45TH ANNIVERSARY
AT THE FOREFRONT OF Energy

EMBRACING OPPORTUNITY, CREATING VALUE

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

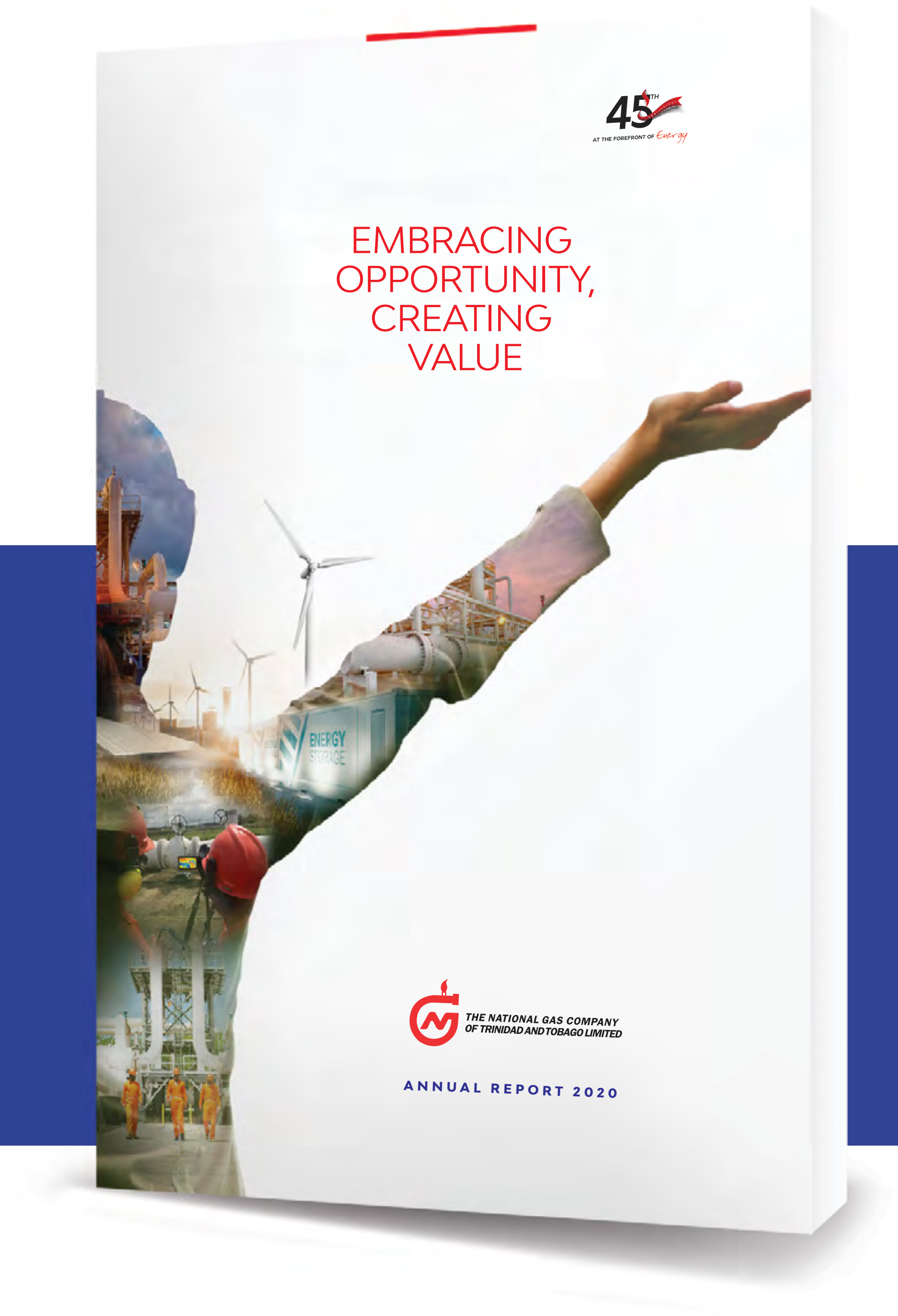
ANNUAL REPORT 2020

EMBRACING OPPORTUNITY, CREATING VALUE

The cover design of our 2020 Annual Report renders in bold and striking imagery, the theme of "Embracing Opportunity, Creating Value". The outstretched arms of the silhouetted figure represent a symbolic embrace of present and future, a warm welcome to the opportunity that lies before us. The imagery within the silhouette captures some of the elements at the core of our approach to the future – technology, people and a strong environmental ethos. The gesture of reaching upward also communicates ambition, growth and upliftment. It signals that we at NGC are on a path of transformation led by our people.

We are empowering new voices and harnessing all our talent and potential to build a strong, sustainable and progressive future for our Company.

EMBRACING OPPORTUNITY, CREATING VALUE **ANNUAL REPORT 2020**



EMBRACING OPPORTUNITY, CREATING VALUE **ANNUAL REPORT 2020**

The NGC Group's Core Values

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

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.

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

THE NGC GROUP OF COMPANIES

EMBRACING OPPORTUNITY, CREATING VALUE **ANNUAL REPORT 2020**

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EMBRACING OPPORTUNITY, CREATING VALUE **ANNUAL REPORT 2020**

NGC Group **Corporate Profile**

Who We Are

Incorporated in August 1975 by the Government of Trinidad and Tobago as a wholly owned state enterprise and a pipeline company, The National Gas Company of Trinidad and Tobago Limited (NGC) is now an integrated player across the energy value chain, focusing on sustainability and pursuing an energy transition model through its Green Agenda. Today, NGC leads a diversified Group of 32 companies which are collectively evolving into a global business entity. We are working to develop a structure that supports the Group's international mission to create exceptional value from natural gas and related energy businesses, through valued partnerships and arrangements.

What We Do

NGC is an internationally investment-graded company with the financial flexibility to self-finance or access funding on the local and international markets. We have successfully secured the profitability of the local gas-based energy sector, and catalysed the social, economic and industrial development of Trinidad and Tobago. NGC owns, maintains and operates the country's transmission and distribution gas pipeline network of approximately 1,000 km, which comprises both offshore and onshore segments. The network's installed capacity is currently 4.4 billion standard cubic feet per day (bscf/d) and supplies power generation firms, global scale petrochemical plants, and a wide range of light manufacturing and commercial enterprises.

One of the primary objectives of the evolving NGC Group is to lead change in the domestic industrial sector to support the global clean energy agenda. Accordingly, NGC and its subsidiaries are focused on initiatives such as methane and carbon dioxide mitigation, investment in renewable energy projects, promotion of CNG as an alternative fuel, energy education, energy efficiency, and associated advocacy, research and development.

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

The NGC Group comprises:

10 fully owned companies

5 partially owned companies

10 indirect subsidiaries

7 affiliated companies

Of these, the five most recognised brands are:

- **National Energy Corporation of Trinidad and Tobago (National Energy)**

  The company's core business is the conceptualisation, promotion, development and facilitation of new energy-based and downstream industries in Trinidad and Tobago.

- **Phoenix Park Gas Processors Limited (PPGPL)**

  PPGPL operates a state-of-the-art cryogenic gas processing facility and is engaged in natural gas processing and the aggregation, fractionation and marketing of natural gas liquids (NGLs), operating as an NGL hub.

- **NGC CNG Company Limited (NGC CNG)**

  NGC CNG's primary mandate is to expand the supply and use of Compressed Natural Gas (CNG) nationally as a cleaner, greener, cheaper alternative for transportation fuel.

- **La Brea Industrial Development Company Limited (LABIDCO)**

  The company's principal business is the promotion, development, and management of an industrial estate and marine infrastructure facilities in support of energy sector development in La Brea.

- **Trinidad and Tobago NGL Limited (TTNGL)**

  TTNGL was incorporated on September 13, 2013 by NGC to enable the public to own an equity interest in PPGPL by participating in an initial Public Offering (IPO), followed by an Additional Public Offering (APO).

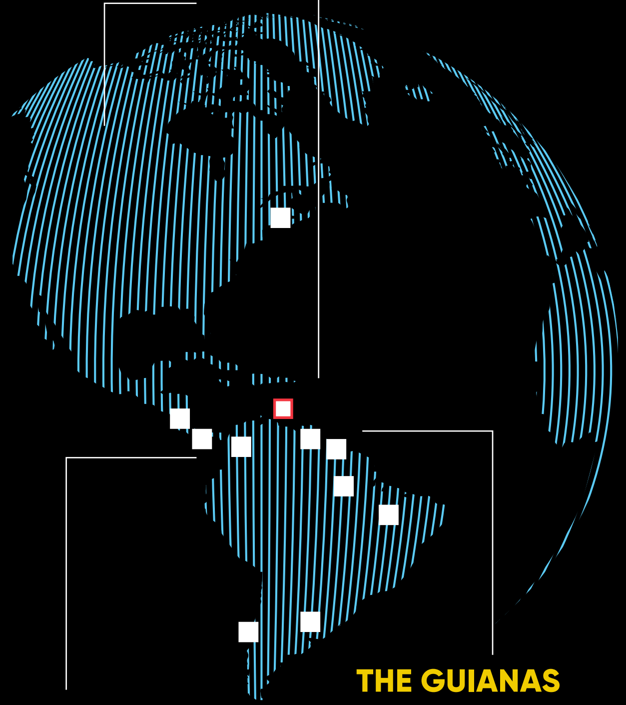
A valued player in our nation's natural gas-based energy sector, NGC, and by extension The NGC Group of Companies, has a proven business model for maximising resources for industrial development and long-term prosperity – a model with applicability far beyond the shores of Trinidad and Tobago.

NGC Group Around the World 2018–2020

- COMMODITY TRADING PARTNERS
- MOU TSA TERM SHEET

NORTH AMERICA
BOSTON, USA

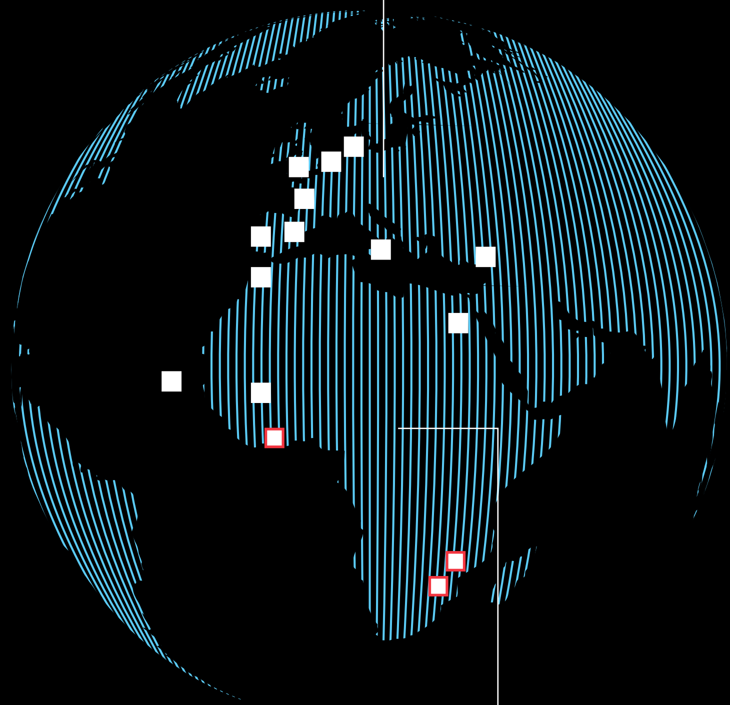
CARIBBEAN
GRENADA (TERM SHEET)
DOMINICAN REPUBLIC
PUERTO RICO
JAMAICA
ST CROIX
ANTIGUA
BARBADOS
MARTINIQUE
GUADELOUPE
ST VINCENT
ST LUCIA
ST MAARTEN
HAITI
TORTOLA
ARUBA
DOMINICA
ST KITTS
ANGUILLA
NEVIS
MONTSERRAT
TRINIDAD & TOBAGO



LATIN AMERICA
COLOMBIA
ARGENTINA
BRAZIL
CHILE
PANAMA
COSTA RICA

THE GUIANAS
SURINAME
FRENCH GUIANA
GUYANA

EUROPE
ENGLAND
ITALY
FRANCE
SPAIN
PORTUGAL
THE NETHERLANDS
BELGIUM
TURKEY



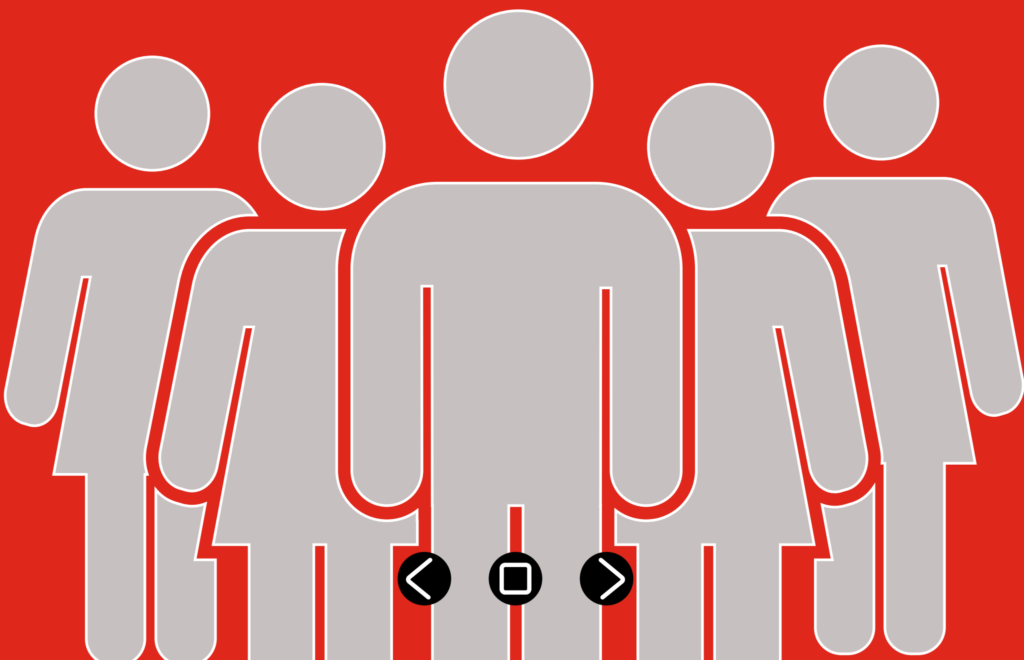
AFRICA
EGYPT
GHANA (MOU)
MOZAMBIQUE (MOU/TSA)
TANZANIA (MOU)
SENEGAL
MOROCCO

MIDDLE EAST
ISRAEL

ASIA PACIFIC
THAILAND
JAPAN
TAIWAN
SOUTH KOREA
INDIA
SINGAPORE
CHINA

NGC Group
Manpower (as at 31 December 2020)

930



THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

603

PERMANENT	CONTRACT	TEMPORARY
568	35	0

PHOENIX PARK GAS PROCESSORS LIMITED

182

PERMANENT	CONTRACT	TEMPORARY
167	15	0

National Energy CORPORATION OF TRINIDAD AND TOBAGO

108

PERMANENT	CONTRACT	TEMPORARY
98	5	5

NGC CNG Company Limited

22

PERMANENT	CONTRACT	TEMPORARY
19	3	0

LA BREA INDUSTRIAL DEVELOPMENT COMPANY LIMITED

15

PERMANENT	CONTRACT	TEMPORARY
12	2	1

Chairman's **Statement**

Mr. Conrad Enill
Chairman

THE YEAR 2020 WAS A YEAR IN WHICH NGC AND ITS SUBSIDIARIES FACED NEW AND DIFFICULT CHALLENGES, AND LIKE ALL ENERGY COMPANIES SUFFERED LOSSES DUE TO DEPRESSED COMMODITY MARKETS AND NEW GLOBAL COVID PANDEMIC DISRUPTIONS.

Additionally, NGC had to navigate a dynamic and volatile business environment driven by mega trends of digitisation, climate change, technology developments and a re-engineering of corporate sustainability. This year called for astute leadership, agility and innovative solutions. I am proud to say that NGC and its subsidiaries have demonstrated great resilience through this ongoing crisis, while simultaneously returning some measure of stability to the local industry and strengthening its foundations for a sustainable future.

The pandemic and the move from fossil fuels to renewables represented two significant changes to which the Group responded. Innovation enabled by technology has played a major role in redefining the success models that we are building. We have noted changes that we must respond to in order to continue to add value in the new global energy market. Our analysis tells us that in the drive to reduce carbon emissions, there is a global move from fossil fuels as the primary energy source to cleaner fuel sources, including gas. Our new focus, therefore, includes being market-driven instead of production-driven, moving from fossil fuel energy to a focus on clean energy, renewables and energy efficiency, and reducing levels of greenhouse gas (GHG) emissions for a carbon-neutral world.

We have also identified areas of the business where value leakage is present and we are working with the government and other stakeholders to address such issues.

With the public health measures designed to slow the spread of the virus came a corresponding suppression of demand, disruption of supply chains and a domino effect across the productive sector. These factors catapulted economies into deep recession. The International Monetary Fund (IMF) estimates that the world Gross Domestic Product (GDP) declined by 4.4 per cent in 2020 and World Trade Organisation (WTO) data, indicates a comparable 5.5 per cent slump in global merchandise trade. Of particular significance to us is that the pandemic meltdown intensified and exaggerated the already weak conditions in commodity markets.

Our core business witnessed a sharp fall in prices in all sectors to varying degrees. Prices of oil, liquefied natural gas (LNG), ammonia, methanol and natural gas liquids (NGLs) plummeted to the lowest levels seen since the 2008 financial market crash. For the national economy, this meant a sharp decline in foreign exchange earnings and government revenue at a time when the government could least afford. In that context, there was a drawdown on the Heritage and Stabilisation Fund and increased borrowings to finance a vastly expanded social support programme for those who would have lost incomes due to enforced COVID lockdowns.

Group Financial Performance

The Group recorded a loss of TT$2.1B for the financial year ended 31 December 2020, as compared to a restated profit of TT$482M in 2019. Included in this loss are provisions for exceptional items at a total cost of TT$4.2B that are specific to 2020 and should not impact the organisation to this extent in future years.

The Group recorded a profit of TT$1.2B before exceptional items, interest and share of associate performance compared with TT$0.8B in the prior year. In 2020, NGC conducted a review of its current contracts and a valuation of the Company's pipeline infrastructure, which resulted in exceptional charges to the profit and loss in 2020.

A review of contracts was conducted to determine if the obligations under the contracts exceeded the economic benefits expected to be received and this resulted in a provision of TT$2.1B for a contract that became effective in 2020. Additionally, a charge of TT$1.6B was recorded to profit and loss following a revaluation of pipeline infrastructure with a further $1.6B reduction of the previous revaluation surplus.

Towards a Sustainable Future

Far from dampening our enthusiasm, the difficult conditions of 2020 have spurred The NGC Group to accelerate several transformation initiatives for a more sustainable future. Our goal as we embark on the new normal is to achieve our objective of being an integrated international energy company, through deepened participation across the natural gas value chain, ensuring the sustainability of the business and embracing a green agenda.

Chairman’s **Statement** (continued)

BOLSTERING THE GROUP’S OUTLOOK, FUTURE SUSTAINABILITY AND PERFORMANCE IN 2020 WERE:

The development of the **Ruby Field** in which NGC has a **31.54 per cent** interest

The completion of the acquisition of **Twin Eagle Liquids Marketing LLC, USA** by PPGPL

The development and publication of the Centre for Chemical Process Safety manual **“Risk-Based Process Safety During Disruptive Times”** with core support from NGC

The advancement of **digital transformation initiatives** within several areas of operations throughout the Group

The live launch of **National Energy’s ttEngage Online Investor Platform** – a fully digital solution for business development in the energy-based downstream sector in Trinidad and Tobago

National Energy’s win of the **People’s Choice Award** in the Innovation category for the Inter-American Development Bank’s President’s Award for Service Excellence and Innovation in the Public Sector 2020

The launch of the **Energy SmarTT** app to build consumer awareness around energy efficiency

Embracing the **Green Agenda** in support of the Paris Agreement and national climate action targets through strategic partnerships with academia and industry, education initiatives and support/exploration of renewable energy projects

Progression of **NGC’s MOU with Ghana** through the execution of a contract to design, build and commission a Pressure Regulator Skid in Takoradi, Western Ghana

Deepening of the drive to create **sustainable communities**

Strengthening of governance procedures with the introduction of a **Conflict of Interest (COI) policy** and **online COI register**

These successes signal that The NGC Group is not just reinforcing its operational foundations but is acting decisively to grow both its business and broader developmental impact. They also frame the trajectory of the Group's strategic objectives for 2021 and beyond.

Acknowledgement

These achievements are the result of long hours of dedicated service on the part of the management and staff of The NGC Group. I wish to take this opportunity to express my gratitude for this outstanding performance under most trying circumstances.

I also thank my fellow Board members for their support in the ongoing transformation process. The aim going forward is to foster organic growth, sustained financial performance and create long-term value for our shareholders and the people of Trinidad and Tobago.

Conrad Enill
Chairman

President's **Statement**

As with many other corporate entities, NGC was not shielded from the devastating impact of the global coronavirus pandemic in 2020. It is now a truism to say that 2020 was a difficult year for all. Global trade, industry, travel, and consumer spending came to a virtual standstill resulting in a precipitous decline in commodity prices with direct implications for the national economy and NGC. We have navigated some choppy and uncharted waters. However, amid great turbulence, we **have sowed seeds for future value creation and sustainability.**

Mr. Mark Loquan
President

Against this backdrop, and despite the associated challenges, NGC was able to continue building the foundation necessary for creating a sustainable future for the local industry, while positioning itself to drive the 'Green Agenda' conversation, to be in step with changes taking place in the international business. Over the past four years, NGC has restructured itself as an integrated energy company identifying value leakage and creation areas along the natural gas value chain from upstream, midstream, aggregation, downstream and commodity trading.

It is with this in mind that the theme of this year's report **"Embracing Opportunity, Creating Value"** bears relevance now more than ever. It is often said that a crisis is too good an opportunity to waste. Indeed, NGC's developments in 2020 may be considered an apt testimony to this saying, as we adroitly accepted the challenges posed by the COVID-19 crisis to embark on or accelerate transformational initiatives.

Firstly, in a direct response to the COVID-19 pandemic, digital infrastructure enabled NGC to quickly adapt to the new normal, grounded in risk management, robust asset integrity and safety processes. Under our business continuity plan, all health protocols were speedily put in place to safeguard the health of our staff and stakeholders. There was a seamless transition to work from home and online meetings and transactions, for which we would like to thank all our employees and contractors.

The SAP Ariba system enabled us to accelerate transparent e-tendering, e-auctions and procurement. Moreover, NGC leveraged its vast knowledge and experience in Process Safety Management (PSM) and collaborated with the Centre for Chemical Process Safety (CCPS) to produce and disseminate a monograph titled 'Risk- Based Process Safety During Disruptive Times'. This monograph has been translated into four languages, serving the global chemical process plant community.

President's **Statement** (continued)

The last few years have been characterised by instability across the value chain. Amid disruptive market conditions, we have been able to emerge from 2020 with an improved gas supply outlook while progressing negotiations with downstream customers. The experience has reinforced the imperative of operating efficiency and competitiveness in the markets we serve.

To that end, we have made an unequivocal commitment to become a best-in-class integrated energy company with focus on sustainability.

In 2020, NGC accelerated the digitisation process by deploying advanced technologies and latest software to revolutionise our processes in areas such as supply chain management, pipeline maintenance, and human resource management. This will support the new risk-based inspection system which will be deployed across the Group in 2021.

The existential threat of climate change is far more enduring and problematic than COVID-19. Growing evidence on its impacts is driving the global movement towards carbon neutrality. NGC has joined in the race against climate change and is supporting Trinidad and Tobago in its efforts to meet its emissions and renewable energy targets under the Paris Agreement. In response to this 'movement' NGC embraced a green agenda. This encompasses the ethos of sustainability including a focus on climate change mitigation initiatives at the community, corporate and national levels.

At the corporate level, the focus has been on measuring and reducing methane emissions, reducing the corporate carbon footprint and reforestation as well as innovative studies on carbon sequestration. Our new and exciting partnership with Orbital Eye of The Netherlands, allows us access to advanced technology that uses satellite-generated data to monitor emissions from our pipeline and other infrastructure system. The technology will be initially used for real-time scanning of potential right-of-way threats to the entire network using artificial intelligence. Among the other projects executed at a national level that support the energy transition were the launch of the Energy SmarTT app, the expansion of the CNG network, forging of partnerships with tertiary institutions, investing in solar energy projects, and pioneering work on production of green hydrogen.

Consistent with the Sustainable Development Goals and the National Policy on Sustainable Community Development (NPSCD), NGC is committed to new value-added engagement with national communities.

While legacy programmes on youth, sport, culture, and literacy continue, NGC has embarked on several exciting new initiatives directly targeting some long-standing socio-economic pain points in our society.

NGC has identified projects that can leverage energy sector technology and knowledge to boost other sectors. These include a potential research and development work-centre focussed on innovation in agriculture; launch of a green information website in 2021 showing relevant information across Caribbean countries; the application of pipeline monitoring skills to electronic monitoring of water transmission pipelines to reduce losses due to leakage; leveraging our Geographic Information System (GIS) know-how and technology; and finally, working with our relevant stakeholders. These initiatives support national development and will also create value in the non-energy and manufacturing sector.

Acknowledgement

We remain optimistic about NGC's future and its critical role in the gas value chain in Trinidad and Tobago. We are confident that our strategy of building value across the entire gas value chain — upstream, midstream, downstream, LNG and trading — is coming together with the right pace and efficiency through strategy, utilising the talent of our people, technology and process transformation with a focus on sustainability.

I wish to take this opportunity to acknowledge and thank our multiple stakeholders for their indefatigable commitment to NGC. Thanks to our Board of Directors, for being exemplars in good corporate governance and stewardship, and supporters at one of the most challenging times in the energy sector globally. This crisis has placed extraordinary demands on management and staff, who have adapted boldly and continue to serve with unwavering perseverance and resilience. Our people were at the forefront of the health and safety response to the threat of COVID-19. My deepest gratitude to you for meeting and treating frontally with these unprecedented challenges. Your unstinting effort, adaptability and selfless commitment have bolstered our confidence in pursuing our aspirations to become a global energy business.

Mark Loquan

Mark Loquan
President

EMBRACING OPPORTUNITY, CREATING VALUE **ANNUAL REPORT 2020**

Our Place in the **Value Chain**

THE ENERGY LANDSCAPE HAS EVOLVED, AND IT IS IMPORTANT FOR NGC TO SUPPORT A HEALTHY MARKET BY FINDING THE RIGHT BALANCE OF PRICE AND SUPPLY TO SATISFY ALL PLAYERS ACROSS THE CHAIN.

