National Energy
CORPORATION OF TRINIDAD AND TOBAGO

ADAPTING INNOVATING GROWING

Annual Report 2015

" Notice that the stiffest tree is most easily cracked, while the bamboo or willow survives by bending with the wind"

BRUCE LEE

Contents

Vision & Mission

OUR VISION

To be a global leader in the development of sustainable energy-based industries

OUR MISSION

We leverage our expertise through:

- Ownership and operation of assets
- Innovation
- Strategic Alliances
- Market Intelligence

For the benefit of all citizens

Core Values

TEAMWORK
We encourage camaraderie and honest communication.

FLEXIBILITY
We must maintain an adaptable and proactive approach in the timely execution of our duties.

INTEGRITY
We demonstrate technical competence, efficiency and professionalism in the execution of our duties.

RESPECT
We value and appreciate each other's views and contributions.

TRANSPARENCY
We govern our operations through transparent practices and adherence to all policies and procedures.

DISCIPLINE
We operate as trustees for national energy development to ensure delivery of the shareholders' expectations.

SAFETY AND ENVIRONMENT
We are committed to conducting our operations in a safe and environmentally sustainable manner.

CORPORATE SOCIAL RESPONSIBILITY
We create opportunities for developing better communities in which we operate, by working in harmony with all stakeholders.

CUSTOMER FOCUS
We are committed to seeking the customer's interest by consistently delivering excellent service within the shortest possible time.

Adapting in a Changing Environment

IN 2015, THE SAYING, "THE ONLY THING THAT IS CONSTANT IN LIFE IS CHANGE" RANG TRUE, AS THROUGHOUT THE YEAR, NATIONAL ENERGY CORPORATION OF TRINIDAD AND TOBAGO (NATIONAL ENERGY) WAS FACED WITH A CONSTANTLY CHANGING GLOBAL AND LOCAL ECONOMIC ENVIRONMENT.

The fall in oil and gas prices of the previous year persisted, impacting negatively on energy-based economies. National Energy, as the company charged with attracting downstream energy investment on behalf of the Government of the Republic of Trinidad and Tobago (GORTT), was not immune to the effects of these changes. Though its business development, as well as revenue generation activities were impacted by the slowing economic environment, the company showed resilience in adapting to change.

From the beginning of the year, the President and the Executive Management Team of National Energy emphasised the need for adaptability in order to achieve operational and financial targets. This would require adjustments to all aspects of National Energy's business and would affect people, processes and profitability. The company therefore implemented cost management initiatives at all levels in order to minimise the effects of falling revenues. Strategies for managing the organisation's utilisation of resources and overall output were also implemented to increase operational efficiency.

Towards the end of 2015, the NGC Group of Companies, – The National Gas Company (NGC), Phoenix Park Gas Processors Limited (PPGPL), NGC CNG and National Energy – was faced with major changes as the incoming Government appointed a new Minister of Energy and Energy Industries and new Boards. National Energy was challenged by its new Board, chaired by Mr. Gerry C. Brooks, to become more commercial and entrepreneurial in its approach to doing business. Accordingly, efforts were amplified towards achieving organisational goals while simultaneously minimising costs through innovation, negotiation and prudent cost management.

In 2015, National Energy achieved several of its targets including:

- Execution of a lease agreement with Caribbean Gas Chemicals Limited (CGCL)
- Execution of five (5) new business agreements for use of National Energy's port facilities
- Commencement of repairs to Berth 2, Port of Brighton, La Brea, including the heavy lift platform which will allow loadout of bpTT's Juniper platform in December 2016
- Renegotiation of contracts for goods and services at reduced rates.

While change is constant, National Energy has proven that, with flexibility and adaptability, it can not only survive, but also succeed in the midst of change. In this spirit, the company is pleased with its accomplishments for 2015 and anticipates meeting the challenges which may be encountered in the year ahead.

Company Profile

National Energy is a wholly owned subsidiary of The National Gas Company of Trinidad and Tobago Limited (NGC) and for more than 35 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 core business is "the conceptualisation, promotion, development and facilitation of new energy-based and downstream industries in Trinidad and Tobago." In keeping with its mandate, National Energy provides energy services which include but are not limited to:

- Project development
- Project appraisal and evaluation
- Facilitation of negotiations and discussions between investors and state agencies
- Facilitation of discussion for gas requirements
- Feasibility studies
- Provision of site and related infrastructure
- Provision of marine services.

Report of Directors

FOR THE YEAR ENDED DECEMBER 31, 2015

The Directors are pleased to submit their Report together with the Financial Statements for the year ended December 31, 2015.

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 four (4) multiuser pier facilities comprising six (6) berths at the Point Lisas port. National Energy's marine infrastructure facilities are used to facilitate the loading and offloading of iron ore and bulk oil, as well as for the export of petrochemicals (methanol, ammonia, urea), steel products and hot briquetted iron.

The mandate of the National Energy includes:

i) The conceptualisation, promotion, development and facilitation of new energy-based and downstream industries in Trinidad and Tobago

ii) Identifying and developing new industrial estates

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

iv) Owning and operating marine and other infrastructural assets to facilitate all gas-based petrochemical and metal plants

v) Developing and managing the La Brea Industrial Estate and Union Industrial Estate (UIE)

vi) Towage and harbour operations

vii) Sustainable management of the environment.

National Energy, having successfully completed various elements of its mandate, continued to focus on the above items during 2015.

2. FINANCIAL RESULTS

The financial results for the period are summarised as follows:

	2015	2014
	$000	$000
Profit before Tax	101,621	89,079
Provision for Tax	(33,701)	(26,661)
Net Profit	67,920	62,418
Retained Earnings	67,920	62,418
Retained Earnings – At Beginning of Year	426,219	363,801
Retained Earnings – At End of Year	494,139	426,219

In 2015, National Energy's total income increased to TT$352.66 million, an increase of 14% from TT$309.39 million in 2014. This favourable performance resulted from the receipt of a site clearance fee from Nu Iron of $26.40 million and lease land premium from Caribbean Gas Chemical Limited (CGCL) Limited of $8.66 million, coupled with new revenue stream from the offshore supply vessel of $6.48 million and an additional income from Galeota operations of $5.91 million.

Expenses excluding impairment charges for 2015 totalled TT$250.67 million (2014: TT$222.89 million), an increase of 12.5%. This unfavourable movement resulted from additional expenses from the offshore supply vessel and Galeota operations of $16.37 million coupled with higher wage bill from salaries market adjustments.

National Energy recorded a profit after tax of TT$67.92 million in 2015 as compared to a profit of TT$62.42 million in 2014, an increase of 8.8%. This favourable performance was achieved from an increase in revenue for income year 2015.

3. DIRECTORS

During the period January 1 to October 7, 2015 the Board of Directors comprised, Mr. Roop Chan Chadeesingh, Chairman; Ms. Haseena Ali, Mr. Indar Maharaj, Mr. Gordon Ramjattan and Mr. Clyde Ramkhalawan. On October 7, 2015 Messrs. Gerry C. Brooks, Chairman; Kenneth Allum, Marcus Ganness and Sham Mahabir were appointed as Directors on National Energy's Board. Messrs. Arnold de Four and Wade Hamilton were subsequently appointed as Directors on October 28, 2015 and December 8, 2015, respectively.

Report of Directors

FOR THE YEAR ENDED DECEMBER 31, 2015

4. SIGNIFICANT EVENTS

ENERGY INDUSTRY DEVELOPMENT

- Caribbean Gas Chemical Limited (CGCL) Project Agreement (PA) was executed on April 10, 2015.

- A Project Development Agreement (PDA) was executed among the Government of Trinidad and Tobago, Caribbean LNG, Gasfin Development SA and National Energy on January 28, 2015 for the development of the Caribbean LNG project.

- The pre-feasibility study into Chemtech's formaldehyde/melamine-based resin cluster was presented to the Board and approval was received to continue with the development of the project. The PDA is being finalised.

- A pre-feasibility study into the establishment of an ammonia project was completed and it was submitted to the MEEI on February 2015 as per the Board's request.

- A joint pre-feasibility study for the establishment of a photovoltaic cell (PV) manufacturing facility with Solaria, a Spanish company, was completed in August 2015 and a decision was taken to advance the project.

- A Memorandum of Understanding (MoU) was executed between National Energy and Icon Holdings Ltd on April 15, 2015 for a pre-feasibility study for a micro LNG project

- A pre-feasibility study into the establishment of vinyl acetate monomer (VAM) facility was completed and the project was approved for further development.

- A MoU for the conduct of a pre-feasibility study was executed among National Energy, National Gas Company of Trinidad and Tobago, UBE (a Japanese company), Mitsubishi Corporation and Massy Holdings for the development of a dimethyl carbonate facility. The study is expected to begin in 2016.

- Four (4) projects were conceptualised during 2015 – butane processing, polyisobutylene, dimethyl carbonate (DMC) and metals processing.

OPERATIONS

- The repairs to Berth 2 Quay Wall project construction works commenced in July 2015. To ensure the delivery of key strategic management of the project, an Oversight Committee was established in February 2015. Additionally, a Joint Project Coordination Committee with representatives from key stakeholders was also established to facilitate technical management of the project. Major works commencing in 2015 included the piling for the heavy lift platform, as well as the installation of the combi-wall. One hundred and five (105) metres of the combi-wall was completed in 2015.

- As part of the infrastructure development in 2015 National Energy undertook the following works at UIE, La Brea:
  - Construction of drainage works at the main site (north). The contract for these works was awarded to Pace Construction in January and 95% of the works was completed at the end of December, 2015.
  - Completion of a Greenfield Buffer Zone design in accordance with the grant of a Certificate of Environmental Clearance (CEC) for the UIE.
  - Contract for the demolition and removal of concrete structures on the CGCL site was awarded in February 2015. Clearance of the site as per CGCL's requirements was completed in April 2015.
  - Completion of the construction of a temporary access road at UIE– Site A in July 2015 to facilitate Chemtech.

- National Energy on behalf of the Ministry of Energy and Energy Industries (MEEI) undertook the construction of a 100% fully powered solar house in 2015. The house which is situated at the University of Trinidad and Tobago, Point Lisas campus, was completed and officially opened by the MEEA on July 28, 2015. The house which is a first for Trinidad and Tobago, generates all its needs from two (2) sets of solar panels on the roof.

- The construction of National Energy's Administration Building Extension was awarded to Alpha Engineering in June 2015 with a completion date of May 2016.

- A contract was awarded to Ecoengineering Consultants Limited for the Conduct of an Environmental Impact Assessment (EIA) for the expansion project planned at the Port of Brighton, La Brea.

- A tender for the installation of site services infrastructure for the Port of Galeota Phase 1 and construction of a

Report of Directors

FOR THE YEAR ENDED DECEMBER 31, 2015

warehouse, as part of the operationalisation activities for the Port of Galeota Phase 1, was issued.

- As a source of new revenue stream for National Energy, the following arrangements were made in 2015:
  - Interim agreements with four (4) major oil and gas companies namely bpTT, BHP, Repsol and Trinity Exploration, for use of the Port of Galeota facilities.
  - Two (2)-year contract with NGC to provide offshore supply vessel services to NGC's Teak and Poui platforms via the *National Energy Explorer,* effective January 1, 2015.
  - Successful registration with Petrotrin-Trinmar Operations to provide consultancy services in the area of new vessel building acquisition contracts and project management.
  - Five (5)-year commitment with Petrotrin-Trinmar Operations to provide long-term spot hire towage services effective January 1, 2016.
  - Agreement with Ventrin Petroleum Ltd to facilitate ship-to-ship bunkering operations within the Point Lisas harbour.

- In support of strategic projects, National Energy achieved at least ten (10) major statutory approvals in 2015, which included inter alia:
  - Siparia Regional Corporation approval for UIE CGCL/ MHI site.
  - Town and Country Planning Development permission to carry out development of land at UIE comprising 3.9863 ha in area to be subdivided to create six (6) plots for light industrial use.
  - Town and Country Planning Development permission to carry out development of land situated at Isthmus Court Road, Port of Galeota, Point Galeota, Guayaguayare comprising 7.0 ha in area to carry out building operations, namely the erection of a building for use as a warehouse.
  - OSHA approval for fuel bunkering facility at the Port of Galeota, Point Galeota, Guayaguayare.
  - Commissioner of State Land approval to use the dump site situated at Point Lisas, to facilitate the dredging for the Point Lisas harbour.
  - Ministry of Works and Infrastructure, Highway Division approval for Road Infrastructure at UIE.
  - Water and Sewerage Authority (WASA) approval for water reticulation and wastewater system for infrastructure development at Port of Galeota, Point Galeota, Guayaguayare.

