National Energy
CORPORATION OF TRINIDAD AND TOBAGO

FORGING AHEAD

2021
ANNUAL REPORT

A SUBSIDIARY OF THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

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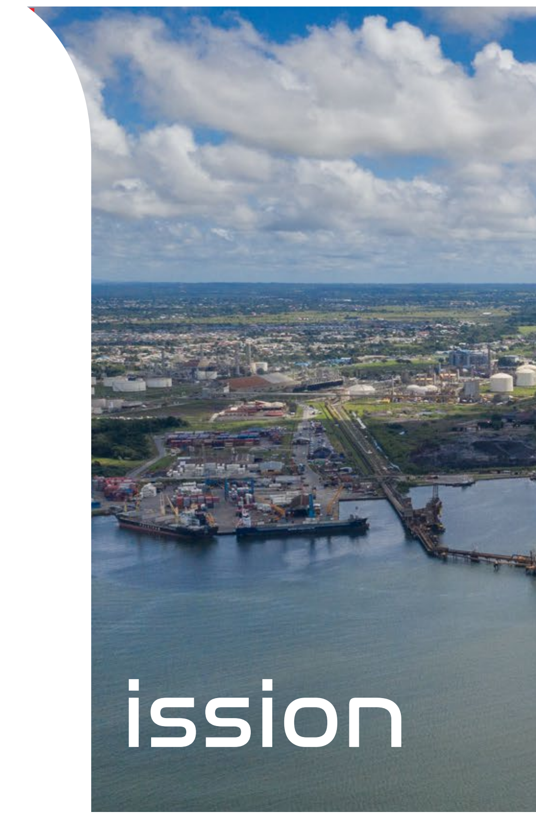
NGC GROUP

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.

NGC Group Core Values

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

National Energy Corporate Profile

National Energy is a wholly owned subsidiary of The National Gas Company of Trinidad and Tobago Limited (NGC) and, for more than 40 years, has been committed to the development of infrastructure to support the energy industry, while providing quality service in the area of natural gas-based development.

The Company's mandate is:

"The conceptualisation, promotion, development and facilitation of sustainable energy-based and downstream industries locally and internationally."

Additionally, in keeping with its mandate, National Energy provides energy services in the areas of:

- Project development
- Project appraisal and evaluation
- Facilitation of negotiations and discussions between investors and state agencies
- Feasibility studies
- Provision of site and related infrastructure
- Provision of marine services and vessels
- Development and operation of industrial estates and ports

Chairman's Report

CONRAD ENILL
Chairman

Aerial View of National Energy's Port of Galeota Facility, Guayaguayare

The Future of Energy

National Energy had a very successful year in 2021 as it capitalised on opportunities and found innovative solutions to address the challenges of operating a different energy business. The challenging economic environment which continued throughout 2021 due in part to the COVID-19 pandemic, did not prevent National Energy from being successful in accomplishing several important strategic projects.

This was reflected in our enhanced operational capability and overall ability to efficiently serve customers, while delivering a robust performance toward achieving our operational targets.

The *future of energy* involves an understanding of greening the traditional business so that it supports a carbon neutral environment, the creation of the new forms of energy from alternative sources, and the commercialisation of these new forms. The issues that are required to be addressed in this transformation include greenhouse gas and carbon storage reduction and usage, renewable energy, energy efficiency and fuel switching. National Energy, as a member of The NGC Group, is involved in these efforts.

I, therefore, remain optimistic that the organisation will continue to grow, diversify, and ultimately transform the business to take advantage of the prospects that lie ahead.

Position of Strength

The Company recorded an after-tax profit of TT$70.96 million and revenues of TT$342.78 million, with TT$1.22 billion in total assets. This was achieved as we continued to focus on synergies, cost optimisation, and operational efficiency which have successfully cushioned the impact of cost escalation. We will continue our efforts on our integrated strategy and work with centres of excellence within the NGC Group, as we continue our growth and sustainability goals through these unprecedented times.

Stepping up and Stepping Forward

National Energy continued throughout the year with the focus on Health, Safety, Security and Environment (HSSE). We continued to rely on our proven protocols to ensure the safety of our people, and the availability of our assets, through effective sanitisation methods, mask-wearing, and social distancing.

In 2021, National Energy was once again recognised by the American Chamber of Commerce of Trinidad and Tobago (AMCHAM T&T) with the award for 'Business Continuity and Surviving the Pandemic' in the small category for the energy sector. This Award reflects our Core Values, Safety Ethics and success in business operations.

Asset Integrity Management is now under renewed focus by the Company. Several key maintenance projects at the Savonetta Piers facility, inclusive of an upgrade and refurbishment of the Control Room, were completed as part of our ongoing Asset Integrity Maintenance Programme. We are in the process of improving our Computerised Maintenance Management System to maximise efficiencies and increase the effectiveness of maintenance regimes while enhancing asset availability and integrity.

Aerial view of the Solar Photovoltaic (PV) Panels installed on the rooftop of the NP Preysal Service Station

Trinidad and Tobago's first-ever renewable energy-powered Service Station has been completed and will aid in the achievement of our Nationally Determined Contributions under the United Nations' Paris Agreement.

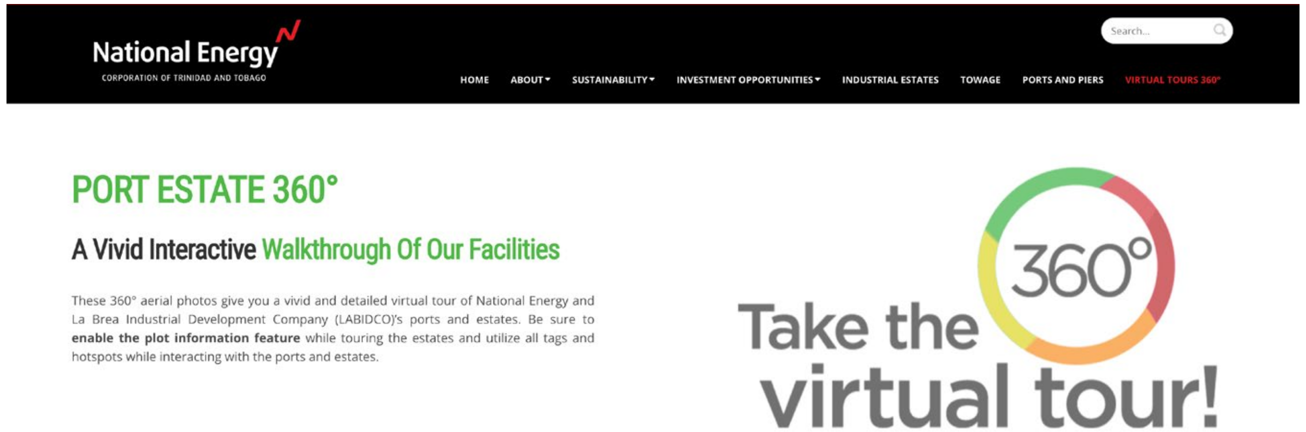
National Energy completed the 100KW Solar Photovoltaic (PV) and electric vehicle charging systems at the Preysal Service Station, thus integrating renewable energy into a commercial business operating model. The Service Station provides the public with a full range of liquid fuels, Compressed Natural Gas (CNG), and electric vehicle charging, all from renewable energy.

New Way of Working

The pandemic created new ways to execute our operations successfully. We leveraged virtual tools for the requisite expertise, and ensured our business stayed operational. We adapted to technological advancement as a requirement to remain competitive and have seen the benefits which were crucial to our business success. The future of work has changed, and therefore, we believe going forward the lessons learnt during the pandemic will serve us well.

Brand Awareness

National Energy launched a new and improved website, with enhanced Search Engine Optimisation for greater visibility and customer accessibility. Additionally, the launch of our 360° interactive tours provided users with a vivid and detailed walkthrough of our Port and Estate facilities, granting 24/7 access from anywhere in the world.



Snapshot of the Virtual Tours homepage

Outlook

National Energy continues to embrace change and our 40+ years' experience in the energy sector will allow us to grow through and beyond our current challenges.

Building on a strong foundation, our focus continues to be value creation for the people of Trinidad and Tobago, on whose behalf we manage these assets.

As we navigate the energy transition to significantly reduce cumulative greenhouse gas emissions by 2030, we continue with our energy efficiency programmes, and our renewable energy partnerships, which we believe would lead to alternative energy being fully embraced and integrated into Trinidad and Tobago's energy mix.

Appreciation

I am extremely proud of the resilience and commitment of our people who delivered an outstanding set of results for the 2021 operating cycle, despite the challenges in the environment.

On behalf of the Board of Directors of National Energy, I wish to thank the staff of the organisation for their dedication to our operational and strategic progress in 2021.

Conrad Enill
Chairman

Board of Directors

CONRAD ENILL
Chairman

KENNETH ALLUM
Director

SEAN BALKISSOON
Director

WADE HAMILTON
Director

DAN MARTINEAU
Director

SANDRA FRASER
Director

ARNOLD DE FOUR
Director

HOWARD DOTTIN
Director

CURTIS MOHAMMED
Director

CAMILLE BLACKMAN
Company Secretary

The Directors are pleased to submit their Report together with the Financial Statements for the year ended December 31, 2021.

1. ACTIVITIES

National Energy Corporation of Trinidad and Tobago Limited (National Energy) is a wholly owned subsidiary of The National Gas Company of Trinidad and Tobago Limited (NGC). Its assets include the Point Lisas Channel, turning basins, tugs, workboats and launch vessels as well as the ISCOTT Dock and six multi-user berths at the Point Lisas Port. National Energy's marine infrastructure facilities are used in the loading and discharging of iron ore and bulk oil, as well as for the export of petrochemicals (methanol, ammonia, urea) and steel products.

The mandate of National Energy includes:

i) Conceptualising, promoting, developing and facilitating new sustainable energy-based industries locally and internationally;

ii) Identifying and developing new industrial estates;

iii) Identifying and developing new industrial ports to facilitate these estates;

iv) Owning and operating marine and other infrastructural assets to facilitate energy-based industries;

v) Towage and harbour operations; and

vi) Managing the environment sustainably.