NGC logo indicates that the Company has an investment stake in the business area

Our Place in the **Value Chain** (continued)

Securing Supply

In 2020, NGC signed two new commercial gas supply contracts with upstream providers. In July, negotiations were successfully completed with BHP Billiton, for a Gas Sales Contract for the Ruby Field project, in which one of NGC's upstream subsidiary companies holds an 11.41 per cent interest. Post the signing of this Gas Sales Contract, on 30 December 2020 NGC acquired an additional 20.13 per cent interest in Block 3(a) (and by extension the Ruby project) via another wholly owned subsidiary, ending the year with a 31.54 per cent working interest in the project. This development is an excellent testimony to our value-added growth strategy bearing fruit. In Q4 2020, NGC signed a Natural Gas Supply Agreement with Primera Oil and Gas, a subsidiary of Canadian company, Touchstone Exploration. Primera will supply gas to NGC from the onshore Ortoire Block in Southeast Trinidad. This is the first contract in over 50 years involving the supply of gas from an onshore development. Based on available data, the infusion of this relatively rich gas into the stream will increase the liquids yield at PPGPL and boost plant profitability. First gas is expected to be from the end of 2021/early 2022.

Additionally, already contracted gas supply coming from Shell's Barracuda (2021) and Colibri fields (2022) will allow NGC to adequately meet its contractual obligations over the medium term given natural decline of reservoirs. Shell is also seeking sanction for the development of the Manatee field for work to begin in 2022.

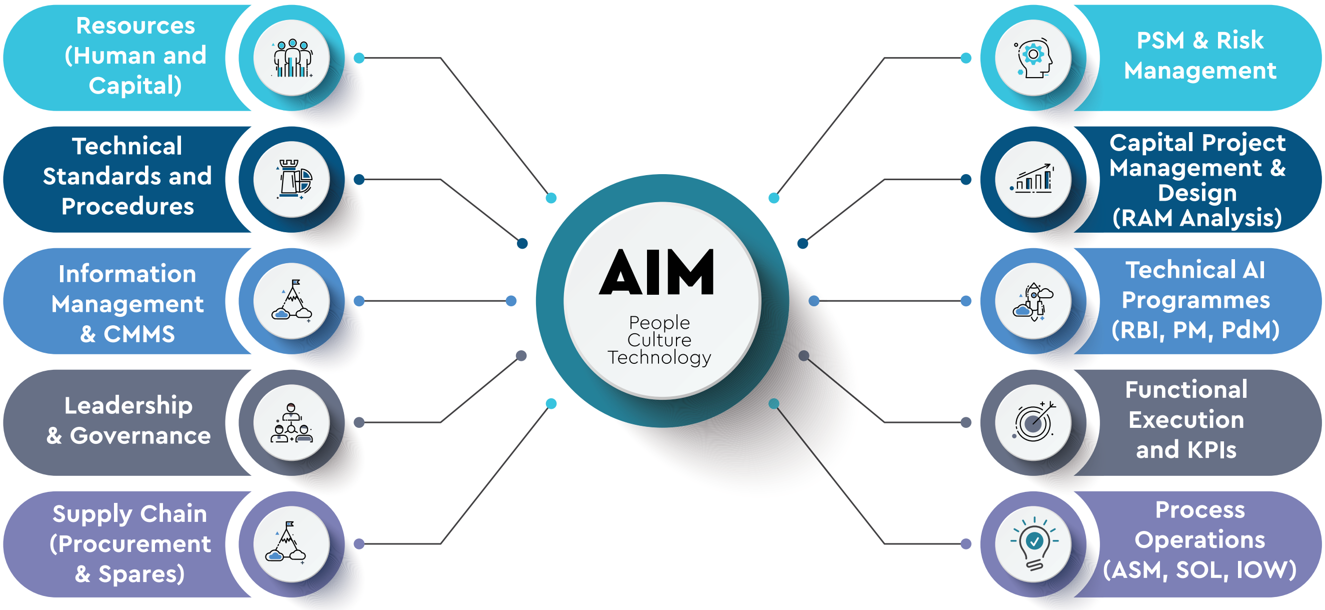
Negotiations continued with downstream customers for contract renewals, as the industry seeks the right balance in the allocation of value across the value chain in a period of great uncertainty. Although COVID-related market disruptions have added another layer of complexity to the negotiations, substantial progress has been made. The resolution of these negotiations would place the entire value chain and industry at a greater level of sustainability versus interim varying arrangements.

Network and Infrastructure

NGC's pipeline infrastructure continues to be the backbone of the gas industry and by extension, the economy.

The pipelines are arteries through which NGC delivers value-added services — gas aggregation, processing, transportation and distribution — to the petrochemical industry and for power generation. It is critical therefore that the pipelines are managed in a safe and reliable manner. Since 2016, NGC has been engaged

THE AIM FRAMEWORK IS ALIGNED WITH ISO 55000 STANDARDS IN ASSET MANAGEMENT. THIS FRAMEWORK IS BUILT ON **FOUR MAIN PILLARS:**



in a programme to achieve best-in-class standards with respect to pipeline operations and maintenance.

A new Asset Integrity Management (AIM) framework introduced in 2019, was elaborated and expanded in 2020. The AIM framework has facilitated the switch to a Risk-Based Inspection (RBI) model. This best practice approach focuses on reducing risk of failure or incidents across the pipeline network, by channelling resources and priorities toward inspecting assets in areas that are high-risk and more prone to failure. RBI commenced at the Tobago Gas Receiving Station in 2020, and the transition to RBI at all gas receiving facilities and valve stations, is expected to be completed in 2021. The RBI framework is supported using advanced technology in both inspection and maintenance.

A specialist drone was drafted into use, capable of carrying payloads such as infra-red cameras, Light Detection & Ranging (LiDAR) sensors and gas detection sensors, all of which can aid in monitoring the conditions on the pipelines and facilities. NGC also introduced the Computerised Maintenance Management System (CMMS), which modernised planning and scheduling of preventative maintenance works on NGC's manned facilities. It also generated valuable data to streamline maintenance performance in the future. The Company will explore satellite technology for 2021 in monitoring right-of-way threats to its infrastructure using artificial intelligence.

Process Safety

In the face of the COVID-impacted reality, NGC recognised the importance of managing new risks and ensuring operational safety.

The Company partnered with the Centre for Chemical Process Safety (CCPS) to develop response guidelines and insights during COVID when shifts were being modified. The outcome was a monograph titled 'Risk-Based Process Safety During Disruptive Times' which was adopted globally and translated into four languages. Importantly, it is also an achievement that moves the Company further along on its journey to become a global leader in energy.

NGC is pushing for the full adoption of CCPS guidelines into operations across The NGC Group. It is also seeking to leverage its membership on the CCPS Committee to 10 staff members certified in Process Safety Management (PSM). Such asset development will help cement NGC as a leader in PSM and strengthen its value proposition to current and potential business partners.

Value Creation for the **Future**

Value propagation — new revenue streams, new investments, optimising gas use

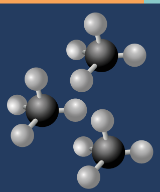
The onset of COVID-19 amplified adverse trends in all the commodity markets relevant to The NGC Group.

Driven in part by COVID-induced demand destruction, crude oil prices famously fell below zero in April, before recovering to post an annual average US$ 57.00, 12 per cent lower than in 2019. In the petrochemical markets, depressed demand due primarily to COVID-19 restrictions resulted in a weakening of prices. The pandemic affected all other major petrochemical producers, such as China, Malaysia, Indonesia, and Chile. Companies in these countries responded by taking plants offline, extending turnaround times and rescheduling maintenance and making decisions based on this transitionary period in the industry.

THE FOLLOWING ILLUSTRATES COMMODITY AND PRICING TRENDS:

LNG prices hit record lows before recovering to a six-year high by the end of the year.

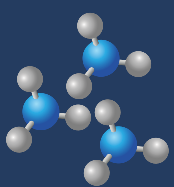
The good news is that by the turn of the year, there was an upward trend in all commodity markets, a trend that is expected to continue as the major economies begin to reopen.



Methanol Prices

11%

From US$292/ metric tonne in 2019 to US$261/ metric tonne in 2020



Ammonia Prices

9%

From US$206 per metric tonne in 2019 to US$187.6 in 2020

Against a background of enduring market volatility coupled with the shale gas revolution in the United States and the concomitant prognosis of an erosion of competitiveness of the gas industry in Trinidad and Tobago, NGC has been seeking to diversify its investment portfolio and revenue stream. This transformation, both within and outside of national boundaries and along the gas value chain, is based primarily on restructuring its business over the past four years in the areas of geology; energy marketing and trading; asset integrity; project management; supply chain management; governance; risk and process safety. It is also leveraging technology, skills and knowledge and is driven by the Group's vision to be a recognised global leader in the development of sustainable energy-related businesses. Across the last five years, this strategy has seen appreciable growth in NGC's business across the value chain, beyond its traditional merchant business.

NGC can now be considered a fully integrated gas company with equity holdings in the upstream, midstream and downstream sectors.

We have moved from being a quiet partner in Atlantic to an **active trader of LNG.**

The trading business, which commenced with **LNG cargoes in 2013 has now expanded to include oil, natural gas liquids and methanol.**

In 2020, revenue from NGC's trading business amounted to

US$82,123,588

LNG revenue

US$67,623,435

LNG third-party trading

US$17,003,280

Crude oil revenue

US$14,500,153

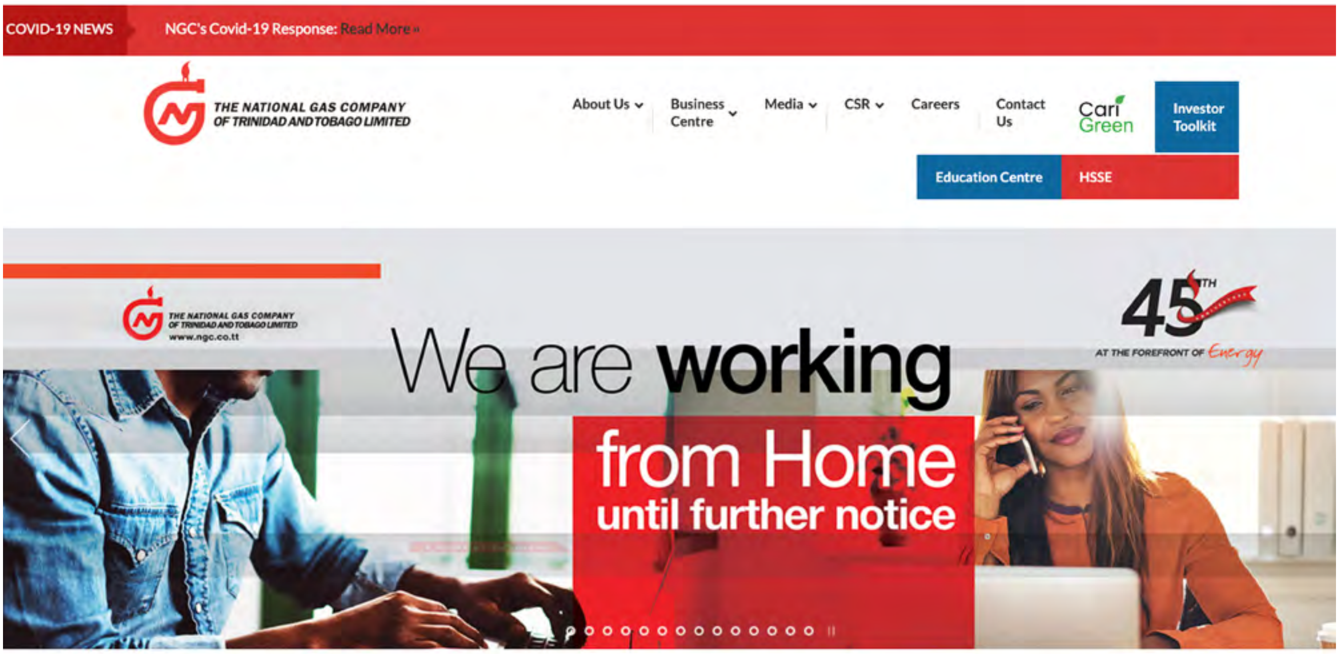
NGC subsidiary, PPGPL, has expanded into the lucrative US market with its acquisition of the NGL marketing assets of Twin Eagle Liquids Marketing LLC., in 2020.

Thanks to our increased international footprint, a major part of our future profitability will come from doing business in emerging markets such as **Guyana** and **Ghana.**

National Energy (Guyana) Inc.

National Energy has established an office in Guyana and is seeking new business opportunities there.

Resourcing for **Change**



Technology for the Future of Work

As a state enterprise, NGC is held to more demanding standards than energy companies in the private sector. This is particularly true within the supply chain and procurement function, which must be strictly governed by such principles as transparency, accountability, value for money and fairness.

At the onset of the COVID-19 pandemic, NGC was able to activate and leverage functionalities of the SAP Ariba system to keep business running optimally. E-tendering became the norm, with tenders and bids being issued and submitted electronically. The communication channels available on the Procurement Portal ensured suppliers never lost contact with SCM staff handling their payments and enquiries.

Millions of dollars have been saved relative to in-house estimates, which can now be put toward further technological enhancements in procurement and enterprise management. The process of e-auctioning has also allowed NGC to refine in-house estimation, as it has given some insight into the threshold pricing for certain services and the concessions suppliers are willing to make.

Our Human Capital

NGC's agility was tested regarding the management and support of its human resources. NGC's business continuity plans were activated, and a Work-from-Home Policy developed and enforced by the end of March 2020. Notwithstanding the new work conditions, the Company did not lose sight of the strategic initiatives on leadership, talent development and knowledge being progressed to ensure sustainability.

We continued with the **Leadership Development Programme (LDP)** to ensure the next level of leaders is well placed to advance the affairs of NGC in a sustainable manner in sync with the Company's core values. An enforced shift from in-person to online training in keeping with protocols, delayed, but did not stop, the programme nor dampen enthusiasm. Some 81 employees participated in the programme in 2020.

Technology Transformation

NGC has been leveraging people, processes and technology in a deliberate strategy to boost efficiency and competitiveness. To that end, NGC has been aggressively deploying technological tools to support remote work arrangements made necessary by the pandemic. We continue to deepen the technological breadth of the organisation by accelerating our digitisation process. The Information Technology Division has been restructured and rebranded as Technology and Innovation (TI), in alignment with our strategy for process improvement through technology. Several milestones have already been met in the digital transformation of the business processes.

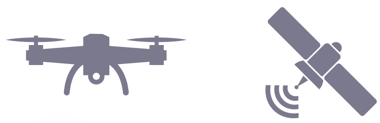
These include:

SAP Ariba

The deployment of SAP Ariba, which has enabled NGC to pivot quickly to e-auctions as an integral part of the procurement process.
(In the coming year, we will augment the source-to-settle process integration with the SAP 4 Hana cloud-based solution.)

Power BI

The application of Power BI data visualisation software in real-time to monitor work processes, cost reduction initiatives and strategic KPIs.

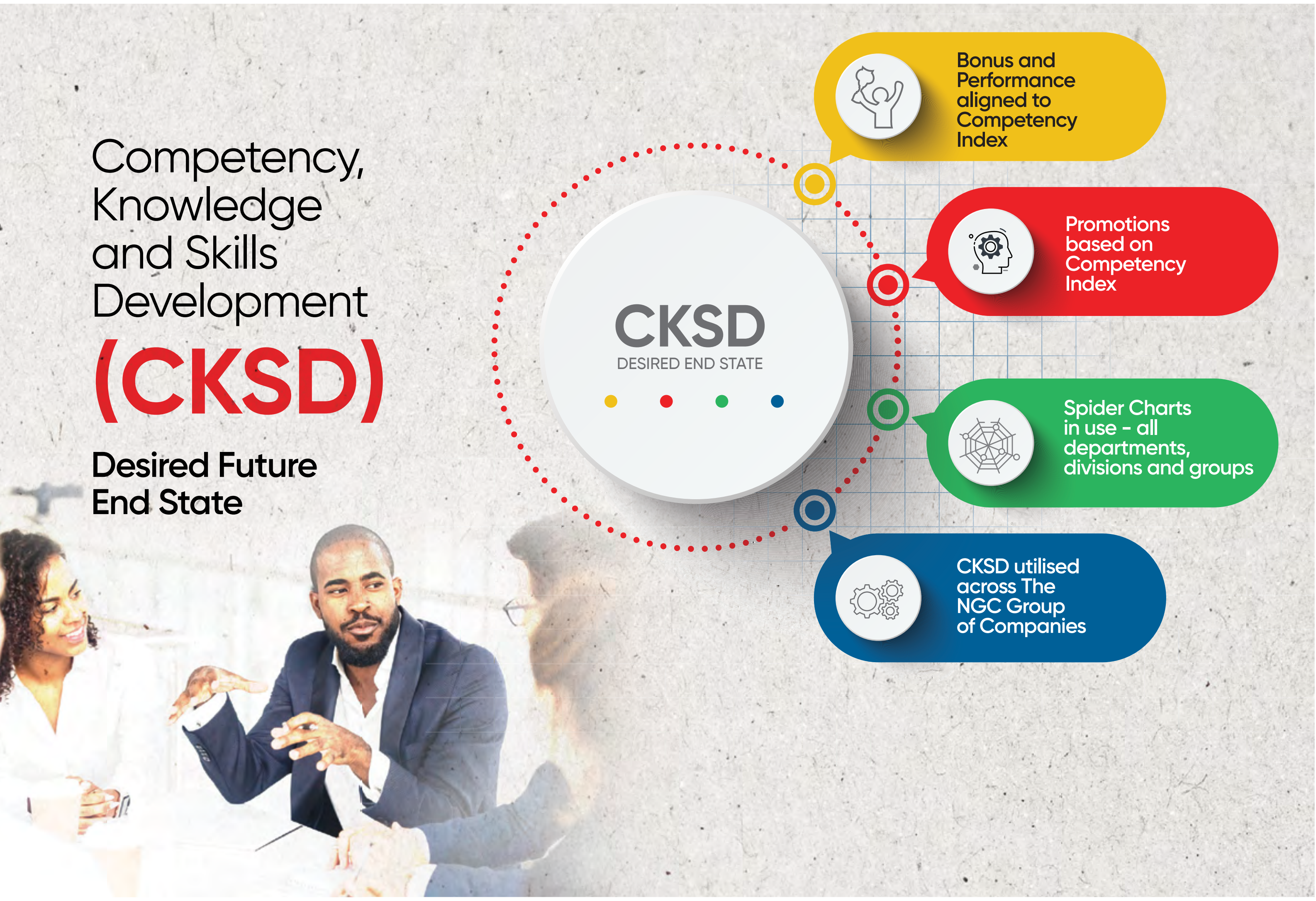


The use of drones, satellite imaging and infrared cameras in our field operations.

zoom

Using several functionalities of online platforms such as Microsoft 365 and Zoom.

Resourcing for **Change** (continued)



NGC continued its **Competency, Knowledge and Skills Development (CKSD)** project. Phase I, which began in 2017, involved employees across the organisation mapping their skills and qualifications.

Phase II of the CKSD Project, which focused on assessing the competencies of employees, was **90%** completed in 2020.

Different groups within the Company are receiving training on the principles and practice of assessing competencies against defined international standards.

Areas included were:
Commercial; Electrical; Pipeline and Gas Facilities Reliability Service; Control and SCADA; Automation and Measurement; Upstream Operations and Corrosion Management.

The Road to **Sustainability**

The Road to **Sustainability** (continued)

NGC GREEN AGENDA

NGC's **Green Agenda** is driven by international and local imperatives. Under the Paris Agreement on Climate Change, Trinidad and Tobago has set an objective to achieve a reduction in overall emissions from three target sectors - power generation, transportation and industry - **by 15%** by 2030 from a business-as-usual baseline.

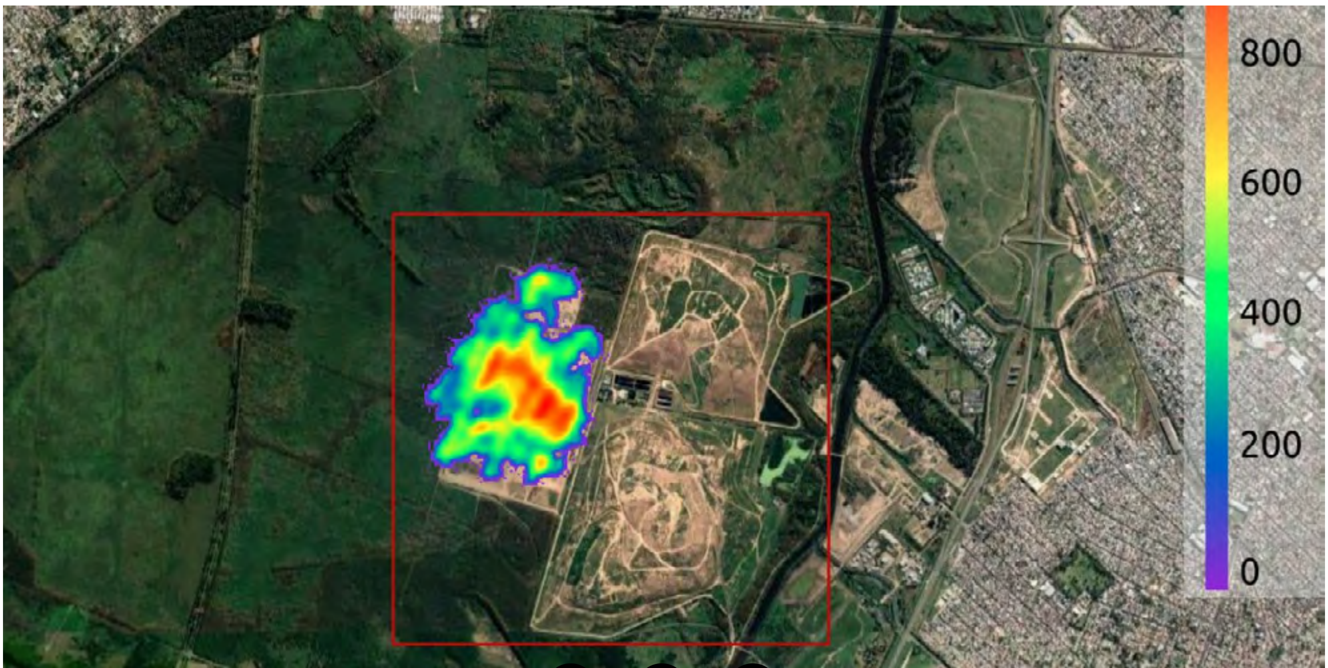
NGC's 'Green Agenda' is aimed at both reducing our corporate carbon footprint while simultaneously supporting Trinidad and Tobago in meeting its Nationally Determined Contribution (NDC) emissions reduction target. Current and planned projects feature promoting energy efficiency and renewables, assessing our carbon impact through a carbon sequestration study associated with NGC's 15-year reforestation programme; energy audits and the introduction of green technology supported by local, regional and international partnerships.

Methane Emissions

Methane, a more potent greenhouse gas (GHG) than carbon dioxide, is the primary component of natural gas. Addressing gas leaks and methane emissions has therefore become a priority.

In 2020, the Company invested in an optical and infrared camera capable of detecting and visualising fugitive hydrocarbon emissions at its facilities. Starting in 2021, this equipment will allow NGC to identify and repair vulnerabilities in its infrastructure and close in on its operational target of near-zero methane emissions.

As stated previously, NGC has entered an exciting new partnership with a Netherlands-based technology solutions provider, Orbital Eye. Through satellite data and algorithms, this company can monitor infrastructure such as transmission pipelines, roads, railways, and power lines, and measure the GHG output associated with these assets. NGC's partnership with Orbital Eye will allow it to access critical research and emissions information about Trinidad and Tobago's industrial on-shore and off-shore assets over the next three years. This data can then be used to develop mitigation and asset integrity management plans. Moreover, there is scope for growth as the intention is to extend this exercise across the Caribbean where feasible.



Carbon Sequestration

NGC's Reforestation Programme, implemented in 2005, aimed to replant the equivalent hectares of trees cleared during pipeline and estate construction activities. A 2018 study commissioned by NGC and conducted by The University of the West Indies (The UWI), St. Augustine Campus, estimated that 2,243 tons of carbon were sequestered by the above-ground biomass of the trees planted under this initiative.

In 2020, NGC decided to take its carbon sequestration study further by looking at below-ground sequestration. The study, being undertaken by The UWI, will provide valuable insights into the mechanism of natural carbon capture and storage and help generate a more accurate picture of the country's net carbon footprint.

MILESTONE ACHIEVEMENT

Estimated CO_2 sequestered above ground in 2020
2,290 TONS

Estimated CO_2 sequestered below ground in 2020
595 TONS

Estimated total carbon sequestered above ground in **2020**
8,404 TONS

Estimated total carbon sequestered below ground in **2020**
2,185 TONS

Area maintained in **2020**
79.25 HECTARES

No. of plants resupplied from community nurseries
4,000

No. of plants from natural regeneration
3,086

Fire trace cleared
4,633M

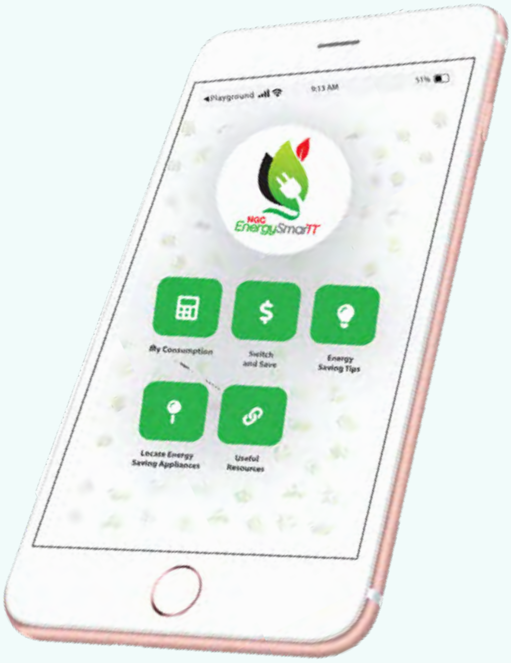
No. of persons employed from community
38

Total estimated manhours
7,508

Energy Efficiency

Energy efficiency has been proven to dramatically reduce energy waste and significantly slash carbon emissions.

With this knowledge in mind, NGC launched the country's first mobile app around energy efficiency and conservation – Energy SmarTT – in June 2020. This app, available for free download by the public, targets changing behaviours and attitudes toward energy consumption, particularly at the domestic level, and aims to increase awareness about the big picture environmental impact of personal choices. Through the app interface, users can determine how much energy their current appliances consume, and how much they can save on their energy bills by switching to more efficient models. A map directs users to retailers that sell energy-efficient products and the functionality exists for business owners to flag their shops.



The Road to **Sustainability** (continued)

Compressed Natural Gas

Under the Paris Agreement, T&T's NDC sets an unconditional target of 30% reduction in emissions from the transportation sector by 2030.