- Completed a Business Continuity Management Plan for National Energy with consultant AON Risk Solutions.

- National Energy received Ministry of Energy's (Ministry) approval and management's endorsement to participate in the Ministry's National Facilities Audit of the energy sector assets.

AUDITORS

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

Dated this 11th day of July 2016

By ORDER OF THE BOARD

Camille Blackman
Company Secretary

National Energy Corporation of Trinidad and Tobago Limited

Operations Highlights

Operations Highlights

ENERGY INDUSTRY DEVELOPMENT

In 2015, the Energy Industry Development (EID) Division continued carrying out the company's mandate of conceptualising, developing and facilitating the development of projects. The Caribbean Gas Chemical Limited (CGCL) Gas to Petrochemicals project was successfully implemented with the achievement of Financial Investment Decision and Financial Close in September. Other projects were advanced to various stages of development.

- Caribbean Gas Chemical Limited (CGCL) Project Agreement (PA) was executed on April 10, 2015 and the Land Lease and Berth User Agreements were signed on September 1, 2015. Financial close with lenders was obtained in September 2015. The project is now at pre-construction stage.

- A Project Development Agreement (PDA) was executed among the Government of the Republic of Trinidad and Tobago (GORTT), Caribbean LNG, Gasfin Development SA and National Energy on January 28, 2015 for development of the Caribbean LNG project. Discussions on Site Lease and Berth User Agreements are ongoing.

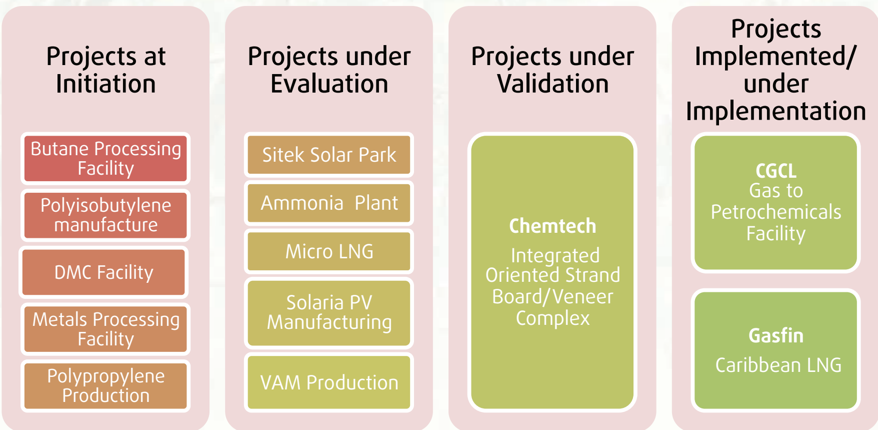


Figure 1 - Energy Industry Development project portfolio at the end of 2015

Operations Highlights

ENERGY INDUSTRY DEVELOPMENT (CONTINUED)

- National Energy was given the mandate to establish a solar house in Trinidad and Tobago. In December 2014, National Energy executed a contract with GH Photovoltaic Installation Training Agency Inc. for the establishment of the solar house. Construction of the house began in early April 2015 and it was commissioned in July 2015.

- A pre-feasibility study into the establishment of an ammonia project was completed and was submitted to the Ministry of Energy and Energy Industries (MEEI) in February 2015, as requested by the Board. Feedback from MEEI is pending.

- A joint pre-feasibility study for the establishment of a photovoltaic cell (PV) manufacturing facility with Solaria, a Spanish company, was completed in August 2015 and a decision was taken to advance the project. A draft PDA was submitted to Solaria on November 4, 2015 for review and feedback.

- A Memorandum of Understanding (MoU) was executed between National Energy and Icon Holdings Ltd on April 15, 2015 for a pre-feasibility study for a micro LNG project. Icon has submitted the pre-feasibility study which was reviewed and submitted to the Board.

- Four (4) projects were conceptualised during 2015 – butane processing, polyisobutylene, dimethyl carbonate (DMC) and metals processing.

EID project portfolio as of the end of 2015 is depicted below highlighting the projects at the various stages of development.

Operations Highlights

OPERATIONS

INFRASTRUCTURE DEVELOPMENT PROJECTS

Repairs to Berth 2, Port of Brighton

Commercial operations were maintained at Berth 2 until Q1 2015 when it was no longer deemed safe following a Subsurface Imaging exercise and a 'below the waterline' dive survey which was commissioned in March 2015. Consequently, the Berth 2 dock was formally shut down on July 17, 2015 to facilitate repairs. A contract for the repairs to the Berth 2 Quay Wall was awarded in July 2015. Piling commenced in October 2015 for the heavy lift platform which will be used for the load out of bpTT's Juniper platform. At the end of 2015, installation of 105 metres of combi-wall was completed.

Union Industrial Estate Drainage Project – Main Site North

A contract for the drainage works at Union Industrial Estate, Main Site North was awarded in January 2015. Overall drainage works were 95% completed as at the end of December 2015.

Construction of National Energy's Administration Building Extension

A contract for the construction of National Energy's Administration Building Extension was awarded in June 2015. Approximately 75% of the block work was completed on the first floor by December 2015. The building is expected to be occupied by May 2016.

Caribbean Gas Chemical Limited (CGCL) Site Clearance – UIE

A contract for the demolition and removal of concrete structures on the CGCL site was awarded in February 2015 and site clearance in accordance with CGCL's requirements was completed in April 2015.

Construction of a Temporary Access Road at UIE – Site A

A contract for the construction of a temporary access road was awarded in May 2015 and the access road was completed in July 2015.

Operationalisation of Port of Galeota – Phase 1

Foundations, fire and electrical services designs for a warehouse at the port were completed and tenders were issued for Installation of Site Services Infrastructure. Approval was received from the WASA for water reticulation and wastewater system for the Port of Galeota.

Operations Highlights

OPERATING ASSETS

Major Accomplishments for 2015

- 100% availability was achieved for all six (6) marine terminals – Savonetta Pier 1 North and South, Savonetta Pier 2 North and South, Savonetta Pier 3 and Savonetta Pier 4.
- The National Energy's fleet of vessels which consists of eight (8) tugs, one (1) passenger launch and one (1) fast crew supply vessel, achieved 92% availability.
- 100% close out of all non-conformities was attained.
- National Energy Operating Assets Department secured a five (5)- year contract with Petrotrin-Trinmar Operations to provide long term and spot hire towage services.
- A reliable, uninterrupted offshore supply vessel service was provided to NGC's Teak and Poui platforms via the *National Energy Explorer* with zero incidents and an excellent record of punctuality.
- An agreement was reached with Ventrin Petroleum Ltd, to facilitate ship-to-ship bunkering operations within the Point Lisas harbour.

Operations Highlights

LOSS PREVENTION AND SUSTAINABLITY

Environment

- Design of Greenfield Buffer Zone for UIE was completed in December.
- Noise Variation Approval for the Berth 2 Repairs Project was received from the Environmental Management Authority (EMA) in July.
- Environmental Impact Assessment (EIA) for the Brighton Port Expansion Project commenced in March and is ongoing.
- Port of Galeota environmental monitoring is ongoing and no non-conforming incidents were recorded during the year
- Approval for use of Pt. Lisas Dredge Disposal Site was received from the Commissioner of State Lands in March for maintenance dredging of the Point Lisas channel and turning basin.

Health and Safety

- The Traffic Management Plan was completed for Port of Galeota.
- Orientation video for Port of Galeota was completed in the first quarter of 2015.
- Bridging document between Repsol and National Energy for port operations was executed in July.
- New Business was assisted in the creation of a drug testing plan for tenants and users of La Brea Industrial Estate and Port in the fourth quarter of 2015.
- No critical injuries were recorded for 2015.
- A Business Continuity Management Plan was completed to increase National Energy's organisational resilience to potential threats and allow the company to resume or continue operations under adverse circumstances.

Security

- Verification of ISPS Compliance for LABIDCO port and Savonetta piers was completed in June 2015.
- Mandatory ISPS drills were conducted in January, April, August and December 2015.
- Remote administration of access control system (RBH) from Port of Galeota and Tug Mooring Facility was achieved in February 2015.

Operations Highlights

NEW BUSINESS

La Brea and Union Industrial Estates

1. **Repairs of LABIDCO Main Estate Corridor**

    - Repair works to approximately 2,500m^2 of asphalt pavement at the La Brea roundabout along the LABIDCO estate corridor were conducted during the May – July period.
    - Approximately 500 m^2 of pothole/damages were repaired on the main access and estate corridor roads. These works were conducted as required during the year.

2. **Security and Safety Upgrade**

    - Lights were upgraded at the perimeter of Brighton Port B in order to ensure the area was adequately lit to provide better visibility at night. These works were conducted during the May – August period.
    - Reconstruction of fence at Berth 1 (ASCO port facility compound) commenced in 2014 and was completed in Q1 2015.
    - Continued maintenance of grassed verges along the main and secondary access corridors of the La Brea Industrial Estate and the UIE was conducted during the year.
    - Repair to the fire water system at Brighton Port B was conducted during the March – August period.

3. **Drainage Works**

    - Redefinition and maintenance of existing earthen drains within the estate, port and fabrication yard was conducted at various times during the year.
    - Emergency repairs to the culvert crossing the main access road to the Brighton Port B and Trinidad Offshore Fabricators (TOFCO) facility took place during the August – September period.

4. **The engaging of new tenants for the LABIDCO and UIE Estates**

    - Land at the UIE was leased to Francis Lau Construction Ltd.

5. **Bioremediation revenues**

    Total revenue for 2015 doubled that of 2014, attaining a value of TT$1,036, 421.60. Exceptional returns in the months of March and April 2015 contributed to the total value which was the highest sum recorded over the past five (5) years.

Operations Highlights

NEW BUSINESS

Port of Brighton

1. **Cargo Operations**
   - A total of 354,555.4 revenue tonnes of cargo was handled for the year 2015, a decrease of 19.34% from 2014. The port was able to accommodate a total of 39,155 revenue tonnes of general cargo and 315,400.3 revenue tonnes of aggregate.

2. **Vessel Calls and Berth Occupancy**
   - Total vessel calls fell from 1,000 in 2014 with an average of 83 vessel calls per month to 868 vessels at the facility in 2015, averaging 72 vessel calls per month up until the end of December.
   - Berth occupancy averaged 67% for 2015, declining from 70% in 2014.

3. **Addition of New Port Users**
   - One new port user was welcomed to the facility – Leatherbury-Kalhagen Trinidad and Tobago Limited.

4. **General Port Maintenance**
   - Continued remedial works were required to the Port's earthen surface, particularly due to heavy traffic originating from the aggregate shipments. These works were normally executed after shipments and at times during shipments in an effort to provide a tolerable driving surface to clients. These works ceased when reconstruction works to Berth 2 commenced.
   - Cutting and clearing of vegetation in and around the port facility continued.

5. **Navigational Aids Maintenance**
   - Functionality of the navigational aids was sustained providing round the clock berthing capability to the many offshore supply vessels that utilise the harbour, as well as to some international calling vessels.

6. **Repairs to Berth 2**

   Ongoing activity associated with repairs to Berth 2 included relocation of part of TOFCO's operations; completion of office accommodation; removal of the heavy load-off pad and delivery of cargo shipment of sheet piles and columns associated with the project. Berth 2 will be closed for a period of 24 months as per the contract period.

Operations Highlights

HUMAN RESOURCES AND STRATEGIC PLANNING

In 2015, the Human Resources and Strategic Planning Division (HR&SP) focused on collaboration with all functional areas of the company to provide support and assistance in achieving targets. Arising out of the Organisational Health Index (OHI) Survey, several initiatives were implemented with a view towards improving organisational performance. Some of the main achievements of the HR&SP Division in 2015 are summarised below.

- The 2016 Operational Plan and Corporate Scorecard were developed and subsequently approved by the Board.

- HR&SP led the implementation of the OHI Leadership Action Plan which was 98% completed at the end of 2015. Some of the initiatives delivered under the plan included lunch and learn sessions, ROI on training and improved communication utilising available corporate communication tools.

- The utilisation of Success Factors (an SAP software) was optimised, resulting in greater efficiencies which enabled faster information retrieval and automated administration of leave and 360 degree leadership reviews.

- Key training programmes were executed in the strategic areas of leadership, project management and contract management.

- Three (3) service level agreements were executed with the Operations Group resulting in improved service delivery and strengthened relationships among the departments.

- The annual Internship Programme in which seven (7) students were immersed into the world of work under the mentorship of National Energy employees was successfully delivered in July – August 2015.