National Energy, having successfully completed various elements of its mandate, continued to focus on the above items during 2021.

2. FINANCIAL RESULTS

The financial results for the period are summarised as follows:

	2021 TT$'000	**2020** TT$'000
Profit before Tax	116,104	94,751
Taxation	(45,140)	(35,777)
Net Profit	70,964	58,974
Retained Earnings - At Beginning of Year	753,050	694,076
Dividends paid	-	-
Other comprehensive income	-	-
Profit for the year	70,964	58,974
Retained Earnings - At End of Year	824,014	753,050

In 2021, National Energy's total revenue increased by 11.1% to TT$342.78M from the 2020 amount of TT$308.46M. This resulted mainly from increased operating revenue from improvements in the global economic environment from the easing of the COVID-19 pandemic restrictions.

Expenses for 2021 totalled TT$231.23M, marginally below the 2020 amount of TT$231.87M.

National Energy recorded a profit before tax of TT$116.10M in 2021 as compared to TT$94.75M for 2020. This improvement in performance was driven by higher operating revenue. Profit after tax of TT$70.96M was 20.3% above the profit of TT$58.97M recorded for 2020.

3. DIRECTORS

During the year 2021, the Board of Directors comprised Messrs. Conrad Enill (Chairman), Kenneth Allum, Sean Balkissoon, Arnold De Four, Howard Dottin, Wade Hamilton, Dan Martineau, Curtis Mohammed, and Ms. Sandra Fraser.

4. SIGNIFICANT EVENTS

Investment Facilitation

- **Energy Efficiency**

  - **Super ESCO**

    A contract was awarded in June 2021 for technical assistance for the development of an ESCO-based market approach to advancing energy efficiency. In September 2021, the consultant provided participants across The NGC Group with an overview of National Energy's Pilot ESCO programme and covered the various ESCO models, including the contract types and the core activities in bringing energy efficiency upgrades to facilities via this model. Work is progressing towards implementation.

  - **Solar PV Power Generation**

    An Option to Lease Agreement was executed in December 2021, between National Energy and a multinational consortium for the option to lease lands for the establishment of a 92 megawatts (MW) solar farm in Couva.

  - **Alternative Marine Fuel**

    A MOU was executed in September 2021, between Methanex Trinidad Limited and National Energy to provide a framework for the cooperation of the parties to perform a feasibility study to explore the viability of using methanol as an alternative fuel for transport in Trinidad and Tobago.

  - **Preysal Service Station**

    The station was officially opened on September 22, 2021. The station is equipped with 320-solar panels with a 100kW capacity, which supplies clean renewable electricity to support electric vehicle charging, canopy and peripheral lighting, liquid fuel dispensers and the convenience store with peripheral lighting.

  - **Hydrogen**

    In September 2021, a contract was awarded to undertake a study as part of a Technical Co-operation financed by the Inter-American Development Bank (IDB). The objective of the study is to help establish a green hydrogen market in Trinidad and Tobago. The study will identify opportunities for the development of a low-carbon economy, with a roadmap to Net Zero through technological innovation. It will assess the potential for green hydrogen production as well as the repurposing of the existing facilities for low-carbon hydrogen.

- **Commercialisation of Landfill Gas**

  A MOU was executed among NGC, NGC CNG, National Energy and The Trinidad and Tobago Solid Waste Management Company Limited (SWMCOL) in September 2021 to explore opportunities to capture and commercialise landfill gas.

- **Investment Promotion Strategy**

  The Investment Promotion Strategy was completed in Q3 2021. The objective of this engagement was to develop a practical business development strategy for attracting Foreign Direct Investment (FDI). This strategy focused on five sectors identified to read with the highest FDI potential for T&T: solar and wind renewable energy generation, solar and wind product assembly, green chemicals/ hydrogen development, battery storage/ assembly, and LNG value chains.

Commercial Activity

- **Towage and Harbour Operations**
    - As at December 31, 2021 revenue from the fleet of marine vessels amounted to TT$100.28M, a 11.41% positive variance when compared to the budgeted revenue of TT$90.00M and a 29.52% contribution to the overall revenue.
    - Total new business from vessel activity for 2021 amounted to TT$8.91M.
    - Total harbour revenue for the period ending December 31, 2021 was TT$35.26M, a 3.70% positive variance when compared to budgeted revenue of TT$34M and a 10.38% contribution to overall revenue.
    - National Energy commissioned the building of one Azimuth Stern Drive Tug to expand its vessel fleet and increase capacity in 2023.
    - Frequently used Port, Estate and Marine vessel forms were digitised for ease of access by stakeholders, both internal and external. These were made available online via the new corporate website in September 2021.
- **Savonetta Piers**
    - Savonetta Piers' 2021 revenue amounted to TT$160.83M, a positive revenue variance of 8.76% when compared to the budgeted revenue of TT$147.87M and a 47.35% contribution to overall revenue.
    - In 2021, National Energy handled a total of 533 vessel calls to Savonetta Piers, facilitating a total of 14.021 million metric tonnes.
    - Several key maintenance projects at the Savonetta Piers, were completed in 2021 as part of the ongoing Asset Integrity Maintenance programme.
    - Since the International Steel Group (ISG) facility closure in 2005, National Energy utilised the upgraded outgoing conveyor system that runs from the former ISG Compound to Savonetta Pier 4 commencing in January 2021. Total tonnage shipped during 2021 amounted to 101,316 metric tonnes of Direct Reduced Iron (DRI).
    - Savonetta Piers 3 & 4's electronic Permit-to-Work (e-PTW) System was launched in July 2021, a paperless system implemented for improved operational efficiency in terms of site accessibility and turnaround time for processing.
- **ISCOTT Dock**
    - Revenue achieved from ISCOTT Dock for 2021 of TT$3.02M compared to budgeted revenue of TT$4.0M; a contribution of 0.89% to overall revenue.
    - Total new business for use of ISCOTT Dock for 2021 amounted to TT$1.48M.
    - A total of 21 vessel calls to ISCOTT Dock facilitated a total of 89,994.166 metric tonnes of cargo handled.
- **Port of Galeota**
    - As at December 31, 2021, Port of Galeota's revenue was TT$13.0M compared 14.41M; a contribution of 3.83% to overall revenue.
    - Total new business from Port of Galeota for 2021 amounted to TT$0.92M.
    - Passenger transfers increased from 633 in 2020 to 788 in 2021.

- **Port of Brighton - Berth 3**
    - As at December 31, 2021 Port of Brighton - Berth 3's revenue amounted to TT$10.63M compared to budgeted revenue of TT$10.65M; a contribution of 3.13% to overall revenue.
    - Total new business from Port of Brighton – Berth 3 for 2021 amounted to TT$0.93M.
    - Total Vessel Calls increased in 2021 to 236 compared to 109 in 2020.
    - Activities were largely related to local and regional offshore logistics to support oil and gas-related activities in Guyana.
- **Union Industrial Estate (UIE)**
    - As at December 31, 2021 UIE's revenue was TT$16.64M, a positive variance of 3.38% when compared to budgeted revenue of TT$16.10M; a contribution of 4.90% to overall revenue.

Safety

- National Energy launched the company's Initial Incident Notification (IIN) System an online incident reporting platform to improve timely communication to multiple parties.
- For the second consecutive year, National Energy won the AMCHAM HSE Award 2021: Business Continuity & Surviving the Pandemic (BCP) in the small category for the energy sector.
- National Energy hosted virtual International Ship and Port Facility Security Code (ISPS) drills at the Savonetta Piers, ISCOTT Dock and Port of Galeota in 2021, which included simulated scenarios and real-time operations.

Regional Business Development

Focus continued on exploring areas for regional expansion and collaboration, primarily in Guyana and Suriname. Achievements for 2021 included:

- In September 2021, National Energy took the lead for the submission of The NGC Group Expression of Interest in response to a request from the Government of the Cooperative Republic of Guyana (GoG) for an integrated gas processing industry including NGLs, power generation, downstream industry development and infrastructure development (Guyana Gas-Related Investments). The submission strongly demonstrated The Group's expertise and capabilities.
- Execution of a Technical Services Agreement (TSA) for the provision of technical advisory services for the development of a new Shore Base Port Project in Guyana.
- Engagement of state and private entities in Suriname to support the development of its renewable energy sector and its emerging natural gas and promote opportunities for partnership with The NGC Group.

AUDITORS

The Auditors, Deloitte & Touche, retired and being eligible, have expressed their willingness to be re-elected.

Dated this 20th day of September 2022
By ORDER OF THE BOARD

Camille Blackman
Company Secretary

President's Review

DR. VERNON PALTOO
President

Meeting Your Towage Needs - Rig Relocation in-progress

To *Forge Ahead...*

forward is the only option!

National Energy is forging a pathway intended to create lasting value for The Republic of Trinidad and Tobago.

2021 was an extraordinary year, as the world continued to navigate through challenges related to the COVID-19 pandemic. I am humbled as I reflect on the past year and our team's dedication and agility in facing one of the most challenging periods of our time. With great versatility, we were able to adjust to the needs of the changing environment, skillfully developing new methods to safely satisfy our stakeholders. Our progress on key strategic initiatives provided impetus to our work in the local energy arena and the Caribbean market.

I am pleased with the Company's progress for 2021 and I am happy to report that the Company's Core Values of Excellence and Customer Focus again took centre stage in the growth of our operations and deepening of our stakeholder relationships. National Energy is ready to move forward, to meet new challenges and opportunities which will allow our business to continuously deliver superior financial results and greater returns.

Financial Highlights

Building on the momentum we created leading up to the pandemic, National Energy continued to deliver strong results across the 2021 fiscal year. The Company's after-tax profit for 2021 was TT $70.96 million, representing an increase by 20.33% over the corresponding 2020 period. These results reflect the underlying strength of our integrated strategy and our organisation. In summary, National Energy has operated with excellent discipline in a challenging environment, and we exceeded each of our targets for the year, returning tangible benefits to our stakeholders. While we are pleased with these results and the overall strength of our business, the external environment continues to be difficult to predict, but we remain focused with our eyes wide open, ready to forge ahead and tackle our challenges directly.

