

**PETROLEUM COMPANY OF TRINIDAD  
AND TOBAGO LIMITED**

Unaudited Condensed Consolidated Interim  
Financial Statements

Six Months Ended 2018 March 31

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

---

# PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED

Six Months ended 2018 March 31

---

## TABLE OF CONTENTS

	<i>Page Numbers</i>
Unaudited Condensed Consolidated Statement of Financial Position	1
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	2
Unaudited Condensed Consolidated Statement of Changes in Equity	3
Unaudited Condensed Consolidated Statement of Cash flows	4
Notes to the Unaudited Condensed Consolidated Interim Financial Statements	5-17

**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**
**Unaudited Condensed Consolidated Statement of Financial Position**
*(Presented in Thousands of Trinidad and Tobago dollars)*

	Note	March 31, 2018	December 31, 2017	Audited September 30, 2017
<b>ASSETS:</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Non-current assets</b>				
Property, plant and equipment	7	18,224,775	18,542,560	18,709,167
Intangible assets and goodwill	7	4,405,211	4,608,882	4,703,422
Available-for-sale financial instruments		2,689	2,743	2,112
Investment - Other		23,800	16,676	23,827
Deferred income tax assets		10,253,292	10,519,857	11,077,407
Income taxes recoverable		530,683	530,683	530,683
Cash in escrow-shareholder		224,192	218,920	211,948
		<u>33,664,642</u>	<u>34,440,321</u>	<u>35,258,566</u>
<b>Current assets</b>				
Inventories		2,771,496	2,950,454	2,133,321
Receivables and prepayments	8	2,280,894	2,344,475	2,343,417
Cash and cash equivalents		979,326	1,099,931	852,222
		<u>6,031,716</u>	<u>6,394,860</u>	<u>5,328,960</u>
<b>Total assets</b>		<u>39,696,358</u>	<u>40,835,181</u>	<u>40,587,526</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		661,163	1,178,461	1,232,225
Currency translation differences		360,928	319,681	498,787
		<u>3,294,365</u>	<u>3,770,416</u>	<u>4,003,286</u>
Non-controlling interests		(58,614)	(58,672)	(58,554)
<b>Total equity</b>		<u>3,235,751</u>	<u>3,711,744</u>	<u>3,944,732</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings	9	7,173,216	7,199,392	7,384,200
Deferred income tax liabilities		9,433,003	9,749,199	10,212,662
Retirement benefit obligation – pension benefits		807,769	772,114	734,200
Retirement benefit obligation – medical benefits		2,629,206	2,582,203	2,536,700
Provisions		3,727,470	3,676,267	3,598,467
		<u>23,770,664</u>	<u>23,979,175</u>	<u>24,466,229</u>
<b>Current liabilities</b>				
Trade and other payables	10	5,480,637	6,007,903	5,616,483
Current tax liabilities		2,647,921	2,388,909	2,254,175
Current portion of long-term borrowings	9	481,875	483,584	482,018
Short-terms loans		4,074,933	4,259,302	3,819,316
Provisions		4,577	4,564	4,573
		<u>12,689,943</u>	<u>13,144,262</u>	<u>12,176,565</u>
<b>Total liabilities</b>		<u>36,460,607</u>	<u>37,123,437</u>	<u>36,642,794</u>
<b>Total equity and liabilities</b>		<u>39,696,358</u>	<u>40,835,181</u>	<u>40,587,526</u>

The notes on pages 5 to 17 are an integral part of these unaudited condensed consolidated interim financial statements.