Operations Highlights

COMMUNITY INVOLVEMENT AND CORPORATE SOCIAL RESPONSIBILITY

The Corporate Communication and Administration Department (CC&A) continued to be guided by the theme 'Building Capacity, Minimising Risk' in 2015. The department pursued capacity-building initiatives both internally and externally. Internally, the department focused on building capacity through-out the company in terms of Information Communication Technology (ICT), improving processes and implementing energy efficiency initiatives with the objectives of improving operational efficiency and reducing costs.

Externally, CC&A continued to build capacity in National Energy's fenceline communities of Mayaro/Guayaguayare and La Brea by providing relevant training programmes geared towards equipping residents to take advantage of employment opportunities within and outside of their communities. Overall, these initiatives continue to play a critical role in building and sustaining meaningful stakeholder relations.

Employee Engagement

In the first quarter of 2015 the company implemented the Brand Ambassador Programme which provided opportunity for employee engagement in a wide range of activities. Employees responded well to the revised and rebranded programme which saw 109 Brand Ambassadors accumulating 4,095 points during the year. Employee engagement across the NGC Group of Companies was also strength-ened through the implementation of the 2015 CSR calendar which included Group employee social and cultural events.

Customer Relations (Internal)

The ICT section officially launched the Business Intelligence Project, which increased the breadth of services available to internal customers through the provision of Skype for Business and project site software. All satellite offices – La Brea Communication Centre, LABIDCO, Tug Mooring Facility and Port of Galeota – were connected to National Energy's network, thereby improving the ease of access to data. External customers also benefitted from wireless access which was made available to all visitors. The LABIDCO Help Desk was introduced to provide tenants with a channel through which their issues, enquiries and comments can be lodged.

The development of a Fleet Management Plan contributed towards improved customer service and is expected to improve efficiency and reduce costs on rentals and replacement vehicles in 2016. The system for online booking of meeting rooms was amended which resulted in fewer incidences of meeting overlaps and better meeting room preparation.

Operations Highlights

COMMUNITY INVOLVEMENT AND CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)

The Corporate Communication Section extended its service to internal departments, working closely with Human Resources and Strategy Planning (HR&SP), Loss Prevention and Sustainability (LP&S) and Operations to produce videos and ads for these departments. The section also provided assistance with respect to review of all printed materials prior to publication.

Utilisation of the ICT and Facilities Management (FM) service desks increased, resulting in greater responsiveness to service calls and better tracking of service.

Stakeholder Relations (External)

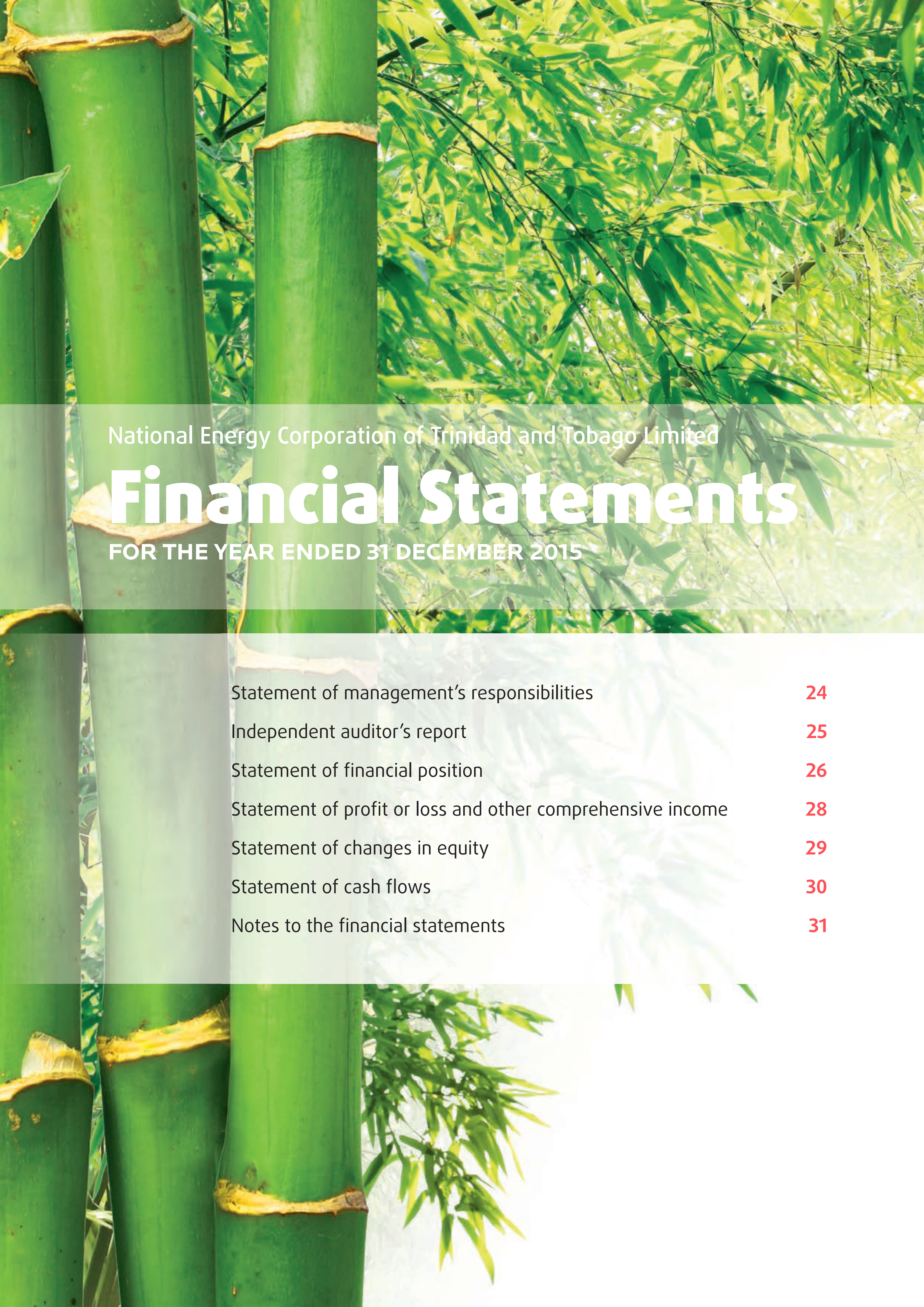
National Energy continued to strengthen stakeholder relations in its fenceline communities of La Brea and Mayaro/Guayaguayare. This was done through focus group and stakeholder meetings which provided greater opportunities to share information and receive feedback. In addition, activities were organised in keeping with the company's CSR pillars of Youth, Sport, Education, Culture and Capacity Building.

The year began with the annual Southeast Schools' Steelpan Festival which brought together four (4) primary and two (2) secondary schools from Mayaro/Guayaguayare and environs in an atmosphere of friendly competition. The energetic young musicians have embraced this event as their own brand of "Panorama". Our culture is truly in good hands.

In sport, the Ninth Annual La Brea Zone Primary School Games took place in March. Young budding athletes from five (5) schools competed in the track and field races with much enthusiasm and energy. Performances are monitored over time as those persons can become the next generation of the country's athletes.

In today's world, technology is at the centre of innovation and development. During the August vacation, a computer camp was held for (2) age groups: 8 -12 years and 13-14 years. Students learned about safe internet browsing practices, graphics and general computer literacy as they prepare for secondary school.

Throughout the year, relevant training programmes were hosted to assist in equipping residents with skills to take advantage of employment opportunities which may arise both in the community, as well as nationally. Participants received training inter alia: PLEA passport, practical risk assessment, advanced scaffolding, rigging and banksman, oil spill response and TBOISET.



National Energy Corporation of Trinidad and Tobago Limited

Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of management's responsibilities

It is the responsibility of management to prepare financial statements for each financial year which present fairly, in all material respects, the state of affairs of the Company as at the end of the financial year and the operating results of the Company for the year. It is also management's responsibility to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the IFRS. Management is of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the Company and its operating results. Management further accepts responsibility for the maintenance of accounting records which are relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of Management to indicate that the Company will not remain a going concern for at least the next 12 months from the date of this statement.

Chairman
29 January 2016

Director
29 January 2016

Independent Auditors' Report

to the Shareholder of National Energy Corporation of Trinidad and Tobago Limited

Report on the financial statements

We have audited the accompanying financial statements of National Energy Corporation of Trinidad and Tobago Limited, which comprises the statement of financial position as at 31 December 2015, 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 a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of National Energy Corporation of Trinidad and Tobago Limited as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte & Touche
Port of Spain
Trinidad

29 January 2016

Deloitte & Touche

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

	Notes	31-Dec-15 $'000	31-Dec-14 $'000 (Restated)	01-Jan-14 $'000 (Restated)
Assets				
Non-current assets				
Property, plant and equipment	6	466,535	473,307	402,752
Investment properties	7	446,872	438,586	450,850
Deferred taxation asset	8 (b)	2,147	2,025	1,662
Deferred expenses		–	–	5,048
Total non-current assets		**915,554**	**913,918**	**860,312**
Current assets				
Cash and short-term deposits	10	257,359	349,276	478,124
Debt reserve fund	10 (c)	–	4,978	9,956
Trade and other receivables	11	198,761	172,158	75,910
Due from related parties	21	3,502	2,053	2,038
Due from parent company		69,942	–	–
Taxation recoverable		11,235	11,235	9,129
Deferred expense		–	–	2,199
Inventories		2	57	57
Total current assets		**540,801**	**539,757**	**577,413**
Total assets		**1,456,355**	**1,453,675**	**1,437,725**

The accompanying notes on pages 31 to 65 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

	Notes	31-Dec-15 $'000	31-Dec-14 $'000 (Restated)	01-Jan-14 $'000 (Restated)
Shareholder's equity and liabilities				
Shareholder's equity				
Share capital	12	103,427	103,427	103,427
Capital contribution	13	119,514	119,514	119,514
Retained earnings		494,139	426,219	363,801
Total shareholder's equity		**717,080**	**649,160**	**586,742**
Non-current liabilities				
Long-term debt	14	437,323	566,088	608,135
Deferred taxation liability	8(b)	48,588	42,866	40,305
Deferred income	16	84,403	48,077	49,386
Total non-current liabilities		**570,314**	**657,031**	**697,826**
Current liabilities				
Current portion of long-term debt	14	27,184	18,189	9,500
Trade and other payables	15	108,717	53,100	51,151
Deferred income	16	27,361	26,957	21,029
Due to related parties	21	4,205	3,562	1,682
Due to parent company	21	–	45,649	64,833
Taxation payable		1,494	27	4,962
Total current liabilities		**168,961**	**147,484**	**153,157**
Total liabilities		**739,275**	**804,515**	**850,983**
Total shareholder's equity and liabilities		**1,456,355**	**1,453,675**	**1 ,437,725**

The accompanying notes on pages 31 to 65 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 29 January 2016.

Chairman

Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

	Notes	Year ended 31 December 2015 $'000	2014 $'000 (Restated)
Income			
Marine infrastructure income	17	292,068	275,200
Other operating income	18	31,813	10,803
Land lease income		26,003	16,162
Interest & other investment income		766	832
Gain on foreign exchange transactions		–	3,231
Gain on disposal of property, plant and equipment		688	–
Project management fees		1,321	3,161
Total income		352,659	309,389
Expenses			
Marine expenses	19 (a)	131,497	106,629
Administrative and general expenses	19 (b)	85,832	76,610
Impairment losses/(reversal)	7	371	(2,575)
Other expenses	19 (c)	1,272	275
Finance costs	19 (d)	31,194	39,229
Loss on foreign exchange transactions		872	–
Loss on disposal of property, plant and equipment		–	142
		251,038	220,310
Profit before taxation		101,621	89,079
Taxation expense	8 (a)	(33,701)	(26,661)
Profit for the year after taxation		**67,920**	**62,418**
Other comprehensive income		**–**	**–**
Total comprehensive income		**67,920**	**62,418**

The accompanying notes on pages 31 to 65 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

	Notes	Share capital $'000	Capital contribution $'000	Retained earnings $'000	Total equity $'000
Balance at 1 January 2014 (as previously reported)		103,427	119,514	365,506	588,447
Restatement	5	–	–	(1,705)	(1,705)
Balance as at 1 January 2014 (restated)		103,427	119,514	363,801	586,742
Net profit after tax (restated)		–	–	62,418	62,418
Other comprehensive income		–	–	–	–
Total comprehensive profit		–	–	62,418	62,418
Balance at 31 December 2014 (restated)		**103,427**	**119,514**	**426,219**	**649,160**
Year ended 31 December 2015					
Balance at 1 January 2015 (restated)		103,427	119,514	426,219	649,160
Profit for the year after tax		–	–	67,920	67,920
Other comprehensive income		–	–	–	–
Total comprehensive profit		–	–	67,920	67,920
Balance at 31 December 2015		**103,427**	**119,514**	**494,139**	**717,080**

The accompanying notes on pages 31 to 65 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

	Notes	Year ended 31 December 2015 $'000	2014 $'000 (Restated)
Cash flows from operating activities			
Cash generated by operations	20	138,317	59,082
Taxation paid		(26,634)	(31,504)
Interest paid		(26,382)	(34,185)
Interest received		802	851
Net cash generated from/used in operating activities		86,103	(5,756)
Cash flows from investing activities			
Purchase of property, plant and equipment		(26,301)	(92,399)
Additions to investment properties		(28,547)	(4,564)
Net decrease in short-term investments		75,591	8,469
Net decrease in debt reserve fund		4,979	4,979
Proceeds from disposal of property, plant & equipment		1,450	–
Net cash generated from/(used in) investing activities		27,172	(83,515)
Cash flows from financing activities			
Repayment of borrowings		(129,601)	(31,108)
Net cash used in financing activities		(129,601)	(31,108)
Net decrease in cash and cash equivalents		(16,326)	(120,379)
Cash and cash equivalents at beginning of year		228,039	348,418
Cash and cash equivalents at end of year	10 (d)	**211,713**	**228,039**

The accompanying notes on pages 31 to 65 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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 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 (IFRSs)

2.1 Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015.