Corporate Governance

At National Energy, compliance is critical to the way we operate. We are committed to doing what is right. We believe that strong governance practices contribute to better results for the benefit of all our stakeholders. We keep abreast of all developments in the legislative framework in which we operate, working in tandem with our parent company, NGC, on policy development, to foster compliance throughout The Group of Companies.

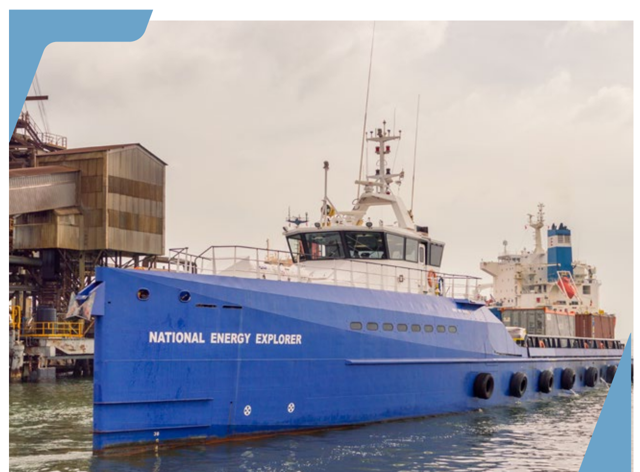
Additionally, we continued to achieve efficiency and transparency through our Automated Prequalification and Tender Process, reaching a wider range of contractors and vendors, which allowed for more competitive bidding and ultimately controlled overall operating expenditure for the 2021 fiscal period.

Conrad Enill, Chairman, National Energy presents to a delegation from Suriname, comprising government ministers and commercial representatives

Regional Context
The regional landscape continues to show great possibilities for National Energy. In 2021, via Berth 3, we collaborated with sister company, LABIDCO, to facilitate the transshipment of bauxite from Guyana to the Port of Brighton for a foreign Natural Resource Company, engaged in the exploration and development of bauxite deposits in South America.

Another project worth mentioning was the provision of short-term offshore support services, by the *National Energy Explorer*, for Suriname's seismic operations. National Energy will continue to collaborate with Government Ministries, State Agencies and Private Sector Companies, in both Guyana and Suriname, to maintain and enhance relations, and ultimately provide mutually beneficial returns for all parties involved in these collaborative initiatives.

Keeping People Safe
Our commitment to safety is underpinned by the belief that our most valuable assets are our employees, and as such, we place great importance on providing a safe and healthy working environment. In this regard, I am proud to announce that our HSSE measures have resulted in yet another year of zero employee recordable and zero employee lost time incidents. These



National Energy Explorer

results are underpinned by a strong focus on risk management for all operational areas. We are continuously improving our capability to drive process safety improvements and build resilience at all levels of the business.

In 2021, we hosted virtual International Ship and Port Facility Security Code (ISPS) drills at the Port of Galeota, Savonetta Piers and ISCOTT Dock, which included simulated scenarios and real-time operations. These drills were aimed at testing

Signing of a Memorandum of Understanding (MOU) with National Energy and Methanex Trinidad Limited to assess methanol as a marine fuel for the region

the knowledge and skills of all port stakeholders responsible for the compliance standards and the general resilience level of our Ports. Additionally, it tested our Business Continuity Plan (BCP) specifically as it relates to Crisis Management, Crisis Communication and recovery strategies.

As a result of our deliberate commitment to HSSE, we were once again in winner's row at the 2021 AMCHAM T&T HSE Awards. The judges gave our BCP the nod in the 'Business Continuity and Surviving the Pandemic (BCP)' category. Throughout the year, our teams continued to demonstrate exemplary commitment to sustaining our operations by ensuring we remained fully operational throughout the pandemic.

Creating Value
At National Energy, we are always looking for opportunities for sustainable value creation. We continue to champion the goal of a low-carbon future by taking a leading role in the development and implementation of projects that use renewable energy technologies in Trinidad and Tobago.

Through our energy efficiency and renewable energy partnerships, the Company successfully delivered on initiatives geared at enabling an environment for a clean energy industry to serve the Caribbean. These projects included:

- *Preysal Service Station* - Installation and commissioning of the 100kW Solar Photovoltaic (PV) Rooftop system. The Station is equipped with 320 solar panels which supply clean, renewable electricity to its electric chargers, liquid fuel dispensers, convenient store, and the canopy and peripheral lighting.
- *Alternative Marine Fuels* - A MOU between National Energy and Methanex Trinidad Limited to explore the viability of using methanol as an alternative fuel for transport in Trinidad and Tobago.
- *Super Energy Services Company (Super ESCO)* - An initiative designed and developed to facilitate large-scale implementation of energy efficiency projects. Super ESCO supports capacity building and project development activities of existing private ESCOs across both public and private sectors and presents a significant opportunity as the country advances its transition to a low-carbon environment.
- *Commercialisation of Landfill Gas* – A MOU among NGC, NGC CNG, National Energy and The Trinidad and Tobago Solid Waste Management Company (SWMCOL) to explore opportunities to capture and commercialise landfill gas.
- *Solar Farm Project* – An Option to Lease Agreement between National Energy and

Signing of Memorandum of Understanding among NGC, NGC CNG, National Energy and The Trinidad and Tobago Solid Waste Management Company (SWMCOL) to explore opportunities to capture and commercialise landfill gas

Brechin Castle Solar Limited to lease lands for the establishment of a 92-megawatt solar farm.

- *Hydrogen Study* – With grant funding from the Inter-American Development Bank (IDB), National Energy commenced a significant exercise to develop a road map for transforming Trinidad and Tobago into a hydrogen-based economy.

With support from our strategic business partners, we will continue to advance these projects in 2022.

Connecting through Digitisation

Digitisation is a crucial driver in National Energy's continued evolution. It covers all aspects of our business, helps create new digital platforms, enhances agility, and generates efficiencies.

We are advancing as a digitally enabled and data-intelligent business. In 2021, one of National Energy's strategic imperatives was our determination to improve our business processes and provide agile worker solutions to facilitate remote working activities with access to network services and Company resources. To further bolster working from home capabilities, we implemented a back-up recovery solution to facilitate disaster recovery and minimise risk to enterprise data.

Furthermore, in alignment with our focus on process improvement through technology, we achieved major accomplishments in the digital transformation of the business process. These include:

- Launch of an electronic Permit-to-Work (e-PTW) paperless system implemented at Savonetta Piers 3 and 4, allowing for improved operational efficiency of site accessibility, faster turnaround time for processing, and a reduction of physical contact through the elimination of manual processing.
- An upgrade of the Vessel Maintenance Management System (MMS) to monitor the operations of National Energy's tugs, providing real-time data on tug operations aimed at assisting with preventative maintenance plans.
- The continued phased implementation of the SAP C4-Hana application, which is the first-of-its-kind in the Caribbean, providing a digital booking-to-billing platform aimed at improving overall operational efficiency and enhancing the customer experience in our Port and Towage Operations.
- The application of Power BI data visualisation software to monitor work processes, cost reduction initiatives, and strategic KPIs in real-time.

National Energy's fleet of vessels

- Implementation and development of the Information Asset Management (IAM) Project – a front-end interface for Electronic Document Management System for the migration of Company data and facilitating the seamless access to records.

We are proud of our employees for rising to the challenge and upgrading their use of technology to remain safe and accessible to all stakeholders.

Developing People

National Energy progressed several initiatives geared towards the development of our human capital. In 2021, we continued with Competency Development and Training for all employees.

Our commitment to building the capacity and capability of our people was at the core of our staff development interventions. Beyond talent management was the need for technical skills development. We are developing these competencies in our employees through creative avenues and the implementation of a Competency Management Assurance System. This process is aimed at developing standardised competencies for specific job classifications, which would allow for a more effective assessment of competency gaps, as well as determining Return on Investment (ROI) from training initiatives.

We continued with talent acquisition and transitioned to a virtual recruitment process which included the use of assessment centre tools to improve the Company's ability to select the best candidates. Improvements to the new employee onboarding process were also incorporated using a hybrid model of both virtual and physical presence, lending itself to an enhanced new employee experience from the onset of their tenure.

The importance of employees' well-being remained a priority. In supporting our employees' adjustment to the new normal and the onset of pandemic fatigue, National Energy continued its work with employee assistance provider, Families in Action, to provide counselling where necessary and access to initiatives and programmes aimed at providing support during the pandemic. As we continue to forge ahead through the uncertainty, National Energy remains committed to its employees and looks forward to brighter days ahead.

Leading Our People into a Low-Carbon Future

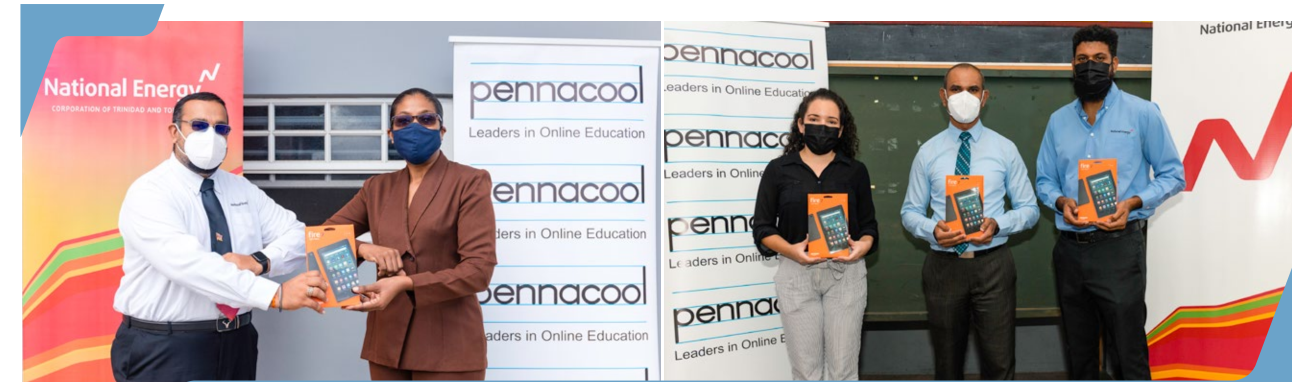
Corporate Social Responsibility is a Core Value of the Company, and aids in promoting harmonious symbiotic relations with all stakeholders. At the 2021 COP26 World Leaders Summit, Prime Minister the Honourable Dr. Keith Rowley announced that a policy was developed to guide the retooling and reskilling of the local workforce, creating

Solar PV System Installation Training with residents of our fenceline community of La Brea

opportunities for workers to participate in the new low-carbon economy. In fulfilling our pivotal role to support the Government's mandate, National Energy had already re-engineered its social investment initiatives to focus on closing the education and skills gap for its employees and communities.