Certified By: Reynold Ajoelhasanji  
Executive Director

28/6/18  
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				Note	For the Six Months Ended	
March 2017	December 2017	March 2018			March 2018	March 2017
\$	\$	\$			\$	\$
4,828,545	5,413,572	5,929,996	Revenue	11	11,343,568	10,353,393
(4,659,840)	(4,958,892)	(5,748,691)	Cost of sales	13	(10,707,583)	(9,647,689)
<b>168,705</b>	<b>454,680</b>	<b>181,305</b>	<b>Gross profit</b>		<b>635,985</b>	<b>705,704</b>
(290,075)	(314,985)	(307,268)	Administrative expenses	13	(622,253)	(573,639)
(35,491)	(33,594)	(36,105)	Marketing expenses	13	(69,699)	(65,427)
(13,470)	(4,476)	(9,142)	Other operating (expenses)/income	13	(13,618)	(11,041)
1,380	(715)	(716)	Impairment (losses)/income	14	(1,431)	903
38,636	45,083	34,263	Other operating income	12	79,346	70,536
<b>(130,315)</b>	<b>145,993</b>	<b>(137,663)</b>	<b>Operating (loss)/profit</b>		<b>8,330</b>	<b>127,036</b>
734	227	628	Finance income		855	1,059
(149,142)	(197,534)	(192,224)	Finance cost-bank borrowings		(389,758)	(295,413)
(65,992)	(66,626)	(66,626)	Finance cost-dismantlement		(133,252)	(133,252)
<b>(214,400)</b>	<b>(263,933)</b>	<b>(258,222)</b>	<b>Net finance costs</b>		<b>(522,155)</b>	<b>(427,606)</b>
<b>(1,377)</b>	<b>(1,605)</b>	<b>1,605</b>	<b>Share of (loss)/profit of equity-accounted investees, net of tax</b>		<b>-</b>	<b>(991)</b>
<b>(346,092)</b>	<b>(119,545)</b>	<b>(394,280)</b>	<b>Profit (loss) before tax</b>		<b>(513,825)</b>	<b>(301,561)</b>
190,351	65,750	(123,206)	Income tax benefit/(expense)	15	(57,456)	165,859
<b>(155,741)</b>	<b>(53,795)</b>	<b>(517,486)</b>	<b>Profit (loss) for the period</b>		<b>(571,281)</b>	<b>(135,702)</b>
			<b>Other comprehensive income:</b>			
			<i>Items that will never be reclassified to profit or loss:</i>			
(23,084)	(179,193)	41,493	Currency translation differences		(137,700)	387
(23,084)	(179,193)	41,493	<b>Other comprehensive income /(loss) for the period net of income tax</b>		<b>(137,700)</b>	<b>387</b>
<b>(178,825)</b>	<b>(232,988)</b>	<b>(475,993)</b>	<b>Total comprehensive loss for the period</b>		<b>(708,981)</b>	<b>(135,315)</b>
			<b>(Loss)/ Profit attributable to:</b>			
(155,735)	(53,764)	(517,298)	Equity holders of the Company		(571,062)	(136,366)
(6)	(31)	(188)	Non-controlling interests		(219)	664
<b>(155,741)</b>	<b>(53,795)</b>	<b>(517,486)</b>			<b>(571,281)</b>	<b>(135,702)</b>
			<b>Total comprehensive (loss)/income attributable to:</b>			
(179,095)	(232,870)	(476,051)	Equity holders of the Company		(708,921)	(134,555)
270	(118)	58	Non-controlling interests		(60)	(760)
<b>(178,825)</b>	<b>(232,988)</b>	<b>(475,993)</b>			<b>(708,981)</b>	<b>(135,315)</b>

The notes on pages 5 to 17 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		
	\$	\$	\$	\$	\$	\$
Balance at 2017 September 30	2,272,274	498,787	1,232,225	4,003,286	(58,554)	3,944,732
Loss for the period	--	--	(571,062)	(571,062)	(219)	(571,281)
Other comprehensive income:						
Currency translation differences	--	(137,859)	--	(137,859)	159	(137,700)
Total comprehensive income for the period	--	(137,859)	(571,062)	(708,921)	(60)	(708,981)
Balance at 2018 March 31	2,272,274	360,928	661,163	3,294,365	(58,614)	3,235,751
Balance at 2016 September 30	2,272,274	550,863	8,646,295	11,469,432	(54,840)	11,414,592
Loss for the period	--	--	(136,366)	(136,366)	664	(135,702)
Other comprehensive income:						
Currency translation differences	--	1,811	--	1,811	(1,424)	387
Total comprehensive income for the period	--	1,811	(136,366)	(134,555)	(760)	(135,315)
Balance at 2017 March 31	2,272,274	552,674	8,509,929	11,334,877	(55,600)	11,279,277