NGC supports the attainment of this target by providing and promoting CNG as an alternative vehicle fuel.

In 2020, there were 10 operational CNG stations for use by the public and three for fleet use. It is now estimated that there are 14,290 CNG vehicles on the roads of T&T. CNG volumes sold in 2020 was 13.5 million litres of gasoline equivalent (lges).

In development is a multi-fuel station that will house the largest assembly of CNG pumps, locally, at the entrance to the Point Lisas Industrial Estate. This station will feature solar-powered lighting and offer motorists a choice of fuels – conventional gasoline, CNG or electricity.

UTT MOU SIGNING: L to R: Mr. Dominic Rampersad, President PPGPL; Mr. Curtis Mohammed, President NGC CNG; Prof. Prakash Persad, President (Ag.) UTT; Mr. Mark Loquan, President NGC; Dr. Vernon Paltoo, President National Energy; Ms. Wendy Seow, General Manager LABIDCO

UTT Climate Change Mitigation Project

Recognising the importance of collaboration between industry and academia to progress climate action goals, NGC signed an MOU with the University of Trinidad and Tobago (UTT) in December 2020, to commence work on a Climate Change Mitigation Project.

The objectives of this agreement are:

- The joint identification and development of commercially viable climate change initiatives
- Production of data and reports for public awareness and education campaigns on climate change
- Renewable energy
- Energy efficiency
- GHG emissions
- Flood mapping
- Sustainable land use
- Development and exchange of information on GHG reduction technologies and strategies
- The transfer of experience and industry learnings

Green Hydrogen

National Energy has also initiated work to identify opportunities for applying renewables-based hydrogen locally.

These efforts will be the basis for the decarbonisation of the existing petrochemical industry and hard-to-decarbonise sectors, such as the cement and metals industries.

Solar PV Project

The NGC Group is getting involved in the solar energy space through subsidiary National Energy.

The Company is part of a joint venture project to build the first utility-scale solar PV for Trinidad and Tobago. The project is being undertaken by a consortium of major companies: Lightsource BP, bpTT and Shell Trinidad and Tobago. The project is expected to produce 112 MW of power and will be located at the Point Lisas South Industrial Estate.

The overall benefits to the economy would include:

- An improved reserve-to-production ratio
- Storage of excess renewables such as hydrogen for use as a secondary fuel
- Improved resilience
- Job creation/ skills transfer
- Reduced CO_2 emissions
- Increased foreign exchange levels
- Energy diversification in T&T

National Energy secured funding from the Inter-American Development Bank (IDB) under an IDB-executed, non-reimbursable grant under the Technical for Promotion of the Green Hydrogen Market in Latin America and Caribbean (LAC) Countries. This cooperation will facilitate feasibility studies in 2021 that contribute to understanding the economic parameters of producing green hydrogen locally.

The results will add to the work of National Energy and the Ministry of Energy and Energy Industries (MEEI) to provide insight into green hydrogen possibilities for the country.

Impact Beyond **Energy**

Our Sustainable Development strategy is rooted in the United Nations **(UN)** Sustainable Development Goals **(SDGs),** to which Trinidad and Tobago is a signatory. We recognise that our operations can both impact and be impacted by the **health of society, institutions,** and the **environment.**

Hence our strategy, with a balanced focus on the environment, society and governance, is embedded within the overall business strategy.

This is evident in our efforts to ensure long-term profitability of the organisation, the efficiency and competitiveness of the gas value chain, while supporting sustainable national development through targeted investments in our communities and reducing our carbon footprint.

Our strategy contributes directly to 10 of the 17 SDGs, including affordable and clean energy, climate action and sustainable cities and communities.

Our projects aim to impact points of significant socio-economic concern as evidenced in the following examples.

Sustainable Partnerships

In identifying opportunities for cooperation, we asked the question — how can our technology and capabilities positively impact other sectors? Answers included: our Geospatial Information Services (GIS) Department's technology can assist farmers by collecting data and mapping events such as flooding, drought, and pests. Such scientific data can be used in building predictive models to guide better planning for crops with improved yields and at lower risks.

Sustainable Partnerships (continued)

NGC's robust Asset Integrity Management (AIM) framework, as well as our world-class SCADA system, can assist WASA, the public water authority, to monitor pipelines in real time for integrity issues. Sharing technology and best practice will allow for a dramatic reduction in losses through leaks and a much-needed improvement in the management of the national water grid. This will no doubt redound to the benefit of the wider society inclusive of the agriculture sector.

NGC intends to build research and innovation capacity to uncover modern and sustainable ways to enrich the sector and boost its revenue potential. NGC is interested in research being done to develop high-yielding and climate and pest-resistant crop varieties; build gene and tissue banks and explore technology options to make food production less labour and land intensive.

National Energy's ttEngage platform will support efforts to attract new long-term tenants for factory shells at the new Agro-Processing and Light-Industrial Park at Moruga. The Park offers leasable factory shells and lots for processing of pepper, fish, cocoa, root crops and fruit. Investors must be wooed to set up shop at the park and other estates.

The ttEngage platform brings all major regulatory agencies involved in the approval process for new investments into a single portal, making the end-to-end process faster and more efficient. With this company's support, more agro-processors could launch new businesses, opening fresh market demand for local production.

Sustainable Communities

NGC committed its support to the National Policy on Sustainable Community Development (NPSCD), which was launched in 2019 by the Ministry of Community Development (later changed to Ministry of Sport and Community Development (MSCD) in 2020). Our fenceline community of La Brea was selected as one of the first communities for the rollout of the NPSCD based on its ranking on the Basic Needs Index (BNI) — a tool used to gauge living standards.

La Brea was ranked among one of the most underserved communities in the country and in need of developmental support. NGC is working closely with stakeholders, including its subsidiaries, towards implementation of the policy, which will facilitate youth empowerment, environmental preservation, community development and local economic development.

Media **Highlights**

Guardian **FEBRUARY 2020**

PPGPL buys American company

...as shale gas changes US market

Daily Express **MARCH 2020**

NGC 'Pan Scores' big for future of national instrument

Michael Mondezie

THE proper scoring of pan compositions is crucial to the sustainability of the national instrument says National Gas Company (NGC) president Mark Loquan.

"Scored music targets sustainability on another level. Having music scores customised for steelpan makes instruction possible outside of the panyard, accessible for education and to a wider public," Loquan said during a handing-over ceremony last Friday at Hotel Normandie, St Ann's.

The NGC Pan Scores project presented the winning music score to their champion band, winners of the National Panorama medium band category, NGC Joylanders Steel Orchestra, at the function. The initiative is in collaboration with The University of the West Indies' Department of Creative and Festival Arts (DCFA). The energy company chief executive told pannists, artistes and musicians present that while traditional methods of playing pan by ear is a good part of local culture, failure to properly document pan scores could result in them being lost forever.

"We have seen that we risk losing pan compositions as tutors age or pass away unless there is a deliberate path to preservation for posterity," he said. UWI music lecturer and DCFA music unit coordinator, Satanand Sharma, said the scoring of the Panorama arrangement was a team effort that started with UWI transcriber and current BA in musical arts final year student, Natasha Joseph, noting the recording of the performance with the SIBELIUS software.

Sharma said the accuracy of the notation was verified by UWI senior lecturer in music Dr Jeannine Remy.

"I proofread the music scores and made final layout modifications. Then Dr Remy further generated adaptations for primary

PAN SCORES continues on Page 38

PAN PROJECT: NGC President Mark Loquan, right, presents UWI music lecturer Satanand Sharma with a token.

Newsday **MARCH 2020**

NGC activates covid19 business continuity plan

THE National Gas Company (NGC) has activated its business continuity plan in response to covid19 "to circumvent the potential threat of the virus to its operations stakeholders and the country," the state enterprise said last week.

The plan was developed in alignment with World Health Organisation regulations and is focused on employee safety and operational fidelity across its group of companies. 26 and focused on raising the level of awareness of its employees around covid19 via signage throughout facilities; through daily health, safety security and environment (HSSE) email alerts; and hosting an all employee town hall with the company's doctor, which was streamed to desktops.

The group also increased sanitisation of the workplace and placed hand sanitisers in all public spaces. Strict travel restrictions were immediately larations mandated consistent with guidance provided by the Ministry of Health.

Following the Government's announcement regarding pandemic leave and updated of confirmed covid19 cases, NGC activated the more measures, including making sure that there is an uninterrupted gas supply to electricity provider TTEC so it can maintain normal operations. NGC's upstream partners and gas supply and no downtime is scheduled for downstream customers.

Downstream consumers have not indicated any plans to curtail operations. NGC has reorganised its website and social media accounts to share information consistently from reliable sources, including daily updates and a real time tracker system so that visitors can see what the national and global response to covid19 is, as well as e-mail blasts from the WHO, Health Ministry and the Office of Disaster Preparedness.

Newsday **APRIL 2020**

NGC remains committed to youth track and field

THE National Gas Company of TT Ltd (NGC) continues to be committed to the growth of junior track and field in TT by supporting a number of programmes and championships.

Scores of Secondary school students from across TT gathered recently at the Dwight Yorke Stadium in Tobago to participate in the Secondary Schools National Track and Field Championships, hosted by the TT Secondary Schools Track and Field Association (TTSSTFA) and sponsored by NGC.

In a press release, president of the TTSSTFA Joseph Brewster said

In this March 11 file photo, Jelese Alexander participates in the U-20 High Jump, at Dwight Yorke Stadium, at the Secondary Schools Track and Field Championships 2020. PHOTO BY DAVID REID

tain and build on this success, investment in the next generation of athletes is crucial. For that reason, NGC has been directing significant investment attention to track and field."

The company does not only support meets, but concentrates on the development of athletes.

"NGC currently has its signature Right on Track programme, now in its 22nd year, which teaches the basics of run, jump and throw to Primary school children. It assumes no prior knowledge of the sport and gives a comprehensive introduction to the fundamental

tween 15 and 20 who have excelled at regional and international competitions.

"The inductees in the programme are paired with specialist coaches for customized courses of training aimed at building their strengths and correcting their weaknesses. This new partnership with the TTSSTFA also provides another avenue for NGC to contribute to the development of track and field in TT."

According to NGC's communications manager, Lisa Burkett, "With support of these programmes, NGC remains commit-

Daily Express **MAY 2020**

Technology to the rescue

Software helps top athletes maintain HP training

SEVERAL of Trinidad and Tobago's most promising track and field prospects have been using customised computer software in their bid to maintain and even improve their fitness during the novel coronavirus pandemic. That software is being provided by the National Gas Company (NGC) and the National Association of Athletics Administrations (NAAATT).

With athletes severely disadvantaged by the lockdown restrictions aimed at curbing the spread of Covid-19, the NGC NAAA Youth Elite Programme (YEP) is using technology to help the athletes who, being unable to train in their usual manner, would otherwise struggle to perform at their best whenever competition resumes.

YEP, launched in 2017, is intended to facilitate the holistic development of track and field athletes aged between 14 and 20 who have been identified as having "podium-potential" by 2024. They were identified on the basis of performances in local, regional and international competitions in 2016.

An innovative way to continue the athletes' training was proposed by Michael Johnson Performance (MJP), the international sports science institute led by the American multiple Olympic gold medallist of the same name. MJP is a supporting partner to the NGC NAAA YEP and has introduced technology to ensure the athletes do not lose momentum and continue with their training regimens. The programme was introduced in stages, starting from March 29.

BridgeAthletic offers world-class software geared towards coaches and personal trainers to deliver custom training programmes and track athlete performance. A portion of the platform is also available to athletes to gain access via any smart device such as a phone, tablet or laptop.

Local athletes have embraced the software which builds high-performance training tools for coaches and athletes who compete at the highest levels. The integrated BridgeAthletic software leverages the power of technology to revolutionise the way coaches create, deliver and track athlete progress. With customised training programmes at their fingertips, athletes can continue to focus on their development.

The success with use of the software has prompted the NGC NAAA YEP to consider integrating this tool into the 2024 programme, going forward. And NGC's assertion that its commitment to developing the next generation of high-performing athletes through the programme has not waned despite the challenges posed by Covid-19 would be wonderful news for the athletes and the governing body for their sport.

Guardian **MAY 2020**

NGC/Touchstone/Heritage sign natural gas agreement

GEISHA KOWLESSAR-ALONZO
geisha.kowlessar@guardian.co.tt

The NGC has signed a Framework Agreement with Primera Oil and Gas Ltd–a wholly owned subsidiary of Touchstone Exploration Inc (Touchstone)–and Heritage Petroleum Company Limited (Heritage) for the supply of natural gas from Touchstone's recent land discovery.

purchase of natural gas and natural gas liquids produced from the Ortoire Block, onshore South East Trinidad, the NGC said in a statement.

It added that in a broader context, this Agreement also represents a significant development for the country, as it signals the first commercial gas production from onshore fields in nearly two decades.

Commenting on the agreement, NGC's

portunity to partner with two prominen Trinidad organisations to fully develo existing and future natural gas discover ies on its Ortoire exploration property.

"NGC brings the vast understanding o gas infrastructure to the project and Her itage brings technical knowledge to sup port the Touchstone team," Baay said.

He added that the Framework Agree ment is a key step to a timely "maximisa

Newsday **MAY 2020**

Junior athletes keeping momentum during covid19

THE NATIONAL Gas Company-sponsored National Association of Athletics Administrations Youth Elite Programme (NGC/NAAA/YEP), in collaboration with Michael Johnson Performance, have

medallist Michael Johnson, that is a supporting partner to the NGC/NAAA/YEP. NGC/NAAA/YEP has started using technology to ensure that they do not lose momentum and continue with their train-

their development."

The NGC/NAAA/YEP athletes have been involved in several webinars to facilitate the transition to the new platform.

Two of the webinars that were

Newsday **JUNE 2020**

NGC honours ALTA's efforts

THE Adult Literacy Tutors Association (ALTA) is the third inductee in the National Gas Company's (NGC) Above and Beyond Programme programme.

The programme, which was launched in 2017, recognises individuals or groups who have excelled in their profession, and who also, through extraordinary efforts, contributed to or inspired others in society to excel.

In a media release NGC said it shares with ALTA the recognition that literacy is key to removing barriers and providing a path to success for all members of society.

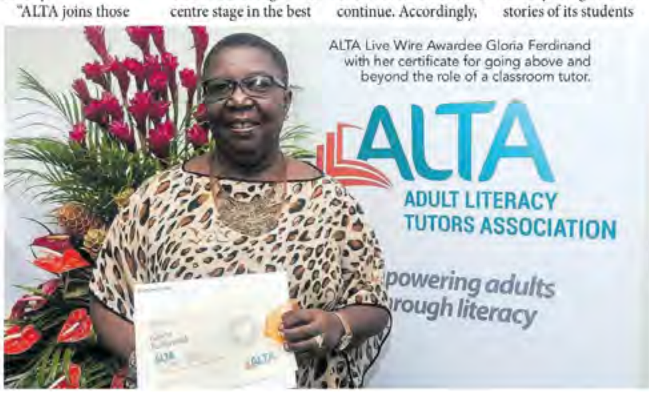
"ALTA joins those whose extraordinary contributions and humanitarian efforts have made an indelible impact on Trinidad and Tobago," the release said. Speaking at the presentation which was televised on May 28, Paula Lucie-Smith, founder and CEO of ALTA said, "Selecting ALTA for this award shows that NGC is thinking above and beyond the norm, switching from honouring an individual of world renown in its first year to a whole group of persons who are largely unnoticed – since those with low literacy are on the margins of society, of employment, of life. This award brings them centre stage in the best possible way…".

President of NGC Mark Loquan, sharing his sentiments on ALTA said, "Through the Above and Beyond Programme we continue to recognise and preserve the legacies of achievers and national contributors for future generations. Our relationship with ALTA has given us a window into the impact and relevance of ALTA's work, and at the same time, insight into the work still to be done – work which has positive, long-term socioeconomic implications for TT. As a company heavily invested in sustainability, NGC believes that work must continue. Accordingly, we are partnering to highlight some of ALTA's major projects for 2020."

The release said the projects include:

* ALTA online – a virtual classroom space that facilitates a systematic course of instruction via a series of interactive activities to improve reading.
* Spelling instruction in schools –producing the ALTA phonics chart/poster and supplying to schools, as well as ALTA spelling dictionaries.
* I Am ALTA – an anti-stigma campaign to sensitise the public and increase awareness of the importance of literacy using success stories of its students and its tutors.

The first honouree of the NGC's Above and Beyond programme was TT's first Olympic Gold Medallist Hasely continues to play an active role in the development of track and field in TT, the relase said. Pat Bishop, the second honouree, was awarded was musical director of the Lydian choir and Lydian steel orchestra; an arranger for several steelbands; an artist; an environmentalist and a



ALTA Live Wire Awardee Gloria Ferdinand with her certificate for going above and beyond the role of a classroom tutor.

Guardian **JUNE 2020**

NGC president Mark Loquan

NGC launches energy efficiency app

Media **Highlights**

Daily Express **JULY 2020**

Negotiations completed for Rudy Field...

NGC, BHP sign gas sales deal

PORT OF SPAIN
Stories by Andrea Perez-Sobers
andrea.perez-sobers@trinidadexpress.com

THE National Gas Company (NGC) and energy giant BHP have completed negotiations for a gas sales agreement for the Ruby Field off the east coast of Trinidad.

When production comes on stream, it is expected to boost the country's oil production by nearly 16,000 barrels per day (bpd), and natural gas production by approximately 80 million standard cubic feet per day (mmscfd).

NGC and BHP announced the completion of negotiations for the Ruby Field during a signing ceremony at the Energy Ministry in Port of Spain yesterday.

Ruby is located in Block 3(a), off the east coast of Trinidad, and is expected to be commissioned in the fourth quarter of 2021.

BHP is the operator of the block, with NGC, through its subsidiary NGC E&P (Netherlands) BV, and Heritage Petroleum as partners, the NGC said in a statement later yesterday.

The Ruby project will comprise five development wells and one platform producing from the Ruby and Delaware fields in Block 3(a).

Guardian **JULY 2020**

NGC partners with Sustain TT for Green Screen

The National Gas Company (NGC) has partnered with Sustain TT to launch its Green Screen Environmental Film Festival.

Now in its tenth year, the festival brings relevant environmental issues to communities in an entertaining and engaging way.

Sustain TT is a non-profit company dedicated to sustainability education and communications.

In a statement NGO said it is dedicated to creating a platform for education, information sharing, and social marketing of behaviours necessary to better manage the environment while diversifying the economy.

"This is achieved through development and deployment of innovative communication tools and events," NGC said.

a mobile device in HD video and no more than 60 seconds in length.

2. The Green Screen Environmental Film Festival: a collection of 2020 festival premieres and previously programmed film favourites based on sustainability and environmental preservation

3. School's programme: a video programme on sustainability, energy efficiency, renewable energy etc for students to supplement lesson plans and break monotony of online classes.

Lisa Burkett, manager, corporate communications, said it provides an opportunity for NGC to continue to position itself as a leader in the movement towards the more efficient use of energy and a reduction in the country's carbon footprint.

The partnership also comes on the heels of

Newsday **AUGUST 2020**

NGC Bocas Lit Fest goes online

THE year 2020 is a milestone for the NGC Bocas Lit Fest. It is the tenth year of TT's literature festival, which has grown into the Anglophone Caribbean's biggest annual literary celebration.

The literary festival, September 18-20, will go down in history for another reason: it's the first-ever virtual and online version of the festival, with 80 participating writers and speakers and a programme of free events livestreamed via the

of what the disruptive events of 2020 mean for the Caribbean in the coming decades and centuries.

Organised in partnership with the newly established Caribbean Futures Institute — an international project bringing together writers and scientists — Future Friday will be headlined by a discussion event with star writers Karen Lord, Nalo Hopkinson, Tobias Buckell, and Malka Older.

Elsewhere, the NGC Bocas

Newsday **OCTOBER 2020**

NGC puts more focus on energy efficiency

THE NGC hosted its

Newsday **NOVEMBER 2020**

NE makes $88m profit

NATIONAL Energy recorded an $88.12 million profit after tax for 2019, 6.2 per cent higher than 2018. The company is a wholly owned subsidiary of the state-owned National Gas Company.

Newsday **NOVEMBER 2020**

NGC pledges $2m in laptops, tablets

RHIANNA MCKENZIE

The National Gas Company (NGC) group has pledged $2 million in laptops and tablets to the Ministry of Education's Adopt-a-School Initiative. The announcement was made at a hand-over ceremony at Education Towers, Port of Spain, in recognition of World Children's Day on Friday.

NGC president Mark

NGC president Mark Loquan presents Education Minister Dr Nyan Gads-

"Transformation in the education sector is happening in TT and across the world. Things will not be the same, so we must prepare teachers, parents and students to navigate the system," she said.

The minister said to date 21,252 devices have been pledged for donation by corporate TT and of those, 2,413 have been distributed.

Earlier this month, she said the global de-

es being donated would naturally increase the number of people indicating need," she said.

When Gadsby-Dolly launched the initiative in August, she said the ministry identified 65,000 students needed devices. A survey done by the ministry in October revealed confirmed

the data. In October, she said a means test would be devised to determine how many more devices the Government needs to procure. On Friday, she said the means test will be available when the devices arrived in the country and are available for distribution.

PM to discuss education in

Daily Express DECEMBER 2020

PROTOCOLS OBSERVED: Dominic Rampersad, from left, president of PPGPL; Curtis Mohammed, president of NGC CNG; Prof Prakash Persad, president of UTT (Ag); Mark Loquan, president of NGC; Wendy Seow, general manager of Labidco, and Dr Vernon Paltoo, president of National Energy, at the MOU signing on December 16 to begin work on a climate change mitigation project.

NGC, UTT sign climate deal

PT LISAS

THE National Gas Company Group (NGC) and The University of Trinidad and Tobago (UTT) have signed a Memorandum of Understanding (MOU) to commence work on a climate change mitigation project.

UTT was engaged to exchange information on four main areas: renewable energy, energy efficiency, greenhouse gas (GHG) emissions and climate change research, with emphasis on GHG reduction strategies, specifically for the industrial power

The MOU delineates a coordinated approach towards the attainment of the following key objectives:

- **The joint identification and development of commercially viable climate change initiatives**
- **Production of data and reports for public awareness and education campaigns on climate change, renewable energy, energy efficiency, GHG emissions, flood mapping, and sustainable land use**
- **Development and exchange of information on GHG reduction technologies and strategies**
- **The transfer of experience and industry**

Guardian DECEMBER 2020

NGC Group signs MOU with UTT to propel T&T's climate change agenda

The NGC Group and The University of Trinidad and Tobago (UTT) have signed a Memorandum of Understanding (MOU) to commence work on a Climate Change Mitigation Project.

In pursuit of its mission to become a world-class, sustainable entity, UTT was engaged to exchange information on four main areas: Renewable Energy, Energy Efficiency, Greenhouse

opment of commercially viable Climate Change initiatives

· Production of data and reports for public awareness and education campaigns on climate change, renewable energy, energy efficiency, GHG emissions, flood mapping, and sustainable land use

· Development and exchange of information on GHG reduction technologies and strategies

Daily Express DECEMBER 2020

NGC gas deal worth billions

PORT OF SPAIN
Stories by Andrea Perez-Sobers

CANADIAN energy company Touchstone Exploration says the long-term natural gas sales

"This transforms the company from being an exploration company to one that is a full-cycle energy provider. The structure of the agreement provides the shareholders of Touchstone with a predictable cash flow

production under the NGC contract will begin in two tranches.

"The first one will be a small tranche which is the Coho volumes, that was discovered in 2020, and that will come on in the first quarter of 2021, and then

Guardian DECEMBER 2020

NGC/Touchstone deal worth billions

SHARLENE RAMPERSAD

The long-term deal signed between the National Gas Company (NGC) and Canadian company Touchstone Exploration Inc is worth between $1.6 and $2.2 billion, according to Touchstone's chief executive officer Paul Baay.

In a five-minute interview on Friday with Proactive London's Katie Pilbeam, Baay said the deal was probably the biggest the Canadian company will ever sign.

"The real headline number here is this is a contract that is probably worth somewhere between $1.6

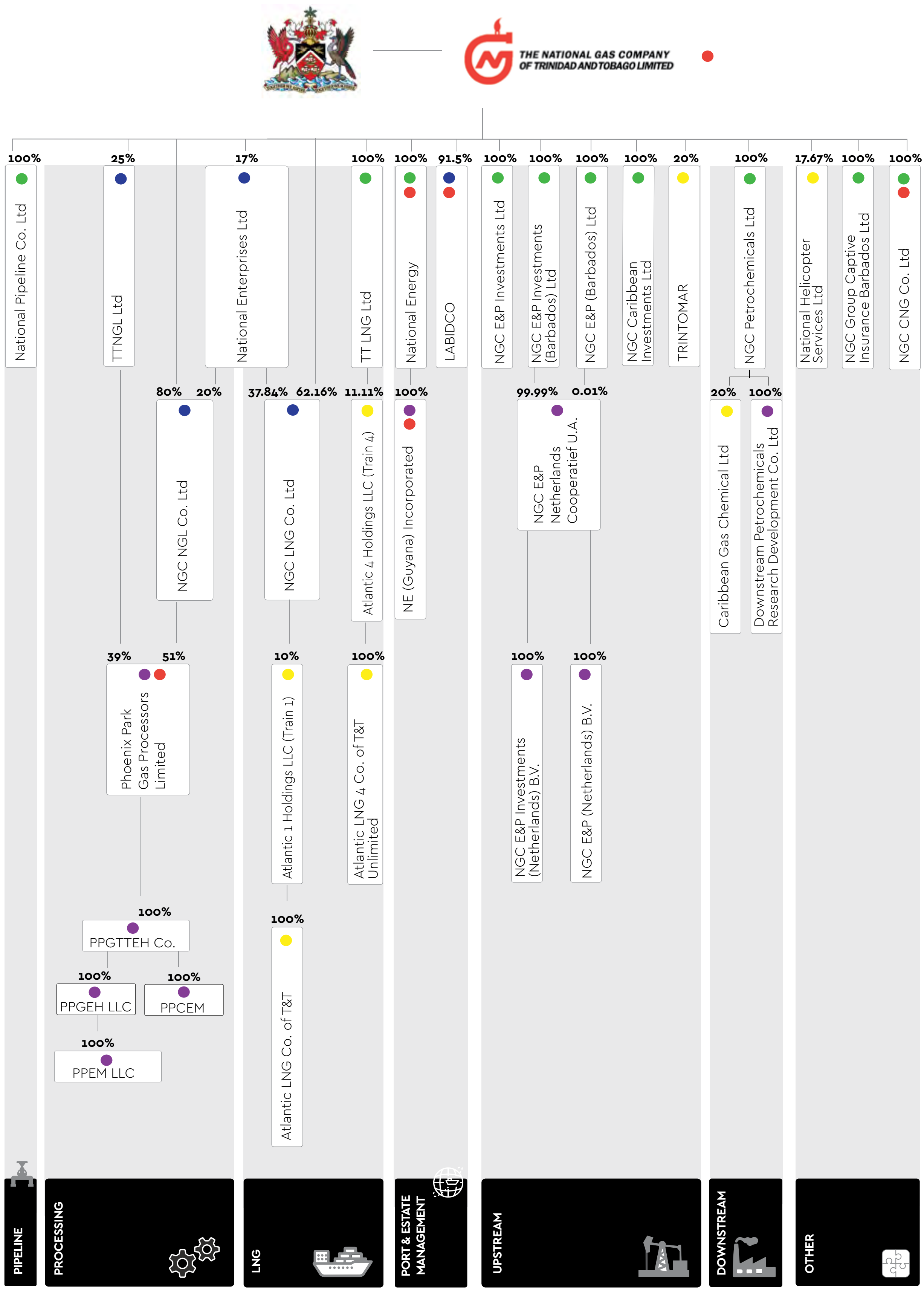
NGC president Mark Loquan

is the abbreviation used to represent one thousand cubic feet

Newsday DECEMBER 2020

NGC signs gas deals with Trinity, Touchstone

Legal **Structure**



AS AT SEPTEMBER 2020

Fully Owned Company · Partially Owned Company · Operational Company
Non-Operational Company · Indirect Subsidiary · Affiliated

NGC's Financial Contribution to Trinidad and Tobago's Economy

EMBRACING OPPORTUNITY, CREATING VALUE **ANNUAL REPORT 2020**

Financial **Milestones**

1975-1985

1975

The Company commenced operations on **August 22nd, 1975**

Government announced that The National Gas Company of Trinidad and Tobago Limited — a wholly owned State company with an authorised share capital of **TT$45 million** — would be the sole seller of gas in Trinidad and Tobago

DIVIDENDS & TAXES PAID (TT$'000s) **$18**

NET PROFIT (TT$'000s) **$19**

NGC established. First profit declared

1976

NET PROFIT (TT$'000s) **$80**

DIVIDENDS & TAXES PAID (TT$'000s) **$66**

1977

DIVIDENDS & TAXES PAID (TT$'000s) **$2,103**

NET PROFIT (TT$'000s) **$2,179**

First **million- dollar** profit.