National Energy collaborated with The Caribbean Industrial Research Institute (CARIRI) to provide renewable energy training for its employees, employees of NGC CNG Company Limited, and those at the Preysal Service Station on the operations of the 100KW Solar PV and Electric Vehicle (EV) systems installed at the Station. Further, 13 residents from our fenceline community of La Brea were able to complete Phase 2 of Solar PV Systems installation. Energy Efficiency Audit training was also provided to 20 residents of Mayaro and Guayaguayare. These sessions provided practical in-person demonstration which encourages entrepreneurship and innovation through education and training.

Energy Efficiency Audit Training with residents of National Energy's fenceline community of Mayaro/Guayaguayare



Through our partnership with Pennacool Caribbean Limited, tablets were awarded to participating schools

National Energy also partnered with Pennacool Caribbean Limited to launch the *REnewable Minds Portal* for primary school students. Aimed at promoting National Energy's energy sustainability undertakings, our collaboration with Pennacool provides a platform for our nation's children to prepare for the low-carbon future.

As an industry leader, National Energy is also focused on the education of the younger generation in the area of energy sustainability and upskilling its staff and members of its fenceline communities in ways that foster a sense of climate urgency among the local population.

Looking Ahead

I believe we are well-positioned to grow through and beyond the pandemic. We look forward to working with our parent company and other members of The NGC Group, as we continue to raise the bar on delivering sustained excellence.

National Energy is well-poised to respond to the opportunities and challenges that undoubtedly lie ahead. But even as times are challenging, we continue to face the future with optimism, fully mindful that there will be opportunities. We expect to deliver superior long-term value for our stakeholders and will continue to forge ahead and rise to the occasion.

It is with a sense of pride, satisfaction, and gratitude that I look back on another year's results, another year's success. I wish to take the opportunity to thank our employees for their unwavering strength, and perseverance to deliver exceptional results amid the uncertainty of the pandemic. I express my sincerest gratitude to our Board of Directors, and my fellow members of the Executive Management for their support. We have bold plans for 2022 and beyond, and I remain confident in our ability to deliver.

Thank you.

Dr. Vernon Paltoo
President

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Statement of management's responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of National Energy Corporation of Trinidad and Tobago Limited, ('the Company') which comprise the statement of financial position as at 31 December 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of the Company's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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

President	Vice President
11 September 2022	11 September 2022

Deloitte.

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Independent auditors' report

To the shareholder of National Energy Corporation of Trinidad and Tobago Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of National Energy Corporation of Trinidad and Tobago Limited (the 'Company'), which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, 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 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 Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

Deloitte.

Independent auditors' report (continued)

To the shareholder of National Energy Corporation of Trinidad and Tobago Limited

Auditors' Responsibilities for the Audit of the 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 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 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

13 September 2022

Statement of financial position

(Expressed in Trinidad and Tobago dollars)

	Notes	As at 31 December 2021 $'000	2020 $'000
Assets			
Non-current assets			
Property, plant and equipment	5	363,401	363,439
Investment properties	6	384,114	404,708
Right of use asset	20	3,486	5,415
Deferred taxation asset	7(b)	5,459	5,730
Investments	8(b)	6,365	6,365
		762,825	**785,657**
Current assets			
Cash and cash equivalents	8(a)	157,451	54,457
Investments	8(b)	139,339	235,401
Trade and other receivables	9	110,101	92,903
Due from related parties	18	22,573	21,746
Inventory		389	-
Taxation recoverable		28,725	33,482
		458,578	**437,989**
Total assets		**1,221,403**	**1,223,646**

Statement of financial position

(Expressed in Trinidad and Tobago dollars)

	Notes	As at 31 December 2021 $'000	2020 $'000
Shareholder's equity and liabilities			
Shareholder's equity			
Share capital	10	103,427	103,427
Capital contribution by NGC	11	43,325	43,325
Retained earnings		824,014	753,050
Total shareholder's equity		**970,766**	**899,802**
Non-current liabilities			
Long-term debt	12	-	18,951
Deferred income	14	59,964	63,084
Lease liabilities	21	3,402	3,641
Deferred taxation liability	7(b)	62,565	65,634
Total non-current liabilities		**125,931**	**151,310**
Current liabilities			
Trade and other payables	13	53,511	47,734
Deferred income	14	32,705	38,113
Due to parent company	18	1,727	12,665
Due to related parties	18	21,075	17,337
Taxation payable		15,450	6,551
Lease liabilities	21	238	1,939
Current portion of long-term debt	12	-	48,195
Total current liabilities		**124,706**	**172,534**
Total liabilities		**250,637**	**323,844**
Total shareholder's equity and liabilities		**1,221,403**	**1,223,646**

The accompanying notes on pages 34 to 75 form an integral part of these financial statements.

The financial statements of National Energy Corporation of Trinidad and Tobago Limited were authorised for issue by the Board of Directors on 11 September 2022.

Director

Director

Statement of profit or loss and other comprehensive income

(Expressed in Trinidad and Tobago dollars)

	Notes	Year ended 31 December 2021 $'000	2020 $'000
Revenue	15	342,780	308,464
Operating costs	17(a)	(154,254)	(152,933)
Operating profit		188,526	155,531
Other income	16	1,736	698
Interest income		2,822	4,345
Gain/(loss) on foreign exchange transaction		1,042	(133)
Administrative and general expenses	17(b)	(76,147)	(68,382)
Reversal of impairment losses	6	-	13,114
Finance costs	17 (c)	(1,875)	(10,422)
Profit before taxation		116,104	94,751
Income tax expense	7 (a)	(45,140)	(35,777)
Profit after tax		**70,964**	**58,974**
Other comprehensive income		-	-
Total comprehensive income		**70,964**	**58,974**

The accompanying notes on pages 34 to 75 form an integral part of these financial statements.

Statement of changes in equity

(Expressed in Trinidad and Tobago dollars)

	Stated Capital $'000	Capital Contribution $'000	Retained Earnings $'000	Total Equity $'000
Year ended 31 December 2020				
Balance at 1 January 2020	103,427	43,325	694,076	840,828
Profit after tax	-	-	58,974	58,974
Balance at 31 December 2020	**103,427**	**43,325**	**753,050**	**899,802**
Year ended 31 December 2021				
Balance at 1 January 2021	103,427	43,325	753,050	899,802
Profit after tax	-	-	70,964	70,964
Balance at 31 December 2021	**103,427**	**43,325**	**824,014**	**970,766**

The accompanying notes on pages 34 to 75 form an integral part of these financial statements.

Statement of cash flow

(Expressed in Trinidad and Tobago dollars)

		Year ended 31 December	
		2021	2020
Cash flow from operating activities		$'000	$'000
Net income for the year before taxation		116,104	94,751
Adjustments for:			
Depreciation of property, plant and equipment		43,606	40,140
Depreciation of investment properties		21,138	20,464
Depreciation of right of use assets		1,929	1,929
Reversal of impairment losses		-	(13,114)
Finance costs		1,875	10,422
Loss on disposal of fixed asset		1,508	2,024
Interest income		(2,822)	(4,345)
Amortisation of deferred income		(3,118)	(3,118)
Foreign exchange difference on loan		153	-
Operating profit before working capital changes		180,373	149,153
Increase in trade and other receivables and due from related parties and parent company		(18,915)	(7,511)
Increase in inventory		(389)	-
(Decrease)/increase in deferred income			
Decrease in trade and other payables and due to		(5,410)	406
related parties and parent company		(7,660)	(12,531)
Cash generated by operations		**147,999**	**129,517**
Taxation paid		(32,494)	(30,665)
Interest paid		(1,404)	(7,545)
Taxation received		4,757	-
Interest received		3,712	6,122
Net cash generated from operating activities		**122,570**	**97,429**
Cash flows from investing activities			
Purchase of property, plant and equipment		(45,082)	(20,971)
Additions to investment property		(544)	(1,357)
Net increase in investments		96,062	(17)
Net cash generated from/(used in) investing activities		**50,436**	**(22,345)**
Cash flows from financing activities			
Lease repayment		(1,939)	(1,877)
Repayment of loans		(68,073)	(98,196)
Net cash used in financing activities		**(70,012)**	**(100,073)**
Net increase/(decrease) in cash and cash equivalents		**102,994**	**(24,989)**
Cash and cash equivalents at beginning of year		54,457	79,446
Cash and short-term deposits at end of year	8 (a)	**157,451**	**54,457**

The accompanying notes on pages 34 to 75 form an integral part of these financial statements.

1. **Corporate information**

The Company was incorporated in Trinidad and Tobago on 7 September, 1979 and continued in accordance with Section 340 (1) of The Companies Act, 1995. The Company is a wholly owned subsidiary of The National Gas Company of Trinidad and Tobago Limited (NGC or the Parent Company) which is owned by the Government of the Republic of Trinidad and Tobago (GORTT). It is principally engaged in the management of certain marine infrastructural facilities at the Port of Point Lisas and Port of Galeota and the promotion and development of the Union Industrial Estate at La Brea. The Company's registered office is located at Corner Rivulet and Factory Roads, Brechin Castle, Couva, Trinidad and Tobago.

