

Unaudited Condensed Consolidated Interim  
Financial Statements

**PETROLEUM COMPANY OF TRINIDAD  
AND TOBAGO LIMITED**

Nine Months Ended 2017 June 30

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# PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED

Nine Months ended 2017 June 30

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# PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED


## Unaudited Condensed Consolidated Statement of Financial Position

(Presented in Thousands of Trinidad and Tobago dollars)

	Note	June 30 2017	March 31 2017	Unaudited September 30,2016
<b>ASSETS:</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Non-current assets</b>				
Property, plant and equipment	7	19,984,157	20,012,752	20,220,128
Intangible assets and goodwill	7	6,119,846	6,225,136	6,374,088
Available-for-sale financial instruments		2,841	2,840	2,217
Investment in associate		38,804	38,212	36,968
Net deferred income tax assets		6,006,950	5,686,361	5,521,149
Income taxes recoverable		530,683	530,683	530,683
Cash in escrow-shareholder		204,980	197,789	184,561
Non-current asset – held for sale		27,692	27,692	27,692
		<u>32,915,953</u>	<u>32,721,465</u>	<u>32,897,486</u>
<b>Current assets</b>				
Inventories		2,403,666	2,555,917	2,285,177
Receivables and prepayments	8	1,494,834	2,498,287	2,270,813
Cash and cash equivalents		590,245	572,496	827,678
		<u>4,488,745</u>	<u>5,626,700</u>	<u>5,383,668</u>
<b>Total assets</b>		<u>37,404,698</u>	<u>38,348,165</u>	<u>38,281,154</u>
<b>EQUITY AND LIABILITIES:</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital		2,272,274	2,272,274	2,272,274
Retained earnings		8,249,149	8,509,924	8,646,290
Currency translation differences		580,429	552,679	550,868
		11,101,852	10,754,610	11,334,877
Non-controlling interests		(56,039)	(55,600)	(54,840)
<b>Total equity</b>		<u>11,045,813</u>	<u>11,279,277</u>	<u>11,414,592</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings	9	7,405,613	7,592,035	7,756,889
Retirement benefit obligation – pension benefits		319,039	287,188	220,500
Retirement benefit obligation – medical benefits		2,721,161	2,672,806	2,587,900
Provisions		4,837,801	4,757,689	4,596,941
		<u>15,283,614</u>	<u>15,309,718</u>	<u>15,162,230</u>
<b>Current liabilities</b>				
Trade and other payables	10	4,558,831	4,799,645	4,754,878
Current tax liabilities		2,123,776	2,123,417	2,123,021
Current portion of long-term borrowings		483,291	481,950	479,385
Short-terms loans		3,901,692	4,346,477	4,339,367
Provisions		7,681	7,681	7,681
		<u>11,075,271</u>	<u>11,759,170</u>	<u>11,704,332</u>
<b>Total liabilities</b>		<u>26,358,885</u>	<u>27,068,888</u>	<u>26,866,562</u>
<b>Total equity and liabilities</b>		<u>37,404,698</u>	<u>38,348,165</u>	<u>38,281,154</u>

The notes on pages 5 to 14 are an integral part of these unaudited condensed consolidated interim financial statements.

Certified By:   
Chief Financial Officer

  
Date

# PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED

## Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Presented in Thousands of Trinidad and Tobago dollars)

