

Unaudited Condensed Consolidated  
Financial Statements

**PETROLEUM COMPANY OF TRINIDAD  
AND TOBAGO LIMITED**

3 Months Ended 2016 December 31

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

Three months ended 2016 December 31

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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)

		December 31, 2016	Unaudited as at 2016.12.29 September 30, 2016	September 30, 2015
ASSETS		\$	\$	\$
<b>Non-current assets</b>				
Property, plant & equipment	7	20,175,174	20,220,128	\$ 19,676,440
Intangible assets and goodwill	7	6,330,670	6,374,088	6,095,250
Available-for-sale financial instruments		2,841	2,217	2,322
Investment in associate		37,603	36,968	32,582
Net deferred income tax assets		5,507,966	5,521,149	4,484,571
Income taxes recoverable		530,683	530,683	530,683
Cash in escrow-shareholder		191,600	184,561	149,384
		<u>32,776,537</u>	<u>32,869,794</u>	<u>30,971,232</u>
<b>Current assets</b>				
Inventories		2,357,746	2,285,177	2,217,951
Receivables and prepayments	8	2,482,937	2,270,813	2,586,441
Cash and cash equivalents		826,377	827,678	1,731,918
		<u>5,667,060</u>	<u>5,383,668</u>	<u>6,536,310</u>
Assets classified as held for sale			27,692	--
<b>Total assets</b>		<u>38,443,597</u>	<u>38,281,154</u>	<u>37,507,542</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital &amp; reserves attributable to equity holders of the Company</b>				
Share capital		2,272,274	2,272,274	2,272,274
Retained earnings		8,665,659	8,646,290	8,777,931
Currency translation differences		574,615	550,868	138,165
		<u>11,512,548</u>	<u>11,469,432</u>	<u>11,188,370</u>
Non-controlling interests		(54,446)	(54,840)	(55,411)
<b>Total equity</b>		<u>11,458,102</u>	<u>11,414,592</u>	<u>11,132,959</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings	9	7,587,671	7,756,889	7,714,660
Retirement benefit obligation – pension benefits		253,590	220,500	28,500
Retirement benefit obligation – medical benefits		2,634,176	2,587,900	2,969,100
Provisions		4,686,784	4,596,941	4,501,291
		<u>15,162,221</u>	<u>15,162,230</u>	<u>15,213,551</u>
<b>Current liabilities</b>				
Trade and other payables	10	4,925,660	4,754,878	3,596,439
Current tax liabilities		2,127,111	2,123,021	2,123,495
Current portions of long-term borrowings	9	481,741	479,385	454,185
Short-terms loans		4,281,081	4,339,367	4,984,394
Provisions		7,681	7,681	2,519
		<u>11,823,274</u>	<u>11,704,332</u>	<u>11,161,032</u>
<b>Total liabilities</b>		<u>26,985,495</u>	<u>26,866,562</u>	<u>26,374,583</u>
<b>Total equity and liabilities</b>		<u>38,443,597</u>	<u>38,281,154</u>	<u>37,507,542</u>

The notes on pages 5 to 15 are an integral part of these unaudited condensed consolidated quarterly financial statements.

Certified by: Come Persad  
Chief Financial Officer (Ag.)

**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)*

		<b>For the Quarter ended</b>	
		<b>Dec</b>	<b>Dec</b>
		<b>2016</b>	<b>2015</b>
<b>Continuing operations:</b>		<b>\$</b>	<b>\$</b>
Revenue	11	5,524,848	3,414,874
Cost of Sales		<u>(4,987,849)</u>	<u>(3,830,455)</u>
<b>Gross profit</b>		<b>536,999</b>	<b>(415,581)</b>
Administrative expenses		(283,564)	(304,641)
Marketing expenses		(29,936)	(31,929)
Other operating expenses		2,429	11,361
Impairment losses	14	(477)	(1,200)
Other operating income		<u>31,900</u>	<u>32,721</u>
<b>Operating profit</b>		<b>257,351</b>	<b>(709,269)</b>
Finance income		325	680
Finance cost-bank borrowings		(146,271)	(151,692)
Finance cost-dismantlement		<u>(67,260)</u>	<u>(67,260)</u>
<b>Net finance costs</b>		<b>(213,206)</b>	<b>(218,272)</b>
<b>Share of profit/ (loss) of equity-accounted investee, net of tax</b>		<b>386</b>	<b>(13)</b>
<b>Profit/(Loss) before tax</b>		<b>44,531</b>	<b>(927,554)</b>
Income tax benefit/(expense)	12	<u>(24,492)</u>	<u>510,155</u>
<b>Profit/(Loss) for the period</b>		<b><u>20,039</u></b>	<b><u>(417,399)</u></b>
<b>Other comprehensive income:</b>			
<i>Items that will never be reclassified to profit or loss:</i>			
Currency translation differences		<u>23,471</u>	<u>91,257</u>
<b>Other Comprehensive income /(loss) for the period net of income tax</b>		<b><u>23,471</u></b>	<b><u>91,257</u></b>
<b>Total comprehensive income for the period</b>		<b><u>43,510</u></b>	<b><u>(326,142)</u></b>
<b>Profit attributable to:</b>			
Equity holders of the Company		19,369	(417,885)
Non-controlling interests		<u>670</u>	<u>486</u>
		<b><u>20,039</u></b>	<b><u>(417,399)</u></b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company		43,116	(326,046)
Non-controlling interests		<u>394</u>	<u>(96)</u>
		<b><u>43,510</u></b>	<b><u>(326,142)</u></b>