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

2.1 **New and amended IFRS Standards that are effective for the current year**

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2021. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- **Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16**

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:
- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

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

- **Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS**

This amendment provided 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. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021. In March 2021, the Board issued Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2022.

This amendment had no impact on the financial statements of the Company.

Notes to the financial statements
For the year ended 31 December 2021
(Expressed in Trinidad and Tobago dollars)

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

2.2 **New and revised IFRS Standards in issue but not yet effective**

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

• IFRS 17	Insurance Contracts
• IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
• Amendments to IAS 1	Classification of Liabilities as Current or Non-current
• Amendments to IFRS 3	Reference to the Conceptual Framework
• Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use
• Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
• 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
• Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
• Amendments to IAS 8	Definition of Accounting Estimates
• Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Company does not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

- **IFRS 17 Insurance Contracts**

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

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

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

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

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

2.2 **New and revised IFRS Standards in issue but not yet effective (continued)**

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

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

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

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

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

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

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

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

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

2.2 **New and revised IFRS Standards in issue but not yet effective (continued)**

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

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

Finally, the amendments add an explicit statement that an acquirer does not 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.

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.

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

2.2 **New and revised IFRS Standards in issue but not yet effective (continued)**

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

  The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other 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.

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

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

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

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

- **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.

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

Notes to the financial statements
For the year ended 31 December 2021
(Expressed in Trinidad and Tobago dollars)

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

2.2 **New and revised IFRS Standards in issue but not yet effective (continued)**

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

  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 this 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 pretax 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.

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

2.2 **New and revised IFRS Standards in issue but not yet effective (continued)**

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

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

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

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

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

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

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

- A change in accounting estimate that results from new information or new developments is not the correction of an error

- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

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

2.2 **New and revised IFRS Standards in issue but not yet effective (continued)**

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

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:

  - Right-of-use assets and lease liabilities
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

3. **Summary of significant accounting policies**

Basis of preparation

The financial statements have been prepared under the historical cost basis as modified for the fair valuation of investment properties. The financial statements are presented in Trinidad & Tobago dollars (TT$) which is also the functional currency.

Statement of compliance

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

a) **Cash and cash equivalents**

Cash on hand, in banks and short-term deposits that are held to maturity, are carried at cost. For the purpose of the cash flow statement, 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.

b) **Taxes**

Current taxes

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

Deferred tax

Deferred 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 amounts for financial reporting purposes.

The carrying amount of deferred tax assets 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 tax asset to be utilised. Deferred tax assets arising from tax losses not yet recognised are only carried forward if it is probable that future taxable profit will be sufficient to allow the benefit of the tax losses to be realised.

Deferred tax assets are recognised only if there is a reasonable expectation of realization. Deferred tax assets arise from tax losses yet to be recognised and are only carried forward if there is assurance beyond a reasonable doubt that future taxable income will be sufficient to allow the benefit of the tax losses to be realised.

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

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

c) **Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on a straight-line basis over the estimated economic useful lives of the assets at the following rates:

Marine infrastructure assets	3% to 20%
Tugs and workboats	5%
Machinery and equipment	12.5% to 20%
Other assets	10% to 50%
Administration building	2%

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

Repairs and maintenance costs are charged to the statement of profit or loss when expenditure is incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognised.

d) **Investment property**

Investment property is stated at cost less accumulated depreciation and impairment losses. Depreciation is provided on a straight-line basis over the estimated economic useful lives of the assets at the following rates:

Development costs	3.33%
Buildings	3.33%

No depreciation is provided on freehold land.

Investment property is derecognised when either disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from disposal. Any gains or losses from the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of retirement or disposal.

e) **Long-term debt**

Long-term debt is initially recognised at the fair value of the consideration received less any directly attributable transaction costs.

After initial recognition, long-term debt is subsequently measured at amortised costs using the effective interest rate method. Amortised cost is calculated by taking into account any directly attributable transaction costs.

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

f) Foreign currencies

The presentation and functional currency of the Company's financial statements are Trinidad and Tobago dollars (TT$). In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, transactions in foreign currencies are recorded in Trinidad and Tobago dollars at the rates prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies at the reporting date are expressed in Trinidad and Tobago dollars at exchange rates prevailing at that date. Resulting translation differences are recognised in the profit or loss 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.

g) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

h) **Payables and accruals**

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received. Payables to related parties are carried at cost.

i) **Financial assets and liabilities**

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

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

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

i) **Financial assets and liabilities (continued)**

i. **Financial assets**

Financial assets, other than those designated and effective as hedging instruments, are classified and subsequently measured based on the following categories:
- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVTOCI).

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

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

The Company has more than one business model for managing its financial instruments which reflects how the Company manages its financial assets in order to generate cash flows. The Company'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 asset, the Company 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 Company reassesses its business model each reporting period to determine whether the business model has changed since the preceding period.

ii. **Subsequent measurement of financial assets**

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
- 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, investments 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 Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

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

i) **Financial assets and liabilities (continued)**

ii. **Subsequent measurement of financial assets (continued)**

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
- inancial assets designated at FVPTL using the fair value option

Assets in this category 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.

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

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

- they are held under a business model whose objective it is holding to collect the associated cash flows and sell 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.

Reclassification

If the business model under which the Company 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 resulted in reclassifying the Company's financial assets.

Impairment of financial assets

Instruments within the scope of the impairment requirements include loans and other debt-type financial assets measured at amortised cost and FVTOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

No impairment loss is recognised on equity instruments.

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

i) **Financial assets and liabilities (continued)**

ii. **Subsequent measurement of financial assets (continued)**

Impairment of financial assets (continued)

The Company considers a broad 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 the 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.

The Company makes use of a simplified approach in accounting for trade receivables as well as contract assets. Therefore, the Company does not track changes in credit risk, but records the loss allowance based on lifetime expected credit losses at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

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

iii. **Credit-impaired financial assets**

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.

Evidence of credit-impairment includes observable data about the following events:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

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

i) **Financial assets and liabilities (continued)**

iii. **Credit-impaired financial assets (continued)**

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

iv. **Trade and other receivables and contract assets**

The Company makes use of a simplified approach in accounting for trade receivables as well as contract assets. Therefore, the Company does not track changes in credit risk, but records the loss allowance based on lifetime expected credit losses at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

v. **Financial assets at fair value through other comprehensive income**

For debt instruments at FVTOCI, the Company applies the low credit risk simplification and recognises a 12-month expected credit loss, 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 Company assesses whether there has been a significant increase in the credit risk of the instrument.

In assessing these risks, the Company relies on readily available information such as the credit ratings issued by the major credit rating agencies for the respective asset. The Company 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 Company 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 Company 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 Company recognises for this instrument or class of instruments the lifetime ECL.

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

i) **Financial assets and liabilities (continued)**

vi. **Derecognition of financial assets (disclosure notes for derecognition)**

The Company 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 party.

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 Company 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.

vii. **Classification and measurement of financial liabilities**

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

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

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

viii. **Financial liabilities and equity instruments**

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

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

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

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

i) **Financial assets and liabilities (continued)**

ix. **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.

x. **Derecognition of other financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company'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.

j) **Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's cash-generating unit's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated 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. Impairment losses of continuing operations are recognised in the statement of profit or loss and other comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable amount.

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

j) **Impairment of non-financial assets (continued)**

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a re-valued amount, in which case the reversal is treated as a revaluation increase.

After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

k) **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Marine infrastructure income

Revenue from the use of the Company's piers, docks and vessels is recognised upon performance of the services.

Property rental income

Lease rental and service charge from operating leases on investment properties are recognised as revenue in the period in which they are earned.

Management fees

Management fees earned on government-funded projects are accounted for on the accruals basis.

Interest income

Interest and investment income are accounted for on the accruals basis.

l) **Leases**

The Company as a lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company 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 (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

l) **Leases (continued)**

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

m) **Provisions**

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

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

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

n) **Government grants**

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Non-operating contributions received from the Government are accounted for as capital grants.

Capital grants represent amounts received from the Government for specific capital expenditure purposes. Capital grants not yet spent are classified as deferred capital grants. Capital grants relating to non-depreciable assets are deducted against the carrying amount of the asset to which it relates when the expense is incurred. When the capital grant is expended for depreciable assets, the related amounts are transferred from deferred capital grants to deferred income.

Deferred income is amortised to the statement of profit or loss on a systematic basis over the useful lives of the related assets.

o) **Deferred income**

The Company is contractually obligated to invoice its pier users quarterly in advance. This is recognised as deferred income to the value of quarterly fixed user charges for the upcoming period, which will be credited to income in the relevant period to which it relates.

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4. **Significant accounting judgements, estimates and assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

In the process of applying the Company's accounting policies, management has determined that there were no judgements apart from those involving estimations, which have a significant effect on the amounts recognised in the financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation and uncertainty at the statement of financial position date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment and investment property

The estimates of useful lives as translated into depreciation rates are detailed in the property, plant and equipment and investment property policies above. These rates and the residual lives of the assets are reviewed annually taking cognizance of the forecasted commercial and economic realities and through benchmarking of accounting treatments within the port and marine operations industry.