For the Quarter Ended				For the Nine Months Ended		
June 2016	March 2017	June 2017		Note	June 2017	June 2016
\$	\$	\$			\$	\$
4,748,852	4,828,545	4,528,381	Revenue	11	14,881,774	11,915,210
(4,083,715)	(4,659,840)	(4,573,689)	Cost of sales	13	(14,221,378)	(11,860,352)
<b>665,137</b>	<b>168,705</b>	<b>(45,308)</b>	<b>Gross (loss)/profit</b>		<b>660,396</b>	<b>54,858</b>
(303,463)	(290,075)	(296,976)	Administrative expenses	13	(870,615)	(877,943)
(30,990)	(35,491)	(39,527)	Marketing expenses	13	(104,954)	(94,084)
(4,445)	(13,470)	(13,093)	Other operating (expenses)/income	13	(24,134)	(10,536)
(1,200)	1,380	(716)	Impairment (losses)/income	14	187	(1,266)
66,095	38,636	24,884	Other operating income	12	95,420	201,324
<b>(391,134)</b>	<b>(130,315)</b>	<b>(370,736)</b>	<b>Operating loss/profit</b>		<b>(243,700)</b>	<b>(727,647)</b>
300	734	171	Investment income		1,230	1,384
(160,463)	(149,142)	(145,166)	Finance cost-bank borrowings		(440,579)	(470,361)
(67,260)	(65,992)	(66,627)	Finance cost-dismantlement		(199,879)	(201,780)
<b>(227,723)</b>	<b>(214,400)</b>	<b>(211,622)</b>	<b>Net finance costs</b>		<b>(639,228)</b>	<b>(670,757)</b>
<b>(426)</b>	<b>(1,377)</b>	<b>121</b>	<b>Share of (loss)/profit of equity-accounted investees, net of tax</b>		<b>(870)</b>	<b>(1,052)</b>
<b>163,285</b>	<b>(346,092)</b>	<b>(582,237)</b>	<b>Loss before tax</b>		<b>(883,798)</b>	<b>(1,399,456)</b>
(89,807)	190,351	320,230	Income tax benefit	15	486,089	769,701
<b>73,478</b>	<b>(155,741)</b>	<b>(262,007)</b>	<b>Loss for the period</b>		<b>(397,709)</b>	<b>(629,755)</b>
<b>Other comprehensive income:</b> <i>Items that will never be reclassified to profit or loss:</i>						
101,355	(23,084)	28,543	Currency translation differences		28,930	372,328
101,355	(23,084)	28,543	<b>Other comprehensive income/(loss) for the period net of income tax</b>		28,930	372,328
<b>174,833</b>	<b>(178,825)</b>	<b>(233,464)</b>	<b>Total comprehensive loss for the period</b>		<b>(368,779)</b>	<b>(257,427)</b>
<b>(Loss)/Profit attributable to:</b>						
73,109	(155,735)	(260,775)	Equity holders of the Company		(397,141)	(633,412)
369	(6)	(1,232)	Non-controlling interests		(568)	(3,657)
<b>73,478</b>	<b>(155,741)</b>	<b>(262,007)</b>			<b>(397,709)</b>	<b>(629,755)</b>
<b>Total comprehensive (loss)/income attributable to:</b>						
174,464	(179,095)	(231,601)	Equity holders of the Company		(367,580)	(261,084)
369	270	(1,863)	Non-controlling interests		(1,199)	3,657
<b>174,833</b>	<b>(178,825)</b>	<b>(233,464)</b>			<b>(368,779)</b>	<b>(257,427)</b>

The notes on pages 5 to 14 are an integral part of these unaudited condensed consolidated interim financial statements.

# PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED

## Unaudited Condensed Consolidated Statement of Changes in Equity (Presented in Thousands of Trinidad and Tobago dollars)

	Attributable to equity holders of the Company				Non- controlling interests	Total equity
	Share capital	Currency translation differences	Retained earnings	Total		
	\$	\$	\$	\$	\$	\$
<b>Balance at 2016 September 30 (unaudited)</b>	2,272,274	550,868	8,646,290	11,469,432	(54,840)	11,414,592
<b>(Loss)/Profit for the period</b>	--	--	(397,141)	(397,141)	(568)	(397,709)
<b>Other comprehensive income:</b>						
Currency translation differences	--	29,561	--	29,561	(631)	28,930
Total comprehensive income for the period	--	29,561	(397,141)	(367,580)	(1,199)	(368,779)
<b>Balance at 2017 June 30</b>	<b>2,272,274</b>	<b>580,429</b>	<b>8,249,149</b>	<b>11,101,852</b>	<b>(56,039)</b>	<b>11,045,813</b>
<b>Balance at 2015 September 30</b>	2,272,274	138,165	8,777,931	11,188,370	(55,411)	11,132,959
<b>Loss for the period</b>	--	--	(633,412)	(633,412)	3,657	(629,755)
<b>Other comprehensive income:</b>						
Currency translation differences	--	374,526	--	374,526	(2,198)	372,328
Total comprehensive income for the period	--	374,526	(633,412)	(258,886)	1,459	(257,427)
<b>Balance at 2016 June 30</b>	<b>2,272,274</b>	<b>512,691</b>	<b>8,144,519</b>	<b>10,929,484</b>	<b>(53,952)</b>	<b>10,875,532</b>

The notes on pages 5 to 14 are an integral part of these unaudited condensed consolidated interim financial statements.

# PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED

## Unaudited Condensed Consolidated Statement of Cash flows

*(Presented in Thousands of Trinidad and Tobago dollars)*

For the Quarter Ended			For the Nine Months Ended	
June 2016	March 2017	June 2017	June 2017	June 2016
\$	\$	\$	\$	\$
163,285	(346,092)	(928,329)	<b>Cash flows from operating activities:</b>	
183,266	160,249	316,914	(Loss)/Profit before tax	(883,798) (1,399,456)
306,658	268,995	522,097	Amortisation of intangible assets	453,206 531,027
(26,407)	(681)	272	Depreciation	773,331 914,150
233,613	214,704	426,855	Foreign currency translation (gain)/loss	12,006 96,343
(300)	(696)	(837)	Interest expense	640,457 672,141
			Investment income	(1,142) (1,384)
(4)	--	--	(Gain)/loss on disposal of property, plant and equipment and intangible asset	-- (37)
(426)	954	(484)	Share of loss of associate	(870) (1,052)
-	--	-	Reversal of previous impairment losses	-- (2,334)
1,200	(605)	1,670	Impairment losses related to investments	2,147 3,600
70,425	74,475	148,950	Net pension benefit cost	223,425 211,275
55,250	57,925	115,850	Net medical benefit cost	173,775 165,750
-	--	-	Supplemental petroleum taxes	-- --
(863,651)	(152,116)	510,195	Adjustment to working capital	403,315 1,027,286
(52,252)	(59,757)	(111,951)	Retirement contributions paid	(165,400) (185,979)
(477)	7,151	7,475	Taxes paid	256 (487)
<b>70,180</b>	<b>224,506</b>	<b>1,008,677</b>	<b>Net cash from operating activities</b>	<b>1,657,708 1,838,157</b>
			<b>Cash flows from investing activities:</b>	
(227,884)	(90,798)	(175,617)	Payments for property plant and equipment and intangible assets	(378,312) (730,819)
4	--	--	Proceeds from disposal of property, plant and equipment	-- 37
--	--	--	Proceeds from available-for-sale investments	-- --
(1,200)	25,770	(1,670)	Disbursements of loans to related parties	(2,147) (3,600)
564	(954)	850	Interest received	1,153 1,510
<b>(228,516)</b>	<b>680</b>	<b>(214,610)</b>	<b>Net cash used in investing activities</b>	<b>(417,479) (732,872)</b>
			<b>Cash flows from financing activities:</b>	
(195,639)	--	(195,640)	Repayments of long-term borrowings	(391,281) (391,279)
2,457,646	2,397,116	4,534,866	Proceeds from short-term loans	6,923,119 5,788,147
(1,957,964)	(2,323,468)	(4,901,877)	Repayments of short-term loans	(7,333,446) (6,769,492)
(116,342)	(448,735)	(459,176)	Interest paid	(580,583) (578,682)
<b>187,701</b>	<b>(375,087)</b>	<b>(1,021,827)</b>	<b>Net cash used in financing activities</b>	<b>(1,382,191) (1,951,306)</b>
(72,872)	(12,227)	(34,141)	Currency translation differences relating to cash and cash equivalents	(95,471) (197,754)
(43,507)	(241,654)	(201,991)	<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(141,962) (1,043,775)</b>
<b>731,650</b>	<b>826,377</b>	<b>827,678</b>	<b>Cash and cash equivalents at start of period</b>	<b>827,678 1,731,918</b>
<b>688,143</b>	<b>572,496</b>	<b>591,546</b>	<b>Cash and cash equivalents at end of period</b>	<b>590,245 688,143</b>

The notes on pages 5 to 14 are an integral part of these unaudited condensed consolidated interim financial statements.



# PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

2017 June 30

*(Presented in Thousands of Trinidad and Tobago dollars)*

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### 1. Reporting entity

Petroleum Company of Trinidad and Tobago Limited (Petrotrin) is incorporated in the Republic of Trinidad and Tobago. The Group is primarily engaged in integrated petroleum operations which include the exploration for, development and production of hydrocarbons and the manufacturing and marketing of petroleum products. The sole shareholder is the Government of the Republic of Trinidad and Tobago (GORTT). The registered office is the Administration Building, Southern Main Road, Pointe-a-Pierre, Trinidad and Tobago, West Indies.

The condensed consolidated interim financial statements of the Group as at and for the nine months ended 2017 June 30 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in jointly controlled entities.

### 2. Basis of presentation

The accompanying condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board (IASB). The accompanying consolidated statement of financial position as at 2017 June 30, the consolidated statements of comprehensive income, changes in equity and cash flows for the nine months ended 2017 June 30, and the explanatory notes thereto are unaudited and have been prepared for quarterly and interim financial information. These consolidated interim financial statements are condensed and prepared in compliance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*, and should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended 2016 September 30, which have been prepared in accordance with IFRS.

The interim financial statements apply the same accounting principles and practices as those used in the 2016 annual financial statements.

In the opinion of management, these unaudited condensed consolidated interim financial statements include all adjustments of a normal and recurring nature necessary for a fair presentation of results. Results for the nine months ended 2017 June 30 are not necessarily indicative of future results.

### 3. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The United States dollar is the Group's functional currency. The condensed consolidated interim financial statements are presented in Trinidad and Tobago dollars, rounded to the nearest thousand, which is the Group's presentation currency. This is because its main stakeholders are the Government of the Republic of Trinidad and Tobago, the Ministry of Finance, and its employees.

The following exchange rates were used in translating United States dollars to Trinidad and Tobago dollars:

	June 30 2017 \$	March 31 2017 \$	September 30 2016 \$	June 30 2016 \$
At end of the period	6.76520	6.74640	6.74315	6.65075
Average rate during the period	6.74771	6.74551	6.55020	6.49905

# **PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

## **Notes to the Unaudited Condensed Consolidated Interim Financial Statements**

2017 June 30

*(Presented in Thousands of Trinidad and Tobago dollars)*

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### **4. Use of judgements and estimates**

In preparing these condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 2016 September 30.

#### *Measurement of fair values*

The carrying amount of the following assets and liabilities: cash, investments, trade receivables and payables, other receivables and payables and short-term borrowings approximate to their fair values. During the period, there were no changes in the classification of financial assets, neither were there transfers between levels of the fair value hierarchy.

### **5. Income tax expense**

Tax expense or benefit is recognised based on management's best estimate of the weighted-average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period.

### **6. Accounting standards and interpretations**

#### **(a) New standards, amendments and interpretation adopted**

- No new accounting standards, amendments or interpretations were adopted for the nine months ended 2017 June 30.

#### **(b) New standards, amendments and interpretation issued but not early adopted**

- Refer to the Audited Consolidated Financial Statements of the Group as at 2016 September 30 for new standards, amendments and interpretations issued but not early adopted.



# PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

2017 June 30

*(Presented in Thousands of Trinidad and Tobago dollars)*

### 7. Property, plant and equipment and Intangible assets and goodwill

	Property, plant and equipment	Intangible assets
	\$	\$
<b>Nine months ended 2017 June 30</b>		
Opening net book amount as at 2016 October 01	20,220,128	6,374,088
Exchange differences	122,351	42,434
Additions	415,009	128,838
Depreciation and amortisation	(773,331)	(453,206)
<b>Non current asset – held for sale</b>	--	27,692
<b>Closing net book amount as at 2017 June 30</b>	<b>19,984,157</b>	<b>6,119,846</b>
<b>Nine months ended 2016 June 30</b>		
Opening net book amount as at 2015 October 01	19,676,440	6,095,250
Exchange differences	919,881	290,701
Additions	427,888	482,710
Depreciation and amortisation	(914,150)	(531,027)
<b>Closing net book amount as at 2016 June 30</b>	<b>20,110,059</b>	<b>6,337,634</b>