1977-1978

First **10-million-dollar** profit

NET PROFIT (TT$'000s) **$10,938**

DIVIDENDS & TAXES PAID (TT$'000s) **$12,951**

1979

DIVIDENDS & TAXES PAID (TT$'000s) **$7,767**

NET PROFIT (TT$'000s) **$10,027**

1980

NET PROFIT (TT$'000s) **$17,227**

DIVIDENDS & TAXES PAID (TT$'000s) **$6,750**

1981

DIVIDENDS & TAXES PAID (TT$'000s) **$3,800**

NET PROFIT (TT$'000s) **$13,842**

1982

NET PROFIT (TT$'000s) **$22,335**

1983

NET PROFIT (TT$'000s) **$25,109**

1984

By the end of **1984,** with the coming onstream of the methanol and urea plants, gas sales increased to 343 MMscf/d. The sector had developed from one ammonia plant to four, there was a new (at the time) power plant at Point Lisas, a steel mini-mill, and methanol and urea facilities.

NET PROFIT (TT$'000s) **$43,239**

1985

DIVIDENDS & TAXES PAID (TT$'000s) **$660**

NET LOSS (TT$'000s) **($70,801)**

1985 commodity price crash. First annual loss declared.

EMBRACING OPPORTUNITY, CREATING VALUE **ANNUAL REPORT 2020**

Financial **Milestones**

1986-1996

1986

DIVIDENDS & TAXES PAID (TT$'000s) **$13,069**

NET PROFIT (TT$'000s) **$41,574**

1987

NET PROFIT (TT$'000s) **$40,733**

DIVIDENDS & TAXES PAID (TT$'000s) **$20,335**

1988

DIVIDENDS & TAXES PAID (TT$'000s) **$64,290**

NET PROFIT (TT$'000s) **$63,879**

1989

NET PROFIT (TT$'000s) **$79,808**

DIVIDENDS & TAXES PAID (TT$'000s) **$74,730**

1990

NGC had increased gas sales from 150 MMscf/d in 1978 to 446 MMscf/d in 1990. The Company's profits grew from TT$19,000 at the end of its first year to TT$17 million in 1980 and TT$112.5 million in 1990. NGC's list of customers at Point Lisas had grown from four heavy consumers and 15 light industrial/manufacturing concerns in 1976 to ten large consumers and 56 light industrial concerns in 1990.

DIVIDENDS & TAXES PAID (TT$'000s) **$82,083**

NET PROFIT (TT$'000s) **$112,532**

1991

NET PROFIT (TT$'000s) **$126,666**

DIVIDENDS & TAXES PAID (TT$'000s) **$94,643**

1992

1992 also saw an evolution in NGC's role in the gas-based sector. **NGC became the prime mover in gas-based development.** As such, the company undertook the promotion of T&T as a premier natural gas-based investment location and became responsible for the development and evaluation of new energy projects.

DIVIDENDS & TAXES PAID (TT$'000s) **$88,976**

NET PROFIT (TT$'000s) **$32,914**

1993

NET PROFIT (TT$'000s) **$161,411**

DIVIDENDS & TAXES PAID (TT$'000s) **$204,838**

In 1993, NGC introduced a commodity pricing mechanism to encourage investment in the sector. Previously, the natural gas price was fixed, while the new mechanism pegged NGC's price to global steel and petrochemical market prices.

1994

DIVIDENDS & TAXES PAID (TT$'000s) **$663,279**

NET PROFIT (TT$'000s) **$367,097**

1995

NET PROFIT (TT$'000s) **$345,158**

DIVIDENDS & TAXES PAID (TT$'000s) **$483,682**

LA BREA INDUSTRIAL DEVELOPMENT COMPANY LIMITED

Formation of the La Brea Industrial Development Company (LABIDCO) to manage the development of an industrial estate in La Brea/Brighton.

1996

DIVIDENDS & TAXES PAID (TT$'000s) **$485,995**

NET PROFIT (TT$'000s) **$372,868**

EMBRACING OPPORTUNITY, CREATING VALUE **ANNUAL REPORT 2020**

Financial **Milestones**

1997-2007

1997

NGC continued to be profitable during the period 1993 to 1997, reaching a high of TT$372 million in 1996, more than double the 1993 figure of TT$161 million. **The Company's asset base surpassed TT$2 billion,** with gas sales averaging 717 MMscf/d by the end of 1997.

DIVIDENDS & TAXES PAID (TT$'000s)
$285,467

NET PROFIT (TT$'000s)
$354,089

1998

Asian financial crisis. Decline in profits.

NET PROFIT (TT$'000s)
$20,037

DIVIDENDS & TAXES PAID (TT$'000s)
$90,529

1999

DIVIDENDS & TAXES PAID (TT$'000s)
$17,289

NET PROFIT (TT$'000s)
$33,714

2000

NET PROFIT TT$'000s)
$430,339

DIVIDENDS & TAXES PAID (TT$'000s)
$134,831

NGC's gas sales crossed **1 billion cubic feet per day (Bcf/d)** in 2000.

2001

DIVIDENDS & TAXES PAID (TT$'000s)
$371,951

NET PROFIT (TT$'000s)
$592,536

First **five-hundred million-dollar** (TT$) profit.

2002

NET PROFIT (TT$'000s)
$435,071

DIVIDENDS & TAXES PAID (TT$'000s)
$225,929

NGC received the **Prime Minister's Award for Innovation and Invention in 2002** for its natural gas pricing system.

2003

By **2003**,NGC achieved the milestone of 100 small customers in the light industrial, commercial and transportation sectors. This uptake in the use of natural gas by the light industrial/commercial sector was in part due to NGC's promotion of gas as a cost-efficient fuel in the transportation sector and the availability of the gas from an accessible pipeline network adjoining manufacturing estates.

DIVIDENDS & TAXES PAID (TT$'000s)
$576,269

NET PROFIT (TT$'000s)
$1,218,874

First **one-billion- dollar** (TT$) profit.

2004

NGC benefited from the performance of its investee companies (which contributed **TT$438 million** to profits in 2004) and buoyant markets for natural gas, ammonia and methanol.

NET PROFIT (TT$'000s)
$1,596,273

DIVIDENDS & TAXES PAID (TT$'000s)
$892,325

2005

In **2005,** NGC made a strategic upstream investment, purchasing a 15% stake in the Teak, Samaan and Poui (TSP) offshore fields that were put up for sale by bpTT. For this new investment, NGC formed NGC E&P Investments Limited.

DIVIDENDS & TAXES PAID (TT$'000s)
$1,308,066

NET PROFIT (TT$'000s)
$1,902,890

In securing US$200 million from the international banking community for the CIPP* and BUD* projects, NGC received international investment credit ratings from Standard and Poor's (BBB+), CariCRIS (AAA) and Moody's (A3) in 2005.

2006

First **two-billion-dollar** (TT$) profit. NGC issued a bond to finance three major projects – works related to BUD, the acquisition of a Dolphin to Beachfield marine pipeline owned by British Gas, and the repayment of a loan that financed NGC's stake in Atlantic LNG's Train 4. The bond issue attracted major interest from international investors, raising US$400 million – the largest ever for an issuer from T&T.

NET PROFIT (TT$'000s)
$2,802,288

DIVIDENDS & TAXES PAID (TT$'000s)
$1,458,489

2007

DIVIDENDS & TAXES PAID (TT$'000s)
$1,605,564

NET PROFIT (TT$'000s)
$3,575,575

* CIPP – Cross Island Pipeline Project
* BUD – Beachfield Upstream Development

EMBRACING OPPORTUNITY, CREATING VALUE **ANNUAL REPORT 2020**

Financial **Milestones** 2008-2020

2008

Growth in profitability remained consistent, rising from TT$2.802 billion in 2006, to TT$3.575 billion in 2007, to TT$3.66 billion in 2008, before NGC felt the impact of the Global Financial Crisis in 2009 and 2010.

DIVIDENDS & TAXES PAID (TT$'000s) **$2,351,036**

NET PROFIT (TT$'000s) **$3,660,131**

2009

Global Financial Crisis – commodity price crash

NET PROFIT (TT$'000s) **$1,712,432**

DIVIDENDS & TAXES PAID (TT$'000s) **$1,712,670**

2010

DIVIDENDS & TAXES PAID (TT$'000s) **$1,648,817**

NET PROFIT (TT$'000s) **$2,093,448**

2011

NET PROFIT (TT$'000s) **$4,604,871**

DIVIDENDS & TAXES PAID (TT$'000s) **$1,750,996**

2012

DIVIDENDS & TAXES PAID (TT$'000s) **$2,818,603**

NET PROFIT (TT$'000s) **$3,950,028**

2013

NET PROFIT (TT$'000s) **$6,513,901**

DIVIDENDS & TAXES PAID (TT$'000s) **$7,117,185**

2014

DIVIDENDS & TAXES PAID (TT$'000s) **$6,468,892**

NET PROFIT (TT$'000s) **$4,478,812**

2015

Launch of **TTNGL IPO**

NET PROFIT (TT$'000s) **$560,992**

DIVIDENDS & TAXES PAID (TT$'000s) **$7,984,193**

2016

In **2016**, NGC Group assets grew to $42 billion up from $39 billion the previous year. However, sales fell by 34% to $10.9 billion reflecting both the fall in price and volume.

DIVIDENDS & TAXES PAID (TT$'000s) **$2,156,555**

NET PROFIT (TT$'000s) **$720,693**

Group after-tax profit increased by 28% to $721 million and was indicative of a nascent recovery. Investment portfolio successfully reconstituted. NGC grew its trading business through the sale of its own LNG cargoes, and was then well placed to utilise skills and exploit synergies within the Group by expanding its business as a trader for LNG, crude oil and LPG.

2017

NET PROFIT (TT$'000s) **$989,200**

DIVIDENDS & TAXES PAID (TT$'000s) **$2,205,126**

2018

DIVIDENDS & TAXES PAID (TT$'000s) **$2,205,333**

NET PROFIT (TT$'000s) **$2,395,886**

2019

NET PROFIT (TT$'000s) **$482,213**

DIVIDENDS & TAXES PAID (TT$'000s) **$1,760,804**

2020

DIVIDENDS & TAXES PAID (TT$'000s) **$713,031**

NET LOSS (TT$'000s) **($2,134,603)**

The effects of the COVID-19 pandemic, including the decrease in commodity and natural gas prices, contributed to the Company's largest annual loss in history.

PHOENIX PARK GAS PROCESSORS LIMITED

PPGPL acquisition of Twin Eagle assets in the USA.

CGCL Methanol/DME plant (NGC 20% shareholding) commissioned.

NGC Group **Board of Directors**

Mark Loquan
President and Director

Conrad Enill
Chairman

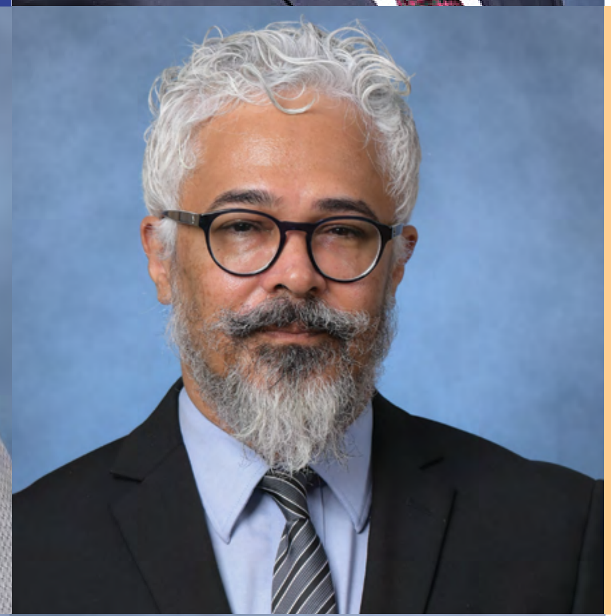
Kenneth Allum
Director

Howard A. W. Dottin
Director
APPOINTED W.E.F. 29.01.2020

EMBRACING OPPORTUNITY, CREATING VALUE **ANNUAL REPORT 2020**

Marcus Ganness
Director
RESIGNED W.E.F. 31.12.2020

Sandra Fraser
Director



Sean Balkissoon
Director

Dan Russell Ethan Martineau
Director

Venishea Paynter
Corporate Secretary

Directors' **Report**

Year Ended 31 December 2020

The Directors are pleased to submit their Report to the Shareholders together with the Financial Statements for the year ended 31 December 2020.

1. **BUSINESS ACTIVITIES**
   The National Gas Company whose core business includes the aggregation and distribution of natural gas also has interests across the gas value chain with Investments in the upstream, midstream and downstream. Additionally, the Company provides services to the energy sector through its estates, ports and marine assets.

2. **FINANCIAL RESULTS**
   The Group recorded a loss of TT$2.1B for the financial year ended 31 December 2020 as compared to a restated profit of TT$482M in 2019. Included in this loss are provisions for exceptional items at a total cost of $4.2B that are specific to 2020 and should not impact the organisation to this extent in future years. The Group recorded a profit of $1.2B before exceptional items, interest and share of associate performance compared with $0.8B in the prior year.

The Company's financial results for the year ended 31 December 2020 are as follows:

	2020 $'000	Restated 2019 $'000
Revenue	**11,413,901**	**13,609,390**
Profit before exceptional items, finance cost and share of associate	**1,200,665**	**838,614**
Exceptional items	(4,189,642)	-
(Loss)/Profit before finance cost and share of associate	**(2,988,977)**	**838,614**
Share of loss from associate	(39,185)	(4,513)
Finance cost	(161,743)	(230,130)
(Loss)/Profit before taxation	**(3,189,905)**	**6 03,971**
Taxation	1,055,302	(121,758)
(Loss)/profit for the year after taxation	**(2,134,603)**	**482,213**
Total other comprehensive loss for the year, net of tax	(1,239,452)	(513,632)
Total comprehensive income for the year	**(3,374,055)**	**(31,419)**

3. DIRECTORS

The Board of Directors of NGC comprised the following members as between January 2020 and December 31, 2020:

- Mr. Conrad Enill - (Chairman)
- Mr. Kenneth Allum
- Mr. Sean Balkissoon
- Ms. Sandra Fraser
- Mr. Mark Loquan
- Mr. Dan Martineau
- Mr. Howard Dottin
- Mr. Marcus Ganness – resigned with effect from December 31, 2020

The NGC Board held seventeen (17) meetings for the period 01 January to 31 December 2020.

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

(a) The **Audit Committee** comprised the following members as at December 31, 2020:

- Mr. Howard Dottin – (Chairman)
- Ms. Sandra Fraser
- Mr. Kenneth Allum; and
- Mr. Lester Herbert (Representative from the Ministry of Finance)

The Audit Committee held six (6) meetings in 2020.

(b) **Finance and Investment Committee** comprised the following members as at December 31, 2020:

- Mr. Dan Martineau – (Chairman)
- Mr. Conrad Enill
- Mr. Marcus Ganness – resigned with effect from December 31,2020

The Finance and Investment Committee held two (2) meetings in 2020.

(c) **Tenders Committee** comprised the following members as at December 31, 2020:

- Mr. Kenneth Allum
- Mr. Dan Martineau
- Mr. Marcus Ganness (Chairman) – resigned with effect from December 31,2020

The Tenders Committee held three (3) meetings in 2020.

(d) **Human Resources Committee** comprised the following members as at December 31, 2020:

- Mr. Conrad Enill – (Chairman)
- Mr. Sean Balkissoon;
- Mr. Marcus Ganness- resigned with effect from December 31,2020

There were no meetings of the Human Resources Committee in 2020.

(e) **Operations Committee** comprised the following members as at December 31, 2020:

- Mr. Sean Balkissoon – (Chairman)
- Mr. Kenneth Allum;
- Mr. Marcus Ganness – resigned with effect from December 31,2020

The Operations Committee held five (5) meetings in 2020.

(f) **Sustainable Development and Strategic Branding Committee** comprised the following members as at December 31, 2020:

- Mr. Conrad Enill – (Chairman)
- Mr. Sean Balkissoon
- Mr. Kenneth Allum
- Ms. Sandra Fraser
- Mr. Howard Dottin
- Mr. Dan Martineau
- Mr. Marcus Ganness – resigned with effect from December 31,2020

The Sustainable Development and Strategic Branding Committee held one (1) meeting in 2020.

4. DIVIDENDS

The Directors declared a special dividend of TT$109.93 million for the financial year .

5. AUDITORS

The Auditors, Deloitte & Touche, retire and being eligible offer themselves for re-appointment.

Dated this 14th day of June, 2021.

BY ORDER OF THE BOARD
Venishea Paynter
Company Secretary

EMBRACING OPPORTUNITY, CREATING VALUE **ANNUAL REPORT 2020**

FINANCIAL STATEMENTS

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Statement of management's responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of The National Gas Company of Trinidad and Tobago Limited, ('the Company') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of the Company's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these consolidated financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Parent will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying consolidated financial statements have been authorised for issue, if later.

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

Mark Loquan
President

28 May 2021

Narinejit Pariag
Vice President,
Finance, Technology and Risk

28 May 2021

Deloitte.

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www.deloitte.com/tt

Independent auditors' report
to the shareholder of The National Gas Company of Trinidad and Tobago Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of The National Gas Company of Trinidad and Tobago Limited (the 'Company'), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs').

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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the 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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

Continued…

Independent auditors' report (continued)
to the shareholder of The National Gas Company of Trinidad and Tobago Limited

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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, related safeguards.

The engagement partner on the audit resulting in this Independent Auditors' report is Daryl Walcott-Grappie (ICATT#1248).

Deloitte & Touche

Deloitte & Touche
31 May 2021

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Consolidated statement of financial position

As at 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

	Notes	2020 $'000	Restated 2019 $'000	Restated 1-Jan-19 $'000
ASSETS				
Non-current assets				
Property, plant and equipment	5	12,551,248	16,224,794	17,092,432
Capital assets and licenses	6	1,706,737	1,046,376	1,694,547
Investment properties	7	498,456	529,005	550,630
Other intangible assets	8	129,015	21,702	16,953
Right-of-use assets	9	138,087	141,641	-
Goodwill	10	2,420,520	2,413,786	2,420,247
Investment in associate	11	324,052	339,293	314,897
Loans receivable	12	3,685,904	3,692,007	3,644,417
Other financial assets	13	3,638,134	3,791,616	3,962,609
Net investment in leased assets	9	172,120	224,635	209,121
Deferred tax asset	14	2,414,658	2,077,132	1,781,977
Contract assets	15	1,960	-	217
Debt reserve funds	16	-	120,384	118,263
Total non-current assets		27,680,891	30,622,371	31,806,310
Current assets				
Cash and cash equivalents	17	3,407,459	3,605,702	6,837,681
Short-term investments	18	2,016,037	2,881,747	1,426,841
Loans receivable	12	136,264	280,273	-
Net investment in leased assets	9	17,799	187,059	191,199
Accounts receivable	19	3,054,060	2,189,909	1,519,087
Sundry debtors and prepayments	20	896,619	887,272	982,874
Inventories	21	319,763	401,945	307,808
Contract assets	15	9,475	5,516	14,621
Income taxes receivable		594,682	566,788	408,456
Total current assets		10,452,158	11,006,211	11,688,567
TOTAL ASSETS		**38,133,049**	**41,628,582**	**43,494,877**

Continued...

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Consolidated statement of financial position (continued)

As at 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

	Notes	2020 $'000	Restated 2019 $'000	Restated 1-Jan-19 $'000
SHAREHOLDER'S EQUITY AND LIABILITIES				
Shareholder's equity				
Share capital	22	1,855,266	1,855,266	1,855,266
Reserve fund	23	438,192	438,192	438,192
Other reserves	24	4,242,781	5,565,159	6,130,329
Retained earnings		13,032,618	15,125,139	14,836,275
Total equity attributable to owners of the parent		19,568,857	22,983,756	23,260,062
Non-controlling interest	42	2,504,716	2,622,827	2,820,156
Total shareholder's equity		22,073,573	25,606,583	26,080,218
Non-current liabilities				
Deferred tax liability	14	2,817,814	4,639,261	5,262,216
Borrowings	25	2,263,572	2,309,451	2,514,475
Contract liabilities	26	91,786	97,505	108,597
Lease liability	9	112,137	132,093	-
Provisions	27	6,812,659	4,649,536	4,741,185
Post retirement medical and group life obligation	28	197,658	189,999	153,875
Pension obligation	29	32,720	106,637	55,729
Total non-current liabilities		12,328,346	12,124,482	12,836,077
Current liabilities				
Trade payables	30	1,978,713	1,781,063	2,488,356
Sundry payables and accruals	31	914,640	1,488,757	1,286,021
Borrowings	25	109,156	263,626	193,990
Contract liabilities	26	65,391	74,012	59,758
Lease liability	9	30,283	12,397	-
Provisions	27	617,771	270,990	128,008
Dividends payable		-	-	4,238
Income taxes payable		15,176	6,672	418,211
Total current liabilities		3,731,130	3,897,517	4,578,582
Total liabilities		16,059,476	16,021,999	17,414,659
TOTAL EQUITY AND LIABILITIES		**38,133,049**	**41,628,582**	**43,494,877**

The accompanying notes on pages 64 to 150 form an integral part of these consolidated financial statements.

The consolidated financial statements of The National Gas Company of Trinidad and Tobago Limited were authorised for issue by the Board of Directors on 28 May 2021.

______________________: Chairman ______________________: Director

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Consolidated statement of proft or loss and other comprehensive income
for the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

	Notes	2020 $'000	Restated 2019 $'000
Sales	32	11,413,901	13,609,390
Cost of sales	32	(10,078,419)	(12,601,711)
Gross profit		1,335,482	1,007,679
Other income	33	181,871	636,823
Interest and investment	34	523,685	654,842
Administrative, maintenance & general expenses	35	(1,713,515)	(899,885)
Provision for economic loss	36	(1,784,312)	128,008
Impairment expense	37	(1,532,188)	(688,853)
Finance costs	38	(161,743)	(230,130)
Share of loss from associate	39	(39,185)	(4,513)
(Loss)/profit for the year before taxation		(3,189,905)	603,971
Taxation	40	1,055,302	(121,758)
(Loss)/profit for the year after taxation		**(2,134,603)**	**482,213**
Other comprehensive loss, net of taxes:			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of defined benefit liability net of income tax		21,794	(18,822)
Revaluation loss on pipeline net of income tax		(878,506)	-
Net unrealised loss on equity instruments designated at fair value through other comprehensive income		(401,523)	(420,966)
Foreign currency translation differences		18,647	(96,466)
		(1,239,588)	(536,254)
Items that may be reclassified subsequently to profit or loss			
Net unrealised gain on debt instruments at fair value through other comprehensive income		136	22,622
Total other comprehensive loss for the year, net of tax		(1,239,452)	(513,632)
Total comprehensive loss for the year		**(3,374,055)**	**(31,419)**
(Loss)/profit for the year after tax attributable to:			
- Owners of the parent		(2,088,252)	418,495
- Non-controlling interests	42	(46,351)	63,718
		(2,134,603)	**482,213**
Total comprehensive loss for the year, net of tax attributable to:			
- Owners of the parent		(3,304,969)	(83,365)
- Non-controlling interests		(69,086)	51,946
		(3,374,055)	**(31,419)**

The accompanying notes on pages 64 to 150 form an integral part of these consolidated financial statements.

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Consolidated statement of changes in equity

for the year ended 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

	Share capital $'000	Reserve fund $'000	Other reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interest $'000	Total equity $'000
Balance as at 1 January 2019	1,855,266	438,192	6,224,495	16,704,169	25,222,122	2,820,156	28,042,278
Recognition of prior period provisions -(Note 2.25)	-	-	(94,166)	(1,867,894)	(1,962,060)	-	(1,962,060)
As at January 2019 (restated)	1,855,266	438,192	6,130,329	14,836,275	23,260,062	2,820,156	26,080,218
Profit for the year after taxation	-	-	-	418,495	418,495	63,718	482,213
Revaluation reserve	-	-	(327,046)	-	(327,046)	(8,899)	(335,945)
Other comprehensive loss for the year, net of tax	-	-	(143,373)	(31,441)	(174,814)	(2,873)	(177,687)
Total comprehensive income for the year	-	-	(470,419)	387,054	(83,365)	51,946	(31,419)
Transfer of gain on disposal of equity investments	-	-	2,488	(2,488)	-	-	-
Transfer of depreciation for offshore plant, equipment and pipelines	-	-	(97,239)	97,239	-	-	-
Dividends (Note 51)	-	-	-	(192,941)	(192,941)	(249,275)	(442,216)
Balance as at 31 December 2019	**1,855,266**	**438,192**	**5,565,159**	**15,125,139**	**22,983,756**	**2,622,827**	**25,606,583**
Balance as at 1 January 2020	1,855,266	438,192	5,565,159	15,125,139	22,983,756	2,622,827	25,606,583
Loss for the year after taxation	-	-	-	(2,088,252)	(2,088,252)	(46,351)	(2,134,603)
Revaluation reserve	-	-	(181,609)	-	(181,609)	(22,508)	(204,117)
Other comprehensive loss for the year, net of tax	-	-	(1,056,902)	21,794	(1,035,108)	(227)	(1,035,335)
Total comprehensive loss for the year	-	-	(1,238,511)	(2,066,458)	(3,304,969)	(69,086)	(3,374,055)
Transfer of gain on disposal of equity investments	-	-	11,049	(11,049)	-	-	-
Transfer of depreciation for offshore plant, equipment and pipelines	-	-	(94,916)	94,916	-	-	-
Dividends (Note 51)	-	-	-	(109,930)	(109,930)	(49,025)	(158,955)
Balance as at 31 December 2020	**1,855,266**	**438,192**	**4,242,781**	**13,032,618**	**19,568,857**	**2,504,716**	**22,073,573**

The accompanying notes on pages 64 to 150 form an integral part of these consolidated financial statements.