Impairment of non-financial assets

The Company assesses whether there are indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Operating lease commitments - Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

Deferred tax assets

Deferred tax assets are recognised to the extent it is probable that the taxable income will be available in future against which they can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Expected credit losses

The Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

5. **Property, plant and equipment**

	Marine infrastructure assets $'000	Machinery equipment $'000	Develop-ment cost $'000	Leasehold property $'000	Other assets $'000	Capital work in progress $'000	Total $'000
Cost							
Balance at 1 January 2020	807,366	19,855	2,562	20,986	11,916	17,559	880,244
Additions	16,859	2,571	65	-	1,551	(75)	20,971
Transfers	12,573	-	-	-	-	(12,573)	-
Disposals	(26,361)	(61)	-	-	(12)	-	(26,434)
Balance at 31 December 2020	**810,437**	**22,365**	**2,627**	**20,986**	**13,455**	**4,911**	**874,781**
Additions	14,303	244	-	-	418	30,117	45,082
Transfers	3,011	180	-	-	-	(3,191)	-
Disposals	(5,152)	(55)	-	-	-	-	(5,207)
Balance at 31 December 2021	**822,599**	**22,734**	**2,627**	**20,986**	**13,873**	**31,837**	**914,656**
Accumulated depreciation							
Balance at 1 January 2020	(464,627)	(13,323)	(2,301)	(5,633)	(9,720)	-	(495,604)
Depreciation charge	(36,580)	(2,112)	(78)	(453)	(917)	-	(40,140)
Disposals	24,357	43	-	-	2	-	24,402
Balance at 31 December 2020	**(476,850)**	**(15,392)**	**(2,379)**	**(6,086)**	**(10,635)**	**-**	**(511,342)**
Depreciation charge	(39,939)	(2,191)	(57)	(452)	(967)	-	(43,606)
Disposals	3,650	43	-	-	-	-	3,693
Balance at 31 December 2021	**(513,139)**	**(17,540)**	**(2,436)**	**(6,538)**	**(11,602)**	**-**	**(551,255)**
Net book value							
As at 31 December 2020	**333,587**	**6,973**	**248**	**14,900**	**2,820**	**4,911**	**363,439**
As at 31 December 2021	**309,460**	**5,194**	**191**	**14,448**	**2,271**	**31,837**	**363,401**

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6. **Investment properties**

	Buildings $'000	Development cost $'000	Capital work in progress $'000	Total $'000
Cost				
Balance at 1 January 2020	600,539	483,255	6,038	1,089,832
Additions	-	345	1,012	1,357
Balance at 31 December 2020	**600,539**	**483,600**	**7,050**	**1,091,189**
Additions	-	-	544	544
Balance at 31 December 2021	**600,539**	**483,600**	**7,594**	**1,091,733**
Accumulated depreciation				
Balance at 1 January 2020	(35,735)	(177,325)	-	(213,060)
Depreciation charge	(4,046)	(16,418)	-	(20,464)
Balance at 31 December 2020	**(39,781)**	**(193,743)**	**-**	**(233,524)**
Depreciation charge	(652)	(20,486)	-	(21,138)
Balance at 31 December 2021	**(40,433)**	**(214,229)**	**-**	**(254,662)**
Accumulated impairment				
Balance at 1 January 2020	(466,071)	-	-	(466,071)
Impairment reversal	13,114	-	-	13,114
Balance at 31 December 2020	**(452,957)**	**-**	**-**	**(452,957)**
Impairment	-	-	-	-
Balance at 31 December 2021	**(452,957)**	**-**	**-**	**(452,957)**
Net book value				
At 31 December 2020	**107,801**	**289,857**	**7,050**	**404,708**
At 31 December 2021	**107,149**	**269,371**	**7,594**	**384,114**

Amounts recognised in statement of profit or loss

	2021 $'000	2020 $'000
Rental income from investment properties	16,643	15,737
Direct operating expenses	2,500	2,602

i) Investment properties comprise the lands at Union Industrial Estate (UIE) and a warehousing facility which was constructed on the UIE. The Company has applied for a reclamation license in respect of the land on which the warehouse facility sits.

6. **Investment properties (continued)**

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

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000	Carrying value $'000
At 31 December 2021	-	-	232,538	232,538	231,908
At 31 December 2020	-	-	267,586	267,586	244,463

The fair value has been determined based on a net present value calculation using cash flow projections from lease agreements and the Board approved business development, at a discount rate of 9.410% (2020: 8.810%).

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

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000	Carrying value $'000
At 31 December 2021	-	-	78,364	78,364	78,364
At 31 December 2020	-	-	82,400	82,400	82,400

The fair value measurements of the Brighton Materials Storage and Handling Warehouse facility as at 31 December 2020 were performed by Prince and Associates, independent valuers not related to the Company. Prince and Associates are members of the Royal Institute of Chartered Surveyors (RICS) and they have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation conforms to International Valuation Standards. 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 valuation, an impairment reversal of $13.114 million was recognised by Management for income year 2020 on its investment properties in the statement of profit or loss. The fair value measurement conducted as at 31 December 2020 remained valid as at 31 December 2021 and there was no indication of impairment.

7. **Taxation**

a) Taxation charge

	2021 $'000	2020 $'000
The major components of the taxation expense are as follows:		
Corporation tax: current year	46,887	33,436
Corporation tax: prior year	-	(33)
Green fund levy	1,051	951
Deferred taxation expense (note 7(b))	(2,798)	1,423
	45,140	35,777

A reconciliation of the expected income tax expense determined using the statutory tax rate of 30% to the effective income tax expense is as follows:

	2021 $'000	2020 $'000
Profit before taxation	116,104	94,751
Income taxes thereon at the rate of 30%	34,831	28,425
Non-deductible expenses	3,848	1,035
Permanent differences	5,410	5,399
Green fund levy	1,051	951
Prior year taxes	-	(33)
	45,140	35,777

b) Deferred tax

Significant components of the deferred tax assets and liabilities are as follows:

	2021 $'000	2020 $'000
Assets		
Accrued vacation leave	2,560	2,295
Credit loss allowance	2,899	3,344
Accrued interest payable	-	91
	5,459	5,730
Liabilities		
Long lived assets	62,565	65,634
Movement for the year:		
Balance at 1 January	59,904	58,481
Deferred tax charge to statement of profit and loss	(2,798)	1,423
Balance at 31 December	57,106	59,904

8. **Cash and cash equivalents and investments**

a) **Cash and cash equivalents**

	2021 $'000	2020 $'000
Cash at bank and on hand	157,451	54,457
	157,451	**54,457**

Cash at bank earns interest at fixed rates based on daily deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents is $157.451 million (2020: $54.457 million).

b) **Investments**

	2021 $'000	2020 $'000
Investments	145,704	241,766
	145,704	**241,766**
Investment held with Clico Investment Bank	5,530	5,530
Less: Impairment provision of short-term deposit	(5,530)	(5,530)
	145,704	**241,766**
Disclosed as:		
Non-current assets	6,365	6,365
Current assets	139,339	235,401
	145,704	**241,766**

Investments are term deposits made for varying periods in excess of three months and earn interest at their respective rates.

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

In 2018, the Company recovered TT$9.015 million of the investment note certificates held with Clico Investment Bank Limited (CIB) in the form as cash and shares in Republic Bank Limited and One Caribbean Media Limited. The initial investment was in the amount of TT$14.381 million. CIB has experienced financial and liquidity issues and on 31 January 2009 the Central Bank of Trinidad and Tobago (CBTT) under Section 44D of the Central Bank Act Chap. 79.02 assumed control of CIB. The unsettled amount of TT$5.530 million remains fully provided for as at 31 December 2021 as the likelihood and timing is unknown.

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9. **Trade and other receivables**

	2021 $'000	2020 $'000
Trade receivables - third parties	67,504	73,011
Provision for doubtful debts (Note 9b)	(9,664)	(11,145)
	57,840	61,866
Other receivables:		
Value Added Tax recoverable	11,218	8,280
Prepaid expenses	10,045	2,406
Insurance prepayment	4,658	4,283
Interest receivable	693	1,583
Other	25,647	14,485
Total receivables and prepayments	**110,101**	**92,903**

(a) Trade receivables are non-interest bearing and are generally on 15 - 30 day terms.

(b) As at 31 December 2021 and 31 December 2020, the risk profile of trade receivables based on the Company provisional matrix was as follows:

	Trade receivables - days past due							
	Not past due $'000	<30 $'000	31-60 $'000	61-90 $'000	91-120 $'000	>120 $'000	>120 with underlying issues $'000	Total $'000
31 December 2021								
Expected credit loss rate	**0.60%**	**1.60%**	**2.60%**	**3.60%**	**4.60%**	**5.60%**	**100.00%**	
Estimated total gross carrying amount	35,333	14,426	2,343	1,035	229	5,323	8,815	**67,504**
Lifetime expected credit loss	211	231	61	37	11	298	8,815	**9,664**
Estimated total net carrying amount	**35,122**	**14,195**	**2,282**	**998**	**218**	**5,025**	**-**	**57,840**
31 December 2020								
Expected credit loss rate	**0.60%**	**1.60%**	**2.60%**	**3.60%**	**4.60%**	**5.60%**	**100.00%**	
Estimated total gross carrying amount	23,414	28,475	2,095	2,852	915	5,202	10,058	**73,011**
Lifetime expected credit loss	140	456	54	103	42	292	10,058	**11,145**
Estimated total net carrying amount	**23,274**	**28,019**	**2,041**	**2,749**	**873**	**4,910**	**-**	**61,866**

9. **Trade and other receivables (continued)**

(c) As at 31 December 2021 and 31 December 2020, amounts due from the Government of Trinidad and Tobago were as follows:

	2021 $'000	2020 $'000
Gross carrying amount	92,191	92,191
Credit loss allowance	(92,191)	(92,191)
Net carrying amount	-	-

Credit loss allowance resulted from the Company having expended additional amounts in excess of Cabinet Approved Budget on Government mandated projects.