During the nine months ended 2017 June 30, the Group acquired assets with costs totalling \$539,109 (2016: \$910,598). Significant capital expenditure in property, plant and equipment and intangible assets comprised mainly \$176,300 (2016: \$533,799) for Land, North East Coast and for Trinmar. Expenditure on Ultra-Low Sulphur Diesel Plant (ULSD) was \$28,353 (2016: \$33,245) and on major inspection and overhaul work to the refinery plants was \$70,200 (2016: 36,853).

The carrying value of the ULSD, still under construction at 2017 June 30, was \$2,443,047 (2016: 2,385,189). This amount is included within property, plant and equipment.

### 8. Receivables and Prepayments

	Nine months ended June 30	
	2017 \$	2016 \$
Trade receivables	149,351	1,052,358
Less: Provision for impairment of trade receivables	(15,184)	(215,020)
	134,167	837,338
Related Parties	944,373	1,149,224
Less: Provision for impairment of receivables	(38,084)	(17,998)
	906,289	1,131,226
Other Receivables	445,646	358,176
Less: Provision for impairment of other receivables	(322,249)	(75,589)
	123,397	282,587
Trade and other receivables excluding prepayments and taxes	1,163,853	2,251,151
Taxes recoverable	22,797	30,126
Prepayments	308,184	330,246
Trade and other receivables including prepayments and taxes	1,494,834	2,611,523

**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

2017 June 30

*(Presented in Thousands of Trinidad and Tobago dollars)***9. Borrowings****Nine months ended June 30**

	<b>2017 June</b>	<b>2016 June</b>
	<b>\$</b>	<b>\$</b>
Balance at start of nine month period	8,236,274	8,168,845
Repayment of borrowings	(391,281)	(391,279)
Borrowing costs amortised	11,118	11,059
Currency translation	<u>32,793</u>	<u>367,535</u>
Balance at end of nine months period	<u>7,888,904</u>	<u>8,156,160</u>
Non-current portion	7,405,613	7,681,111
Current portion	<u>483,291</u>	<u>475,049</u>
Balance at end of nine months period	<u>7,888,904</u>	<u>8,156,160</u>

**10. Trade and Other Payables****Nine months ended June 30**

	<b>2017 June</b>	<b>2016 June</b>
	<b>\$</b>	<b>\$</b>
Trade payables	936,661	1,631,105
Due to related parties	128,230	351,846
Benefits due to employees	818,303	753,792
Accrued expenses	72,292	599,770
Accrued interest	257,918	250,987
Other payables	<u>1,598,763</u>	<u>283,571</u>
Trade and other payable excluding statutory liabilities	<u>4,512,167</u>	<u>3,871,071</u>
Due to Government of Republic of Trinidad and Tobago		
-Royalties	(199,648)	534,632
-Taxes other than income tax	<u>246,312</u>	<u>236,785</u>
Trade and other payables including statutory liabilities	<u>4,558,831</u>	<u>4,642,488</u>

**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

2017 June 30

*Presented in Thousands of Trinidad and Tobago dollars)*

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**11. Revenue****Nine months ended June 30**

	<b>2017 June</b>	<b>2016 June</b>
	<b>\$</b>	<b>\$</b>
Sales of refined products	14,206,806	11,40,821
Natural gas sales	232,405	127,282
Crude oil sales	166,747	148,969
Royalty income	266,996	210,698
Natural gas liquids sales	10,835	7,942
Other revenue	<u>(2,015)</u>	<u>(502)</u>
	<u>14,881,774</u>	<u>11,915,210</u>