- **Amendments to IAS 19 Defined Benefit Plans: Employee Contributions**
  The Company has applied the amendments for the first time in the current year. Prior to the amendments, the Company accounted for discretionary employee contributions to defined benefit plans as a reduction of the service cost when contributions were paid to the plans, and accounted for employee contributions specified in the defined benefit plans as a reduction of the service cost when services are rendered. The amendments require the Company to account for employee contributions as follows:

  - Discretionary employee contributions are accounted for as reduction of the service cost upon payments to the plans.
  - Employee contributions specified in the defined benefit plans are accounted for as reduction of the service cost, only if such contributions are linked to services. Specifically, when the amount of such contribution depends on the number of years of service, the reduction to service cost is made by attributing the contributions to periods of service in the same manner as the benefit attribution. On the other hand, when such contributions are determined based on a fixed percentage of salary (i.e. independent of the number of years of service), the Company recognises the reduction in the service cost in the period in which the related services are rendered.

These amendments have been applied retrospectively. The application of these amendments has had no material impact on the disclosures or the amounts recognised in the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

2.1 Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year (continued)

- **Annual Improvements to IFRSs 2010 - 2012 Cycle and 2011 – 2013 Cycle**
  The Company has applied the amendments to IFRSs included in the Annual Improvements to IFRSs 2010 - 2012 Cycle and 2011 – 2013 Cycle for the first time in the current year. One of the annual improvements requires entities to disclose judgements made by management in applying the aggregation criteria set out in paragraph 12 of IFRS 8 Operating Segments. The application of the amendments has had no impact on the disclosures or amounts recognised in the Company's financial statements.

2.2 New and revised IFRSs in issue but not yet effective

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

• IFRS 9	Financial Instruments[2]
• IFRS 15	Revenue from Contracts Customers[2]
• Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
• Amendments to IAS 1	Disclosure Initiative[1]
• Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
• Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[1]
• Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
• Amendments to IFRS 10, IFRS 12 and 28	Investment Entities: Applying the IAS Consolidation Exception[1]
• Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle[1]

[1] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

[2] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

2.2 New and revised IFRSs in issue but not yet effective (continued)

- **IFRS 9 *Financial Instruments***
  IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- in relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

2.2 New and revised IFRSs in issue but not yet effective (continued)

- **IFRS 9 *Financial Instruments* (continued)**

  - the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

- **IFRS 15 *Revenue from Contracts with Customers***

  In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue,* IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

  The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a five (5)-step approach to revenue recognition:

  - Step 1: Identify the contract(s) with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

2.2 New and revised IFRSs in issue but not yet effective (continued)

- **Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations***

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 12 Income Taxes regarding the recognition of deferred taxes at the time of acquisition and IAS 36 *Impairment of Assets* regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The amendments should be applied prospectively to acquisitions of interests in joint operations (in which the activities of the joint operations constitute businesses as defined in IFRS 3) occurring from the beginning of annual periods beginning on or after 1 January 2016. The directors of the Company anticipate that the application of these amendments to IFRS 11 may have an impact on the Company's financial statements in future periods should such transactions arise.

- **Amendments to IAS 1 *Disclosure Initiative***

The amendments to IAS 1 give some guidance on how to apply the concept of materiality in practice.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to IAS 1 will have a material impact on the Company's financial statements.

- **Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation***

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue; or
b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

2.2 New and revised IFRSs in issue but not yet effective (continued)

- **Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation* (continued)**

  The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Company uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Company's financial statements.

- **Amendments to IAS 16 and IAS 41 Agriculture: *Bearer Plants***

  The amendments to IAS 16 and IAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

  The directors of the Company anticipate that the application of these amendments to IAS 16 and IAS 41 will have no impact on the Company's financial statements as the Company is not engaged in agricultural activities.

- **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. Specifically, 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 re-measurement 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 amendments should be applied prospectively to transactions occurring in annual periods beginning on or after 1 January 2016. The directors of the Company anticipate that the application of these amendments to IFRS 10 and IAS 28 will have no impact on the Company's financial statements in future periods should such transactions arise.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

2.2 New and revised IFRSs in issue but not yet effective (continued)

- **Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception***

  The amendments to IFRS 10, IFRS 12 and IAS 28 clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

  The directors of the Company do not anticipate that the application of these amendments to IFRS 10, IFRS 12 and IAS 28 will have a material impact on the Company's financial statements as the Company is not an investment entity and does not have any holding company, subsidiary, associate or joint venture that qualifies as an investment entity.

- **Annual Improvements to IFRSs 2012-2014 Cycle**

  The Annual Improvements to IFRSs 2012-2014 Cycle include a number of amendments to various IFRSs, which are summarised below.

  The amendments to IFRS 5 introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in IFRS 5 regarding the change of sale plan do not apply. The amendments also clarifies the guidance for when held-for-distribution accounting is discontinued.

  The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

  The amendments to IAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high-quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

  The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

3. Summary of significant accounting policies

Basis of preparation
The financial statements have been prepared under the historical cost basis. The financial statements are presented in Trinidad and 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) **Trade receivables**
Trade accounts receivable are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. A provision is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified. Receivables from related parties are recognised and carried at cost.

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

Deferred tax assets are recognised only if there is a reasonable expectation of realisation. Deferred tax assets arises 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

d) **Property, plant and equipment**

Property, plant and equipment are stated at historical cost.

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	6.67%
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 on 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.

e) **Investment property**

Investment property is stated at cost less accumulated depreciation and impairment charges. 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 on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of retirement or disposal.

f) **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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

g) **Foreign currencies**

The presentation and functional currency of the Company's financial statements is 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.

h) **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.

i) **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.

j) **Financial assets**

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction cost. The Company determines the classification of its financial assets on initial recognition and where allowed and appropriate, re-evaluates this designation at each financial year end.

Loans and receivables

Loans and receivables are non-derivative financials assets with fixed or determinable payments that are not quoted in an active market. After initial measurement loans and receivables are carried at amortised cost using the effective interest rate method less any allowance for impairment. Gains and losses are recognised in the statement of profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Amortised cost

Loans and receivables are measured at amortised cost. This is computed using the effective interest rate method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of borrowing costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

k) **Financial liabilities**

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs, and have not been designated 'as at fair value through profit or loss'.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the amortisation process.

l) **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.

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 revalued 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

m) **Impairment of financial assets**

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

n) **Derecognition of financial assets and liabilities**

Financial assets

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

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

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in assets.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

o) **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 is accounted for on the accruals basis.

p) **Leases**
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating 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
Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

q) **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.

r) **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.

s) **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.

t) **Comparative information**

Where necessary, comparative information are adjusted to conform to changes in presentation in the current year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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 cognisance 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

5. Restatement

The Company restated its financial statements as at 31 December for the years 2013 and 2014. The restatement relates to:

- An error with vacation leave accrual under IAS 19.
- An increase in the deferred tax asset as a result of the increase in the vacation leave accrual under IAS 19 (above).

The effect of these errors resulted in a restatement of the balances previously reported as at and end for the year ended 31 December 2014 as follows:

	As at and the year ended 31 December 2014			
	Profit before tax $'000	Deferred taxation asset $'000	Retained earnings $'000	Creditors and accurals $'000
As originally reported	90,419	1,122	428,929	49,487
Increase in annual leave	(1,340)	-	(3,613)	3,613
Additional deferred tax charge	–	903	903	–
Restated	89,079	2,025	426,219	53,100

The effect of these errors resulted in a restatement of the balances previously reported as at and for the year ended 31 December 2013 as follows:

	As at or for the year ended 31 December 2013			
	Profit before tax $'000	Deferred taxation asset $'000	Retained earnings $'000	Creditors and accurals $'000
As originally reported	79,625	1,094	365,506	48,878
Increase in annual leave	(2,273)	–	(2,273)	2,273
Additional deferred tax charge	–	568	568	–
Restated	77,352	1,662	363,801	51,151

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

6. **Property, plant and equipment**

	Marine infrastructure assets $'000	Machinery equipment $'000	Development cost $'000	Leasehold property $'000	Other assets $'000	Capital work in progress $'000	Total $'000
Cost							
Balance at 1 January 2014	670,750	8,173	2,062	20,665	9,439	409	711,498
Additions	79,129	438	500	-	5,105	7,227	92,399
Transfers	7,247	1,037	-	-	-	(1,037)	7,247
Disposals	(186)	(149)	-	-	(198)	-	(533)
Balance at 31 December 2014	**756,940**	**9,499**	**2,562**	**20,665**	**14,346**	**6,599**	**810,611**
Additions	5,078	1,897	-	-	2,150	17,176	26,301
Transfers	11,556	77	-	-	-	(11,634)	(1)
Disposals	(9,155)	(1,031)	-	-	(1,263)	-	(11,449)
Balance at 31 December 2015	**764,419**	**10,442**	**2,562**	**20,665**	**15,233**	**12,141**	**825,462**
Accumulated depreciation							
Balance at 1 January 2014	**(294,402)**	**(4,331)**	**(1,359)**	**(3,088)**	**(5,566)**	**-**	**(308,746)**
Depreciation charge	(25,218)	(1,007)	(220)	(418)	(2,086)	-	(28,949)
Disposals	106	124	-	-	161	-	391
Balance at 31 December 2014	**(319,514)**	**(5,214)**	**(1,579)**	**(3,506)**	**(7,491)**	**-**	**(337,304)**
Depreciation charge	(27,528)	(1,188)	(247)	(417)	(2,930)	-	(32,310)
Disposals	8,955	1,003	-	-	729	-	10,687
Balance at 31 December 2015	**(338,087)**	**(5,399)**	**(1,826)**	**(3,923)**	**(9,692)**	**-**	**(358,927)**
Carrying amount							
At 31 December 2014	**437,426**	**4,285**	**983**	**17,159**	**6,855**	**6,599**	**473,307**
At 31 December 2015	**426,332**	**5,043**	**736**	**16,742**	**5,541**	**12,141**	**466,535**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

7. Investment properties

	Buildings $'000	Development cost $'000	Capital work in progress $'000	Total $'000
Cost				
Balance at 1 January 2014	571,512	432,333	38	1,003,883
Additions	865	3,548	151	4,564
Transfers	38	151	(189)	–
Balance at 31 December 2014	**572,415**	**436,032**	**–**	**1,008,447**
Additions	(120)	19,764	7,773	27,417
Transfers	–	1,130	–	1,130
Balance at 31 December 2015	**572,295**	**456,926**	**7,773**	**1,036,994**
Accumulated depreciation				
Balance at 1 January 2014	(13,278)	(71,480)	–	(84,758)
Depreciation charge	(3,282)	(16,121)	–	(19,403)
Balance at 31 December 2014	**(16,560)**	**(87,601)**	**–**	**(104,161)**
Depreciation charge	(3,409)	(16,481)	–	(19,890)
Balance at 31 December 2015	**(19,969)**	**(104,082)**	**–**	**(124,051)**
Accumulated impairment				
Balance at 1 January 2014	(468,275)	–	–	(468,275)
Impairment reversals charged to the profit or loss	2,575	–	–	2,575
Balance at 31 December 2014	**(465,700)**	**–**	**–**	**(465,700)**
Impairment charge charged to the profit or loss	(371)	–	–	(371)
Balance at 31 December 2015	**(466,071)**	**–**	**–**	**(466,071)**
Carrying amount				
At 31 December 2014	**90,155**	**348,431**	**–**	**438,586**
At 31 December 2015	**86,255**	**352,844**	**7,773**	**446,872**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