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Consolidated statement of cash flows

for the year ended 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

	Notes	2020 $'000	Restated 2019 $'000
Cash flows from operating activities			
Cash generated from operations	41	436,876	725,359
Pension and other post-retirement contributions paid		(68,221)	(25,372)
Taxation paid		(603,101)	(1,567,863)
Interest paid		(167,160)	(190,787)
Interest received		293,640	102,720
Net cash used in operating activities		(107,966)	(955,943)
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(284,393)	(239,018)
Purchase of capital assets and licences		(597,122)	(74,018)
Purchase of investment property		(1,357)	(9,843)
Re-measurement of right-of-use assets		(6,261)	-
Proceeds from disposal of property plant and equipment		7	21
Increase in investments		(3,927,036)	(4,499,323)
Maturity of investments		4,847,592	3,110,033
Repayment of loans		190,901	67,546
Dividends received		17,936	62,547
Net cash generated from/(used in) investing activities		240,267	(1,582,055)
Cash flow from financing activities			
Repayment of borrowings		(199,065)	(193,269)
Lease payments		(21,433)	(28,756)
Dividends paid		(158,955)	(446,415)
Net cash used in financing activities		(379,453)	(668,440)
Net decrease in cash and cash equivalents		(247,152)	(3,206,438)
Net foreign exchange difference on cash balances		48,909	(25,541)
Cash and cash equivalents at beginning of year		3,605,702	6,837,681
Cash and cash equivalents at end of year		**3,407,459**	**3,605,702**

The accompanying notes on pages 64 to 150 form an integral part of these consolidated financial statements.

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements
for the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

1. Corporate information

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

2. Significant accounting policies

2.1 **Statement of compliance**

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

2.2 **Basis of preparation**

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

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

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

2. Significant accounting policies (continued)

2.3 Basis of consolidation

1) *Subsidiaries*

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

(i) has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) has exposure, or rights, to variable returns from its involvement with the investee; and

(iii) has the ability to use its power over the investee to affect its returns.

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

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

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

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

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

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

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

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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

2.3 **Basis of consolidation (continued)**

1) *Subsidiaries (continued)*

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

2) *Transactions eliminated on consolidation*

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

2.4 **Business combinations and goodwill**

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

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

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

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

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

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

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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

2.4 **Business combinations and goodwill (continued)**

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

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

2.5 **Investment in associates**

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

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

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

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

If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the statement of profit or loss. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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

2.5 **Investment in associates (continued)**

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

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

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

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

2.6 **Interest in joint arrangements**

(i) Investment in joint ventures

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

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

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

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

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

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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

2.6 **Interest in joint arrangements (continued)**

(i) Investment in joint ventures (continued)

If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of a joint venture' in the statement of profit or loss. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

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

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

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

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

(ii) Joint operations

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

When an entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:
- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

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

2.7 **Non-current assets held for sale**

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

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

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

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

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

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

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

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

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

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

2.8 **Foreign currencies**

The functional currency of the Group is the United States dollar ('US$') because the US$ is the currency of the primary economic environment in which the Group operates. The Group statutory consolidated financial statements are required to be presented in Trinidad & Tobago dollars ('TT$'), therefore the presentation currency is the TT$. All statement of financial position amounts have been translated using exchange rates in effect at the reporting date and statement of profit or loss and other comprehensive income amounts have been translated using average exchange rates for the year. The closing rate at the reporting date was TT$6.7612 to US$1 (2019: TT$6.7624 to US$1) and the average exchange rate was TT$6.7503 to US$1 (2019: TT$6.7553 to US$1). Gains and losses resulting from this process have been recorded in translation reserve as a separate component of equity.

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Resulting exchange differences are recognised in income/expense for the year. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the dates of the initial transactions.

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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

2.9 **Property, plant and equipment**

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

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

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

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

Freehold land is not depreciated.

All other gas assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

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

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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

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

Development costs are recognised as an asset to the extent that it is expected to generate future economic benefits.

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

Oil and gas exploration, development and production assets

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

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

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

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

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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

2.10 **Intangible assets**

a) **Intangible assets acquired separately**

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

b) **Intangible assets acquired in a business combination**

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

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

c) **Derecognition of intangible assets**

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

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

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

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

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

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

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

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

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

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

2.12 **Investment properties**

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

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

No depreciation is provided on freehold land.

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

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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

2.13 **Taxation**

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

a) **Current tax**

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

b) **Deferred tax**

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

The carrying amount of deferred income tax is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

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

2.14 **Leases**

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

a) **The Group as a lessee**

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

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

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

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

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

2.14 **Leases (continued)**

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

Measurement and recognition of leases as a lessee

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

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

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

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

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

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

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

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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

2.14 **Leases (continued)**

b) **The Group as a lessor**

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

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

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

2.15 **Financial instruments**

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

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

a) **Financial assets**

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

1) Financial assets at amortised cost
2) Financial assets at fair value through profit or loss (FVTPL)
3) Financial assets at fair value through other comprehensive income (FVTOCI).

The classification is determined by both:

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

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

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

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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

2.15 **Financial instruments (continued)**

a) **Financial assets (continued)**

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

1) *Financial assets at amortised cost*

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

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

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

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

Financial assets at FVPTL are:

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

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

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

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

- they are held under a business model whose objective is both to hold and collect the associated cash flows and to sell the financial assets and

- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

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

Equity financial assets designated as FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the revaluation reserve.

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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

2.15 **Financial instruments (continued)**

a) **Financial assets (continued)**

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

The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

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

Reclassification

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

b) **Financial liabilities**

Financial liabilities and equity instruments

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

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

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

Other financial liabilities

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

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

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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

2.15 **Financial instruments (continued)**

b) **Financial liabilities (continued)**

Derecognition of other financial liabilities

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

c) **Impairment of financial assets**

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

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

In applying this forward-looking approach, a distinction is made between:
- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') for which a 12 month ECL is recognised
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2') for which 'lifetime expected credit losses' are recognised.
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

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

Trade and other receivables and contract assets

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

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

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

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
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2. **Significant accounting policies (continued)**

2.15 **Financial instruments (continued)**

c) **Impairment of financial assets (continued)**

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

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

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

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

d) **Derecognition of financial assets**

Financial assets

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

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

2.16 **Take-or-pay**

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

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

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
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2. **Significant accounting policies (continued)**

2.17 **Inventories**

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

a) Liquefied natural gas ('LNG')
The valuation of inventory includes cost of gas, processing fee and transportation cost.

b) Natural gas liquids ('NGLs')
The value of NGLs includes a proportion of plant overheads. This is determined by using the first-in-first-out principle.

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

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

2.18 **Cash and cash equivalents**

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

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand and deposits in banks and short-term deposits with an original maturity of three months or less.

2.19 **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

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

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

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

2.20 **Pension and other post-employment benefits**

a) **Pension benefits**

The employees of The National Gas Company of Trinidad and Tobago Limited (NGC), National Energy Corporation of Trinidad and Tobago Limited (National Energy), LABIDCO and NGC CNG Company Limited (NGC CNG) had a final salary defined benefit pension plan which was wound up effective 31 December, 2018 and a new Career Average Defined Benefit (CADB) plan with an effective date of 1 January, 2019 was being established.

In the new Career Average Defined Benefit plan, the pension will be calculated based on the employees' average salary from the effective date of 1 January, 2019 until retirement date. The employee's pension at retirement will be the sum of the pension accrued under the final salary Defined Benefit Plan at 31 December, 2018 and the pension accrued under the Career Average Defined Benefit plan from 1 January, 2019 to retirement.

For CADB plans, the pension costs are assessed using the projected unit credit method. Under this method the costs of providing pensions is calculated based on the advice of independent actuaries who also carry out a full calculation of the plan every three years. The pension obligation is measured at the present value of the estimated future cash flows using interest rates of long-term government securities.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. CADB are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Company presents the first two components of CADB in profit or loss in the line item 'administrative, maintenance and general expenses'. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net CADB liability or asset.

The Group also provides post-retirement life and medical benefits to their retirees. The expected costs of these benefits are measured in a manner similar to that for the CADB plan. Valuation of these obligations are carried out by independent professional actuaries using an accounting methodology similar to that of the CADB pension plans.

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2020

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

2.20 **Pension and other post-employment benefits**

b) **Defined contribution plan**

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

The plan covers all full-time employees of PPGPL and is funded by payments from employees and employer taking into account the recommendations of independent qualified actuaries. PPGPL's contributions to the defined contribution plan are charged to profit or loss in the period to which the contributions relate. At the end of 2020, there was no liability outstanding.

2.21 **Non-refundable capital contribution**

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

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

2.22 **Borrowing costs**

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

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

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

2.23 **Government grants**

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

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

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
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2. **Significant accounting policies (continued)**

2.24 **Revenue and other income recognition**

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

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

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

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

Revenue from contracts with customers

- Revenues associated with the sale of gas, oil, natural gas liquids and condensate are recognised when title and the related rights pass to the customer being at the point of delivery.

- Revenue associated with services and marine infrastructure income is recognised upon performance of the services over time.

- Lease rental and service charge from operating leases on investment properties are recognised as revenue over time in the period in which they are earned. Premiums on leases are recognised as revenue at the point of execution of the lease in the initial year.

Other operating income

- Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

- Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably and is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable,

- Management fees earned on government funded projects are recognised over time as the management service is provided.

- Lease rental and service at the point of initial year of execution of the lease.

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Notes to the consolidated financial statements (continued)
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2. **Significant accounting policies (continued)**

2.25 **Restatement**

The Group has restated its consolidated financial statements as at 1 January 2019 and 31 December 2019 to account for unrecorded provisions on onerous contracts with customers.

Set out below are the impacts on the consolidated financial statements as follows:

	Balance before restatement	Adjustments	Restated balance
	$'000	$'000	$'000
As at 31 December 2019			
Assets			
Property, plant and equipment	16,412,716	(187,922)	16,224,794
Deferred tax asset	1,135,837	941,295	2,077,132
Shareholder's equity and liabilities			
Deferred tax liability	(4,705,034)	65,773	(4,639,261)
Provisions	(2,231,109)	(2,689,417)	(4,920,526)
Other reserves	(5,651,709)	86,551	(5,565,158)
Retained earnings	(16,908,859)	1,783,720	(15,125,139)
As at 1 January 2019			
Assets			
Property, plant and equipment	17,285,885	(193,453)	17,092,432
Deferred tax asset	793,193	988,784	1,781,977
Shareholder's equity and liabilities			
Deferred tax liability	(5,329,925)	67,709	(5,262,216)
Provisions	(2,044,093)	(2,825,100)	(4,869,193)
Other reserves	(6,224,495)	94,166	(6,130,329)
Retained earnings	(16,704,169)	1,867,894	(14,836,275)

The table below summarises the effect of the restatement to the statement of profit or loss and other comprehensive income for the year ended 31 December 2019:

	Balance before restatement	Adjustments	Restated balance
	$'000	$'000	$'000
Year ended 31 December 2019			
Cost of sales (Depreciation)	(12,606,721)	5,010	(12,601,711)
Provision for economic loss	-	128,008	128,008
Profit for the year before taxation	**470,953**	**133,018**	**603,971**
Taxation	(75,202)	(46,556)	(121,758)
Profit for the year after taxation	**395,751**	**86,462**	**482,213**

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Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
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3. Application of new and revised International Financial Reporting Standards ('IFRS')

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

- In the current year, the Group has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements. The Company has early adopted Amendments to IAS 37 – Onerous Contracts-Cost of Fulfilling a Contract which has been issued and becomes effective for annual reporting periods beginning on or after 1 January 2022, with early application permitted.

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

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

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

The amendments to IFRS 9, IAS 39 and IFRS 7 modify specific hedge accounting requirement to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms. The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

Initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

Amendments to References to the Conceptual Framework in IFRS Standards

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

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Notes to the consolidated financial statements (continued)
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3. **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

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

Amendments to IFRS 3 Definition of a business

The amendments to IFRS 3 aim at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. They clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

An optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business was introduced.

Amendments to IAS 1 and IAS 8 Definition of material

The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. They provide a new definition of materiality that states, Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The concept of 'obscuring' material information with immaterial information is now included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

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

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

• IFRS 17	Insurance Contracts
• IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
• Amendments to IAS 1	Classification of Liabilities as Current or Non-current
• Amendments to IFRS 3	Reference to the Conceptual Framework
• Amendments to IAS 16	Property, Plant and Equipment—Proceeds before Intended Use
• Annual Improvements to IFRS Standards 2018-2020	Amendments to IFRS 1 First-time Adoption of IFRSs, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture (not applicable)

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2020

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

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

IFRS 17 Insurance Contracts

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

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

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

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

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

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

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

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

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
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3. **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

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

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

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

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

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

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

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

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

  The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

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

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

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Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
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3. **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

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

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

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

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

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

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

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

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Notes to the consolidated financial statements (continued)

for the year ended 31 December 2020

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

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

- **Annual Improvements to IFRS Standards 2018–2020**

The Annual Improvements include amendments to four Standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a)

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 Financial Instruments

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

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

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

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Notes to the consolidated financial statements (continued)
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4. **Critical accounting judgements and key sources of estimation uncertainty**

4.1 **Critical judgements in applying accounting policies**

In the application of the Group's accounting policies, which are described in note 2, the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

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

4.2 **Key sources of estimation uncertainty**

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

- *Impairment of non-financial assets*
  (Refer to note 5 - Property, plant and equipment and note 7 – Investment properties)
- *Tax assessments*
  (Refer to note 43 (a) – Contingent liabilities: Taxes)
- *Provisions*
  (Refer to note 27 (a & b) – Provisions)
- *Revaluation*
  (Refer to note 5 (b) – Property, plant and equipment: Revaluation of pipelines and related facilities)
- *Carrying value of exploration and production assets*
  (Refer to note 5 – Property, plant and equipment: Carrying value of exploration and production assets)
- *Useful lives of investment property*
  (Refer to note 7 – Investment properties)
- *Impairment of goodwill*
  (Refer to note 8 – Goodwill)
- *Pension and other post-employment benefits*
  (Refer to note 29 – Pension obligation)
- *Expected credit losses*
  (Refer to note 2.15 (c) – Impairment of financial assets)
- *Fair value measurement of financial instruments*
  (Refer to note 49 (g) - Fair Value)
- *Lease accounting*
  (Refer to note 9 – Right of use assets)

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5. **Property, plant and equipment**

	Freehold land $'000	Lease-hold property $'000	Develop-ments costs $'000	Machinery & equip-ment $'000	Pipeline & related facilities $'000	Exploration & production assets $'000	Gas plant & other related assets $'000	Offshore plant & equip-ment $'000	Marine infra-structural assets $'000	Other assets $'000	Assets under construction $'000	Total $'000
Year ended 31 December 2020												
Opening net book value	348,600	186,772	260	6,661	11,028,308	325,574	3,278,321	2,935	656,156	31,899	359,309	16,224,795
Additions	327	-	65	6,531	2,109	76,522	-	-	16,859	8,047	64,362	174,822
Transfers	-	13,503	-	-	3,528	-	7,647	-	12,573	1,406	(38,657)	-
Disposals	-	-	-	(18)	-	-	(115)	-	(2,004)	(10)	-	(2,147)
Revaluation decrease	-	-	-	-	(2,997,303)	-	-	-	-	-	-	(2,997,303)
Decommissioning	-	-	-	-	-	18,928	-	43,104	-	-	-	62,032
Depreciation for period	-	(3,879)	(78)	(5,787)	(278,133)	(103,626)	(353,840)	(2,930)	(47,589)	(12,626)	-	(808,488)
Adjustment	-	-	-	-	-	-	-	-	-	-	(9,742)	(9,742)
Impairment	-	-	-	-	-	(34,207)	7,559	(43,104)	(14,407)	-	28,152	(56,007)
Foreign exchange difference	(66)	(39)	-	(4)	(18,388)	454	(497)	(5)	1	(24)	(18,146)	(36,714)
Closing net book value	**348,861**	**196,357**	**247**	**7,383**	**7,740,121**	**283,645**	**2,939,075**	**-**	**621,589**	**28,692**	**385,278**	**12,551,248**
At 31 December 2020												
Cost	348,861	288,119	2,627	206,980	9,434,660	1,550,074	5,529,022	574,765	1,325,128	232,522	1,660,956	21,153,714
Accumulated depreciation/impairment	-	(91,762)	(2,380)	(199,597)	(1,694,539)	(1,266,429)	(2,589,947)	(574,765)	(703,539)	(203,830)	(1,275,678)	(8,602,466)
Net book value	**348,861**	**196,357**	**247**	**7,383**	**7,740,121**	**283,645**	**2,939,075**	**-**	**621,589**	**28,692**	**385,278**	**12,551,248**

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Notes to the consolidated financial statements (continued)
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5. **Property, plant and equipment (continued)**

	Freehold land $'000	Lease-hold property $'000	Develop-ments costs $'000	Machinery & equip-ment $'000	(Restated) Pipeline & related facilities $'000	Exploration & other production assets $'000	Gas plant plant & related assets $'000	Offshore infra-equip-ment $'000	Marine structural assets $'000	Other assets $'000	Assets under construction $'000	Total $'000
Year ended 31 December 2019												
Opening net book value (as restated)	351,081	190,920	340	26,343	11,333,979	524,199	3,612,213	4,851	689,590	33,463	325,453	17,092,432
Additions	1,105	-	-	6,101	5,929	38,769	1,135	-	13,916	5,977	158,975	231,907
Transfers	-	-	-	5,484	-	-	2,996	-	945	5,822	(27,340)	(12,093)
Disposals	-	-	-	(22)	-	-	-	-	(2,033)	(104)	-	(2,159)
Decommissioning	-	-	-	-	-	7,682	-	15,573	-	-	-	23,255
Depreciation for period	-	(3,656)	(80)	(9,133)	(283,276)	(111,233)	(352,340)	(2,938)	(46,262)	(13,311)	-	(822,229)
Adjustment	-	-	-	-	2,288	(4)	-	-	-	-	(40,330)	(38,046)
Impairment	-	-	-	(22,087)	-	(132,391)	7,559	(15,573)	-	-	(39,158)	(201,650)
Foreign exchange difference	(3,586)	(492)	-	(25)	(30,612)	(1,448)	6,758	1,022	-	52	(18,292)	(46,623)
Closing net book value	**348,600**	**186,772**	**260**	**6,661**	**11,028,308**	**325,574**	**3,278,321**	**2,935**	**656,156**	**31,899**	**359,308**	**16,224,794**
At 31 December 2019												
Cost	348,600	274,655	2,562	200,471	11,862,295	1,454,170	5,521,988	531,666	1,297,700	223,103	1,663,138	23,380,348
Accumulated depreciation/impairment	-	(87,883)	(2,302)	(193,810)	(833,987)	(1,128,596)	(2,243,667)	(528,731)	(641,544)	(191,204)	(1,303,830)	(7,155,554)
Net book value	**348,600**	**186,772**	**260**	**6,661**	**11,028,308**	**325,574**	**3,278,321**	**2,935**	**656,156**	**31,899**	**359,308**	**16,224,794**

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Notes to the consolidated financial statements (continued)
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5. **Property, plant and equipment (continued)**

a) **Revaluation of pipelines and related facilities**

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

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

The revaluation resulted in a net deficit of TT$3,171.6 million, which has been incorporated in property, plant and equipment effective 31 December 2020. Included in the deficit is the sum of TT$1,695.0 million which was utilized to reduce previously recorded revaluation surplus and the balance of TT$1,476.6 million was charged to the statement of profit or loss.

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

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
As at 31 December 2020	**-**	**-**	**7,740,121**	**7,740,121**
As at 31 December 2019	**-**	**-**	**11,028,308**	**11,028,308**

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

The net carrying amount of the pipelines, if they were carried at cost rather than at the revalued amount, would have been $6,469.9 million as at 31 December 2020 (2019: $6,237.7 million).

b) **Pipelines and related facilities**

Included in 'Pipelines and related facilities' is the Trinidad and Tobago Electricity Commission ('T&TEC') pipeline system which was acquired by the Group from T&TEC with effect from 1 January 1977. However, the Group has not obtained full legal title to the asset because all Rights of Way associated with the pipeline system have not yet been acquired.

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
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6. **Capital assets and licenses**

	Block 2c $'000	Block 3a $'000	Total $'000
Year ended 31 December 2020			
Opening net book value	946,169	100,207	1,046,376
Additions	29,655	567,467	597,122
Depreciation, depletion and amortisation expense	(129,134)	-	(129,134)
Impairment reversal/(expense)	202,506	(44,288)	158,218
Decommissioning provision	33,282	-	33,282
Foreign exchange gain	46	827	873
Closing net book value	**1,082,524**	**624,213**	**1,706,737**
At 31 December 2020			
Cost	4,367,499	710,174	5,077,673
Accumulated depreciation, impairment, depletion and amortisation expense	(3,284,975)	(85,961)	(3,370,936)
Net book value	**1,082,524**	**624,213**	**1,706,737**
Year ended 31 December 2019			
Opening net book value	1,654,751	39,796	1,694,547
Additions	13,564	60,454	74,018
Depreciation, depletion and amortisation expense	(292,022)	-	(292,022)
Impairment expense	(573,177)	-	(573,177)
Decommissioning provision	148,198	-	148,198
Foreign exchange gain	(5,145)	(43)	(5,188)
Closing net book value	**946,169**	**100,207**	**1,046,376**
At 31 December 2019			
Cost	4,304,516	141,880	4,446,396
Accumulated depreciation, impairment, depletion and amortisation expense	(3,358,347)	(41,673)	(3,400,020)
Net book value	**946,169**	**100,207**	**1,046,376**

In 2013 the Group acquired NGC E&P Investments (Netherlands) B.V. and NGC E&P (Netherlands) B.V. which together held a 30% and 8.5% (subsequently changed to 11.41%) participating interest in Block 2c and Block 3a respectively. These investments were treated as an asset acquisition, since the Group does not have joint control in the operations of the respective blocks and the arrangement also does not meet the definition of 'business combination' under IFRS 3 'Business Combinations'.

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6. **Capital assets and licenses (continued)**

In 2020 the Group acquired an additional 20.13% participating interest in Block 3a. This interest will be held by NGC Caribbean Investments Limited which is wholly owed by The National Gas Company of Trinidad and Tobago Limited.

The Group Management carried out an impairment review of its 100% owned capital assets and licences in NGC E&P Investment (Netherlands) B.V. and NGC E&P (Netherlands) B.V., which resulted in a net impairment reversal of TT$158.2 million (US$23.4 million).

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

- Discount rate of 9.65% (2019: 10.58%).
- Block 2c and 3a entitlements were estimated between a range of 17.56% to 22.50% and 15.77& to 23.66% respectively, of total gas revenue and oil entitlement was estimated between a range of 14.52% to 18.30% and 11.04% to 18.82% respectively, over a ten-year period.

- Crude oil and gas forecasted prices and production projections for the year 2021 to 2031.

Based on the cashflows computed, sensitivity analyses were conducted on the discount rate used. The scenarios considered were as follows:

a) Discount rate was reduced by 100 basis points to 8.65%
b) Discount rate was increased by 100 basis points to 10.65%

While holding all other variables constant the impairment reversal increase/(decrease) by the following:

- Scenario (a), where discount rate was reduced by 100 basis points, while holding all other variables constant will increase the impairment reversal by $47.1 million.
- Scenario (b), where discount rate was increased by 100 basis points, while holding all other variables constant will decrease the impairment reversal by ($44.7) million.

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for the year ended 31 December 2020

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7. **Investment properties**

	Buildings $'000	Freehold land $'000	Development costs $'000	Fabrication Yard $'000	Assets under constuction $'000	Total $'000
Year ended 31 December 2020						
Opening net book value	98,733	46,465	355,098	22,671	6,038	529,005
Additions	-	-	345	-	1,012	1,357
Transfers	-	-	1,222	-	(1,222)	-
Depreciation for year	(652)	-	(27,145)	(1,538)	-	(29,335)
Impairment	13,114	-	(4,701)	(10,984)	-	(2,571)
Closing net book value	**111,195**	**46,465**	**324,819**	**10,149**	**5,828**	**498,456**
At 31 December 2020						
Cost	600,539	46,465	653,192	45,174	5,828	1,351,198
Accumulated depreciation/ impairment	(489,344)	-	(328,373)	(35,025)	-	(852,742)
Net book value	**111,195**	**46,465**	**324,819**	**10,149**	**5,828**	**498,456**
Year ended 31 December 2019						
Opening net book value	102,779	46,465	375,437	24,209	1,740	550,630
Additions	-	-	3,805	-	6,038	9,843
Transfers	-	-	1,740	-	(1,740)	-
Depreciation for year	(4,046)	-	(25,884)	(1,538)	-	(31,468)
Closing net book value	**98,733**	**46,465**	**355,098**	**22,671**	**6,038**	**529,005**
At 31 December 2019						
Cost	600,539	46,465	651,625	45,174	6,038	1,349,841
Accumulated depreciation/ impairment	(501,806)	-	(296,527)	(22,503)	-	(820,836)
Net book value	**98,733**	**46,465**	**355,098**	**22,671**	**6,038**	**529,005**

	2020 $'000	2019 $'000
Amounts recognised in the statement of profit or loss:		
Rental income from investment properties	**32,135**	**33,398**
Direct operating expenses	**4,703**	**2,812**

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7. **Investment properties (continued)**

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

The fair value is based on the investment properties value-in-use. The recoverable amount of the Company's major assets has been determined based on a value-in-use calculation using cash flow projections from lease agreements and the Board approved business development plan, at a discount rate of 8.810% (2019: 5.602%).

