As at 30 September 2023</b>						
<b>Assets</b>						
Cash and cash equivalents	128,380	--	--	--	--	128,380
	<b>128,380</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>128,380</b>
<b>Liabilities</b>						
Due to parent company	--	70	--	--	--	70
Trade and other payables	--	147	3,335	--	--	3,482
	--	<b>217</b>	<b>3,335</b>	--	--	<b>3,482</b>
<b>Net liquidity position</b>	<b>128,380</b>	<b>(217)</b>	<b>(3,353)</b>	<b>--</b>	<b>--</b>	<b>124,898</b>
<b>As at 31 December 2023</b>						
<b>Assets</b>						
Cash and cash equivalents	127,165	--	--	--	--	127,165
	<b>127,165</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>127,165</b>
<b>Liabilities</b>						
Due to parent company	--	19	159	--	--	178
Trade and other payables	--	145	3,939	--	--	4,084
	--	<b>164</b>	<b>4,098</b>	--	--	<b>4,262</b>
<b>Net liquidity position</b>	<b>127,165</b>	<b>(164)</b>	<b>(4,098)</b>	<b>--</b>	<b>--</b>	<b>122,903</b>

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

Nine months ended 30 September 2024

(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 30 September 2024, 30 September 2023 and 31 December 2023 denominated in foreign currencies:

	TT Denominated \$'000	US Denominated \$'000	Total \$'000
<b>As at 30 September 2024</b>			
<b>Assets</b>			
Cash at bank and on hand	719	151,538	152,257
Dividend receivable	--	13,141	13,141
<b>Total assets</b>	<b>719</b>	<b>164,679</b>	<b>165,398</b>
<b>Liabilities</b>			
Due to parent company/related party	208	--	208
Trade and other payables	3,450	--	3,450
<b>Total liabilities</b>	<b>3,658</b>	<b>--</b>	<b>3,658</b>
<b>Net position</b>	<b>(2,939)</b>	<b>164,679</b>	<b>161,740</b>
<b>As at 30 September 2023</b>			
<b>Assets</b>			
Cash at bank and on hand	1,055	127,325	128,380
Dividend receivable	--	--	--
<b>Total assets</b>	<b>1,055</b>	<b>127,325</b>	<b>128,380</b>
<b>Liabilities</b>			
Due to parent company/related party	70	--	70
Trade and other payables	3,482	--	3,482
<b>Total liabilities</b>	<b>3,552</b>	<b>--</b>	<b>3,552</b>
<b>Net position</b>	<b>(2,497)</b>	<b>127,325</b>	<b>124,898</b>

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

Nine months ended 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 15 Financial risk management (continued)

#### d) Foreign currency risk (continued)

	TT Denominated \$'000	US Denominated \$'000	Total \$'000
<b>As at 31 December 2023</b>			
<b>Assets</b>			
Cash at bank and on hand	425	126,740	127,165
<b>Total assets</b>	<b>425</b>	<b>126,740</b>	<b>127,165</b>
<b>Liabilities</b>			
Due to parent company/related party	178	--	178
Trade and other payables	4,084	--	4,084
<b>Total liabilities</b>	<b>4,262</b>	<b>--</b>	<b>4,262</b>
<b>Net position</b>	<b>(3,837)</b>	<b>126,740</b>	<b>122,903</b>

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
<b>As at 30 September 2024</b>	3%	2,483
	(3%)	(2,483)
<b>As at 30 September 2023</b>	3%	983
	(3%)	(983)
<b>As at 31 December 2023</b>	3%	(16,432)
	(3%)	16,432

#### 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.

# Trinidad and Tobago NGL Limited

## Notes to the Financial Statements (continued)

Nine months ended 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 15 Financial risk management (continued)

#### 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

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 30 September 2024, the Company had no contractual commitments or contingencies with third parties or as a result of its investment in joint venture (2023: Nil).

### 17 Reclassification

The following balances were reclassified on the statement of profit and loss and other comprehensive income and notes to the financial statements for the nine months ended 30 September 2023 to allow comparability with current year.

	Previously Recorded September 2023 \$'000	Adjustment \$'000	Reclassified Amount September 2023 \$'000
Legal and professional fees	869	(190)	679
Other expenses	156	190	346

### 18 Subsequent events

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