7. Investment properties (continued)

Amounts recognised in statement of profit or loss

	2015 $'000	2014 $'000
Rental income from investment properties	26,003	16,162
Direct operating expenses	2,117	3,154

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.

ii) The fair value is based on the investment property value in use. The recoverable amount of the Company's major assets has been determined based on a value-in-use calculation using cash flow projections from lease agreements and the Board-approved business development, at a discount rate of 5.46%. As a result of this analysis, management has recognised an impairment loss of $0.371 million (2014: reversal of $2.575 million) on its investment properties in the statement of profit or loss

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 2015	–	–	347,885	347,885	281,296
At 31 December 2014	–	–	410,456	410,456	293,531

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 2015	–	–	86,255	86,255	86,255
At 31 December 2014	–	–	90,155	90,155	90,155

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

8. Taxation

a) Taxation charge

The major components of the taxation expense are as follows:

	2015 $'000	2014 $'000
Corporation tax	27,748	24,157
Green fund levy	353	306
Deferred taxation expense (Note 8b)	5,600	2,198
	33,701	**26,661**

A reconciliation of the expected income tax expense determined using the statutory tax rate of 25% to the effective income tax expense is as follows:

	2015 $'000	2014 $'000
Profit before taxation	**101,621**	**89,079**
Income taxes thereon at the rate of 25%	25,405	22,269
Non-deductible expenses	3,034	(107)
Permanent differences	4,623	4,069
Green fund levy	353	306
Other differences	286	124
	33,701	**26,661**

b) Deferred tax

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

	2015 $'000	2014 $'000
Assets		
Accrued vacation leave	1,883	1,590
Accrued interest payable	264	435
	2,147	**2,025**
Liabilities		
Long lived assets	**48,588**	**42,866**

Movement for the year in the net deferred tax liability:
Movement for the year:

	2015 $'000	2014 $'000
Balance at 1 January	40,841	38,643
Deferred tax charge to statement of profit and loss	5,600	2,198
Balance at 31 December	**46,441**	**40,841**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

9. Deferred expenses

	2015 $'000	2014 $'000
Balance at 1 January	–	7,247
Transfer to property, plant and equipment (Note 6)	–	(7,247)
Balance at 31 December	–	–

10. Cash and short-term deposits

	2015 $'000	2014 $'000
Cash at bank and on hand	211,713	228,039
Short-term deposits	45,646	121,237
	257,359	**349,276**
Investment held with Clico Investment Bank (Note 10(b))	14,381	14,381
Less: Impairment provision of short-term deposit (Note 10(b))	(14,381)	(14,381)
	257,359	**349,276**

a) 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 short-term deposits is $257.359 million (2014: $349.276 million).

b) The Company holds investment note certificates with Clico Investment Bank Limited (CIB) in the amount of $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 CBTT indicated that the investment note certificates were not covered under the guarantee provided by the Government of the Republic Trinidad and Tobago. The investment note certificates in CIB were therefore deemed to be impaired at 31 December 2008 as there was no basis to determine the timing and quantum, if any, of recovery. The amounts remain fully provided for at 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

10. Cash and short-term deposits (continued)

(c) The Company had an escrow account with First Citizens Bank Limited and is required to maintain a balance on the account equivalent to two loan instalments for a loan taken on 17 May 2004 for $67.9 million payable by 18 semi-annual payments at a fixed rate of 6.20%. The loan was fully repaid in November 2014. A Deed of Release was prepared by First Citizens Bank Limited which resulted in the closure of the escrow account.

(d) For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2015 $'000	2014 $'000
Cash at banks and on hand	211,713	228,039
	211,713	**228,039**

11. Trade and other receivables

	2015 $'000	2014 $'000
Trade receivables - third parties	103,410	119,848
Provision for doubtful debts (Note 11c)	(16,360)	(16,973)
	87,050	102,875
Other receivables:		
Due from Government of Trinidad and Tobago	86,488	48,601
Due from Government of Trinidad and Tobago – unbilled	767	3,514
Value Added Tax recoverable	11,257	5,595
Prepaid expenses	35	222
Insurance prepayment	1,298	852
Interest receivable	99	135
Other	11,767	10,364
Total receivables and prepayments	**198,761**	**172,158**

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

(b) During 2011, two wire transfers amounting to $31.888 million (US$4.975 million) were fraudulently withdrawn from one of the Company's bank accounts. Due to the lack of objective evidence of the final outcome of recovery efforts, a provision for $31.888 million was recorded at 31 December 2011.

Subsequently, the Company received $5.835 million and at 31 December 2015, the Company continues to hold a provision of $23.509 million.

(c) As at 31 December 2015, trade receivables at a value of $16.360 million (2014:$16.973 million) were impaired and provided for fully. Movements in the provision for impairment of receivables were as follows:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

11. Trade and other receivables (continued)

	2015 $'000	2014 $'000
At 1 January	16,973	17,143
Charge for year	–	409
Provision reversed	(613)	(579)
At 31 December	**16,360**	**16,973**

As at 31 December, the ageing analysis of non-impaired trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired				
			<30 days	30-60 days	60-90 days	90-120 days	>120 days
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2015	**87,050**	**27,585**	**35,571**	**2,852**	**1,940**	**1,574**	**17,528**
2014	**102,875**	**30,101**	**44,095**	**2,653**	**1,622**	**2,187**	**22,217**

12. Stated capital

	2015 $'000	2014 $'000
Authorised:		
An unlimited number of ordinary shares of no par value		
Issued and fully paid:		
1,034,270 ordinary shares of no par value	103,427	103,427

13. 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 14 (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 2014 and 1 January 2015 respectively.

14. Long-term debt

	Long-term portion $'000	Current portion $'000	2015 $'000	2014 $'000
NGC – UIE Loan (Note 14(a))	278,407	5,397	283,804	286,255
NGC advance (Note 14(b))	158,916	21,787	180,703	298,022
	437,323	**27,184**	**464,507**	**584,277**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

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 have been capitalised. Interest payments commenced in 2012 and principal repayments in 2015.

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 years of the date of execution of the loan agreement.

As part of a proposal for the restructuring of National Energy's inter-company loans with NGC, principal repayments were made in 2014 and 2015, thus reducing the outstanding loan balance to US$29.8 million as at 31 December 2015.

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

Carrying amount		Fair value	
2015	2014	2015	2014
$'000	$'000	$'000	$'000
464,507	**584,277**	**464,507**	**584,277**

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.

Maturity profile of long-term debt

	2015 $'000	2014 $'000
In one year or less	27,184	18,189
In more than one year but not more than two years	29,064	19,433
In more than two years but not more than three years	31,075	20,760
In more than three years but not more than four years	33,226	22,180
In more than four years but not more than five years	35,526	23,697
In more than five years	308,432	480,018
	464,507	**584,277**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

15. Trade and other payables

	2015 $'000	2014 $'000
Trade payables	8,586	7,300
Accrued material/service amounts	76,124	13,217
Employee related accruals	10,701	21,919
Retentions	10,160	3,144
VAT payable	3,146	7,520
	108,717	**53,100**

16. Deferred income

	2015 $'000	2014 $'000
Billings in advance (Note 16a)	15,939	17,134
Deferred income – Union Industrial Estate (Note 16b)	88,618	51,963
Deferred income – Other	7,207	5,937
	111,764	**75,034**
Non-current	84,403	48,077
Current	27,361	26,957
	111,764	**75,034**

Notes:
a) This amount relates to pier user charges billed in advance.
b) Deferred income – Union Industrial Estate:

	2015 $'000	2014 $'000
Balance at 1 January	51,963	53,103
Received during the year	40,870	2,746
Amount released to income	(4,215)	(3,886)
Balance at 31 December	**88,618**	**51,963**

17. Marine infrastructure income

The marine assets principally consist of the ISCOTT dock, the Savonetta piers, the Point Lisas harbour, tugs and workboats. Income earned is as follows:

	2015 $'000	2014 $'000
ISCOTT dock	5,687	5,687
Savonetta piers	139,568	137,366
Point Lisas harbour	34,428	35,217
Tugs and workboats	93,976	84,017
Dock fees – berth	16,173	10,662
Rental storage facilities	1,515	1,525
Rental storage yard	721	726
	292,068	**275,200**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

18. Other operating income

	2015 $'000	2014 $'000
Management fees – La Brea Industrial Development Company Limited	842	704
Amortisation of deferred capital grant	4,198	3,884
Miscellaneous	26,773	6,215
	31,813	**10,803**

19. Expenses

(a) **Marine expenses:**

	2015 $'000	2014 $'000
Depreciation and amortisation	47,330	44,534
Maintenance – marine facilities	34,633	25,738
Salaries and related benefits (Note 19(e))	16,694	10,229
Management fees – tugs and workboats	29,785	23,712
Insurance	2,936	2,297
Seabed lease rent	119	119
	131,497	**106,629**

(b) **Administrative and general expenses:**

Salaries and related benefits (Note 19(e))	59,847	48,416
Depreciation and amortisation	4,872	3,817
Management fees – NGC	1,000	1,000
Penalties	–	664
Insurance	730	967
Movement in provision for doubtful debts	(613)	(170)
Motor vehicle expense	2,493	2,677
General business travel	123	109
Security	593	1,033
Advertising and communications	2,222	4,185
Legal and professional fees	4,825	2,414
Other	9,740	11,498
	85,832	**76,610**

(c) **Other expenses:**

Donation – other	**1,272**	**275**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

19. Expenses (continued)

(d) **Finance costs:**

	2015 $'000	2014 $'000
Interest on debt and borrowings – related parties	25,698	33,579
– third parties	–	39
Notional interest on related party loan	5,496	5,258
	31,194	**39,229**

(e) **Staff costs:**

	2015 $'000	2014 $'000
Included under marine expenses	16,694	10,229
Included under administrative and general expenses	59,847	48,416
	76,541	**58,645**

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.

20. Cash flows from operating activities

	2015 $'000	2014 $'000
Cash flows from operating activities		
Profit before tax	101,621	89,079
Adjustment for:		
Depreciation	52,202	48,351
Interest expense	31,194	39,229
Impairment losses/(reversal)	371	(2,575)
Amortisation of deferred expenses	–	-
Interest income	(766)	(832)
Loss on disposal of property, plant and equipment	(688)	142
Amortisation of deferred income	(4,215)	(3,884)
Decrease/(increase) in parent company loan due to foreign currency translation	4,336	(7,508)
Operating profit before working capital changes	184,055	162,002
Increase in trade and other receivables and due from related parties and parent company	(111,383)	(107,225)
Decrease in inventories	55	–
Decrease in deferred income and deferred capital grant	40,946	8,503
Increase/(decrease) in trade and other payables and due to parent company	24,644	(4,198)
Cash generated from operating activities	**138,317**	**59,082**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

21. Related party transactions

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 and 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 14 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 2015, the Company has recorded a provision for doubtful debts relating to amounts owed by related party Alutech of $22.419 million (2014: $22.419 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 transaction, which have been entered into with related parties and the balance outstanding for the years ended 31 December 2015 and 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

21. **Related party transactions (continued)**

		Income from related parties $'000	Purchase from related parties $'000	Amounts due from related parties $'000	Amounts due to related parties $'000
The National Gas Company of Trinidad and Tobago Limited					
Reimbursements	2015	–	–	69,942	–
	2014	–	–	–	45,649
Lease land	2015	299	–	–	–
	2014	303	–	–	–
Management fees	2015	–	1,000	–	–
	2014	–	1,000	–	–
Loans	2015	–	25,698	–	464,507
	2014	–	33,579	–	584,277
La Brea Industrial Company Limited					
Management fees/reimbursements	2015	841	–	1,415	4,205
	2014	704	–	–	3,562
Trinidad Generation Unlimited					
Income	2015	–	–	2,053	–
	2014	–	–	2,053	–
NGC CNG					
Reimbursements	2015	–	–	34	–
	2014	–	–	–	–
Government of the Republic of Trinidad and Tobago					
Government-funded project costs	2015	1,321	–	87,256	–
	2014	3,161	–	52,115	–
Directors' allowances and fees	2015	–	333	–	–
	2014	–	330	–	–

Compensation of key management personnel

	2015 $'000	2014 $'000
Short-term employee benefits	22,942	13,563

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

22. Operating lease arrangements

The Company as a lessor

The Company has entered into commercial land leases with respect to its investment property portfolio, consisting of land and infrastructure. These leases have remaining terms of between one and 29 years.