(d) As at 31 December 2021, trade and other receivables had an expected credit loss of $101.855 million (2020: $103.336 million). Movements in the provision for impairment of receivables were as follows:

	Collectively assessed $'000	Individually assessed $'000	Total $'000
Balance as at 1 January 2020	**9,941**	**92,191**	**102,132**
Amount recovered	(17)	-	(17)
Net remeasurement of loss allowance	1,221	-	1,221
Balance as at 31 December 2020	**11,145**	**92,191**	**103,336**
Balance as at 1 January 2021	**11,145**	**92,191**	**103,336**
Debt written off	(6,474)	-	(6,474)
Net remeasurement of loss allowance	4,993	-	4,993
Balance as at 31 December 2021	**9,664**	**92,191**	**101,855**

(e) The following tables explain how significant changes in the gross carrying amount of the trade receivables contributed to changes in the loss allowance:

	Increase/(decrease) in lifetime ECL	
	Not credit-impaired $'000	Credit-impaired $'000
2021		
Eight customers' accounts written off	(6,474)	-
Seven customers' accounts with a gross carrying amount of $8.815 million over 120 days with underlying issues	5,224	-
Reduction in customers' accounts less than 30 days	(231)	-
	(1,481)	**-**

9. **Trade and other receivables (continued)**

(e) The following tables explain how significant changes in the gross carrying amount of the trade receivables contributed to changes in the loss allowance: (continued)

	Increase/(decrease) in lifetime ECL	
	Not credit-impaired $'000	Credit-impaired $'000
2020		
Seven customers' accounts with a gross carrying amount of $3.675 million over 120 days with underlying issues	681	-
Customers' accounts with balances past due	540	-
Partial settlement by customers with gross carrying amount over 120 days past due	(17)	-
	1,204	**-**

10. **Stated capital**

Authorised:
An unlimited number of ordinary shares of no-par value

	2021 $'000	2020 $'000
Issued and fully paid:		
1,034,270 ordinary shares of no par value	**103,427**	**103,427**

11. **Capital contribution**

The parent company, NGC provided the Company with a loan at an interest rate below market rate effective 31 December 2008. This resulted in the Company recognising a capital contribution of $97.223 million when the loan was recorded at fair value at 31 December 2008. (See Note 12 (a)). As at 31 December 2010 and 2011 additional fair value adjustments of $4.256 million and $18.035 million were recorded on the loan from the parent due to a deferral of the commencement of loan instalments to 1 January 2016 and 1 January 2017 respectively.

On 2 June 2016, the Company refinanced the above loan by consolidating the two existing loans with NGC at an interest rate of 4.6% (See Note 12(c)). This resulted in a reduction in the capital contribution by $76.189 million when the loan was recorded at fair value.

12. **Long-term debt**

	Long-term portion $'000	Current portion $'000	2021 $'000	2020 $'000
Consolidated loan (Note 12(c))	-	-	-	67,146

a) On 12 April 2009, the Company was mandated by the Government of the Republic of Trinidad and Tobago to reimburse the Parent Company, NGC, for the cost of the development of Union Industrial Estate, La Brea. The purchase consideration of US$58.518 million (TT$367.078 million) was set up as a loan with an effective date of 31 December 2008. The principal is to be paid in equal semi-annual instalments originally commencing 1 July 2009 with interest at a rate of 3.0% per annum. Interest for 2010 and 2011 has been capitalised. Interest payments commenced in 2012 and principal repayments in 2017.

As the parent Company had provided a loan at an interest rate below market rate, the Company recorded a capital contribution of $97.223 million when the loan was recorded at fair value at 31 December 2008.

b) As a result of the discontinuance of the aluminium smelter during 2010, the scope of works regarding the construction of the material, handling and storage facility was changed. This change resulted in a reduction in the amount of financing required from NGC to US$66.0 million. The loan agreement which was executed on 23 December 2010 provides for the Company to repay the principal over a period of not more than 15 years in equal semi-annual instalments with a rate thereon at a maximum of 7%. The first principal instalment is due within two (2) years of the date of execution of the loan agreement.

c) On 2 June 2016, the Company refinanced the two (2) loans mentioned in Note 12(a) and 12(b) above. These loans were consolidated with the following terms:

i. Currency denomination changed from United States dollars to Trinidad and Tobago dollars
ii. Interest rate changed to 4.6%
iii. Tenure of ten (10) years with equal semi-annual principal payment

As at 2 June 2016, the principal outstanding amounted to TT$481.951 million with a fair value of TT$458.678 million.

d) Interest on the loan shall be paid semi-annually, with effect from the effective date of the loan.

Carrying amount		Fair value	
2021 $'000	2020 $'000	2021 $'000	2020 $'000
-	67,146	-	67,146

The fair value of the Company's long-term borrowings is estimated by discounting future cash flows using rates prevailing at the year-end date for debt on similar terms, credit risk and remaining maturities, with the exception of the loan with NGC for the construction of the Material, Handling and Storage Facility which approximates its carrying value.

e) June 2021, final loan payment was made to settle principal outstanding balance.

12. **Long-term debt (continued)**

Maturity profile of long-term debt	2021 $'000	2020 $'000
In one year or less	-	48,195
In more than one year but not more than two years	-	18,951
	-	67,146

13. **Trade and other payables**

	2021 $'000	2020 $'000
Trade payables	5,193	8,933
Accrued material/service amounts	29,206	23,017
Employee-related accruals	14,044	10,474
Retentions	2,744	1,822
VAT payable	2,324	3,488
	53,511	47,734

The table below summarises the trade and other payables:

	Under 3 months $'000	3-12 months $'000	Total $'000
As at 31 December 2021			
Trade creditors & accruals	42,004	2,744	44,748
Accrued vacation leave	-	8,533	8,533
Accrued audit fees	-	230	230
Total trade creditors and accruals	**42,004**	**11,507**	**53,511**
As at 31 December 2020			
Trade creditors & accruals	38,030	1,823	39,853
Accrued vacation leave	-	7,651	7,651
Accrued audit fees	-	230	230
Total trade creditors and accruals	**38,030**	**9,704**	**47,734**

14. Deferred income

	2021 $'000	2020 $'000
Billings in advance (Note 14 (a))	12,199	17,553
Deferred income - Union Industrial Estate and Renewables (Note 14 (b))	72,068	75,185
Deferred income – Other	8,402	8,459
	92,669	**101,197**
Non-current	59,964	63,084
Current	32,705	38,113
	92,669	**101,197**

a) This amount relates to pier user charges billed in advance.

b) Deferred income - Union Industrial Estate and Government-funded projects:

	2021 $'000	2020 $'000
Balance at 1 January	75,185	77,929
Amount received during the year	-	2,000
Amount released to income	(3,117)	(3,118)
Amount to match expenditure on oil spill radar project	-	(1,626)
	72,068	**75,185**

15. Revenue

The revenue principally consists of the following:

	2021 $'000	2020 $'000
ISCOTT dock	3,021	4,522
Savonetta piers	160,829	139,075
Point Lisas harbour	34,365	33,548
Tugs and workboats	100,276	86,991
Lease land (Note 6)	16,643	15,737
Amortisation of deferred capital grant	3,118	3,118
Galeota port	13,005	13,901
Berth 3 – Brighton	9,392	8,599
Tug mooring facility rental	888	868
Rental storage facilities	1,243	2,105
	342,780	**308,464**

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16. Other income

	2021 $'000	2020 $'000
Management fees – La Brea Industrial Development Company Limited	895	840
Building rental – NGC	1,015	864
Building rental – NGC CNG Company Limited	794	778
Project management fees	-	57
Loss on disposal of property, plant & equipment	(1,507)	(2,024)
Miscellaneous	539	183
	1,736	**698**

17. Expenses

a) Operating costs:

	2021 $'000	2020 $'000
Depreciation and amortisation	60,481	56,470
Maintenance - marine facilities	42,908	43,693
Salaries and related benefits (Note 17(d))	10,141	10,390
Management fees - tugs & workboats	26,278	29,198
Insurance	9,901	8,103
Security	4,545	5,079
	154,254	**152,933**

b) Administrative and general expenses:

	2021 $'000	2020 $'000
Salaries and related benefits (Note 17(d))	40,466	43,773
Depreciation and amortisation	6,192	6,063
Management fees – NGC	4,435	1,650
Insurance	589	618
Credit loss allowance	4,993	1,204
Motor vehicle expense	1,267	1,402
General business travel	15	167
Security	829	620
Advertising and communications	717	503
Legal and professional fees	8,818	3,565
Donation – other	591	188
Other	7,235	8,629
	76,147	**68,382**

17. **Expenses (continued)**

(c) **Finance costs:**

	2021 $'000	2020 $'000
Interest on debt and borrowings - related parties	744	6,751
Notional interest on related party loan	774	3,251
Lease interest	357	420
	1,875	**10,422**

(d) **Staff costs:**

	2021 $'000	2020 $'000
Included under marine expenses	10,141	10,390
Included under administrative and general expenses	40,466	43,773
	50,607	**54,163**

(e) **Pension costs:**

	2021 $'000	2020 $'000
Pension expense recognised in profit and loss	4,153	6,761
Pension liability	-	11,788

The Company's employees are members of the Parent Company's defined benefit plan, the assets of which are held in separate trustee-administered funds. The pension plan is funded by payments from employees and by the Company taking account of the recommendations of independent qualified actuaries.

The Company's contributions are included in the employee benefit expense of these financial statements. Any assets and liabilities in relation to this defined benefit plan are recorded by the Parent Company. There is no contractual agreement or stated policy for charging the net defined benefit costs of the plan to the separate financial statements of the individual subsidiaries included in the plan.

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18. **Related party transactions and balances**

The Company is a wholly owned subsidiary of The National Gas Company of Trinidad and Tobago, which is owned by the Government of the Republic of Trinidad and Tobago. ("GORTT") In the ordinary course of its business, the Company 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. Entities under common control include Alutrint Limited, Alutech Limited, Trinidad Generation Unlimited (TGU), NGC CNG Company Limited and Petroleum Company of Trinidad and Tobago (Petrotrin).

The sales to and purchases from related parties are at arm's length, with the exception of the interest rate on the UIE loan from the parent company (See Note 12 b). Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables with the exception of that relating to Alutech Limited. At 31 December, 2021, the Company has recorded a credit loss allowance relating to amounts owed by related party Alutech Limited of $20.309 million (2020: $20.309 million) and the Government of the Republic of Trinidad and Tobago of $91.739 million (2020: $91.739 million). An assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The following table provides the total amount of material transactions which have been entered into with related parties and the balance outstanding for the year ended 31 December 2021 and 31 December 2020.