The fair value measurements of the Brighton Materials Storage and Handling Warehouse facility (included in Buildings) as at 31 December 2020 was performed by an independent qualified valuator. The fair value of the facility was determined using the cost approach that reflects the current replacement/reproduction cost of the building structure of comparable utility and age, adjusted for obsolescence.

As a result of this analysis, an impairment reversal of $13.1 million was recognised by Management for 2020 (2019: Nil) on its investment properties in the statement of profit and loss.

The fair value was based on the fabrication yard and development costs at La Brea Industrial Estate was based on value-in-use. The recoverable amount was based on a value-in-use calculation using cash flow projections from the 2021 financial budgets prepared by Management and approved by the Board of Directors and extrapolated for a four-year period, at a discount rate of 9.17% (2019: 4.83%). As a result of this analysis, impairment expense of $15.7 million was recognised by Management for 2020 (2019: nil) on its investment properties in the statement of profit or loss.

8. **Other intangible assets**

	Software $'000	Purchased contracts $'000	Total $'000
Year ended 31 December 2020			
Opening net book value	21,702	-	21,702
Additions	2,173	107,397	109,570
Amortisation charge for the year	(2,427)	-	(2,427)
Foreign exchange difference	(4)	174	170
Closing net book value	**21,444**	**107,571**	**129,015**
Year ended 31 December 2020			
Cost	167,674	107,571	275,245
Accumulated amortisation	(146,230)	-	(146,230)
Net book value	**21,444**	**107,571**	**129,015**
Year ended 31 December 2019			
Opening net book value	16,953	-	16,953
Additions	7,111	-	7,111
Amortisation charge for the year	(2,318)	-	(2,318)
Foreign exchange difference	(44)	-	(44)
Closing net book value	**21,702**	**-**	**21,702**
Year ended 31 December 2019			
Cost	165,505	-	165,505
Accumulated amortisation	(143,803)	-	(143,803)
Net book value	**21,702**	**-**	**21,702**

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9. **Leases**

The Group as a lessee

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

(i) Land – with lease term ranging between 30-99 years

(ii) Machinery and equipment which consist of:
- photo copiers with a lease term of three years. There is no option to purchase the copiers.
- cell tower with lease terms of four years

(iii) Motor vehicles have a lease term of four years.

(a) Amounts recognised in the statement of financial position

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

Right of use assets

	Office Space $'000	Land Leases $'000	Machinery & Equipment $'000	Motor Vehicles $'000	Total $'000
Year ended 31 December 2020					
As at 1 January 2020	-	102,140	13,684	25,817	141,641
Remeasurement	-	4,043	2	10	4,055
Additions	3,307	14,547	-	-	17,854
Transfers	–	–	–	–	–
Depreciation for year	(1,019)	(10,154)	(3,707)	(10,558)	(25,438)
Foreign exchange difference	4	(4)	(5)	(20)	(25)
Closing net book value	**2,292**	**110,572**	**9,974**	**15,249**	**138,087**
Year ended 31 December 2020					
Cost	3,311	127,718	18,037	38,914	187,980
Accumulated depreciation/ impairment	(1,019)	(17,146)	(8,063)	(23,665)	(49,893)
Net book value	**2,292**	**110,572**	**9,974**	**15,249**	**138,087**
Year ended 31 December 2019					
Recognition of right of use assets	-	109,360	4,610	38,931	152,901
Additions	-	-	13,429	-	13,429
Depreciation for year	-	(6,992)	(4,356)	(13,107)	(24,455)
Foreign exchange difference	-	(228)	1	(7)	(234)
Closing net book value	**-**	**102,140**	**13,684**	**25,817**	**141,641**
Year ended 31 December 2019					
Cost	-	109,132	18,040	38,924	166,096
Accumulated depreciation/ impairment	-	(6,992)	(4,356)	(13,107)	(24,455)
Net book value	**-**	**102,140**	**13,684**	**25,817**	**141,641**

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Notes to the consolidated financial statements (continued)
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9. **Leases (continued)**

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

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

Lease liabilities

	2020 $'000	2019 $'000
Analysed as:		
Current	30,283	12,397
Non-current	112,137	132,093
	142,420	**144,490**

Maturity analysis:

	2020 $'000	2019 $'000
Year 1	30,283	12,397
Year 2	9,602	21,155
Year 3	3,018	4,444
Year 4	2,056	1,957
More than 4 years	97,462	104,537
	142,420	**144,490**

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

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

	2020 $'000	2019 $'000
Amortisation charge of right of use assets	25,437	24,455
Interest expense on lease liabilities	10,096	10,028

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9. **Leases (continued)**

The Group as a lessor

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

Net investment in leased assets

	2020 $'000	2019 $'000
Finance lease - gross investment	257,161	631,205
Less: unearned finance charges	(67,242)	(219,511)
	189,919	**411,694**

	2020 $'000	2019 $'000
Gross investment in leased assets has the following maturity profile:		
Within 1 year	35,056	257,670
1 to 5 years	205,513	317,230
Over 5 years	16,592	56,305
	257,161	**631,205**

Net investment in leased assets has the following maturity profile:

	2020 $'000	2019 $'000
Within 1 year	17,794	187,059
1 to 5 years	155,959	180,955
Over 5 years	16,166	43,680
	189,919	**411,694**
Current	17,799	187,059
Non-current	172,120	224,635
	189,919	**411,694**

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10. Goodwill

	2020 $'000	2019 $'000
Balance at beginning of the period	2,413,786	2,420,247
Effects of movement in foreign exchange rates	6,734	(6,461)
Balance at end of the year	**2,420,520**	**2,413,786**

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

The goodwill was tested for impairment as at 31 December 2020.

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

- Discount rate of 10.15%
- Long range price and production projections for propane, butane and natural gasoline
- NGL Content in natural gas stream.

Based on review conducted, there was no impairment of the goodwill recorded on the investment in Phoenix Park Gas Processors Limited ('PPGPL') as the recoverable amount exceeded the carrying value of the investment.

Holding all other assumptions constant, an increase or decrease in the discount rate by +/-1%, would result in a surplus and no goodwill impairment.

11. Investment in associate

	2020 $'000	2019 $'000
Caribbean Gas Chemical Limited (CGCL) - 20% interest		
Balance as at 1 January	339,293	314,897
Purchase of shares – equity cash call	24,020	29,753
Share of loss from associate	(39,185)	(4,513)
Effects of movement in foreign exchange rates	(76)	(844)
Balance at end of the year	**324,052**	**339,293**

NGC through NGC Petrochemicals Limited (NPL) holds a 20% equity interest in Caribbean Gas Chemical Limited (CGCL) whose core business is the production and sale of Methanol and Dimethyl Ether (DME).

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12. **Loans receivable**

	2020 $'000	2019 $'000
Trinidad and Tobago Electricity Commission (T&TEC) (a)	3,710,145	3,759,297
Atlantic LNG 4 Company of Trinidad and Tobago Limited (b)	84,983	232,917
Caribbean Gas Chemical Limited (c)	46,245	-
	3,841,373	3,992,214
Less: expected credit loss	(19,205)	(19,934)
	3,822,168	3,972,280
Current portion	(136,264)	(280,273)
Long-term portion	**3,685,904**	**3,692,007**

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

On 31 December 2018, the Group converted trade receivables of TT$3.5 billion (US$524 million) for unpaid gas sales to a ten (10) year loan facility issued in two (2) tranches at 6% per annum.

Tranche A - Principal amount of TT$1,776.5 million (US$262 million) at interest rate of 6 percent with a one (1) year moratorium on the repayment of principal and interest, with semi-annual interest capitalised over the first (1st) year and thereafter, eighteen (18) equal semi-annual instalments of principal and interest from June 2020 to December 2028. Principal repayment during 2020 amounted to TT$48.5 million (US$7.1 million).

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

b) **Atlantic LNG 4 Company of Trinidad and Tobago Limited (ALNG Train 4)**

Pursuant to the Atlantic LLC Agreement, the members were obligated to make members loans and working capital contributions in proportion to each member's percentage interest to fund the construction, commissioning and operations of the ALNG Train 4.

Trinidad and Tobago LNG Limited (TTLNG) loaned the sum of US$112.0 million to ALNG Train 4 with interest payable quarterly at a rate of LIBOR plus a margin which ranges from 1.1% to 2.1% per annum with a maturity date of 15 December 2020. The effective interest rate at the reporting date was 2.6211% (2019: 4.6818%).

The loan balance as at 31 December 2020 is TT$84.9 million (US$12.5 million), (2019: TT$$227.6 million (US$33.7 million)).

c) **Caribbean Gas Chemical Limited**

On 30 September 2020, a members loan of TT$45.9 million (US$6.8 million) was issued to CGCL in accordance with the shareholder's agreements for the completion of the Methanol and DME plant.

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12. **Loan receivable (continued)**

c) **Caribbean Gas Chemical Limited (continued)**

This loan is unsecured with a repayment date no later than March 2032. Interest is calculated on the principal amount outstanding and payable semi-annually on March and September of each year at a rate of LIBOR plus a margin of 2.0% per annum. The effective interest rate at the reporting date was 2.3%.

13. **Other financial assets**

	2020 $'000	2019 $'000
Financial assets at fair value through other comprehensive income (FVTOCI):		
(i) **Equity instruments designated at FVTOCI:**		
Listed equity investments		
Local shares	352,652	618,537
Foreign shares	549,297	905,893
Non-listed equity investment		
Atlantic 1 Holdings LLC	-	59,492
Atlantic LNG 4 Company of Trinidad and Tobago Unlimited	912,398	1,057,068
Local shares	967	967
Equity instruments at FVTOCI	1,815,314	2,641,957
(ii) **Debt instruments at fair value through other comprehensive income (FVTOCI):**		
Quoted debt instruments		
Foreign bonds	136,203	214,938
Unquoted debt instruments		
Local bonds	213,587	211,144
Debt instrument at FVTOCI	349,790	426,082
(iii) **Financial assets at fair value through profit or loss (FVPTL)**		
Local bonds	6,365	-
Credit linked notes	858,672	723,577
Alternative investments	607,993	-
Financial assets at FVTPL	1,473,030	723,577
Total other financial assets	**3,638,134**	**3,791,616**

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13. **Other financial assets (continued)**

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

Listed equity investments
The Group sold some of its investments in equity shares during 2020. The consideration received for the sale of these shares was TT$496.5 million (US$73.6 million). There was an accumulated loss of TT$11.0 million from the sale of these shares which was transferred to retained earnings.

Non - Listed equity investments

The Group holds equity investments in the following companies which has been fully impaired.

	2020 $'000	2019 $'000
National Helicopter Services Limited	6,660	6,658
Trinidad and Tobago Marine Petroleum Company (Trintomar)	150,599	150,627
	157,259	157,285
Less: Impairment	(157,259)	(157,285)
Balance as at 31 December	**-**	**-**

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

	2020 $'000	2019 $'000
Atlantic LNG Company of Trinidad and Tobago Limited		
Balance at at 1 January	59,492	83,178
Movement in fair value assessment - OCI	(59,481)	(23,464)
Effect of changes in foreign exchange rate	(11)	(222)
Balance as at 31 December	**-**	**59,492**
Atlantic LNG 4 Company of Trinidad and Tobago Unlimited		
Balance at at 1 January	1,057,068	1,370,002
Movement in fair value assessment	(144,636)	(309,278)
Effect of changes in foreign exchange rate	(34)	(3,656)
Balance as at 31 December	**912,398**	**1,057,068**

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13. **Other financial assets (continued)**

(ii) Debt instruments at fair value through OCI

This includes investments in quoted and unquoted government and corporate bonds. Fair values of the quoted debt instruments were determined by reference to published price quotations. The fair value of unquoted bond was determined using a valuation technique. A reduction in expected credit loss of TT$1.7 million was recorded for 2020 (2019: TT$(1.8) million).

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

a) Investment in Credit Linked Notes.

In 2008 the Group issued two (2) single tranche Credit Linked Notes at a cost of TT$240.1 million (US$35.5 million) to meet 50% of the Group's bond liability that matures in 2036. The fair value of the Credit Linked Notes was determined using a valuation technique. The notes have a maturity value of TT$1,352.5 million (US$200 million) and is subject to the credit risk of the issuer.

(b) Alternative investments

This includes investments in international mutual and hedge funds. The fair value was determined using a valuation technique. These investments have been reclassified from fair value through other comprehensive income to fair value through profit and loss as at 31 December 2020.

14. **Deferred tax**

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

	2020 $'000	(Restated) 2019 $'000	(Restated) 1-Jan-19 $'000
Deferred tax asset:			
Asset retirement obligation	258,284	547,378	450,425
Post-retirement medical and group life and pension obligation	80,634	103,823	72,336
Tax losses	238,963	226,727	14,582
Accrued interest expense	26,627	27,803	33,874
Expected credit losses	215,626	214,291	204,054
Provision for economic loss	1,566,653	941,296	988,785
Other	27,871	15,814	17,921
	2,414,658	**2,077,132**	**1,781,977**
Deferred tax liability:			
Property, plant and equipment	**2,817,814**	**4,639,261**	**5,262,216**

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15. Contract assets

	2020 $'000	2019 $'000
Prepaid software subscription	7,332	3,865
Other	4,103	1,651
	11,435	**5,516**
Current	9,475	5,516
Non-current	1,960	-
	11,435	**5,516**

16. Debt reserve funds

In accordance with a security agreement, one of the subsidiary companies was required to maintain a debt reserve fund for its long-term debt. The debt was fully repaid in 2020 and the debt reserve fund was fully liquidated.

17. Cash and cash equivalents

	2020 $'000	2019 $'000
Cash at banks	3,407,459	3,159,859
Short-term investments (under 3 months)	-	445,843
	3,407,459	**3,605,702**

Cash at banks earns interest based on daily deposit rates.

18. Short-term investments

	2020 $'000	2019 $'000
Gross short-term investments	2,552,569	3,418,374
Less: Expected credit losses	(536,532)	(536,627)
Short-term investments	**2,016,037**	**2,881,747**

a) Short-term investments are made for varying periods of between 30 days and 12 months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term investments rates.

b) The Group has an outstanding balance of TT$536.5 million as at 31 December 2020 from the insolvency of a financial institution which has been fully impaired in the consolidated financial statements.

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19. Accounts receivable

	2020 $'000	2019 $'000
Gross Accounts Receivable	3,647,482	2,785,112
Less: Expected Credit losses	(593,422)	(595,203)
Net Accounts Receivable	**3,054,060**	**2,189,909**

Trade receivables are non-interest bearing and are generally on 30-60 day terms. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

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19. Accounts receivable (continued)

The Group estimates expected credit losses (ECL) on trade receivables using a provision matrix based on historical credit loss experience as well as current and future economic conditions. Set out below is the information about the credit risk exposure on the Group's accounts receivables using the provision matrix:

	Current $'000	> 30 days $'000	> 60 days $'000	> 90 days $'000	> 180 days $'000	> 365 days $'000	Total $'000
As at 31 December 2020							
Trade receivables individually assessed							
Expected loss rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Gross receivables	3	1	1	4	11,565	436,835	448,409
Loss allowance	(3)	(1)	(1)	(4)	(11,565)	436,835	(448,409)
	-	-	-	-	-	-	-
Trade receivables individually assessed - Power							
Expected loss rate	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	
Gross receivables	165,798	86,720	84,678	243,140	532,880	825,132	1,938,348
Loss allowance	(11,238)	(5,878)	(5,740)	(16,480)	(36,119)	(55,929)	(131,384)
	154,560	**80,842**	**78,938**	**226,660**	**496,761**	**769,203**	**1,806,964**
Trade receivables collectively assessed *							
Gross receivables	1,072,372	71,671	34,888	7,173	37,330	37,291	1,260,725
Loss allowance	(11,363)	(598)	(198)	(166)	(188)	(1,116)	(13,629)
	1,061,009	**71,073**	**34,690**	**7,007**	**37,142**	**36,175**	**1,247,096**
Net carrying amount	**1,215,569**	**151,915**	**113,628**	**233,667**	**533,903**	**805,378**	**3,054,060**

* The expected loss rate on the Group's trade receivables collectively assessed for 2020 ranged between 0.5% to 3% (2019: 1.1% to 16.9%).

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19. **Accounts receivable (continued)**

	Current $'000	> 30 days $'000	> 60 days $'000	> 90 days $'000	> 180 days $'000	> 365 days $'000	Total $'000
As at 31 December 2019							
Trade receivables individually assessed							
Expected loss rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Gross receivables	4	3,438	(13)	1,198	5,949	506,766	517,342
Loss allowance	(4)	(3,438)	13	(1,198)	(5,949)	506,766	(517,342)
	-	-	-	-	-	-	-
Trade receivables individually assessed - Power							
Expected loss rate	5.7%	5.7%	5.7%	5.7%	5.7%	-	-
Gross receivables	161,006	171,299	85,691	259,110	309,177	-	986,283
Loss allowance	(9,169)	(9,755)	(4,880)	(14,755)	(17,607)	-	(56,166)
	151,837	**161,544**	**80,811**	**244,355**	**291,570**	**-**	**930,117**
Trade receivables collectively assessed *							
Gross receivables	1,125,957	46,189	35,442	5,536	37,130	31,233	1,281,487
Loss allowance	(12,394)	(636)	(1,350)	(933)	(3,400)	(2,982)	(21,695)
	1,113,563	**45,553**	**34,092**	**4,603**	**33,730**	**28,251**	**1,259,792**
Net carrying amount	**1,265,400**	**207,097**	**114,903**	**248,958**	**325,300**	**28,251**	**2,189,909**

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19. Accounts receivable (continued)

The closing loss allowances for trade receivables as at 31 December 2020 reconcile to the opening loss allowances as follows:

	Individually Assessed $'000	Collectively Assessed $'000	Total $'000
Opening Balance as at 1 January 2020	573,508	21,695	595,203
Increase/(decrease) in expected credit loss recognised in profit and loss during the year	6,285	(8,080)	(1,795)
Amounts recovered	-	(17)	(17)
Foreign exchange adjustment	-	31	31
Closing balance as at 31 December 2020	**579,793**	**13,629**	**593,422**

The loss allowance on trade receivables are presented as impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

20. Sundry debtors and prepayments

	2020 $'000	2019 $'000
Sundry debtors and prepayments comprise the following:		
Due from the Ministry of Energy and Energy Industries	482,472	471,822
Impairment charge (a)	(482,472)	(471,822)
	-	-
Prepayments	184,270	237,173
Staff related balances	1,688	1,896
Related party balances	-	4,089
Value Added Tax	281,116	331,588
Interest receivable	28,241	42,244
Sundry receivables	359,569	217,860
Accrued income	16,777	35,836
Other	24,958	16,586
	896,619	**887,272**

a) **Impairment charge**
The Group invested funds in excess of the approved Public Sector Investment Programme (PSIP) allocation. This additional investment remain outstanding from the Ministry of Energy and Energy Industries and due to uncertainty of repayment a full provision was made for the outstanding balance. Included in the impairment charge is an amount of TT$390.3 million relating to the Liquid Fuels Pipeline.

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21. **Inventories**

	2020 $'000	2019 $'000
Liquefied natural gas	46,925	94,718
Consumable spares	215,749	194,866
Natural gas liquids	78,754	112,824
Stock of crude oil	-	21,444
Other	5,097	4,860
Allowance for slow moving and obsolete stock	(26,762)	(26,767)
	319,763	**401,945**

22. **Share capital**
Authorised
An unlimited number of ordinary shares of no par value

Issued and fully paid

	2020 $'000	2019 $'000
1,855,266,340 ordinary shares of no par value	**1,855,266**	**1,855,266**

23. **Reserve fund**

A reserve fund has been set up by the Board of Directors with the objective of minimising the Group's exposure arising from business interruption, adverse gas price fluctuations, and liabilities or losses which may result from accidents on its self-insured assets.

Transfers to the reserve fund will be made in such cases where the Group's standard return on equity is exceeded. The fund cap is 25% of the issued stated capital of the NGC.

24. **Other reserves**

	2020 $'000	Restated 2019 $'000	Restated 1-Jan-19 $'000
Other reserves comprise the following:			
Revaluation surplus for offshore plant and equipment and pipelines, net of deferred tax	1,983,024	2,964,258	3,061,263
Unrealised gain on financial assets at fair value through other comprehensive income	747,002	1,086,684	1,365,834
Foreign currency translation	1,512,755	1,514,217	1,703,232
	4,242,781	**5,565,159**	**6,130,329**

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25. **Borrowings**

	2020 $'000	2019 $'000
US $400M 30-year bond (a)	2,327,259	2,327,672
CALYON Bank Limited (b)	-	108,973
First Citizens Bank Limited (c)	45,469	136,432
	2,372,728	2,573,077
Current portion	(109,156)	(263,626)
Non-current portion	**2,263,572**	**2,309,451**

a) This loan relates to a US$400 million bond issued on 20 January 2006 to finance the construction/ acquisition of two new offshore pipelines and for advances to Trinidad & Tobago LNG Limited to fund 11.11% of its shareholder loans to ALNG 4 Company of Trinidad and Tobago Unlimited. Following the repurchase of bond amounting to TT$407.7 million (US$60.3 million), the net amount outstanding is TT$2.3 billion (US$339.7 million).

The bond will be redeemed via a bullet payment on 15 January 2036. Interest is payable semi-annually in arrears at a fixed rate of 6.05% which commenced in 2006. The fair value of the bond was $2,468.1 million (US$355.6 million) as at 31 December 2020 (2019: TT$2,404.9 million (US$355.6 million)).

b) The Group secured financing amounted to US$200 million (TT$1.3 billion) from a group of lenders for the construction of the Cross Island Pipeline (CIP).

The principal is repayable in thirty consecutive semi-annual installments which commenced on 1 June 2006 and matured on 1 December 2020. Interest on the loan is paid quarterly.

The interest rate is based on the relevant type of Euro/base rate advances requested plus a margin as summarised below:

	Euro dollar rate advances	Base rate advances
Pre-conversion	1.500% p.a.	0.500% p.a.
Post-conversion	Range of 1.625 to 2.500% p.a.	Range of 0.625 to 1.500% p.a.

All drawdowns are Eurodollar rate advances. The Group entered into an interest rate hedge with Crédit Agricole Bank effective 1 December 2005 for 15 years, for fifty percent (50%) of the financing (US$100 million) at a fixed rate of interest of 4.98% per annum plus the margin noted above. The interest rate hedge arrangement was terminated on 1 June 2020.

The impact of this hedge in 2020 was a decrease in interest expense in the amount of TT$1.5 million (2019:TT$2.0 million).

The collateral and guarantees previously held, was released on 1 June 2020 when the loan was fully paid off (2019: TT$108.47 million).

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25. **Borrowings (continued)**

c) The Group has a long-term loan with First Citizens Bank Limited which was issued on 26 March 2016 at a fixed interest rate of 2.04% with a maturity date in March 2021. Semi-annual payments of principal and interest for the loan commenced in September 2016. The loan facility is unsecured and was used to repay the outstanding balances on two long-term senior bonds due April 2017 and April 2020.

	2020 $'000	2019 $'000
Maturity profile of borrowings		
In one year or less	109,156	267,084
In more than one year but not more than two years	-	45,477
In more than five years	2,154,416	2,263,974
	2,263,572	**2,576,535**

26. **Contract liabilities**

	2020 $'000	2019 $'000
Non-refundable capital contribution (a)	2,455	3,252
Capital grant (b)	75,185	77,929
Transportation tariff (c)	14,555	13,372
Pier user charges (d)	21,463	17,330
Other	43,519	59,634
	157,177	**171,517**
Current	65,391	74,012
Non-current	91,786	97,505
	157,177	**171,517**

Notes

a) Non-refundable capital contributions received from industrial users are amortised to profit or loss over the period of the industrial users' sales contracts.

b) This amount relates to capital grants expended on depreciable assets and are to be amortised to profit or loss over the useful lives of the related asset.

c) This amount comprises shippers reserve capacity, which is billed one month in advance.

d) This amount comprises pier user and berth charges, which are billed in advance.

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27. **Provisions**

	2020 $'000	Restated 2019 $'000	Restated 01-Jan-19 $'000
Asset retirement obligation: (Note (a))			
Balance as at 1 January	1,178,100	987,834	908,826
Increase/(decrease) in provision	206,594	192,903	76,629
Foreign currency translation	(113)	(2,637)	2,379
Balance as at 31 December	**1,384,581**	**1,178,100**	**987,834**
Claims/Land purchase: (Note (b))			
Balance as at 1 January	1,053,009	1,056,259	1,049,364
Increase in provision	516,055	-	-
Foreign currency translation	647	(3,250)	6,895
Balance as at 31 December	**1,569,711**	**1,053,009**	**1,056,259**
Provision for economic loss: (Note (c))			
Balance as at 1 January	2,689,417	2,825,100	2,825,100
Increase in provision	2,054,338	-	-
Unwinding of provision	(270,990)	(128,008)	-
Foreign currency translation	3,373	(7,675)	-
Balance as at 31 December	**4,476,138**	**2,689,417**	**2,825,100**
Total provision as at 31 December	**7,430,430**	**4,920,526**	**4,869,193**
Current	**617,771**	**270,990**	**128,008**
Non-Current	**6,812,659**	**4,649,536**	**4,741,185**
Total	**7,430,430**	**4,920,526**	**4,869,193**

(a) **Asset retirement obligation**
The Group has recorded provisions for the present value of the estimated cost of decommissioning based on studies conducted for the offshore plant and equipment, Block 2c asset located in the Greater Angostura field and Block 1a asset located off the West Coast of Trinidad. Also included in the asset retirement obligation is the Group's 10% share of the decommissioning of the Atlantic LNG Company of Trinidad and Tobago plant, which is estimated at US$150 million as at 31 December 2020.

A letter of credit for $151.0 million (US$22.3 million) was established for the Group's portion of the obligation for the TSP platforms. The decommissioning of these platforms is not expected to occur before 2025. However, the ultimate amount and timing of the cost may vary from the original estimate.

(b) **Claims/Land purchase**
The Group has recorded a provision for legal claims against the Group by several Downstream customers and anticipated cost of Right-of-Way lands.

(c) **Provision for economic loss**
The Group has onerous contracts under which the unavoidable costs of meeting these obligations exceed the economic benefits expected to be received. The Group has recorded a provision for the net unavoidable costs expected to be incurred during the respective contract periods.

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28. **Post-retirement medical and group life obligation**

Funding

The Parent provides both medical and life benefits to its retirees, these benefits are determined using actuarial valuations which involves making assumptions about discount rates, future salary increases and medical cost inflation. Due to the long-term nature of these plans such estimates are subject to significant uncertainty. The Plan has no assets. The Parent expects to pay $0.41 million and $2.94 million in Post retirement life and medical respectively in 2021.