Future minimum rentals receivable under operating leases are as follows:

	2015 $'000	2014 $'000
Not later than one year	15,863	10,537
Later than one year and not longer than five years	58,123	13,615
Later than five years	329,534	68,032
	403,520	**92,184**

The Company as a lessee

The Company has entered into lease arrangements for motor vehicles for periods ranging between one and four years.

Future minimum rentals payable under operating leases as at 31 December are as follows:

	2015 $'000	2014 $'000
Not later than one year	523	523
Later than one year and not longer than five years	195	718
	718	**1,241**

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

23. 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 credit worthy 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 counter party 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$14.381 million in investment note certificates with Clico Investment Bank Limited. As stated in Note 10 (b), a provision has been established for this entire balance as the recoverability of this balance is doubtful.

Interest rate risk

The Company is exposed to minimal interest rate risk because the Company borrows funds at fixed interest rates. See Note 14.

Liquidity risk

The Company monitors its risks to 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 the continuity of funding and flexibility through the use of advances from the parent and bank loans.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

24. Financial risk management objectives and policies (continued)

Liquidity risk (continued)
The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	On demand $'000	Under 3 months $'000	3 - 12 months $'000	1 - 4 years $'000	>5 years $'000	Total $'000
As at 31 December 2015						
Assets						
Cash and cash equivalents	211,713	45,646	–	–	–	257,359
Trade and other receivables	–	100,249	98,512	–	–	198,761
Due from related parties	–	–	3,502	–	–	3,502
	211,713	**145,895**	**102,014**	**–**	**–**	**459,622**
Liabilities						
Interest-bearing debt	–	11,237	45,299	226,144	486,578	769,258
Trade creditors and accruals	–	90,694	10,161	–	–	100,855
Due to related parties	–	–	4,205	–	–	4,205
Due to parent company	–	–	–	–	–	–
	–	**101,931**	**59,665**	**226,144**	**486,578**	**874,318**
Net liquidity position	**211,713**	**43,964**	**42,349**	**(226,144)**	**(486,578)**	**(414,696)**
As at 31 December 2014						
Assets						
Cash and cash equivalents	233,017	121,237	–	–	–	354,254
Trade and other receivables	–	72,889	99,269	–	–	172,158
Due from related parties	–	–	2,053	–	–	2,053
	233,017	**194,126**	**101,322**	**–**	**–**	**528,465**
Liabilities						
Interest-bearing debt	–	11,130	22,400	179,201	907,277	1,120,008
Trade creditors and accruals	–	43,465	3,144	–	–	46,609
Due to related parties	–	–	3,562	–	–	3,562
Due to parent company	–	–	45,649	–	–	45,649
	–	**54,595**	**74,755**	**179,201**	**907,277**	**1,215,828**
Net liquidity position	**233,017**	**139,531**	**26,567**	**(179,201)**	**(907,277)**	**(687,363)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

24. 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.

As at 31 December 2015		Amount denominated in foreign currency $'000s	TT$ equivalent $'000s
Cash and cash equivalents	US$	37,834	242,879
Trade and other receivables	US$	17,107	109,817
	GBP	2	23
Trade and other payables	US$	10,835	69,553
	EUR	8	57
Long-term debt	US$	73,993	475,004
As at 31 December 2014			
Cash and cash equivalents	US$	40,445	257,167
Trade and other receivables	US$	21,804	138,642
	GBP	2	23
Trade and other payables	US$	1,798	11,435
	EUR	263	2,026
Long-term debt	US$	91,913	584,430

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

Foreign Currency Risk (continued)

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

	Increase/ (decrease) in exchange rate %	Effect on other comprehensive income $'000
2015	7%	13,433
	(7%)	(13,433)
2014	7%	14,144
	(7%)	(14,144)

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 2014.

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 years ended 31 December 2015 and 31 December 2014.

25. **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 14(b)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

26. Transfer of assets and liabilities of La Brea Industrial Development Company Limited

In 2007, the Board of Directors of La Brea Industrial Development Company Limited (LABIDCO) agreed to wind up LABIDCO and transfer the assets and liabilities of the Company to National Energy Corporation of Trinidad and Tobago Limited, subject to the approval of the shareholders of LABIDCO. The Board of Directors of the majority shareholder of LABIDCO, NGC has accepted the recommendation. This decision is currently being reviewed by all parties.

27. Capital commitments

	2015 $'000	2014 $'000
Approved and contracted capital expenditure	**192,980**	**14,102**

These commitments include contractual commitments of $34.723 million (2014: $6.746 million) entered into by the Company on behalf of the GORTT.

28. Contingent liabilities

a) Based on tax audits for income years 2006, 2007 and 2008, the Board of Inland Revenue (BIR) has advised the Company of an outstanding tax obligation. The Company has written to BIR requesting a waiver of any additional liabilities as the wear and tear allowance for marine infrastructure assets is under review by BIR and yet to be determined. No accruals have been made in the financial statements for any additional tax liabilities.

b) During 2015, 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.

29. Events after the reporting date

No significant events occurred after the reporting date affecting the financial performance, position or changes therein for the reporting period presented in these annual financial statements.

La Brea Industrial Development Company Limited

Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of management's responsibilities

It is the responsibility of management to prepare financial statements for each financial year which present fairly, in all material respects, the state of affairs of the Company as at the end of the financial year and the operating results of the Company for the year. It is also management's responsibility to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the IFRS. Management is of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the Company and its operating results. Management further accepts responsibility for the maintenance of accounting records which are relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of Management to indicate that the Company will not remain a going concern for at least the next 12 months from the date of this statement.

Chairman	Director
29 January 2016	29 January 2016

Independent Auditors' Report

to the Shareholder of La Brea Industrial Development Company Limited

Report on the financial statements

We have audited the accompanying financial statements of La Brea Industrial Development Company Limited, which comprises the statement of financial position as at 31 December 2015, 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 a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of La Brea Industrial Development Company Limited as at 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

We draw attention to Note 23 to the financial statements which describe the uncertainty relating the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Deloitte & Touche
Port of Spain
Trinidad

29 January 2016

Deloitte & Touche

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

	Notes	31-Dec-15 $'000	31-Dec-14 $'000 (Restated)	01-Jan-14 $'000 (Restated)
Assets				
Non-current assets				
Property, plant and equipment	6	201,623	21,282	21,019
Investment properties	7	96,060	101,249	100,881
Deferred taxation	13 (b)	2,918	2,522	3,051
Total non-current assets		300,601	125,053	124,951
Current assets				
Cash and short-term deposits	8	53,458	51,533	43,742
Trade and other receivables	9	7,262	7,979	6,695
Due from related parties	19	9,609	8,366	7,278
Taxation recoverable		257	26	592
Total current assets		70,586	67,904	58,307
Total assets		**371,187**	**192,957**	**183,258**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	10	254,919	254,919	144,009
Capital contribution	11	86,249	–	–
Accumulated losses		(82,983)	(92,270)	(108,551)
Total shareholders' equity		258,185	162,649	35,458
Non-current liabilities				
Shareholders' advances	12 / 19	108,022	18,587	130,258
Long-term borrowings	14	–	–	3,440
Total non-current liabilities		108,022	18,587	133,698
Current liabilities				
Current portion of long-term borrowings	14	–	3,439	6,893
Trade and other payables	15	2,990	7,436	6,067
Deferred income	16	445	450	445
Due to related party	19	1,335	–	–
Taxation payable		210	396	697
Total current liabilities		4,980	11,721	14,102
Total liabilities		113,002	30,308	147,800
Total liabilities and equity		**371,187**	**192,957**	**183,258**

The accompanying notes on pages 74 to 103 form an integral part of these financial statements.

The financial statements of La Brea Industrial Development Company Limited were authorised for issue by the Board of Directors on 29 January 2016.

Chairman Director

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

	Notes	Year ended 31 December 2015 $'000	2014 $'000
Income			
Port and harbour dues		23,922	31,761
Property rental income	7	14,209	14,143
Bio-remediation services		1,036	571
Gain on foreign exchange transactions		886	–
Other income		10	5
Interest and other investment income		89	80
		40,152	46,560
Expenses			
Operating expenses	17	11,694	14,169
Administrative, general and maintenance expense	18	14,793	11,526
Impairment losses/(reversal)	6 / 7	1,656	(1,431)
Loss on disposal of property, plant and equipment		2	5
Loss on foreign exchange transactions		–	808
Other expenses		37	54
Finance cost		85	479
		28,267	25,610
Profit before tax		11,885	20,950
Income tax expense	13 (a)	(2,598)	(4,669)
Profit for the year after tax		9,287	16,281
Other comprehensive income		–	–
Total comprehensive income		**9,287**	**16,281**

The accompanying notes on pages 74 to 103 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

	Notes	Share capital $'000	Capital contribution $'000	Accumulated losses $'000	Total equity $'000
Year ended 31 December 2014					
Balance at 1 January 2014 (as previously reported)		144,009	–	(105,944)	38,065
Restatement	5	–	–	(2,607)	(2,607)
Balance at 1 January 2014 (restated)		144,009	–	(108,551)	35,458
Issue of ordinary shares		110,910	–	–	110,910
Profit for the year after tax		–	–	16,281	16,281
Other comprehensive income for the year		–	–	–	–
Total comprehensive income for the year		–	–	16,281	16,281
Balance at 31 December 2014 (restated)		**254,919**	**–**	**(92,270)**	**162,649**
Year ended 31 December 2015					
Balance at 1 January 2015 (restated)		254,919	–	(92,270)	162,649
Capital contribution	11	–	86,249	–	86,249
Profit for the year after tax		–	–	9,287	9,287
Other comprehensive income for the year		–	–	–	–
Total comprehensive income for the year		–	–	9,287	9,287
Balance at 31 December 2015		**254,919**	**86,249**	**(82,983)**	**258,185**

The accompanying notes on pages 74 to 103 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

	Notes	Year ended 31 December 2015 $'000	2014 $'000 (Restated)
Cash flows from operating activities			
Profit before tax		11,885	20,950
Adjustment for:			
Depreciation		4,643	4,523
Interest expense		85	479
Impairment losses/(reversal)		1,656	(1,431)
Interest income		(89)	(80)
Loss on disposal of property, plant and equipment		2	5
Operating profit before working capital changes		18,182	24,446
Decrease/(increase) in receivables and pre-payments		717	(1,284)
Increase in due from related parties		(1,243)	(1,088)
Increase in deferred income		(5)	5
Increase in due to related parties		1,335	–
(Decrease)/increase in trade and other payables and due to Parent Company		(9,999)	678
Cash generated from operating activities		8,987	22,757
Interest paid		(119)	(547)
Interest received		89	80
Taxation refund		–	566
Taxation paid		(3,409)	(4,444)
Net cash generated from operating activities		**5,548**	**18,412**
Cash flows from investing activities			
Purchase of property, plant and equipment		(181,475)	(40)
Additions to investment properties		20	(3,687)
Net cash used in investing activities		**(181,455)**	**(3,727)**
Cash flows from financing activities			
Advances from parent company		181,271	–
Repayment of long-term debt		(3,439)	(6,894)
Net cash generated from/(used in) financing activities		**177,832**	**(6,894)**
Net increase in cash during the year		1,925	7,791
Cash and cash equivalents at beginning of year	8	51,533	43,742
Cash and cash equivalents at end of year		**53,458**	**51,533**

The accompanying notes on pages 74 to 103 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

1. General information and the adoption of new and revised standards

1.1 Corporation information

La Brea Industrial Development Company Limited (the 'Company or LABIDCO') was incorporated in Trinidad and Tobago on 15 February 1995 and continued in accordance with Section 340 (1) of The Companies Act, 1995. The Company commenced commercial operations in 1998 and is principally engaged in the promotion and development of an industrial estate and marine infrastructure facilities at La Brea. Its registered office is located at 7B New Jersey Street, La Brea, Trinidad.

The Company is owned 81% by The National Gas Company of Trinidad and Tobago Limited (NGC) and 19% by the Petroleum Company of Trinidad and Tobago Limited (Petrotrin).

2. Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015.