18. **Related party transactions and balances (continued)**

		Income from related parties $'000	Related party expenses $'000	Amounts due from related parties $'000	Amounts due to related parties $'000
The National Gas Company of Trinidad and Tobago Limited					
Reimbursements	2021	-	-	-	1,727
	2020	-	-	-	12,665
Lease land/building	2021	1,283	-	-	-
	2020	1,264	-	-	-
Management fees	2021	-	1,650	-	-
	2020	-	1,650	-	-
Loans	2021	-	744	-	-
	2020	-	6,751	-	67,146
La Brea Industrial Development Company Limited					
Management fees/reimbursements	2021	895	2,785	22,453	4,517
	2020	840	-	21,523	779
Trinidad Generation Unlimited					
Income Lease Land	2021	4,031	-	-	-
	2020	3,172	-	-	-
NGC/CNG					
Building Lease/Reimbursements	2021	794	-	120	16,558
	2020	778	-	223	16,558
Phoenix Park Gas Processors Limited					
Leased land	2021	350	-	-	-
	2020	350	-	-	-
GORTT					
Government-funded project costs	2021	-	-	-	-
	2020	27	-	-	-
Directors' allowances and fees	2021	-	594	-	-
	2020	-	594	-	-

Compensation of key management personnel:

	2021 $'000	2020 $'000
Short-term employee benefits	8,123	9,226

19. **Operating lease arrangements**

The Company as a lessor

The Company has entered into commercial land and building leases with respect to its investment property portfolio, consisting of land and infrastructure. These leases have remaining terms of between 1 and 25 years.

Future minimum rentals receivable under operating leases are as follows:

	2021 $'000	2020 $'000
Not later than 1 year	18,646	18,912
Later than 1 year and not longer than 5 years	67,757	64,890
Later than 5 years	274,809	286,998
	361,212	**370,800**

20. **Leases (Company as a lessee)**

Right-of-use assets

	Land $'000	Photocopiers $'000	Motor Vehicles $'000	Total $'000
Cost				
At 1 January 2020	3,406	1,043	4,610	9,059
Addition	-	-	-	-
At 31 December 2020	**3,406**	**1,043**	**4,610**	**9,059**
Addition	-	-	-	-
At 31 December 2021	**3,406**	**1,043**	**4,610**	**9,059**
Accumulated depreciation				
At 1 January 2020	45	133	1,537	1,715
Charge for the year	45	347	1,537	1,929
At 31 December 2020	**90**	**480**	**3,074**	**3,644**
Charge for the year	45	348	1,536	1,929
At 31 December 2021	**135**	**828**	**4,610**	**5,573**
Carrying amount				
At 31 December 2020	**3,316**	**563**	**1,536**	**5,415**
At 31 December 2021	**3,271**	**215**	**-**	**3,486**

20. **Leases (Company as a lessee) (continued)**

The Company's lease assets include:
a) Land – land located in Couva and Point Lisas harbour seabed leases both with 99-year terms
b) Photocopiers with terms of 3 years. There is no option to purchase the copier.
c) Motor vehicles with terms of 4 years. The option to purchase motor vehicles resides with the employee assigned.

	2021 $'000	2020 $'000
Amount recognised in profit and loss		
Depreciation expense on right-of-use assets	1,929	1,929
Interest expense on lease liabilities	357	420

The Company currently leases land at Corner Rivulet and Factory Roads, Brechin Castle, Couva. However, the lease agreement had not yet been finalised at the reporting date.

21. **Lease liabilities**

Maturity analysis:

	2021 $'000	2020 $'000
Year 1	238	1,939
Year 2	1	238
Year 3	1	1
Year 4	1	1
More than 4 years	3,399	3,401
	3,640	**5,580**

Analysed as:

	2021 $'000	2020 $'000
Non-current	3,402	3,641
Current	238	1,939
	3,640	**5,580**

The Company does not face a significant liquidity risk with regard to its lease liabilities.

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22. **Financial risk management objectives and policies**

The Company has various financial assets such as trade receivables, and cash and cash equivalents which arise directly from its operations. The Company's financial liabilities comprise bank loans, trade and sundry payables. The main purpose of these financial liabilities is to raise finance for the Company's operations.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, interest rate risk, and foreign currency risk. Management reviews and agrees policies for managing each of these risks which are summarised below.

Credit risk

The Company trades only with recognised creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis. With respect to credit risk arising from other financial assets of the Company, such as cash and cash equivalents, the exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these instruments. There are no significant concentrations of credit risk within the Company.

The Company has TT$14.381M in investment note certificates with Clico Investment Bank Limited. As stated in Note 8(b), a provision has been established for this entire balance in 2008 with part settlement of debt in 2018. The recoverability of the outstanding balance remains doubtful.

Interest rate risk

The Company is exposed to minimal interest rate risk because the Company borrows funds at fixed interest rates. See Note 12.

Liquidity risk

The Company monitors its risks of a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables and short-term investments) and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of advances from the parent and bank loans.

The table below summarises the maturity profile of the Company's financial instruments based on contractual undiscounted payments:

22. **Financial risk management objectives and policies (continued)**

Liquidity risk (continued)

	On demand $'000	Under 3 months $'000	3-12 months $'000	1-4 years $'000	>5 years $'000	Total $'000
As at 31 December 2021						
Assets						
Cash and cash equivalents	157,451	-	-	-	-	157,451
Investments	-	-	139,339	6,365	-	145,704
Trade and other receivables	-	23,572	86,529	-	-	110,101
Due from related parties	-	-	22,573	-	-	22,573
	157,451	**23,572**	**248,441**	**6,365**	**-**	**435,829**
Liabilities						
Interest-bearing debt	-	-	-	-	-	-
Trade creditors and accruals	-	42,004	2,744	-	-	44,748
Interest-bearing lease liabilities	-	407	149	1,262	22,798	24,616
Due to related parties	-	21,075	-	-	-	21,075
Due to parent company	-	1,727	-	-	-	1,727
	-	65,213	2,893	1,262	22,798	92,166
Net liquidity position	**157,451**	**(41,641)**	**245,548**	**5,103**	**(22,798)**	**343,663**

	On demand $'000	Under 3 months $'000	3-12 months $'000	1-4 years $'000	>5 years $'000	Total $'000
As at 31 December 2020						
Assets						
Cash and cash equivalents	54,457	-	-	-	-	54,457
Investments	-	98,744	136,657	6,365	-	241,766
Trade and other receivables	-	56,956	35,947	-		92,903
Due from related parties	-	-	21,746	-	-	21,746
	54,457	**155,700**	**194,350**	**6,365**	**-**	**410,872**
Liabilities						
Interest-bearing debt	-	-	50,810	20,335	-	71,145
Trade creditors and accruals		38,030	1,822			39,852
Interest-bearing lease liabilities	-	811	1,486	1,502	23,112	26,911
Due to related parties	-	17,337	-	-	-	17,337
Due to parent company	-	12,665	-	-	-	12,665
	-	68,843	54,118	21,837	23,112	167,910
Net liquidity position	**54,457**	**86,857**	**140,232**	**(15,472)**	**(23,112)**	**242,962**

22. **Financial risk management objectives and policies (continued)**

Foreign currency risk

The Company has transactional currency exposures. Such exposures arise from sales or purchases in currencies other than the Company's functional currency. Management monitors its exposure to foreign currency fluctuations and employs appropriate strategies to mitigate any potential losses.

The following table shows balances outstanding at year end denominated in foreign currencies.

		Amount denominated in foreign currency $'000		TT$ equivalent $'000
As at 31 December 2021				
Cash and cash equivalents	**US$**	**21,275**	**TT$**	**143,872**
Investments	**US$**	**20,605**	**TT$**	**139,341**
Trade and other receivables	**US$**	**15,905**	**TT$**	**107,558**
Trade and other payables	**US$**	**806**	**TT$**	**5,451**
	EUR	**57**	**TT$**	**448**
As at 31 December 2020				
Cash and cash equivalents	**US$**	**4,808**	**TT$**	**32,453**
Investments	**US$**	**34,817**	**TT$**	**235,401**
Trade and other receivables	**US$**	**12,246**	**TT$**	**80,971**
Trade and other payables	**US$**	**581**	**TT$**	**4,112**
	EUR	**246**	**TT$**	**1,747**

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

	Increase/(decrease) in exchange rate %	Effect other comprehensive income $'000
As at 31 December 2021	**7%**	**32,476**
	(7%)	**(32,476)**
As at 31 December 2020	**7%**	**29,643**
	(7%)	**(29,643)**

22. **Financial risk management objectives and policies (continued)**

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value. The Company manages its capital to ensure that the Company will be able to continue as a going concern. The Company's overall strategy remains unchanged from 2020.

The capital structure of the Company consists of share capital, reserves and retained earnings. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust capital structure, the Company may issue new shares by transfers from retained earnings, adjust the dividend payment to shareholders or make transfers to its reserves. No changes were made in the objectives, policies, or processes during the year ended 31 December 2021 and the year ended 31 December 2020.

23. **Financial instruments**

Fair values

Short-term financial assets and liabilities

The carrying amount of short-term financial assets and liabilities which comprises cash and short-term deposits, sundry debtors and current liabilities are on reasonable estimate of fair values because of the short-term nature of these instruments.

Long-term financial assets and liabilities

The fair value of the Company's long-term borrowings is estimated by discounting future cash flows using rates prevailing at the reporting date for debt on similar terms, credit risk and remaining maturities, with the exception of the loan from NGC for the construction of the Material, Handling and Storage Facility which approximates its carrying value (Note 12(b)).

25. **Capital commitments**

	2021 $'000	2020 $'000
Approved and contracted capital expenditure	**88,140**	**8,442**

These commitments include contractual commitments of $2.263 million (2020: $0.568 million) entered into by the Company on behalf of the Government of the Republic of Trinidad and Tobago.

26. **Contingent liabilities**

During 2016, the Company received invoices totalling $11.67 million from a contractor, for which no agreement exists. The Company has written to the contractor requesting copies of any agreement(s) and an investigation is in progress. No accruals have been made in the financial statements for any liability in respect of this claim. This issue remains unresolved to date.

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27. **COVID-19**

Management is continuing to evaluate the impact of the coronavirus disease 2019 (COVID-19) particularly on the Company's operations. The extent of the impact on the financial position and performance of the Company 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.

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