**12. Other operating income****Nine months ended June 30**

	<b>2017 June</b>	<b>2016 June</b>
	<b>\$</b>	<b>\$</b>
Marine income	37,880	48,618
Gain on foreign currency exchange	96,343	--
Storage fees	3,712	10,486
Pipeline rentals	5,983	--
Filling and handling fee	4,982	--
Access fees	5,064	9,750
Income from utilities	4,454	4,473
Interest on receivables	20,902	21,760
Sulphuric acid sales	6,558	4,647
Land and building rental	595	--
Other income	<u>5,290</u>	<u>5,247</u>
	<u>95,420</u>	<u>201,324</u>

# PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

2017 June 30

*(Presented in Thousands of Trinidad and Tobago dollars)*

### 13. Operating costs by nature

- (a) The following items are included in cost of sales; administrative expenses; marketing expenses and other operating expenses from continuing operations:

	Nine months ended 2017 June 30				
	Cost of sales	Administrative expenses	Marketing expenses	Other operating expenses	Total
	\$	\$	\$	\$	\$
Purchases	9,962,911	--	--	--	9,962,911
Production taxes	602,337	--	--	--	602,337
Employee benefits expense (excluding retirement benefits)	1,041,651	519,561	46,626	--	1,607,838
Production and refining expenses	1,143,857	--	--	--	1,143,857
Movement in inventories	(86,997)	--	--	--	(86,997)
Amortisation of intangible assets (Note 7)	448,713	--	--	4,493	453,206
Depreciation (Note 7)	750,489	--	10,928	11,914	773,331
Operating lease rental	244,600	5,483	1,506	--	251,589
Net medical benefit cost	--	173,775	--	--	173,775
Loss on foreign currency exchange	--	--	--	10,865	10,865
Charge for bad and doubtful debts	50,357	(1,924)	--	--	48,433
Directors and key management remuneration	--	10,276	--	--	10,276
Net pension cost	--	223,425	--	--	223,425
Other expenses (income)	63,460	(59,981)	45,894	(51,406)	(2,033)
<b>Total</b>	<b>14,221,378</b>	<b>870,615</b>	<b>104,954</b>	<b>(24,134)</b>	<b>15,172,813</b>

**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

2017 June 30

*(Presented in Thousands of Trinidad and Tobago dollars)*

**13. Operating costs by nature (continued)**

	Nine months ended 2016 June 30				Total
	Cost of sales	Administrative expenses	Marketing expenses	Other operating expenses	
	\$	\$	\$	\$	\$
Purchases	7,518,344	--	--	--	7,518,344
Production taxes	380,697	--	--	--	380,697
Employee benefits expense (excluding retirement benefits)	1,015,522	469,929	42,149	--	1,527,600
Production and refining expenses	1,152,826	--	20,394	--	1,173,200
Movement in inventories	51,617	--	--	--	51,617
Amortisation of intangible assets (Note 7)	531,027	--	--	--	531,027
Depreciation (Note 7)	885,528	--	10,982	17,640	914,150
Operating lease rental	258,260	6,124	737	--	265,121
Net medical benefit cost	--	165,750	--	--	165,750
Loss on foreign currency exchange	--	--	--	--	--
Charge for bad and doubtful debts	56,952	2,108	--	--	59,060
Directors and key management remuneration	--	9,716	--	--	9,716
Net pension cost	--	211,275	--	--	211,275
Other expenses (income)	<u>9,579</u>	<u>13,041</u>	<u>19,822</u>	<u>(7,104)</u>	<u>(35,338)</u>
<b>Total</b>	<b><u>11,860,352</u></b>	<b><u>877,943</u></b>	<b><u>94,084</u></b>	<b><u>10,536</u></b>	<b><u>12,842,915</u></b>

**14. Impairment (losses)/income**

	Nine months ended June 30	
	2017 \$	2016 \$
Impairment loss related to loans receivable:		
-World GTL (Trinidad) Limited in receivership	(2,147)	(3,600)
Reversal of previous impairment Losses:		
-Lake Asphalt of Trinidad and Tobago (1975) Limited (LATT)	<u>2,334</u>	<u>2,334</u>
Net impairment losses	<u>187</u>	<u>(1,266)</u>

**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

2017 June 30

*(Presented in Thousands of Trinidad and Tobago dollars)***14. Tax**

	Nine months ended June 30	
	2017	2016
Tax (benefit)/expense:	\$	\$
Current tax	(2,593)	12,065
Prior year under provision	464	--
Deferred tax	(483,957)	(781,766)
	<u>(486,086)</u>	<u>769,701</u>

**15. Capital commitments**

Capital expenditure contracted, for but not yet incurred at 2017 June 30 amounted to \$735,580 (2016: \$1,225,730.)