The notes on pages 5 to 15 are an integral part of these unaudited condensed consolidated quarterly 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</b>	2,272,274	550,868	8,646,290	11,469,432	(54,840)	11,414,592
<b>Profit/Loss for the period</b>	--	--	19,369	19,369	670	20,039
<b>Other comprehensive income:</b>						
Currency translation differences	--	23,747	--	23,747	(276)	23,471
Income tax on other comprehensive income	--	--	--	--	--	--
Total other comprehensive income	--	23,747	--	23,747	(276)	23,471
Total comprehensive income for the period	--	23,747	19,369	43,116	394	43,510
<b>Balance at 2016 December 31</b>	<b>2,272,274</b>	<b>574,615</b>	<b>8,665,659</b>	<b>11,512,548</b>	<b>(54,446)</b>	<b>11,458,102</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>	--	--	(417,885)	(417,885)	486	(417,399)
<b>Other comprehensive income:</b>						
Currency translation differences	--	91,839	--	91,839	(582)	91,257
Income tax on other comprehensive income	--	--	--	--	--	--
Total other comprehensive income	--	91,839	--	91,839	(582)	(91,257)
Total comprehensive income for the period	--	91,839	(417,885)	(326,046)	(96)	(326,142)
<b>Balance at 2015 December 31</b>	<b>2,272,274</b>	<b>230,004</b>	<b>8,360,046</b>	<b>10,862,324</b>	<b>(55,507)</b>	<b>10,806,817</b>

The notes on pages 5 to 15 are an integral part of these unaudited condensed consolidated quarterly financial statements.



**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

## Unaudited Condensed Consolidated Statement of Cash flows

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

	December 2016	December 2015
	\$	\$
<b>Cash flows from operating activities:</b>		
Profit/(Loss) before tax	44,531	(927,554)
Amortisation of intangible assets	136,292	181,549
Depreciation	251,234	296,148
Foreign currency translation loss/(gain)	11,734	20,331
Interest expense	213,602	218,773
Investment income	(305)	(662)
Loss/(gain) on disposal of property, plant and equipment and intangible asset	--	(28)
Share of profit of associate	(386)	13
Impairment losses related to investments	477	1,200
Net pension cost	74,475	70,425
Net benefit cost	57,925	55,250
Taxes other than income taxes (PPT/DIT)	(7,219)	1,243
Adjustment to working capital	(79,880)	595,450
Retirement contributions paid	(53,449)	(61,828)
Tax paid	--	--
<b>Net cash from/(used for) operating activities</b>	<b>649,031</b>	<b>450,310</b>
<b>Cash flow from investing activities:</b>		
Purchase of property, plant and equipment and intangible assets	(202,695)	(285,061)
Proceeds from disposal of property, plant and equipment	--	28
Proceeds from available-for-sale investments	--	--
Reduction in cash escrow	(25,769)	--
Investment & Subsidies	--	--
Disbursements of loans to related parties	(477)	(1,200)
Interest received	303	850
<b>Net cash used in investing activities</b>	<b>(228,638)</b>	<b>(285,383)</b>
<b>Cash flows from financing activities:</b>		
Repayment of long-term borrowings	(195,641)	(195,641)
Proceeds from short-term loans	2,388,253	1,897,928
Repayment of short-term loans	(2,431,569)	(2,468,005)
Interest paid	(121,407)	(122,045)
<b>Net cash (used in)/from financing activities</b>	<b>(360,364)</b>	<b>(887,762)</b>
Currency translation differences relating to cash and cash equivalents	(61,330)	(26,618)
<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(1,301)</b>	<b>(749,453)</b>
<b>Cash and cash equivalents at start of period</b>	<b>827,678</b>	<b>1,731,918</b>
<b>Cash and cash equivalents at end of period</b>	<b>826,377</b>	<b>982,465</b>
Represented by:		
<b>Cash and cash equivalents</b>	<b>826,377</b>	<b>982,465</b>

The notes on pages 5 to 15 are an integral part of these unaudited condensed consolidated quarterly financial statements.