The notes on pages 5 to 17 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 Six Months Ended	
March 2017	December 2017	March 2018	March 2018	March 2017
\$	\$	\$	\$	\$
<b>Cash flows from operating activities:</b>				
(346,092)	(119,545)	(394,280)	(513,825)	(301,561)
160,249	170,966	254,526	425,492	296,541
268,995	256,225	294,571	550,796	520,229
(681)	5,586	55,927	61,513	(11,053)
214,704	264,220	258,790	523,010	428,306
(696)	(197)	(483)	(680)	(1,001)
954	1,605	(1,605)	--	1,431
(605)	715	716	1,431	(991)
74,475	78,775	78,775	157,550	148,950
57,925	60,700	60,700	121,400	115,850
--	1,548	377,920	379,468	--
(152,116)	(497,245)	(185,441)	(682,686)	(209,890)
(59,757)	(56,528)	(56,347)	(112,875)	(113,206)
7,151	--	--	--	(68)
<u>224,506</u>	<u>166,825</u>	<u>743,769</u>	<u>910,594</u>	<u>873,537</u>
<b>Cash flows from investing activities:</b>				
(90,798)	(121,369)	(177,460)	(298,829)	(293,493)
(25,770)	(31,618)	--	(31,618)	(25,770)
(954)	(715)	(716)	(1,431)	(1,431)
680	200	567	767	983
<u>(116,842)</u>	<u>(153,502)</u>	<u>(177,609)</u>	<u>(331,111)</u>	<u>(319,711)</u>
<b>Cash flows from financing activities:</b>				
--	(195,641)	--	(195,641)	(195,641)
2,397,116	1,941,848	1,960,070	3,901,918	4,785,369
(2,323,468)	(1,511,695)	(2,128,431)	(3,640,126)	(4,755,037)
(448,735)	(102,814)	(351,241)	(454,055)	(570,142)
<u>(375,087)</u>	<u>131,698</u>	<u>(519,602)</u>	<u>(387,904)</u>	<u>(735,451)</u>
(12,227)	102,688	(167,163)	(64,475)	(73,557)
(241,654)	145,021	46,558	191,579	(181,625)
<u>826,377</u>	<u>852,222</u>	<u>1,099,931</u>	<u>852,222</u>	<u>827,678</u>
<u>572,496</u>	<u>1,099,931</u>	<u>979,326</u>	<u>979,326</u>	<u>572,496</u>

The notes on pages 5 to 17 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  
For the six months ended 2018 March 31  
*(Presented in Thousands of Trinidad and Tobago dollars)*

---

**1. Reporting entity**

Petroleum Company of Trinidad and Tobago Limited (the 'Company') is incorporated in the Republic of Trinidad and Tobago. The condensed consolidated interim financial statements of the Group as at and for the six months ended 2018 March 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 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 2018 March 31, the consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended 2018 March 31, and the explanatory notes thereto are unaudited and have been prepared for interim financial information. These consolidated interim 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 2017 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 2017 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 for the interim period. Results for the six months ended 2018 March 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.

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

	March 31 2018	December 31 2017	September 30 2017	March 31 2017
At end of the period	6.73445	6.76275	6.74210	6.74640
Average rate during the period	6.75666	6.75787	6.74944	6.74551



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

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended 2018 March 31

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

---

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

In preparing these interim 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 2017 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**

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period.

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

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

There were no new standards, amendments and interpretations effective for Petrotrin's accounting period beginning 2017 October 1, which were adopted in the current year.



**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**  
Notes to the Unaudited Condensed Consolidated Interim Financial Statements  
For the six months ended 2018 March 31  
*(Presented in Thousands of Trinidad and Tobago dollars)*

---

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

**(b) New standards, and interpretations not yet adopted:**

A number of new accounting standards and interpretations are effective for annual periods beginning on or after 2018 January 01. The Group has not early adopted them in preparing these unaudited Condensed Consolidated interim Financial Statements. The Group's assessment of the impact of these new standards and interpretations is outlined below:

Title of Standard	IFRS 9 Financial Instruments
Nature of change	IFRS 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.
Impact	<p>The Group has reviewed its financial assets and liabilities and has categorised them as follows:</p> <p>Financial Assets:</p> <p>Equity instruments currently classified as AFS which is held primarily for dividend income and will be classified as FVPL</p> <p>Loans Receivable where the objective of the business model is to collect contractual cash flows and will be classified at amortised cost</p> <p>Trade and Other Receivables where the objective of the business model is to collect contractual cash flows and will be classified at amortised cost.</p> <p>Financial Liabilities:</p> <p>Accounts Payable</p> <p>Short Term Loans</p> <p>Long Term Loans</p>