- **Amendments to IAS 19 Defined Benefit Plans: Employee Contributions**
  The Company has applied the amendments for the first time in the current year. Prior to the amendments, the Company accounted for discretionary employee contributions to defined benefit plans as a reduction of the service cost when contributions were paid to the plans, and accounted for employee contributions specified in the defined benefit plans as a reduction of the service cost when services are rendered. The amendments require the Company to account for employee contributions as follows:

  - Discretionary employee contributions are accounted for as reduction of the service cost upon payments to the plans.
  - Employee contributions specified in the defined benefit plans are accounted for as reduction of the service cost, only if such contributions are linked to services. Specifically, when the amount of such contribution depends on the number of years of service, the reduction to service cost is made by attributing the contributions to periods of service in the same manner as the benefit attribution. On the other hand, when such contributions are determined based on a fixed percentage of salary (i.e. independent of the number of years of service), the Company recognises the reduction in the service cost in the period in which the related services are rendered.

  These amendments have been applied retrospectively. The application of these amendments has had no material impact on the disclosures or the amounts recognised in the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

2.1 Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year (continued)

- **Annual Improvements to IFRSs 2010 - 2012 Cycle and 2011 – 2013 Cycle**
  The Company has applied the amendments to IFRSs included in the Annual Improvements to IFRSs 2010 - 2012 Cycle and 2011 – 2013 Cycle for the first time in the current year. One of the annual improvements requires entities to disclose judgements made by management in applying the aggregation criteria set out in paragraph 12 of IFRS 8 Operating Segments. The application of the amendments has had no impact on the disclosures or amounts recognised in the Company's financial statements.

2.2 New and revised IFRSs in issue but not yet effective

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

• IFRS 9	Financial Instruments[2]
• IFRS 15	Revenue from Contracts with Customers[2]
• Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
• Amendments to IAS 1	Disclosure Initiative[1]
• Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
• Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[1]
• Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
• Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[1]
• Amendments to IFRSs	Annual Improvements to IFRSs 2012 – 2014 Cycle[1]

[1] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

2.2 New and revised IFRSs in issue but not yet effective (continued)

- **IFRS 9 *Financial Instruments***
  IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- all recognised financial assets that are within the scope of IAS 39 F*inancial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- in relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

2.2 New and revised IFRSs in issue but not yet effective (continued)

- **IFRS 9 *Financial Instruments* (continued)**
  - the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

- **IFRS 15 *Revenue from Contracts with Customers***

  In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue,* IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

  The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a five (5)-step approach to revenue recognition:

  - Step 1: Identify the contract(s) with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

2.2 New and revised IFRSs in issue but not yet effective (continued)

- **Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations***
  The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 12 *Income Taxes* regarding the recognition of deferred taxes at the time of acquisition and IAS 36 *Impairment of Assets* regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

  A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

  The amendments should be applied prospectively to acquisitions of interests in joint operations (in which the activities of the joint operations constitute businesses as defined in IFRS 3) occurring from the beginning of annual periods beginning on or after 1 January 2016. The directors of the Company anticipate that the application of these amendments to IFRS 11 may have an impact on the Company's financial statements in future periods should such transactions arise.

- **Amendments to IAS 1 *Disclosure Initiative***
  The amendments to IAS 1 give some guidance on how to apply the concept of materiality in practice.

  The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to IAS 1 will have a material impact on the Company's financial statements.

- **Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation***
  The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:
  a) when the intangible asset is expressed as a measure of revenue; or

  b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

2.2 New and revised IFRSs in issue but not yet effective (continued)

- **Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation* (continued)**
  The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Company uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Company's financial statements.

- **Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants***
  The amendments to IAS 16 and IAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

  The directors of the Company anticipate that the application of these amendments to IAS 16 and IAS 41 will have no impact on the Company's financial statements as the Company is not engaged in agricultural activities.

- **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. Specifically, 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 amendments should be applied prospectively to transactions occurring in annual periods beginning on or after 1 January 2016. The directors of the Company anticipate that the application of these amendments to IFRS 10 and IAS 28 will have no impact on the Company's financial statements in future periods should such transactions arise.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

2.2 New and revised IFRSs in issue but not yet effective (continued)

- **Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception***
  The amendments to IFRS 10, IFRS 12 and IAS 28 clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

  The directors of the Company do not anticipate that the application of these amendments to IFRS 10, IFRS 12 and IAS 28 will have a material impact on the Company's financial statements as the Company is not an investment entity and does not have any holding company, subsidiary, associate or joint venture that qualifies as an investment entity.

- **Annual Improvements to IFRSs 2012-2014 *Cycle***
  The Annual Improvements to IFRSs 2012-2014 Cycle include a number of amendments to various IFRSs, which are summarised below.

  The amendments to IFRS 5 introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in IFRS 5 regarding the change of sale plan do not apply. The amendments also clarify the guidance for when held-for-distribution accounting is discontinued.

  The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

  The amendments to IAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high-quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

  The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

3. **Summary of significant accounting policies**

Basis of preparation
These financial statements have been prepared under the historical cost convention. The financial statements are presented in Trinidad and 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).

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) **Trade receivables**
Trade accounts receivable are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. A provision is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified. Receivables from related parties are recognised and carried at cost.

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

Deferred tax assets are recognised only if there is a reasonable expectation of realisation. Deferred tax assets arises 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

d) **Property, plant and equipment**

Property, plant and equipment are stated at historical cost.

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

Marine infrastructure assets	3.33% to 6.66%
Machinery and equipment	20%
Other	12.5% to 50%

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 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 on 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.

e) **Investment property**

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

Fabrication yard	3.33%
Development cost	10.00% - 33.33%

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 on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of retirement or disposal.

f) **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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

g) **Foreign currencies**
The presentation and functional currency of the Company's financial statements is 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 income/ expense for the year.

h) **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.

i) **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.

j) **Financial assets**
Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction cost. The Company determines the classification of its financial assets on initial recognition and where allowed and appropriate, re-evaluates this designation at each financial year end.

Loans and receivables
Loans and receivables are non-derivative financials assets with fixed or determinable payments that are not quoted in an active market. After initial measurement loans and receivables are carried at amortised cost using the effective interest rate method less any allowance for impairment. Gains and losses are recognised in the statement of profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Amortised cost
Loans and receivables are measured at amortised cost. This is computed using the effective interest rate method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of borrowing costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

k) **Financial liabilities**

Interest-bearing loans and borrowings
All loans and borrowings are initially recognised at fair value less directly attributable transaction costs, and have not been designated 'as at fair value through profit or loss'.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the amortisation process.

l) **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. 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.

m) **Impairment of financial assets**

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

n) **Derecognition of financial assets and liabilities**

Financial assets

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

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

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in assets.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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

o) **Employee benefits**

The Company's employees are members of the parent company's defined benefit plan, the assets of which are held in a separate trustee-administered fund. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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

p) **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:

Revenue associated with port and harbour and bio-remediation services is recognised upon performance of the services.

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

Lease rental from fabrication yard is recognised as revenue in the period in which the rental is earned.

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

q) **Leases**
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating 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
Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

r) **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.

s) **Comparative information**
Where necessary, comparative information is adjusted to conform to changes in presentation in the current year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

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 cognisance 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.

Tax assessments
The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due where the final tax outcome of these matters is different from the amounts that were initially recorded. Such differences will impact the income tax and deferred tax provisions in the period in which such determinations are made.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

5. Restatement

The Company has restated its financial statements as a consequence of a settlement of an obligation to a vendor in the amount of $2.6 million in respect of repair works at Berth 2 in 2011. The cost was invoiced in 2014 and no accrual in relation to this expense was previously made. The settlement of the amounts due was paid in 2015.

This restatement affected previously reported amounts as follows:

	As originally reported $' 000	Repair works at Berth 2 $' 000	Restated $' 000
2011			
Profit before taxation	24,061	(2,607)	21,454
Accumulated losses	(118,560)	(2,607)	(121,167)
Trade and other payables	3,911	2,607	6,518
2012			
Profit before taxation	–	–	–
Accumulated losses	(117,598)	(2,607)	(120,205)
Trade and other payables	8,410	2,607	11,017
2013			
Profit before taxation	–	–	–
Accumulated losses	(105,944)	(2,607)	(108,551)
Trade and other payables	3,460	2,607	6,067
2014			
Profit before taxation	–	–	–
Accumulated losses	(89,663)	(2,607)	(92,270)
Trade and other payables	4,829	2,607	7,436

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

6. Property, plant and equipment

	Marine infrastructure assets $'000	Machinery and equipment $'000	Other $'000	Capital work in progress $'000	Total $'000
Cost					
Balance at 1 January 2014	164,791	270	539	1,844	167,444
Additions	–	–	40	–	40
Disposals	–	–	(146)	–	(146)
Balance at 31 December 2014	164,791	270	433	1,844	167,338
Additions	100	–	104	181,271	181,475
Disposals	–	–	(17)	–	(17)
Balance at 31 December 2015	164,891	270	520	183,115	348,796
Accumulated depreciation					
Balance at 1 January 2014	(46,291)	(181)	(319)	–	(46,791)
Depreciation expense	(708)	(36)	(49)	–	(793)
Disposals	–	–	142	–	142
Balance at 31 December 2014	(46,999)	(217)	(226)	–	(47,442)
Depreciation expense	(715)	(33)	(59)	–	(807)
Disposals	–	–	14	–	14
Balance at 31 December 2015	(47,714)	(250)	(271)	–	(48,235)
Accumulated impairment charges losses					
Balance at 1 January 2014	(99,634)	–	–	–	(99,634)
Impairment reversal recognised in profit or loss	1,020	–	–	–	1,020
Balance at 31 December 2014	(98,614)	–	–	–	(98,614)
Impairment losses recognised in profit or loss	(324)	–	–	–	(324)
Balance at 31 December 2015	(98,938)	–	–	–	(98,938)
Carrying amount					
At 31 December 2014	**19,178**	**53**	**207**	**1,844**	**21,282**
At 31 December 2015	**18,239**	**20**	**249**	**183,115**	**201,623**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

6. **Property, plant and equipment (continued)**

Fair value measurement of the Company's marine infrastructure assets

The fair value was based on the marine infrastructure assets' value in use. The recoverable amount of the Company's assets has been determined based on a value-in-use calculation using cash flow projections from the 2016 financial budget approved by management and the Board of Directors and extrapolated for a four-year period, at a discount rate of 4.60%. As a result of this analysis, management has recognised an impairment charge of $0.324 million (2014: reversal of $1.020 million) on its property, plant and equipment in the statement of profit or loss.

Details of the Company's marine infrastructure assets 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 2015	–	–	15,444	15,444	15,444
At 31 December 2014	–	–	21,022	21,022	21,022

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

7. **Investment properties**

	Development costs $'000	Freehold land $'000	Fabrication yard $'000	Capital work in progress $'000	Total $'000
Cost					
At 1 January 2014	113,664	46,465	45,174	–	205,303
Additions	1,871	–	–	1,816	3,687
At 31 December 2014	115,535	46,465	45,174	1,816	208,990
Additions	1,796	–	–	(1,816)	(20)
At 31 December 2015	117,331	46,465	45,174	–	208,970
Accumulated depreciation and impairment					
At 1 January 2014	(14,787)	–	(13,273)	–	(28,060)
Depreciation expense	(2,191)	–	(1,539)	–	(3,730)
At 31 December 2014	(16,978)	–	(14,812)		(31,790)
Depreciation expense	(2,298)	–	(1,539)	–	(3,837)
At 31 December 2015	(19,276)	–	(16,351)	–	(35,627)
Accumulated impairment charges losses					
Balance at 1 January 2014	(76,362)	–	–	–	(76,362)
Impairment reversal recognised in profit or loss	411	–	–	–	411
Balance at 31 December 2014	(75,951)	–	–	–	(75,951)
Impairment losses recognised in profit or loss	(1,332)	–	–	–	(1,332)
Balance at 31 December 2015	(77,283)	–	–	–	(77,283)
Carrying amount					
At 31 December 2014	22,606	46,465	30,362	1,816	101,249
At 31 December 2015	20,772	46,465	28,823	–	96,060

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

7. Investment properties (continued)

i) Legal title for the land on which the fabrication yard is situated has not yet been transferred to the Company by the Company's minority shareholder.

ii) The following table summarises the amounts recognised in the statement of the profit or loss.

Amounts recognised in statement of profit or loss

	2015 $'000	2014 $'000
Rental income from investment properties	**14,209**	**14,143**
Direct operating expenses	**1,537**	**663**

iii) Fair value measurement of the Company's investment properties
The fair value was based on the marine infrastructure assets' value in use. The recoverable amount of the Company's assets has been determined based on a value-in-use calculation using cash flow projections from the 2016 financial budget approved by management and the Board of Directors and extrapolated for a four-year period, at a discount rate of 4.60%. As a result of this analysis, management has recognised an impairment charge of $1.332 million (2014: reversal of $0.411 million) on its investment properties in the statement of profit or loss.