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

Notes to the Unaudited Condensed Consolidated Quarterly Financial Statements

2016 December 31

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

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## **1. Reporting entity**

Petroleum Company of Trinidad and Tobago Limited (the 'Company') is incorporated in the Republic of Trinidad and Tobago. The condensed consolidated quarterly financial statements of the Company as at and for the three months ended 2016 December 31 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in jointly controlled entities. 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, West Indies.

## **2. Basis of presentation**

The accompanying condensed consolidated quarterly 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 2016 December 31, the consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended 2016 December 31, and the explanatory notes thereto are unaudited and have been prepared for quarterly financial information. These consolidated quarterly financial statements are condensed and prepared in compliance with International Accounting Standard (IAS) 34, *Quarterly 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 quarterly 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 quarterly financial statements include all adjustments of a normal and recurring nature necessary for a fair presentation of results for the quarterly period. Results for the three months ended 2016 December 31 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 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.



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

In preparing these quarterly 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 quarterly reporting period.

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

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

- IFRS 10 Consolidated Financial Statements – (Amendment effective 2016 January 1). This amendment clarifies the accounting for loss of control of a subsidiary when the subsidiary does not constitute a business.
- IFRS 11 Joint Arrangements (Amendment effective 2016 January 1). This amendment requires an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to:
  - Apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11.
  - Disclose the information required by IFRS 3 and other IFRSs for business combinations.
  - The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interest are not re-measured.)
- IFRS 15 Revenue from Contracts with Customers (effective 2017 January 1). This standard provides a single principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows:
  - Identify the contract with the customer
  - Identify the performance obligations in the contract
  - Determine the transaction price
  - Allocate the transaction price to the performance obligations in the contracts



**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

Notes to the Unaudited Condensed Consolidated Quarterly Financial Statements

2016 December 31

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

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**6. Accounting standards and interpretations (continued)**

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

- Recognise revenue when (or as) the entity satisfies a performance obligation.
- IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - (Amendment effective 2016 January 1). This amendment is to:
  - Clarify that a depreciation method that is based on revenue generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment.
  - Introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is highly correlated. It provides guidance that expected future reductions in the selling price of an item that was produced using an asset, could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.
- IAS 28 Investments in Associates and Joint Venture – (Amendment effective 2016 January 1). This amendment clarifies the accounting for loss of control of a subsidiary when the subsidiary does not constitute a business.
- Equity Method in Separate Financial Statements (Amendments to IAS 27), effective 2016 January 1, allows the use of the equity method of accounting in separate financial statements, not only for associates and joint ventures but also for subsidiaries.
- Disclosure Initiative (Amendments to IAS 1), effective 2016 January 1, addresses some of the perceived problems with current disclosure requirements.

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

The following standards, amendments and interpretations to existing standards are not yet effective for accounting periods beginning on or after 2017 January 1. The Group is in the process of assessing their full impact on its quarterly financial statements:

- IAS 12 Income Taxes - (Amendment effective 2017 January 1).  
Recognition of Deferred Tax Assets for Unrealized Losses  
This amendment is to clarify the following aspects:
  - Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
  - The carrying amount of an asset does not limit the estimation of probable future taxable profits.