Title of Standard	IFRS 9 Financial Instruments
Impact	<p>There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. All Petrotrin's financial liabilities are measured at amortised cost.</p> <p>The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses and applies to financial assets classified at amortised costs.</p> <p>Management has not yet determined the financial impact of this standard on its Financial Assets.</p> <p>The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.</p>
Date of adoption by Group	Must be applied for financial years commencing on or after January 2018. Therefore, the Group will apply the new rules retrospectively from 2018 October 01.

**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**  
Notes to the Unaudited Condensed Consolidated Interim Financial Statements  
For the six months ended 2018 March 31  
*(Presented in Thousands of Trinidad and Tobago)*

---

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

**(b) New standards, and interpretations not yet adopted: (continued)**

Title of Standard	IFRS 15 Revenue from Contracts with Customers
Nature of Change	This new standard applies to the recognition of revenue and replaces IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.
Impact	As at 2017 September 30, Management has identified the following: Contracts with customers Performance obligations in the contract The transaction price  Management has not yet assessed the financial impact of adopting this standard for the accounting period beginning 2018 October 01.
Date of adoption by the Group	Mandatory for financial years commencing on or after 2018 January 01. Therefore, the Group will be adopting this standard for accounting period beginning 2018 October 01.

Title of Standard	IFRS 16 Leases
Nature of Change	IFRS 16 was issued in 2016 January. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.
Impact	The standard will affect primarily the accounting for the Group's operating leases. As at the reporting dated, the Group has operating leases with several companies for rentals of vehicles, boats and equipment. However, the group has not yet assessed what adjustments are necessary and the associated financial impact.
Date of adoption by the Group	Mandatory for financial years commencing on or after 2019 January 01. At this stage, the Group does not intend to adopt the standard before its effective date which is 2019 October 01.

Other Standards	The following amended standards and interpretations are not expected to have a significant impact on the Group's financial statements:
IFRS 1, IAS 28	Annual improvements to IFRSs 2014-2016 cycle.
IFRS 2	Classification and measurement of share based payment transactions.
IAS 40	Transfers of investment property
IFRS 10, IAS 28	Sale or contribution of assets between an Investor and its Associate or Joint Venture.
IFRIC 22	Foreign currency transactions and advance consideration.
IFRIC 23	Uncertainty over income tax treatment.
IAS 19	Plan Amendments, Curtailment or Settlement.

# PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended 2018 March 31

(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>Six months ended 2018 March 31</b>	<b>\$</b>	<b>\$</b>
Opening net book amount as at 2017 October 01	18,709,166	4,720,265
Exchange differences	(75,915)	(46,071)
Additions	142,320	156,509
Depreciation and amortisation	(550,796)	(425,492)
<b>Closing net book amount as at 2018 March 31</b>	<b><u>18,224,775</u></b>	<b><u>4,405,211</u></b>
<b>Six months ended 2017 March 31</b>		
Opening net book amount as at 2016 October 01	20,220,128	6,374,088
Exchange differences	49,444	54,509
Additions	263,409	93,080
Depreciation and amortisation	(520,229)	(296,541)
<b>Closing net book amount as at 2017 March 31</b>	<b><u>20,012,752</u></b>	<b><u>6,225,136</u></b>

During the six months ended 2018 March 31, the Group acquired assets with costs of \$298,829 (2017: \$356,489). Significant capital expenditure in property, plant and equipment and intangible assets comprised mainly \$157,375 (2017: \$96,260) for Exploration, Development and Drilling activities in Land, North, East Coast and Trinmar, \$4,144 (2017: \$8,902), for the Ultra-Low Sulphur Diesel Plant, \$50,417 (2017: \$51,023) for major inspection and overhaul work to refinery plants.

The carrying value of the Ultra-Low Sulphur Diesel Project still under construction at 2018 March 31 was \$2,464,212 (2017: \$2,423,595). This amount is included within Property, plant and equipment.