The principal assumptions used for the purposes of the actuarial valuations for medical and group life were as follows:

	2020	**2019**
	%	**%**
Medical cost inflation	5.75	5.75
Discount rate	5.50	5.50
General salary increases	6.00	4.00

Assumptions regarding future mortality are based on published mortality tables. The life expectancies underlying the value of the defined benefit obligation as at 31 December 2020 and 2019 are as follows:

Life expectancy at age 60 for current pensioner in years:		
Male	21.8	21.7
Female	26.0	26.0
Life expectancy at age 60 for current members aged 40 - in years:		
Male	22.7	22.6
Female	27.0	26.9

Expense recognised in the consolidated statement of profit or loss is as follows:

	2020	**2019**
	$'000	**$'000**
Current service cost	11,219	9,053
Net interest on net defined benefit liability	10,351	8,376
Net benefit cost	**21,570**	**17,429**
Re-measurement recognised in other comprehensive income		
Experience losses	(10,895)	21,330
Total amount recognised in other comprehensive income	**(10,895)**	**21,330**

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28. **Post-retirement medical and group life obligation (continued)**

Net liability in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:

	2020 $'000	2019 $'000
Net defined benefit liability	**197,658**	**189,999**
Reconciliation of opening and closing statement of financial position:		
Opening defined benefit liability	189,999	153,875
Net post-retirement medical and group life obligation	21,570	17,429
Re-measurements:		
Experience adjustments	(10,895)	21,330
Group's premiums paid	(3,016)	(2,635)
Defined benefit obligation at end of year	**197,658**	**189,999**

29. **Pension obligation**

The Parent and its subsidiaries' employees excluding PPGPL are members of The National Gas Company of Trinidad and Tobago Limited Pension Fund Plan. The final salary defined benefit plan which was effective from 1 May 1977 and covered all permanent employees has been wound up effective 31 December 2018 and a new Career Average Defined Plan with an effective date of 1 January 2019 is being implemented. The plan's financial funding position is assessed by means of triennial actuarial valuations which was completed as at 31 December, 2017 and carried out by an independent actuary.

The employees of PPGPL, are under a defined contribution plan which came in effect from 1 January 2003. This plan is a post-employment plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay future amounts covering all full-time employees and is funded by payments from employees and employer taking into account the recommendations of independent qualified actuaries.

Funding

The Group meets the balance of the cost of funding the CADB and must pay contributions at least equal to twice those paid by members, which are fixed. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the plan and the assumptions used to determine the funding required may differ from those set out above. The Group expects to pay $36.0 million to pensions during 2021.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2020 %	2019 %
Discount rate	5.5	5.5
General salary increases	4.0	4.0
Salary increases due to age, merit and promotion	2.0	2.0
Life expectancy at age 60 for current pensioner in years:		
Male	21.8	21.7
Female	26.0	26.0

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29. Pension obligation (continued)

Life expectancy at age 60 for current members aged 40 in years:

Male	22.7	22.6
Female	27.0	26.9

Expenses recognised in the statement of profit or loss is as follows:

	2020 $'000	2019 $'000
Current service cost	14,262	39,520
Net interest on net defined benefit liability	3,295	3,082
Administration expenses	1,097	1,095
Net benefit cost	**18,654**	**43,697**
Re-measurement recognised in other comprehensive income:		
Experience gain	(22,634)	7,627
Total amount recognised in other comprehensive income	**(22,634)**	**7,627**

The net liability in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:

	2020 $'000	2019 $'000
Present value of defined benefit obligation	1,084,202	1,038,731
Fair value of plan assets	(1,051,482)	(932,094)
Net defined benefit liability	**32,720**	**106,637**
Reconciliation of opening and closing statement of financial position entries:		
Opening defined benefit liability	106,637	55,729
Net pension cost	18,654	43,697
Re-measurement recognised in other comprehensive income	(22,634)	7,627
Group contributions paid	(69,937)	(416)
Closing defined benefit obligation	**32,720**	**106,637**
Movement in present value of defined benefit obligation:		
Defined benefit obligation at start of year	1,038,731	977,247
Current service cost	14,262	39,520
Interest cost	55,762	52,608
Members contribution	25,863	74
Re-measurements:		
Experience adjustments	-	(671)
Actuarial (gain) / losses from changes in assumptions	-	12,001
Benefits paid	(50,416)	(42,048)
Defined benefit obligation at end of year	**1,084,202**	**1,038,731**

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29. Pension obligation (continued)

Movement in fair value of plan assets/asset allocation:

	2020 $'000	2019 $'000
Fair value of plan assets at start of year	932,094	921,518
Interest income	52,467	49,526
Return on plan assets excluding interest income	22,634	3,703
Group contributions	69,937	416
Members' contributions	25,863	74
Benefits paid	(50,416)	(42,048)
Expenses	(1,097)	(1,095)
Fair value of plan assets at end of year	**1,051,482**	**932,094**

	2020 $'000	2019 $'000
Asset allocation:		
Locally listed equities	245,210	218,543
Overseas equities	195,167	169,146
Government issued bonds	344,475	312,439
Corporate bonds	119,714	148,188
Mutual funds	25,214	29,411
Cash and cash equivalents	118,638	50,915
Annuities	3,064	3,452
Fair value of plan assets at end of year	**1,051,482**	**932,094**

Re-measurement recognised in Other Comprehensive Income:		
Experience losses/(gains)		
Pension	(22,634)	7,627
Post retirement medical (see note 28)	(10,040)	23,547
Post group life (see note 28)	(855)	(2,217)
Fair value of plan assets at end of year	**(33,529)**	**28,957**

30. Trade payables

	2020 $'000	2019 $'000
Trade payables are settled on 30 day terms	**1,978,713**	**1,781,063**

Trade payables are non-interest bearing and are generally settled within 30 days.

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31. Sundry payables and accruals

	2020 $'000	2019 $'000
Accrued interest	15,154	14,195
Material/service amounts	661,312	1,204,143
Contract provisions	173,841	184,095
Employee related	64,333	86,324
	914,640	**1,488,757**

32. Revenue and Cost of sales

Sales	2020 $'000	2019 $'000
Natural gas	7,831,395	9,349,767
Natural gasoline	775,913	1,221,324
Natural gas liquids	1,220,320	768,078
Condensate	(4,540)	10,135
Transportation tariffs	167,713	256,170
Crude oil	537,256	871,056
Rental	18,503	18,303
Liquefied natural gas	543,030	746,388
Marine facilities and services	324,311	368,169
	11,413,901	**13,609,390**

Cost of sales	2020 $'000	Restated 2019 $'000
Gas purchases	7,777,294	9,423,697
Feedstock purchases	1,029,121	730,542
Processing charges	390,904	304,997
Depreciation	933,281	1,106,221
Production taxes/Supplemental petroleum taxes	3,705	115,745
Maintenance cost	48,385	60,645
Dredging	-	10,049
Staff cost	74,457	74,948
Royalties	18,610	32,444
Royalty tax	(436,113)	445,237
Exploration and production costs	161,857	222,066
Other operating cost	76,918	75,120
	10,078,419	**12,601,711**

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33. Other income

	2020 $'000	2019 $'000
Lease income	43,776	356,839
Operating and maintenance fees	3,219	16,394
Management fees	227	178
Amortisation of non-refundable capital contribution	1,057	6,423
Liquefied natural gas production payments	128,908	227,640
Other	4,684	29,349
	181,871	**636,823**

34. Interest and investment income

	2020 $'000	2019 $'000
Interest and investment income	161,381	164,214
Capitalised interest	114,266	215,572
Net gain on financial assets	225,022	209,414
Gain on disposal of investments	5,080	3,095
Dividend income	17,936	62,547
	523,685	**654,842**

35. Administrative, maintenance and general expenses

	2020 $'000	2019 $'000
Staff costs	365,405	353,003
Pension and post-retirement medical and group life	54,964	73,026
Depreciation, depletion and amortisation	61,500	61,689
Material, service and contract labor	26,087	61,391
Consulting and professional fees	49,871	51,368
Legal claims	516,055	-
Non-operating maintenance and decommissioning charges	267,986	-
Other	371,647	299,408
	1,713,515	899,885
Staff costs:		
Wages and salaries	429,417	417,279
National insurance	10,445	10,672
Pension and post-retirement medical and group life	54,964	73,026
	494,826	**500,977**
Staff costs included within:		
Cost of sales (Note 32)	74,457	74,948
Administrative and general expenses *	365,405	353,003
Pension and post-retirement medical and group life	54,964	73,026
	494,826	**500,977**

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36. Provision for economic loss

	2020 $'000	Restated 2019 $'000
Onerous contracts	2,055,302	-
Unwinding of provision for onerous contracts	(270,990)	(128,008)
	1,784,312	**(128,008)**

37. Impairment

	2020 $'000	2019 $'000
Pipeline revaluation loss (Note 5 (a))	1,618,285	-
Property, plant and equipment – other assets	91,716	191,526
Trade receivable	7,369	114,865
Investment properties (Note 7)	2,571	-
Capital assets and licences (Note 6)	(158,218)	573,177
Loan receivable	(1,384)	(183,601)
Other	(28,151)	(7,114)
	1,532,188	**688,853**

38. Finance costs

	2020 $'000	2019 $'000
Interest on loans and bonds	170,248	174,318
Royalty tax interest	(28,402)	24,534
Decommissioning obligation	9,801	21,249
Leases	10,096	10,029
	161,743	**230,130**

39. Share of loss from associate

Name of Group	Place of incorporation and operation	Proportion of ownership interest and voting powers held by the Group 2019	2018
Caribbean Gas Chemical Limited (CGCL)	Trinidad and Tobago	20%	20%

CGCL is a limited liability company in which the Parent owns a 20% ownership interest through NGC Petrochemicals Limited.

	2020 $'000	2019 $'000
Share of loss from associate	**39,185**	**4,513**

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40. Taxation

	2020 $'000	(Restated) 2019 $'000
Corporation tax	210,334	434,109
Petroleum profit tax	289,502	422,422
Business levy	55,861	63,653
Green fund levy	39,513	47,738
	595,210	967,922
Deferred tax (credit)/expense	(1,650,512)	(846,164)
	(1,055,302)	**121,758**

	2020 $'000	(Restated) 2019 $'000
Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rate:		
(Loss)/profit for the year before taxation	(3,189,905)	603,971
Tax at the rate of 35%	(1,116,467)	211,390
Tax exempt income	(372,486)	(204,607)
Non-deductible expenses/permanent differences	645,408	82,905
Prior years' tax	(214)	26,054
Business levy	55,861	63,653
Green fund	39,190	47,405
Increase in valuation allowance	(71,326)	(71,338)
Tax effect of subsidiaries at different rate	27,986	(49,050)
Tax losses un-utilised/(utilised)	(34,653)	(39,392)
Deferred tax written off	(150,704)	-
Foreign exchange translation	(54,706)	79,426
Other differences	(23,191)	(24,688)
Taxation (credit)/expense	**(1,055,302)**	**121,758**

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41. Cash generated from operations

	2020 $'000	Restated 2019 $'000
(Loss)/profit for the year before taxation	(3,189,905)	603,971
Adjustments to reconcile (loss)/profit for the year before taxation with net cash from operating activities:		
Depreciation	994,781	1,167,982
Impairment charge of property, plant and equipment	1,684,419	201,651
Impairment (reversal)/charge of capital assets and licences	(158,218)	573,177
Impairment charge/(reversal) of other receivables	5,986	(85,975)
Increase in decommissioning provision	61,087	22,117
Increase in provisions for economic loss	1,784,312	(128,008)
Increase in claim and abandonment provisions	617,310	-
Gain on disposal of property, plant and equipment	1,901	1,976
Share of loss in associate	39,185	4,513
Post-retirement costs	40,224	44,634
Penalty	-	487
Dividend income	(17,936)	(62,547)
Amortisation of deferred income	(3,118)	(5,268)
Provision for annual vacation leave	1,527	-
Finance costs	161,743	230,130
Interest income on finance lease	(31,112)	(86,749)
Interest and investment income	(499,015)	(562,073)
Operating profit before working capital changes	1,493,171	1,920,018
Working capital changes:		
Increase in accounts receivable and sundry debtors	(763,118)	(673,191)
(Increase)/decrease in contract assets	(4,802)	9,034
Decrease/(increase) in inventories	81,978	(94,901)
(Decrease)/increase in contract liabilities	(12,376)	8,874
Decrease in trade creditors, sundry creditors and accruals	(357,977)	(444,475)
Cash flows from operating activities	**436,876**	**725,359**

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42. **Subsidiaries**

a) The subsidiaries are as follows:

Entities	Principal activity	Place of incorporation and operation	Proportion of shareholding and voting power held 2020	2019
Subsidiaries				
National Energy Corporation of Trinidad and Tobago Limited	Management of marine infrastructural facilities and industrial estates	Trinidad & Tobago	100%	100%
NGC Pipeline Company Limited	Own, operate and maintain a 56 inch cross island pipeline ('CIP')	Trinidad and Tobago	100%	100%
Trinidad and Tobago LNG	11.11% ownership at Atlantic Train 4 Limited which sells liquefied natural gas ('LNG') and natural gas liquids ('NGLs')	Trinidad and Tobago	100%	100%
NGC Trinidad and Tobago LNG Limited	10% ownership in Atlantic Train 1 which sells liquefied natural gas ('LNG') and natural gas liquids ('NGLs')	Trinidad and Tobago	62.16%	62.16%
La Brea Industrial Development Company Limited	Management of industrial estate and marine infrastructure facilities	Trinidad and Tobago	91.55%	91.55%
Trinidad and Tobago NGL Limited	39% equity interest in Phoenix Park Gas Processors Limited which processes natural gas, aggregates, fractionates and markets natural gas liquids	Trinidad and Tobago	25%	25%
NGC NGL Company Limited	51% equity interest in Phoenix Park Gas Processors Limited which processes natural gas, aggregates, fractionates and markets natural gas liquids	Trinidad and Tobago	80%	80%

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42. **Subsidiaries (continued)**

a) The subsidiaries are as follows (continued):

Entities	Principal activity	Place of incorporation and operation	Proportion of shareholding and voting power held 2020	2019
Subsidiaries (continued)				
NGC CNG Company Limited	Construct, operate and maintain Compressed Natural Gas Service Stations	Trinidad and Tobago	100%	100%
NGC Petrochemicals Limited	20% equity interest in Caribbean Gas Chemical Limited which produces, markets and sells DME and Methanol	Trinidad and Tobago	100%	100%
NGC E&P (Barbados) Limited	0.01% membership in NGC E&P Netherlands Coöperatief U.A. which holds a 30% interest in Block 2c and 11.41% interest in Block 3a	Barbados	100%	100%
NGC E&P Investments (Barbados) Limited	99.99% membership in NGC E&P Netherlands Coöperatief U.A. which holds a 30% interest in Block 2c and 11.41% interest in Block 3a	Barbados	100%	100%
Downstream Petrochemicals Research and Development Limited	Management of DME and Downstream Promotion Fund	Trinidad and Tobago	100%	100%
NGC E&P Investments Limited	20% equity interest in exploration, development and production of gas of Block 1 (a)	Trinidad and Tobago	100%	100%

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42. **Subsidiaries (continued)**

a) The subsidiaries are as follows (continued):

Entities	Principal activity	Place of incorporation and operation	Proportion of shareholding and voting power held 2020	2019
Subsidiaries (continued)				
NGC Group Captive Insurance (Barbados) Limited	Insurer of various risk of its Parent's (NGC's) and subsidiaries' assets	Barbados	100%	100%
NGC Caribbean Investments Limited	20.13% equity in exploration, development and production of oil and gas of Block 3 (a)	Trinidad and Tobago	100%	-
Sub-Subsidiaries				
Phoenix Park Gas Processors Limited	Natural gas processing, aggregates, fractionates and markets natural gas liquids	Trinidad and Tobago	50.55%	50.55%
NGC E&P Netherlands Coöperatief U.A	100% equity interest in NGC E&P Investments (Netherlands) B.V. which holds a 30% interest in Block 2c and NGC E&P (Netherlands) B.V. which holds a 11.41% interest in Block 3a	Incorporation – Netherlands Operation – Trinidad and Tobago	100%	100%
NGC E&P (Netherlands) B.V.	11.41% equity in exploration, development and production of oil and gas of Block 3 (a)	Incorporation – Netherlands Operation - Trinidad and Tobago	100%	100%
NGC E&P Investments (Netherlands) B.V.	30% equity interest in the exploration, development and production of oil and gas of Block 2 (c)	Incorporation – Netherlands Operation - Trinidad and Tobago	100%	100%

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42. **Subsidiaries (continued)**

b) Details of non-wholly owned subsidiaries with material non-controlling interest

Entities	Place of incorporation and operation	Proportion of shareholding and voting rights held by non-controlling interest 2020	2019	Profit allocated to non-controlling interests 2020 $'000	2019 $'000	Accumulated non-controlling interest 2020 $'000	2019 $'000
Phoenix Park Gas Processors Limited	Trinidad and Tobago	10%*	10%*	11,683	23,143	167,970	179,494
Fair value adjustment to non-controlling interest in PPGPL				(65,503)	(65,514)	59,683	125,186
Trinidad and Tobago NGL Limited	Trinidad and Tobago	75%*	75%*	34,174	67,693	1,955,192	1,926,886
NGC Trinidad and Tobago LNG Company Limited	Trinidad and Tobago	37.84%	37.84%	(35,957)	15,332	43,688	102,229
NGC NGL Company Limited	Trinidad and Tobago	20%	20%	12,029	24,517	247,600	255,671
La Brea Industrial Development Company Limited	Trinidad and Tobago	8.45%	8.45%	(2,777)	(1,453)	30,583	33,361
Total						**2,504,716**	**2,622,827**

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Notes to the consolidated financial statements (continued)

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42. **Subsidiaries (continued)**

c) Details of non-wholly owned subsidiaries with a material non-controlling interest (continued)

Summarised financial information in respect of each of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Phoenix Park Gas Processors Limited ('PPGPL')	**2020 $'000**	**2019 $'000**
Summmary statement of financial position		
Current Assets	1,044,261	1,195,619
Non-current assets	1,609,673	1,581,752
Current Liabilities	(318,175)	(469,622)
Non-current Liabilities	(424,117)	(512,813)
Equity attributable to owners of the PPGPL	1,743,672	1,615,443
Non-controlling interest of PPGPL	167,970	179,494
Summary statement of profit or loss and other comprehensive income		
Revenue	2,082,785	2,075,721
Expenses	(1,965,951)	(1,844,291)
Profit for the year	**116,834**	**231,430**
Profit attributable to owners of PPGPL	105,151	208,287
Profit attributable to the non-controlling interest	11,683	23,143
Profit for the year	**116,834**	**231,430**
Other comprehensive income attributable to owners of PPGPL	-	-
Other comprehensive income attributable to the non-controlling interest	-	-
Other comprehensive income for the year	-	-
Total comprehensive income attributable to owners of PPGPL	105,151	208,287
Total comprehensive income attributable to the non-controlling interest	11,683	23,143
Total comprehensive income for the year	**116,834**	**231,430**
Dividends paid to non-controlling interest	**-**	**26,091**
Summary statement of cash flows		
Net cash generated from/(used in) operating activities	297,128	108,125
Net cash used in investing activities	(125,610)	(21,401)
Net cash used in financing activities	(104,501)	(101,579)
Net cash outflow	**67,017**	**(14,855)**

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42. **Subsidiaries (continued)**

c) Details of non-wholly owned subsidiaries with a material non-controlling interest (continued)

Trinidad and Tobago NGL Limited ('TTNGL')

	2020 $'000	2019 $'000
Summary statement of financial position		
Current Assets	107,616	147,388
Non-current assets	3,141,459	3,134,488
Current Liabilities	(828)	(736)
Equity attributable to owners of TTNGL	1,293,055	1,354,254
Non-controlling interest	1,955,192	1,926,886
Summary statement of profit or loss and other comprehensive income		
Revenue	45,913	91,569
Other expenses	(39,513)	37,939
Profit for the year	**6,400**	**129,508**
Profit attributable to owners of TTNGL	(27,774)	61,815
Profit attributable to the non-controlling interest	34,174	67,693
Profit for the year	**6,400**	**129,508**
Other comprehensive income attributable to owners of TTNGL	(148)	(2,311)
Other comprehensive income attributable to the non-controlling interest	(445)	(6,934)
Other comprehensive income for the year	**(593)**	**(9,245)**
Total comprehensive income attributable to owners of TTNGL	(27,922)	59,504
Total comprehensive income attributable to the non-controlling interest	33,729	60,759
Total comprehensive income for the year	**5,807**	**120,263**
Dividends paid to non-controlling interest	**29,025**	**174,150**
Summary statement of cash flows		
Net cash generated from operating activities	(1,224)	100,904
Net cash generated from investing activities	237	388
Net cash used in financing activities	(38,700)	(232,200)
Net cash outflow	**(39,687)**	**(130,908)**

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42. **Subsidiaries (continued)**

c) Details of non-wholly owned subsidiaries with a material non-controlling interest (continued)

NGC NGL Company Limited ('NGC NGL')

	2020 $'000	2019 $'000
Summary statement of financial position		
Current Assets	252,489	352,394
Non-current assets	974,937	915,418
Current Liabilities	(64)	(96)
Equity attributable to owners of NGC NGL	979,762	1,012,045
Non-controlling interest	247,600	255,671
Summary statement of profit or loss and other comprehensive income		
Revenue	62,045	127,148
Other expenses	(1,901)	(4,565)
Profit for the year	**60,144**	**122,583**
Profit attributable to owners of NGC NGL	48,115	98,066
Profit attributable to the non-controlling interest	12,029	24,517
Profit for the year	**60,144**	**122,583**
Other comprehensive income attributable to owners of NGC NGL	(398)	(3,069)
Other comprehensive income attributable to the non-controlling interest	(100)	(767)
Other comprehensive income for the year	**(498)**	**(3,836)**
Total comprehensive income attributable to owners of NGC NGL	47,717	94,998
Total comprehensive income attributable to the non-controlling interest	11,929	23,749
Total comprehensive income for the year	**59,646**	**118,747**
Dividends paid to non-controlling interest	**20,000**	**53,260**
Summary statement of cash flows		
Net cash used in operating activities	17,796	(25,028)
Net cash generated from investing activities	148,760	332,049
Net cash used in financing activities	(100,000)	(266,299)
Net cash inflow	**66,556**	**40,722**

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42. **Subsidiaries (continued)**

c) Details of non-wholly owned subsidiaries with material non-controlling interest (continued)

NGC Trinidad and Tobago LNG Limited ('NGC LNG')

	2020 $'000	2019 $'000
Summary statement of financial position		
Current Assets	216,960	264,915
Non-current assets	-	59,492
Current Liabilities	(71,282)	(54,245)
Equity attributable to owners of NGC LNG	71,767	167,933
Non-controlling interest	43,688	102,229
Summary statement of profit or loss and other comprehensive income		
Revenue	103,602	226,279
Expenses	(198,627)	(185,761)
Profit for the year	**(95,025)**	**40,518**
Profit attributable to owners of NGC LNG	(59,068)	25,186
Profit attributable to the non-controlling interest	(35,957)	15,332
Profit for the year	**(95,025)**	**40,518**
Other comprehensive income attributable to owners of NGC LNG	(37,098)	(14,948)
Other comprehensive income attributable to the non-controlling interest	(22,584)	(9,099)
Other comprehensive income for the year	**(59,682)**	**(24,047)**
Total comprehensive income attributable to owners of NGC LNG	(96,166)	10,238
Total comprehensive income attributable to the non-controlling interest	(58,541)	6,233
Total comprehensive income for the year	**(154,707)**	**16,471**
Dividends paid to non-controlling interest	**-**	**-**
Summary statement of cash flows		
Net cash generated from operating activities	(173,970)	38,568
Net cash generated from investing activities	107,053	30,891
Net cash used in financing activities	-	-
Net cash inflow/(outflow)	**(66,917)**	**69,459**

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity. Comparative notes to the financial statements are based on information received by Management as at the reporting date.

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43. **Associates**

Company	Place of incorporation operation	Proportion of ownership interest and voting powers 2020	2019
Caribbean Gas Chemical Limited	Trinidad and Tobago	20%	20%
Trinidad and Tobago Marine Petroleum Company Limited (Trintomar)	Trinidad and Tobago	20%	20%

The investment in Trintomar was fully impaired in a prior year.

44. **Contingent liabilities**

a) **Taxes**

Claims made on NGC

The Board of Inland Revenue (BIR) issued additional assessments for years of income 1993 to 1994 in respect of re-translation gains and resultant additional taxes totalling TT$20.1 million. The Parent has objected to the assessments by the Board of Inland Revenue. Management is currently awaiting judgement on this matter. Management has applied IFRIC 23, however the expected value is immaterial, and no provision has been made in the financial statements for any additional tax liabilities.

Claims made on PPGPL

The Board of Inland Revenue (BIR) has issued additional assessments for years of income 1997, 1999 - 2010 in respect of claims for capital allowances and resultant additional taxes totaling TT$268.6 million (US$39.6 million). PPGPL also made payments to the BIR for years of income 2013, 2016-2018 in respect to claims for capital allowances although we were not issued with additional assessments for these years; the amount paid totaled TT$ 24.6 million (US$3.6 million).

PPGPL has raised objections to these assessments and these matters have been submitted to the Tax Appeal Board for its ruling. A trial date has not yet been determined and therefore it is not practical to determine the outcome of the ruling. However, Management has applied IFRIC 23 and made a provision for expected value of the amounts in the sum of US$9.0 million (TT$61.0 million).

In February 2011, the Board of Directors instructed PPGPL to take advantage of the then amnesty granted by the Minister of Finance for interest and penalties for the late payment of certain taxes by making a deposit with the BIR in the sum of TT$115.2 million (US$18.0 million) before 31 May 2011 (years assessed at that time 1997–2005). In March 2016, PPGPL took advantage of the amnesty granted by the Minister of Finance by making a deposit with the BIR in the sum of TT$ 10.07 million (US$1.6 million) before 31 March 2016 (years assessed 2006 -2008).

In September 2019, PPGPL took advantage of the amnesty granted by the Minister of Finance by making a deposit with the BIR in the sum of TT$ 30.9 million (US$ 4.6 million) for years assessed 2009 -2010 and years not assessed 2013, 2016, 2017 and 2018 on the basis that:

- PPGPL's legal position be preserved;
- Should PPGPL be successful in this matter then such sum would be off-set against future corporation tax liabilities;
- Should PPGPL be unsuccessful, then management would have avoided paying the consequential interest and penalties on the disputed sum.

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Notes to the consolidated financial statements (continued)

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44. **Contingent liabilities (continued)**

a) **Taxes (continued)**

Claims made on PPGPL (continued)

The amount PPGPL expects to recover is currently classified as other accounts receivable and prepayments in the statement of financial position.

b) **Customs bonds**

The Group has contingent liabilities in the form a provision of guarantee to Scotiabank Trinidad and Tobago Limited in the amount of TT$5.4 million for one-year effective 01 November 2020. This guarantee is to support the CNG initiatives.