**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

Notes to the Unaudited Condensed Consolidated Quarterly Financial Statements

2016 December 31

*(Presented in Thousands of Trinidad and Tobago dollars)***(b) New standards, amendments and interpretations issued but not early adopted  
(continued)**

- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.
- IAS 7 Statement of Cash Flows - (Amendment effective 2017 January 1).  
This amendment is to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

**7. Property, plant and equipment and intangible assets and goodwill**

	<b>Property, plant and equipment</b>	<b>Intangible assets</b>
<b>Three months ended 2016 December 31</b>		
Opening net book amount as at 2016 October 01	\$ 20,220,128	6,374,088
Exchange differences	85,826	28,157
Additions	120,454	37,025
Asset – held for sale	-	27,692
Depreciation and amortisation	(251,234)	(136,292)
<b>Closing net book amount as at 2016 December 31</b>	<b>\$ 20,175,174</b>	<b>6,330,670</b>
<b>Three months ended 2015 December 31</b>		
Opening net book amount as at 2015 October 01	\$ 19,673,186	6,073,327
Exchange differences	255,742	66,967
Additions	172,977	152,206
Disposals	-	-
Depreciation and amortisation	(296,148)	(181,549)
<b>Closing net book amount as at 2015 December 31</b>	<b>\$ 19,805,757</b>	<b>6,110,951</b>

During the three-month period ended 2016 December 31, the Group acquired assets with cost of \$157,479 (2015: \$325,183). Significant capital expenditure in property, plant and equipment and intangible assets comprised mainly \$36,462 (2015: \$168,840) for Exploration, Development and Drilling activities in Land, North east coast and Trinmar, \$2,674 (2015: \$1,699) for the Ultra-Low Sulphur Diesel Plant, \$22,773 (2015: \$16,133) for major inspection and overhaul work to Refinery plants.

The carrying value of the Ultra-Low Sulfur Diesel Project still under construction at 2016 December 31 was \$2,417,368 (2015: \$2,366,010). This amount is included within Property, plant and equipment.

**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

Notes to the Unaudited Condensed Consolidated Quarterly Financial Statements

2016 December 31

*(Presented in Thousands of Trinidad and Tobago dollars)***8. Receivables and Prepayments**

	<b>Three months ended December 31</b>	
	2016	2015
	\$	\$
Trade receivables	1,434,128	1,079,169
Less: Provision for impairment of trade receivables	(14,711)	(2,312)
	<u>1,419,417</u>	<u>1,076,857</u>
Related Parties	546,526	642,204
Less: Provision for impairment of receivables	(28,991)	(6,905)
	<u>517,535</u>	<u>635,299</u>
Other receivables	533,549	428,358
Less: Provision for impairment of other receivables	(303,597)	(259,137)
	<u>229,952</u>	<u>169,221</u>
Trade and other receivables excluding prepayments and taxes	2,166,904	1,837,944
Taxes recoverable	29,349	43,433
Prepayments	286,684	284,856
Trade and other receivables including prepayments and taxes	<u>2,482,937</u>	<u>2,166,233</u>



**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

Notes to the Unaudited Condensed Consolidated Quarterly Financial Statements

2016 December 31

*(Presented in Thousands of Trinidad and Tobago dollars)***9. Borrowings**

	<b>Three months ended December 31</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Balance at start of year	8,236,274	8,168,845
Repayment of borrowings	(195,641)	(195,641)
Borrowing costs amortised	3,716	3,576
Currency translation	25,063	90,272
Balance at December 31	8,069,412	8,067,052
Non-current portion	7,587,671	7,607,769
Current portion	481,741	459,283
Balance at December 31	8,069,412	8,067,052

**10. Trade and Other Payables**

	<b>Three months ended December 31</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Trade payables	1,209,194	997,476
Due to related parties	64,862	123,054
Benefits due to employees	815,468	731,955
Accrued expenses	1,219,095	942,907
Accrued interest	261,000	246,667
Other payables	328,773	274,646
Trade and other payables excluding statutory liabilities	3,898,392	3,316,705
Due to government of Trinidad and Tobago		
- Royalties	768,508	362,834
- Taxes other than income tax	258,760	158,306
Trade and other payables including statutory liabilities	4,925,660	3,837,845

**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

Notes to the Unaudited Condensed Consolidated Quarterly Financial Statements

2016 December 31

*(Presented in Thousands of Trinidad and Tobago dollars)***11. Revenue**

	<b>Three months ended December 31</b>	
	<b>2016</b>	<b>2015</b>
	\$	\$
Sale of refined products	5,298,284	3,222,631
Natural gas sales	87,487	52,363
Crude oil sales	49,970	50,293
Royalty income	85,377	87,277
Natural gas liquids sale	3,730	2,043
Other revenue	--	267
	<b>5,524,848</b>	<b>3,414,874</b>

**12. Tax**

	<b>Three months ended December 31</b>	
	<b>2016</b>	<b>2015</b>
	\$	\$
<b>Tax (benefit)/expense:</b>		
Current tax	(4,136)	(1,267)
Deferred tax	(20,356)	511,422
	<b>(24,492)</b>	<b>510,155</b>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate applicable to profits of the consolidated companies as follows:

Profit/Loss before tax from continuing operations	44,531	927,554
Tax calculated at a rate of 55%	(24,492)	510,155
Expenses not deductible for tax purposes	(27,973)	(33,361)
Income not subject to tax	--	1,229
Effect of investment tax credit (uplift)	11,342	14,915
Difference due to translation	35,847	99,229
Prior year tax adjustment	--	--
R&M deferred taxes rate reduction	(7,012)	(43,100)
(Under)/over provision	(12,305)	(38,913)
Deferred tax asset not recognised	101	--
	<b>(24,492)</b>	<b>510,155</b>

**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

Notes to the Unaudited Condensed Consolidated Quarterly Financial Statements

2016 December 31

*(Presented in Thousands of Trinidad and Tobago dollars)***13. Capital commitments**

Capital expenditure contracted for but not yet incurred at 2016 December 31 amounted to \$572,520 (2015: \$823,880).

**14. Impairment losses**

	2016	2015
	\$	\$
Impairment loss related to loans receivable:		
-World GTL (Trinidad) Limited in receivership	(477)	(1,200)
	(477)	(1,200)

**15. 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:

<u>Name of Company/Equity</u>	Three months ended 2016 December 31			
	Cost		Revenue	
	Goods	Services	Goods	Services
	\$	\$	\$	\$
The Government of the Republic of Trinidad and Tobago (GORTT)				
- Taxes	-	2,895,619	-	-
- Other	-	258,760	-	-
<b><u>Entities under common control</u></b>				
Trinidad and Tobago National Petroleum Marketing Company Limited	6,845	-	327,865	282
The National Gas Company of Trinidad and Tobago Limited	155,093	-	-	-
<b><u>Joint venture</u></b>				
World GTL (Trinidad) Limited	-	-	-	-



**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

Notes to the Unaudited Condensed Consolidated Quarterly Financial Statements

2016 December 31

*(Presented in Thousands of Trinidad and Tobago dollars)***15. Related parties (continued)**

<u>Name of Company/Equity</u>	<b>Three months ended 2015 December 31</b>			
	<b>Cost</b>		<b>Revenue</b>	
	<b>Goods</b>	<b>Services</b>	<b>Goods</b>	<b>Services</b>
	\$	\$	\$	\$
The Government of the Republic of Trinidad and Tobago (GORTT)				
- Taxes	-	2,487,930	-	-
- Other	-	158,020	-	-
<b><u>Entities under common control</u></b>				
Trinidad and Tobago National Petroleum Marketing Company Limited	2,599	-	830,183	1,136
The National Gas Company of Trinidad and Tobago Limited	172,644	-	-	-
<b><u>Joint venture</u></b>				
World GTL (Trinidad) Limited	-	-	-	1,648

**Compensation of key directors and management personnel:**

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

	<b>Three months ended December 31</b>	
	<b>2016</b>	<b>2015</b>
	\$	\$
Short-term employee benefits	2,292	3,168
Long-term employee benefits	379	224
	2,671	3,392

**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

Notes to the Unaudited Condensed Consolidated Quarterly Financial Statements

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*(Presented in Thousands of Trinidad and Tobago dollars)***16. Interest in Joint operations**

The Company has a shared control in 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 1	Teak, Samaan, Poui (TSP)	Central Block	South East Coast Consortium	Other	Total
<b>Three months ended 2016 December 31</b>						
Revenue	76,257	45,685	14,953	35,103	--	171,998
Cost of Sales	(37,067)	(37,658)	(25,114)	(15,340)	(1,781)	(116,960)
Income tax expense	--	--	--	--	--	--
<b>Three months ended 2015 December 31</b>						
Revenue	36,693	47,363	17,674	49,801	--	151,531
Cost of Sales	(31,500)	(39,977)	(20,424)	(27,563)	(2,342)	(121,806)
Income tax expense	--	--	--	--	--	--

**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

Notes to the Unaudited Condensed Consolidated Quarterly Financial Statements

2016 December 31

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

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**17. Subsequent events**

**(a) Contingent liability - Letter of credit**

To meet Petrotrin's 15% share of its abandonment liability with respect to its TSP Joint Venture, a letter of credit facility for \$134,063/US\$21,128 (2015: \$131,821/US\$20,775) was established with an expiry date of 2016 December 31. Effective 2017 January 01, a new facility was established for \$143,338/US\$21,352 with an expiry date of 2017 December 31.



10/10/18