**17. Related parties**

In the ordinary course of its business Petrotrin enters into transactions concerning the exchange of goods, provision of services and financing with affiliated companies and subsidiaries as well as with entities directly and indirectly owned or controlled by the Government of the Republic of Trinidad and Tobago.

Most significant transactions concern:

- Sale of refined products to Trinidad and Tobago National Petroleum Marketing Company Limited.
- Purchase of natural gas from The National Gas Company of Trinidad and Tobago Limited.
- The exploration for and production of crude oil and natural gas through joint arrangements.

The following is a description of trade and financing transactions with related parties:

Name of Company/Equity	Nine months ended 2017 June 30			
	Cost		Revenue	
	Goods	Services	Goods	Services
	\$	\$	\$	\$
The Government of the Republic of Trinidad and Tobago (GORTT)				
- Taxes	-	2,170,440	-	-
- Other	-	9,278	-	-
<b>Entities under common control</b>				
Trinidad and Tobago National Petroleum Marketing Company Limited	8,615	-	2,710,283	1,091
The National Gas Company of Trinidad and Tobago Limited	332,099	-	-	-



# PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

2017 June 30

(Presented in Thousands of Trinidad and Tobago dollars)

## 17. Related parties (continued)

Name of Company/Equity	Nine months ended 2016 June 30			
	Cost		Revenue	
	Goods	Services	Goods	Services
	\$	\$	\$	\$
The Government of the Republic of Trinidad and Tobago (GORTT)				
- Taxes	-	588,017	-	-
- Other	-	129,822	-	-
<b>Entities under common control</b>				
Trinidad and Tobago National Petroleum Marketing Company Limited	7,843	-	2,336,689	1,176
The National Gas Company of Trinidad and Tobago Limited	369,042	-	-	-

## Compensation of directors and key management personnel:

Compensation of persons with responsibility for key positions in planning, direction and control functions of the Group companies, including executive officers (key management personnel) consist of the following:

	Nine months ended June 30	
	2017	2016
	\$	\$
Short-term employee benefits	9,267	8,601
Long-term employee benefits	1,009	1,115
	<u>10,276</u>	<u>9,716</u>

## 18. Interest in Joint operations

The Company has a shared control a number of joint operations which are all based in Trinidad and Tobago.

These joint operations are involved in the exploration for and production of crude oil and natural gas. They represent unincorporated, jointly controlled operations. The Company's interest in the assets, liabilities and expenditures of these ventures are included in the relevant components of the Company's financial statements.

The following table sets out summarized financial data of the Company's share of the assets and liabilities and material revenue and expenses of these jointly controlled operations. These amounts are included in the Company's statement of financial position and profit or loss and other comprehensive income:

	<b>Joint operations</b>					
	NCMA - Offshore	Teak, Samaan Poui (TSP)	Central Block	South East Coast Consortium	Other	Total
	<b>Nine months ended 2017 June 30</b>					
	\$	\$	\$	\$	\$	\$
Revenue	199,818	160,800	43,333	108,653	10,332	522,936
Cost of Sales	(111,598)	(118,658)	(59,607)	(48,280)	(5,492)	(343,635)
Income tax benefit/ (expense)	(36,830)	(23,036)	13,138	(45,683)	(5,909)	(98,320)
	<b>Nine months ended 2016 June 30</b>					
	\$	\$	\$	\$	\$	\$
Revenue	87,674	137,397	47,479	111,986	8,299	392,835
Cost of Sales	(95,420)	(149,665)	(65,451)	(80,481)	(6,064)	(397,081)
Income tax benefit/ (expense)	11,697	7,827	7,560	(22,159)	(2,953)	1,972