45. **Guarantees**

The Group has no guarantees as at 31 December 2020 as the loan obtained by NGC Pipeline Company Limited where NGC pledged its shares, was repaid in full on June 2020.

46. **Capital commitments**

	2020 $'000	2019 $'000
Approved and contracted capital expenditure	**302,512**	**249,737**

47. **Commitment contracts**

Purchases

The Group purchases natural gas through US dollar denominated long-term 'take-or-pay' contracts from various upstream producers. Under these long-term take-or-pay contracts, the Group is obliged to take, or if not taken, pay for said natural gas up to the contracted take-or-pay volume at the current price. The prices on certain tranches of gas of these contracts are linked to the commodity prices of ammonia and methanol subject to a floor price that escalates annually. For 2020, the Group had no take-or-pay liability.

Sales

The Group's customers are obligated to take or if not taken pay for said natural gas at the current price, up to the contracted take-or-pay volume. The price of natural gas sold to the producers of ammonia and methanol are linked to the relevant commodity price of ammonia and methanol. The natural gas prices under these contracts are not generally capped. The contracts include floor prices that escalate annually, which represents the minimum prices for which natural gas can be sold to the respective customers.

One of the Group's subsidiaries is committed to sell natural gas liquids to various companies under the terms of negotiated sales contracts.

48. **Related party transactions**

The NGC is wholly-owned by the Government of Trinidad & Tobago (GORTT). In the ordinary course of its business, the NGC enters into transactions concerning the exchange of goods, provision of services and financing with affiliate companies as well as with entities directly and indirectly owned or controlled by the GORTT.

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48. **Related party transactions (continued)**

Outstanding balances at the year-end are unsecured and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. At 31 December, 2020, the Group recorded a credit loss allowance relating to amounts owed by related party Alutech Limited of $20.309 million (2019: $20.309 million).

49. **Compensation of key management personnel**

	2020 $'000	2019 $'000
Short-term employee benefits	84,711	77,600
Post-employment benefit	9,103	4,241
	93,814	**81,841**

50. **Financial risk management**

Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including the effects of credit risks, liquidity risk, interest rates, foreign currency exchange rates and market price risk. Accordingly, the Group's financial performance and position are subject to changes in the financial markets. Overall risk management measures are focused on minimising the potential adverse effects on the financial performance of the Group. Set out below are the Group's financial assets and liabilities.

Categories of financial instruments:

	2020 $'000	Restated 2019 $'000
Assets:		
Financial assets:		
Other financial assets	3,638,134	3,791,616
Loans receivable	3,822,168	3,972,280
Accounts receivable	3,054,060	2,189,909
	10,514,362	9,953,805
Other receivables:		
Debt reserve funds	-	120,384
Cash and cash equivalents	3,407,459	3,605,702
Investments	2,016,037	2,881,747
Sundry debtors	431,234	318,511
Net investment in leased assets	189,919	411,694
	6,044,650	7,338,038
Total financial assets	**16,559,012**	**17,291,843**

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50. **Financial risk management (continued)**
Categories of financial instruments (continued)

	2020 $'000	2019 $'000
Liabilities:		
Financial liabilities at amortized cost:		
Long term borrowings	2,372,727	2,508,875
Trade payables	1,978,713	1,781,063
Sundry payables and accruals	914,640	1,552,959
Total financial liabilities	**5,266,080**	**5,842,897**

Risk Management Structure
The Board of Directors are responsible for the overall risk management approach and for approving the risk strategies principles, policies and procedures. Day to day adherence to risk principles are carried out by the Executive Management of the Group in compliance with the policies approved by the Board of Directors.

The risk arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk, foreign currency risk and other price risks. Management reviews and agrees policies for managing each of these risks which are summarised below:

a) **Credit risk**
Credit risk is the risk that a counter-party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (trade receivables) and from its financial activities including deposits with banks and financial institution, foreign exchange transactions and other financial instruments.

Significant changes in the Group's trade receivable balances could result in losses that are different from those provided at year end. Management carefully monitors its exposure to credit risk.

Exposure to credit risk is further managed through regular analysis of the ability of debtors and financial institutions to settle outstanding balances. The Group does not generally hold collateral as security.

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Notes to the consolidated financial statements (continued)
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50. **Financial risk management (continued)**

a) **Credit risk (continued)**

(i) **Debt instruments**

The Group's loan receivables are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses.

The closing loss allowance as at 31 December 2020 as follows:

Unquoted debt instruments

	Total $'000 TT$
Opening expected credit loss allowance as at 1 January 2020	19,934
Expected credit loss in current year	(728)
Foreign exchange difference	(2)
Closing expected credit loss allowance as at 31 December 2020	**19,204**

Quoted debt instruments	Total $'000 TT$
Opening expected credit loss allowance as at 1 January 2020	5,300
Expected credit loss in current year	(1,661)
Foreign exchange difference	(2)
Closing expected credit loss allowance as at 31 December 2020	**3,637**

(ii) **Credit risk relating to cash at bank**

Credit risks from balances with banks and financial instruments are managed in accordance with the Group's policy. Investments or surplus funds are made only with approved counterparties and within limits assigned to each counterparty. Counterparty limits are reviewed by the Group's Board of Directors on an annual basis. The limits are set to minimise the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

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Notes to the consolidated financial statements (continued)
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50. **Financial risk management (continued)**

b) **Liquidity risk**

The Group monitors its risk to a shortage of funds by considering planned and probable expenditures against projected cash inflows from operations and from the settlement of financial assets such as account receivables and levels of cash sales.

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

	On demand $'000	≤ 3 months $'000	3-12 months $'000	1-5 years $'000	≥ 5 years $'000	Total $'000
As at 31 December 2020						
Assets						
Other financial assets	-	-	1,052,251	210,005	858,672	2,120,928
Loans receivable	-	-	273,296	2,338,394	2,493,980	5,105,670
Net investment in leased assets	-	5,520	12,280	155,953	16,166	189,919
Cash and cash equivalents	3,407,459	-	-	-	-	3,407,459
Short-term investments	-	1,865,101	150,204	7,160	-	2,022,465
Accounts receivable	-	3,054,060	-	-	-	3,054,060
Sundry debtors	-	898,298	-	-	-	898,298
	3,407,459	**5,822,979**	**1,488,031**	**2,711,512**	**3,368,818**	**16,798,799**
Liabilities						
Borrowings	-	69,416	114,885	555,327	3,860,540	4,600,168
Trade and other payables	-	2,765,409	4,219	1,522	-	2,771,150
	-	**2,834,825**	**119,104**	**556,849**	**3,860,540**	**7,371,318**
Net position	**3,407,459**	**2,988,154**	**1,368,927**	**2,154,663**	**(491,722)**	**9,427,481**

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50. **Financial risk management (continued)**

b) **Liquidity risk**

	On demand $'000	≤ 3 months $'000	3-12 months $'000	1-5 years $'000	≥ 5 years $'000	Total $'000
As at 31 December 2019						
Assets						
Other financial assets	-	-	1,121,723	496,034	723,577	1,617,757
Loans receivable	-	-	274,864	1,886,047	3,325,990	5,486,901
Net investment in leased assets	-	64,066	193,605	184,425	56,305	498,401
Debt reserve funds	-	120,384	-	-	-	120,384
Cash and cash equivalents	3,159,859	445,843	-	-	-	3,605,702
Short-term investments	-	2,092,360	804,130	-	-	2,896,490
Accounts receivable	-	2,189,909	-	-	-	2,189,909
Sundry debtors	-	318,511	-	-	-	318,511
	3,159,859	**5,231,073**	**2,394,322**	**2,566,506**	**4,105,872**	**17,457,632**
Liabilities						
Borrowings	-	69,416	260,183	595,665	3,860,540	4,785,804
Trade and other payables	-	3,307,073	13,424	13,525	-	3,334,022
	-	**3,376,489**	**273,607**	**609,190**	**3,860,540**	**8,119,826**
Net position	**3,159,859**	**1,854,584**	**2,120,715**	**1,957,316**	**245,332**	**9,337,806**

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50. **Financial risk management (continued)**

c) Interest rate risk

Interest rate risk for the Group's centres primarily on the risk relating to the Group's long-term debt obligations and loan receivables which carries varying interest rates.

		Increase/ (decrease) in basis points	Effect on profit before tax $'000
Borrowings			
	2020	**+ 50**	**-**
		- 50	**-**
	2019	**+ 50**	**647**
		- 50	**(647)**

		Increase/ (decrease) in basis points	Effect on profit before tax $'000
Loan receivables			
	2020	**+ 50**	**649**
		- 50	**(649)**
	2019	**+ 50**	**1,400**
		- 50	**(1,400)**

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

50. **Financial risk management (continued)**

d) **Foreign currency risk**

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

Such exposures arises from sales and purchases denominated in currencies other than the Group's functional currency. As highlighted in the table below the Group's exposure to Foreign currency changes is immaterial.

	Amounts denominated in TT currency TT$'000	Amounts denominated in US currency TT$'000	Amounts denominated in Other currency TT$'000	Total TT$'000
As at 31 December 2020				
Assets				
Loans receivable	–	3,822,168	–	3,822,168
Other financial assets	573,571	3,064,563	–	3,638,134
Net investment in leased assets	–	189,919	–	189,919
Cash and cash equivalents	202,124	3,205,335	–	3,407,459
Short-term investments	757	2,015,280	–	2,016,037
Accounts receivable	2,655	3,051,405	–	3,054,060
Sundry debtors	129,713	188,798	–	318,511
	908,820	**15,537,468**	**-**	**16,446,288**
Liabilities				
Borrowings	–	2,372,727	–	2,372,727
Trade and other payable	770,739	2,120,211	2,403	2,893,353
	770,739	**4,492,938**	**2,403**	**5,266,080**
Net position	**138,081**	**11,044,530**	**(2,403)**	**11,180,208**

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

50. **Financial risk management (continued)**

d) **Foreign currency risk (continued)**

	Amounts denominated in TT currency TT$'000	Amounts denominated in US currency TT$'000	Amounts denominated in Other currency TT$'000	Total TT$'000
As at 31 December 2019				
Assets				
Loans receivable	-	3,972,280	-	3,972,280
Other financial assets	830,648	2,960,968		3,791,616
Net investment in leased assets	-	411,694	-	411,694
Debt reserve funds	-	120,384	-	120,384
Cash and cash equivalents	150,217	3,437,807	17,678	3,605,702
Short-term investments	55,294	2,826,453	-	2,881,747
Accounts receivable	1,317	2,188,592	-	2,189,909
Sundry debtors	174,656	143,855	-	318,511
	1,212,132	**16,062,033**	**17,678**	**17,291,843**
Liabilities				
Borrowings	-	2,508,875	-	2,508,875
Trade and other payables	1,144,355	2,188,240	1,427	3,334,022
	1,144,355	**4,697,115**	**1,427**	**5,842,897**
Net position	**67,777**	**11,364,918**	**16,251**	**11,448,946**

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

50. **Financial risk management (continued)**

e) **Market price risk (continued)**

i) **Equity price risk**

The Group is exposed to equity price risk arising from its investments in local and foreign institutions.

The following demonstrates the sensitivity to a reasonably possible change in the price of these equity instruments, with all other variables held constant, of the Group's equity. There is no impact to the Company's profit before tax as changes are recorded in Other Comprehensive Income (OCI).

	Increase/ (decrease) in equity price	Effect on equity $'000
2020	10%	**90,292**
	(10%)	**(90,292)**
2019	10%	**152,540**
	(10%)	**(152,540)**

ii) **Commodity price risk**

The Group is exposed to commodity price risk for natural gas, liquified natural gas and natural gas liquids sold. The Group's management of commodity price exposure includes securing contracts with suppliers that are linked to the final product price (i.e. ammonia and methanol prices). These provisions reduce, but do not eliminate, the effect of commodity price volatility.

f) **Capital management**

The primary objective of the Group's capital management policy is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value. It also manages its capital to ensure that the Group will be able to continue as a going concern. The Group's overall strategy remains unchanged from 2018.

The Group monitors capital using a gearing ratio which is debt divided by equity plus debt. The Group's policy is to maintain a gearing ratio no higher than 30%.

Set out below are details of the Group's capital structure:

	2020 $'000	Restated 2019 $'000
Debt	2,372,727	2,508,875
Equity	19,568,857	22,983,756
Total Capital	21,941,584	25,492,631
Gearing ratio	**10.81%**	**9.84%**

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

50. **Financial risk management (continued)**

g) **Fair values**

i) **Fair value hierarchy**

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets and liabilities recorded at fair value in the consolidated financial statements based upon the level of judgement associated with the inputs used to measure their fair value. The hierarchical levels, from lowest to highest based on the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities are as follows:

Level 1

Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date. The types of assets carried at level 1 fair value are equity and debt securities listed in active markets. The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price

Level 2

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are derived principally from or corroborated by observable market data by correlation or other means at the measurement date and for the duration of the instruments' anticipated life.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

Level 3

Inputs that are unobservable for the asset or liability for which there are no active markets to determine a price. These financial instruments are held at cost being the fair value of the consideration paid for the acquisition of the investments, and are regularly assessed for impairment.

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

50. **Financial risk management (continued)**

g) **Fair values (continued)**

i) **Fair value hierarchy (continued)**

Set out below are the financial instruments of the Group categorised in accordance with Level 1, Level 2 and Level 3 as set out in Note 2.15:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial Assets at FVTPL and FVTOCI				
Quoted Equities	1,038,152	-	-	1,038,152
Unquoted debt	-	213,587	913,365	1,126,952
Credit linked notes	-	858,672	-	858,672
Alternative investments	-	607,993	-	607,993
As at 31 December 2020	**1,038,152**	**1,680,252**	**913,365**	**3,631,769**
Quoted Equities	1,739,368	-	-	1,739,368
Unquoted debt	-	211,144	1,117,527	1,328,671
Credit linked notes	-	723,577	-	723,577
As at 31 December 2019	**1,739,368**	**934,721**	**1,117,527**	**3,791,616**

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

50. **Financial risk management (continued)**

g) Fair values (continued)

ii) Fair value of the Group's financial assets and financial liabilities that are measured at amortised cost are as follows:

	2020 Fair value $'000	2020 Carrying value $'000	2019 Fair value $'000	2019 Carrying value $'000
Loans receivables				
Trinidad and Tobago Electricity Commission	3,691,595	3,691,595	3,740,500	3,740,500
Atlantic LNG 4 Company of Trinidad and Tobago Limited	84,328	84,328	231,780	231,780
Caribbean Gas Chemical Limited	46,245	46,245	-	-
	3,822,168	**3,822,168**	**3,972,280**	**3,972,280**
Borrowings				
US$400M 30 year bond	2,468,083	2,327,259	2,404,959	2,327,672
Credite Agricole Bank	-	-	108,973	108,973
First Citizens Bank Limited	40,283	45,469	122,636	136,432
	2,508,366	**2,372,728**	**2,636,568**	**2,573,077**
Net receivable/borrowings	**1,313,802**	**1,449,440**	**1,335,712**	**1,399,203**

Fair value hierarchy

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
As at 31 December 2020				
Loans receivable	-	-	3,822,168	3,822,168
Borrowings	(2,508,366)	-	-	(2,508,366)
	(2,508,366)	**-**	**3,822,168**	**1,313,802**
As at 31 December 2019				
Loans receivable	-	-	3,972,280	3,972,280
Borrowings	(2,636,568)	-	-	(2,636,568)
	(2,636,568)	**-**	**3,972,280**	**1,335,712**

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2020

(Amounts expressed in Trinidad and Tobago dollars)

50. **Financial risk management (continued)**

g) **Fair values (continued)**

iii) **Fair values of financial assets and financial liabilities that are not measured at fair value but fair value disclosures are required (continued)**

Short-term financial assets and liabilities

The carrying amount of short-term financial assets and liabilities comprising cash and cash equivalents, short-term investments, sundry debtors and current liabilities are a reasonable estimate of fair values because of the short-term nature of these instruments.

The fair value of investments that are actively traded in financial markets is determined by reference to quoted market prices at the close of business at the reporting period date. For investments where there is no active market the fair value estimates cannot be reasonably assessed and as such are measured at cost.

iv) **Derivative financial instruments and hedging**

The Group uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Such financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to net profit or loss for the year.

51. **Dividends**

	2020 $'000	2019 $'000
Dividends paid	109,930	192,941

Dividend per share for 2020 was TT$0.06 (2019: TT$0.10).

52. **Impact of COVID-19**

Management is continuing to evaluate the potential impact of the coronavirus disease 2019 (COVID-19) on the Group's operations. The extent of the impact on the financial position and performance of the Group depends on future developments, including but not limited to:

(i) the duration and spread of the outbreak,
(ii) the extent of restrictions and advisories, and
(iii) the effects on the local and global financial and economic markets, all of which are highly uncertain and cannot be predicted.

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020
(Amounts expressed in Trinidad and Tobago dollars)

53. **Events after the reporting period**

The Board of Directors have approved the liquidation of the following companies and the transfer of assets to a Trinidad and Tobago resident company:

- NGC E&P Investments (Barbados) Limited
- NGC E&P (Barbados) Limited
- NGC E&P Netherlands Coöperatief U.A
- NGC E&P Investments (Netherlands) B.V.
- NGC E&P (Netherlands) B.V.

The financial statements of the above-named companies have been prepared on a liquidated basis.

5-YEAR REVIEW

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Five-Year Consolidated Statement of Financial Position

As at 31 December

(Amounts expressed in Trinidad and Tobago dollars)

	2020 $'000	RESTATED 2019 $'000	RESTATED 2018 $'000	2017 $'000	2016 $'000	2015 $'000
ASSETS						
Non-current assets						
Property, plant and equipment	12,551,248	16,224,794	17,285,885	17,458,611	17,783,425	14,865,793
Capital assets and licences	1,706,737	1,046,376	1,694,547	2,301,979	2,513,564	1,839,571
Investment properties	498,456	529,005	550,630	578,840	583,150	542,932
Goodwill	2,420,520	2,413,786	2,420,247	2,413,929	2,407,897	2,264,941
Other intangible assets	129,015	21,702	16,953	949	7,256	15,211
Right-of-use assets	138,087	141,641	-	-	-	-
Investment in associate	324,052	339,293	314,897	325,968	308,367	185,338
Other financial assets	3,638,134	3,791,616	3,962,609	3,012,959	2,996,826	3,268,849
Loans receivable	3,685,904	3,692,007	3,644,417	325,333	538,826	865,128
Net investment in leased asset	172,120	224,635	209,121	394,983	530,135	582,478
Deferred tax asset	2,414,658	2,077,132	793,192	589,830	907,557	771,216
Contract assets	1,960	-	217	9,039	785,333	846,099
Debt reserve funds	-	120,384	118,263	116,083	114,867	109,073
Total non-current assets	**27,680,891**	**30,622,371**	**31,010,978**	**27,528,503**	**29,477,203**	**26,156,629**
Current assets						
Cash and cash equivalents	3,407,459	3,605,702	6,837,681	6,434,290	4,551,557	6,373,130
Short-term investments	2,016,037	2,881,747	1,426,841	437,227	1,243,082	441,769
Loans receivable	136,264	280,273	-	224,647	381,117	362,682
Net investment in leased assets	17,799	187,059	191,199	136,161	95,778	60,129
Accounts receivable	3,054,060	2,189,909	1,519,087	6,438,147	5,203,752	4,133,975
Sundry debtors and prepayments	896,619	887,272	982,874	695,972	626,546	825,248
Inventories	319,763	401,945	307,808	306,356	214,636	242,701
Contract assets	9,475	5,516	14,621	856,416	95,505	196,303
Income taxes receivable	594,682	566,788	408,457	378,472	291,982	330,828
Total current assets	**10,452,158**	**11,006,211**	**11,688,568**	**15,907,688**	**12,703,955**	**12,966,765**
Total assets	**38,133,049**	**41,628,582**	**42,699,546**	**43,436,191**	**42,181,158**	**39,123,394**

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Five-Year Consolidated Statement of Financial Position (continued)

As at 31 December

(Amounts expressed in Trinidad and Tobago dollars)

	2020 $'000	RESTATED 2019 $'000	RESTATED 2018 $'000	2017 $'000	2016 $'000	2015 $'000
SHAREHOLDERS' EQUITY AND LIABILITIES						
Shareholder's equity						
Share capital	1,855,266	1,855,266	1,855,266	1,855,266	1,855,266	1,855,266
Reserve fund	438,192	438,192	438,192	438,192	438,192	438,192
Other reserves	4,242,781	5,565,159	6,224,495	5,382,847	5,425,791	2,720,150
Retained earnings	13,032,618	15,125,139	16,704,169	16,550,972	17,008,162	17,788,895
Total equity attributable to owners of the parent	19,568,857	22,983,756	25,222,122	24,227,277	24,727,411	22,802,503
Non-controlling interest	2,504,716	2,622,827	2,820,156	2,786,415	2,106,648	2,169,237
Total shareholder's equity	**22,073,573**	**25,606,583**	**28,042,278**	**27,013,692**	**26,834,059**	**24,971,740**
Non-current liabilities						
Deferred tax liability	2,817,814	4,639,261	5,329,925	5,601,356	5,354,765	3,931,089
Borrowings	2,263,572	2,309,451	2,514,475	2,700,355	2,881,050	2,915,633
Contract liabilities	91,786	97,505	108,597	135,083	138,439	153,963
Lease Liability	112,137	132,093	-	-	-	-
Provisions	6,812,659	4,649,536	2,044,093	908,826	954,962	877,367
Post retirement medical and group life obligation	197,658	189,999	153,875	148,334	167,234	162,453
Pension obligation	32,720	106,637	55,729	88,268	103,889	319,036
Take-or-pay liability	-	-	-	-	782,162	808,473
Total non-current liabilities	**12,328,346**	**12,124,482**	**10,206,694**	**9,582,222**	**10,382,501**	**9,168,014**
Current Liabilities						
Trade payables	1,978,713	1,781,063	2,488,356	4,203,310	2,822,944	2,819,133
Sundry payables and accruals	914,640	1,488,757	1,286,021	2,263,456	1,793,737	1,706,579
Borrowings	109,156	263,626	193,990	188,885	183,691	171,082
Contract liabilities	65,391	74,012	59,758	145,281	146,239	76,298
Lease Liability	30,283	12,397	-	-	-	-
Provisions	617,771	270,990	-	-	-	1,405
Dividends payable	-	-	4,238	5,072	3,373	181,420
Income taxes payable	15,176	6,672	418,211	34,273	14,614	27,723
Total current liabilities	**3,731,130**	**3,897,517**	**4,450,574**	**6,840,277**	**4,964,598**	**4,983,640**
Total liabilities	**16,059,476**	**16,021,999**	**14,657,268**	**16,422,499**	**15,347,099**	**14,151,654**
Total equity and liabilities	**38,133,049**	**41,628,582**	**42,699,546**	**43,436,191**	**42,181,158**	**39,123,394**

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Five-Year Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December
(Amounts expressed in Trinidad and Tobago dollars)

	2020 $'000	RESTATED 2019 $'000	RESTATED 2018 $'000	2017 $'000	2016 $'000	2015 $'000
Sales	11,413,901	13,609,390	16,004,936	13,880,519	10,903,340	16,623,353
Cost of sales	(10,078,419)	(12,601,711)	(12,563,642)	(10,994,295)	(8,846,781)	(12,093,890)
Gross profit	1,335,482	1,007,679	3,441,294	2,886,224	2,056,559	4,529,463
Other operating income	181,871	636,823	744,261	237,218	410,216	389,371
Interest and other investment income	523,685	654,842	922,393	536,930	480,206	641,402
Administrative, maintenance and general expenses	(1,713,515)	(899,885)	(1,002,626)	(1,013,184)	(1,266,851)	(1,739,811)
Provision for economic loss	(1,784,312)	128,008	-	-	-	-
Impairment (expense)/reversal	(1,532,188)	(688,853)	44,182	(238,953)	(202,537)	(2,415,677)
Finance costs	(161,743)	(230,130)	(202,949)	(146,421)	(240,217)	(281,770)
Share of loss from associate	(39,185)	(4,513)	(6,007)	(10,138)	(16,866)	-
(Loss)/Profit for the year before taxation	(3,189,905)	603,971	3,940,548	2,251,676	1,220,510	1,122,978
Taxation	1,055,302	(121,758)	(1,544,662)	(1,262,476)	(499,817)	(561,986)
(Loss)/Profit for the year after taxation	**(2,134,603)**	**482,213**	**2,395,886**	**989,200**	**720,693**	**560,992**
Other comprehensive (loss)/income, net of taxes:						
Items that will not be reclassified subsequently to profit or loss:						
Re-measurement of defined benefit liability net of income tax	21,794	(18,822)	(292)	7,173	(11,458)	212,530
Revaluation loss/ surplus on pipeline net of income tax	(878,506)	-	-	-	2,207,474	-
Net unrealised loss on equity instruments designated at fair value through other comprehensive income	(401,523)	(420,966)	(173,156)	-	-	-
Foreign currency translation differences	18,647	(96,466)	244,887	59,092	1,092,271	225,200
	(1,239,588)	(536,254)	71,439	66,265	3,288,287	437,730

THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Five-Year Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

for the year ended 31 December

(Amounts expressed in Trinidad and Tobago dollars)

	2020 $'000	RESTATED 2019 $'000	RESTATED 2018 $'000	2017 $'000	2016 $'000	2015 $'000
Items that may be reclassified subsequently to profit or loss:						
Net unrealised gain/(loss) on debt instrument at fair value through other comprehensive income	136	22,622	(233,539)	(18,501)	(513,571)	(222,519)
Total other comprehensive (loss)/ income for the year, net of tax	**(1,239,452)**	**(513,632)**	**(162,100)**	**47,764**	**2,774,716**	**215,211**
Total comprehensive (loss)/ income for the year	**(3,374,055)**	**(31,419)**	**2,233,786**	**1,036,964**	**3,495,409**	**776,203**
(Loss)/Profit for the year after tax attributable to:						
- Owners of the parent	(2,088,252)	418,495	2,128,292	805,617	599,090	479,493
- Non-controlling interests	(46,351)	63,718	267,594	183,583	121,603	81,499
	(2,134,603)	**482,213**	**2,395,886**	**989,200**	**720,693**	**560,992**
Total comprehensive (loss)/ income for the year, net of tax attributable to:						
- Owners of the parent	(3,304,969)	(83,365)	1,964,064	851,338	3,334,908	685,057
- Non-controlling interests	(69,086)	51,946	269,722	185,626	160,501	91,146
	(3,374,055)	**(31,419)**	**2,233,786**	**1,036,964**	**3,495,409**	**776,203**

Corporate **Information**

PRINCIPAL OFFICERS

Mr. Mark Loquan
President, NGC

Dr. Vernon Paltoo
President, National Energy

Mr. Dominic Rampersad
President, PPGPL

Mr. Curtis Mohammed
President, NGC CNG

Ms. Wendy Seow
General Manager, LABIDCO

BANKERS

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