Details of the Company's investment properties 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 2015	**–**	**–**	**106,449**	**106,449**	**106,449**
At 31 December 2014	**–**	**–**	**127,066**	**127,066**	**127,066**

8. Cash and short-term deposits

	2015 $'000	2014 $'000
Cash at bank and on hand	53,458	51,533
Short-term deposits	4,253	4,253
	57,711	55,786
Less: Impairment provision of short-term deposit (Note 8b)	(4,253)	(4,253)
	53,458	**51,533**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

8. **Cash and short-term deposits (continued)**

a) 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 short-term deposits is $53.46 million (2014: $51.53 million).

b) The Company holds investment note certificates with Clico Investment Bank Limited (CIB) in the amount of US $679,790.

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 CBTT indicated that the investment note certificates were not covered under the guarantee provided by the Government of the Republic of Trinidad and Tobago. The investment note certificates and the related accrued interest were therefore deemed to be impaired at 31 December 2008 as there was no basis to determine the timing and quantum, if any, of recovery. The amounts remain fully provided for at 31 December 2015.

9. **Trade and other receivables**

	2015 $'000	**2014 $'000**
Trade receivables	13,644	11,788
Provision for doubtful debts	(7,860)	(4,993)
	5,784	6,795
Other trade receivables and prepayments	1,478	1,184
Total receivables and prepayments	**7,262**	**7,979**

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

As at 31 December 2015, trade receivables at a value of $7.860 million (2014: $4.993 million) were impaired and provided for fully. Movement in the provision for impairment of receivables were as follows:

	2015 $'000	**2014 $'000**
At 1 January	4,993	5,364
Charge for year	2,983	–
	7,976	5,364
Amounts recovered during the year	(116)	(371)
At 31 December	**7,860**	**4,993**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

9. Trade and other receivables (continued)

As at 31 December, the ageing analysis of non-impaired trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired				
			<30 days	30-60 days	60-90 days	90-120 days	>120 days
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2015	5,784	269	961	502	239	203	3,610
2014	6,795	(3,032)	954	321	166	1,162	7,224

10. Share capital

Authorised
An unlimited number of ordinary shares of no par value

Issued and fully paid

	2015 $'000	2014 $'000
144,009 ordinary shares of no par value	254,919	254,919

11. Capital Contribution

The Parent Company (NGC) has injected $86.249 million as equity for the Reconstruction of Berth 2 at LABIDCO Port.

12. Shareholders' advances

Most activities conducted by the Company have been funded by its shareholders. The amounts outstanding are unsecured with no fixed repayment terms, currently bear no interest and are due to the shareholders as follows:

	2015 $'000	2014 $'000
The National Gas Company of Trinidad and Tobago Limited	108,022	18,587

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

13. **Taxation**

a) **Taxation charge**

The major components of the taxation expense were as follows:

	2015 $'000	2014 $'000
Corporation tax – current year	2,955	4,093
Green fund levy	39	47
Deferred taxation (charge)/credit	(396)	529
	2,598	**4,669**

A reconciliation of the expected income tax expense determined using the statutory tax rate of 25% to the effective income tax expense is as follows:

	2015	2014
Profit before taxation	11,885	20,950
Income taxes thereon at the rate of 25%	2,971	5,238
Non-deductible expenses	70	29
Decrease in impairment provision	(1,431)	(1,086)
Green fund levy	39	47
Prior year adjustment	651	–
Other differences	298	441
	2,598	**4,669**

b) **Deferred tax asset**

Significant components of deferred tax asset are as follows:

	2015	2014
Assets		
Property, plant and equipment	3,686	4,849
Accrued interest expense	–	9
Accrued annual leave	78	23
	3,764	4,881
Less: impairment provision	(846)	(2,359)
	2,918	**2,522**

Management is of the opinion that future taxable profit might not be available to utilise total deferred tax asset as a result of the decision made by the Board of Directors to wind up the Company (see Note 23). Deferred tax asset is limited using taxable profits from the 2016 financial budgets approved by management and the Board of Directors. As a result of this analysis, the Company recognised an impairment charge of $0.846 million (2014: $2.359 million) on its deferred tax asset.

Movement for the year:

	2015	2014
Balance at 1 January	2,522	3,051
Deferred tax charge/(credit) to statement of profit and loss	396	(529)
Balance at 31 December	**2,918**	**2,522**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

14. Long-term borrowing

	Long-term portion $'000	Current portion $'000	2015 $'000	2014 $'000
RBC Trust (Trinidad and Tobago) Limited	–	–	–	3,439

The Fabrication Yard and Dock Expansion projects were financed with a $62 million fixed rate bond issued to RBC Trust (Trinidad and Tobago) Limited on the 2 May 2005.

The Bond provides for two semi-annual interest payments in arrears at a fixed rate of interest of 6.05%, in addition to a one-year moratorium on principal. This is followed by 18 semi-annual payments of interest and principal.

Both interest and principal are to be paid to First Caribbean International Banking and Financial Corporation Limited who was assigned as the Paying Agent of the Bond.

This Bond is guaranteed by the following:
- The National Gas Company of Trinidad and Tobago Limited (NGC) – an amount of $51.461 million.
- The Petroleum Company of Trinidad and Tobago Limited (PETROTRIN) – an amount of $10.540 million.
- The loan was fully repaid in May 2015.

Fair values

Carrying amount		Fair value	
2015 $'000	2014 $'000	2015 $'000	2014 $'000
–	3,439	–	3,439

The fair value of the borrowing has been calculated by discounting the expected future cash flows at 4.95% for 2014.

Maturity profile of long-term debt

	2015 $'000	2014 $'000
In one year or less	–	3,439
In more than one year but not more than two years	–	–
	–	3,439

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

15. Trade and other payables

	2015 $'000	2014 $'000
Trade payables	440	1,039
Accrued interest – Board of Inland Revenue	193	196
– other	8	34
Accrued material/service amounts	1,390	4,093
Employee related accruals	697	1,565
Retentions	262	509
	2,990	**7,436**

16. Deferred income

	2015 $'000	2014 $'000
Operating leases – rental income	**445**	**450**

This amount relates to rental income for land billed in advance.

17. Operating expenses

Operating expenses comprise the following:

	2015 $'000	2014 $'000
Depreciation	2,252	2,247
Stevedoring charges	3,591	5,118
Maintenance and general expenses	2,641	2,123
Equipment rental	1,413	1,896
Insurance	1,797	2,785
	11,694	**14,169**

18. Administrative, general and maintenance expense

Administrative, general and maintenance services comprise the following:

	2015 $'000	2014 $'000
Depreciation	2,391	2,276
Staff costs	3,661	3,102
Management fees – related party	842	704
Security	2,456	1,962
Electricity	500	417
Movement in provision for bad debts	2,829	(371)
Other	2,114	3,436
	14,793	**11,526**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

19. Related party transactions

The Company is a subsidiary of the National Gas Company of Trinidad and Tobago which is wholly 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 Petroleum Company of Trinidad and Tobago Limited (Petrotrin).

The sales to and purchases from related parties are at arm's length. 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. At 31 December 2015, the Company has a provision for doubtful debts totalling $145,872 (2014: $183,192), relating to amounts owed by related parties. This 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 balances outstanding for the year ended 31 December 2015 and 31 December 2014.

	Year	Income from related parties $'000	Purchase from related parties $'000	Amounts due from related parties $'000	Amounts due to related parties $'000
The National Gas Company of Trinidad and Tobago Limited					
Reimbursement of expenses paid/ shareholder's advances	2015	–	–	5,404	108,022
	2014	–	–	5,402	18,587
National Energy Corporation of Trinidad and Tobago Limited					
Management fees and reimbursements	2015	–	842	4,205	1,335
	2014	–	704	2,964	–
Petroleum Company of Trinidad and Tobago					
Lease rental and dock fees	2015	746	–	356	–
	2014	2,565	–	1,293	–
Water and Sewerage Authority of Trinidad and Tobago					
Lease rental	2015	–	–	146	–
	2014	–	–	146	–
Directors					
Directors' fees and travel allowances	2015	–	147	–	–
	2014	–	133	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

20. Operating lease arrangements

The Company as a lessor

The Company has entered into commercial land leases with respect to its investment property portfolio, consisting of land and infrastructure. These leases have remaining terms of between one and 29 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Rental income earned by the Company from its investment property and direct operating expenses arising on the investment property for the year are set out in Note 7.

Future minimum rentals receivable under operating leases are as follows:

	2015 $'000	2014 $'000
Not later than 1 year	17,188	17,736
Later than 1 year and not longer than 5 years	28,771	33,493
Later than 5 years	93,002	99,334
	138,961	**150,563**

The Company as a lessee

As at 31 December 2015, the Company held no asset under operating lease as a lessee (2014: nil).

21. 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 credit worthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. 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 counter party 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 US$679,790 in investment note certificates with Clico Investment Bank Limited. As stated in Note 8 (b), a provision was first established for this balance in 2008 as the recoverability of this balance was doubtful.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

21. Financial risk management objectives and policies (continued)

Interest rate risk

The Company is exposed to minimal interest rate risk because the Company borrows funds at fixed interest rates. See Note 14.

Liquidity risk

The Company monitors its risks to 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 the 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 liabilities based on contractual undiscounted payments:

	On demand $'000	Less than 3 months $'000	3 - 12 months $'000	1 - 4 years $'000	>5 years $'000	Total $'000
As at 31 December 2015						
Assets						
Cash and cash equivalents	53,458	–	–	–	–	53,458
Trade and other receivables	–	2,602	4,660	–	–	7,262
Due from related parties	–	9,609	–	–	–	9,609
Total assets	**53,458**	**12,211**	**4,660**	**–**	**–**	**70,329**
Liabilities						
Shareholders' advances	–	–	–	–	108,022	108,022
Due to related parties	–	–	1,335	–	–	1,335
Trade and other payables	–	2,127	350	–	–	2,477
Total liabilities	**–**	**2,127**	**1,685**	**–**	**108,022**	**111,834**
Net liquidity gap	**53,458**	**10,085**	**2,975**	**–**	**(108,022)**	**(41,505)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

21. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

	On demand $'000	Less than 3 months $'000	3 - 12 months $'000	1 - 4 years $'000	>5 years $'000	Total $'000
As at 31 December 2014						
Assets						
Cash and cash equivalents	51,533	–	–	–	–	51,533
Trade and other receivables	–	3,489	4,490	–	–	7,979
Due from related parties	–	8,366	–	–	–	8,366
Total assets	**51,533**	**11,855**	**4,490**	**–**	**–**	**67,878**
Liabilities						
Interest-bearing debt	–	–	3,439	–	–	3,439
Shareholders' advances	–	–	–	–	18,587	18,587
Trade and other payables	–	6,541	571	–	–	7,112
Total liabilities	**–**	**6,541**	**4,010**	**–**	**18,587**	**29,138**
Net liquidity gap	**51,533**	**5,314**	**480**	**–**	**(18,587)**	**38,740**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

21. 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.

As at 31 December 2015		Amount denominated in foreign currency $'000s	TT$ equivalent $'000s
Cash and cash equivalents	US$	7,690	49,367
Trade and other receivables	US$	3,380	21,513
Trade and other payables	US$	1,116	7,041
	GBP	5	65
As at 31 December 2014			
Cash and cash equivalents	US$	6,865	43,648
Trade and other receivables	US$	3,110	19,774
Trade and other payables	US$	1,850	11,766
	GBP	10	104

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

21. Financial risk management objectives and policies (continued)

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

	Increase/(decrease) in exchange rate %	Effect other comprehensive income $'000
2015	7%	**4,435**
	(7%)	**(4,435)**
2014	7%	**3,608**
	(7%)	**(3,608)**

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 2014.

22. Financial instruments

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

Long-term financial assets and liabilities
The fair value of fixed rate borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates of nil at 31 December 2015 (2014: 4.45%). (Refer to Note 14).

23. Dissolution of the Company

During the 2007 financial year, the Board of Directors of the Company considered the options available for the winding up of the Company. After evaluating the various options, the Board agreed that the preferred option was for the shareholders to relinquish their shareholdings voluntarily and that all the assets and liabilities of the Company be transferred to National Energy Corporation of Trinidad and Tobago Limited. The then Board of the majority shareholder, NGC, accepted the recommendation.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realise its assets and discharge its liabilities in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

24. **Capital commitments**

Capital commitments as at 31 December 2015 were $0.305 million (2014: $1.0 million).

25. **Events after the reporting date**

There were no subsequent events occurring after the reporting date that significantly impacted the financial performance, position or cash flows which require disclosure.

Design: Lonsdale Saatchi and Saatchi Advertising Limited
8&10 Herbert Street, Port of Spain