### 8. Receivables and Prepayments

	Six months ended March 31	
	2018	2017
	\$	\$
Trade receivables	307,546	1,087,737
Less: Provision for impairment of trade receivables	(20,573)	(13,521)
	<u>286,973</u>	<u>1,074,216</u>
Related Parties	1,514,574	910,622
Less: Provision for impairment of receivables	(142,442)	(33,093)
	<u>1,372,132</u>	<u>877,529</u>
Other receivables	580,821	443,366
Less: Provision for impairment of other receivables	(250,564)	(237,106)
	<u>330,257</u>	<u>206,260</u>
Trade and other receivables excluding prepayments and taxes	1,989,362	2,158,005
Taxes recoverable other than Income Taxes	21,909	75,331
Prepayments	<u>269,623</u>	<u>264,951</u>
Trade and other receivables including prepayments and taxes	<u>2,280,894</u>	<u>2,498,287</u>



**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended 2018 March 31

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

	Six months ended March 31	
	2018	2017
	\$	\$
Balance at start of six months period	7,866,218	8,236,274
Repayment of borrowings	(195,641)	(195,641)
Borrowing costs amortised	7,695	7,378
Currency translation	(23,181)	25,974
Balance at March 31	<u>7,655,091</u>	<u>8,073,985</u>
Non-current portion	7,173,216	7,592,035
Current portion	<u>481,875</u>	<u>481,950</u>
Balance at March 31	<u>7,655,091</u>	<u>8,073,985</u>

**10. Trade and Other Payables**

	Six months ended March 31	
	2018	2017
	\$	\$
Trade payables	1,415,947	1,375,982
Due to related parties	130,768	87,506
Benefits due to employees	1,058,513	809,728
Accrued expenses	1,012,183	783,310
Accrued interest	153,116	166,501
Other payables	<u>410,499</u>	<u>328,354</u>
Trade and other payables excluding statutory liabilities	4,181,026	3,551,381
Due to the government of the Republic of Trinidad and Tobago (GORTT)		
- Royalties	783,196	904,266
- Taxes other than income tax	<u>516,415</u>	<u>343,998</u>
Trade and other payables including statutory liabilities	<u>5,480,637</u>	<u>4,799,645</u>



**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**  
Notes to the Unaudited Condensed Consolidated Interim Financial Statements  
For the six months ended 2018 March 31  
*(Presented in Thousands of Trinidad and Tobago dollars)*

---

**11. Revenue**

	Six months ended March 31	
	2018	2017
	\$	\$
Sale of refined products	10,836,448	9,886,304
Natural gas sales	144,322	170,240
Crude oil sales	134,416	110,600
Royalty income	219,566	177,961
Natural gas liquids sales	8,816	8,288
	<u>11,343,568</u>	<u>10,353,393</u>

**12. Other operating income**

	Six months ended March 31	
	2018	2017
	\$	\$
Marine income	30,688	23,849
Gain on foreign currency exchange	--	11,053
Interest on receivables	21,742	12,637
Sale of sulphuric acid	4,383	4,151
Pipeline rental income	5,582	3,952
Filling, handling & rack filling fees	5,720	3,427
Access and storage fee	3,382	5,849
Income from utilities	3,048	2,989
Land and building rental income	833	1,212
Other income	3,968	1,417
	<u>79,346</u>	<u>70,536</u>

**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended 2018 March 31

*(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:

	Six months ended 2018 March 31				Total
	Cost of sales	Administrative expenses	Marketing expenses	Other operating expenses	
	\$	\$	\$	\$	\$
Purchases	7,905,368	--	--	--	7,905,368
Production taxes	789,034	--	--	--	789,034
Green Fund Levy	34,056	--	--	--	34,056
Employee benefits expense (excluding retirement benefits)	705,759	350,986	31,791	--	1,088,536
Production and refining expenses	703,219	122	--	--	703,341
Movement in inventories	(620,216)	--	--	--	(620,216)
Amortisation of intangible assets (Note 7)	442,564	--	--	--	442,564
Depreciation (Note 7)	538,698	--	7,360	4,738	550,796
Operating lease rental	177,542	4,238	1,417	--	183,197
Net medical benefit cost	--	121,400	--	--	121,400
Charge for bad and doubtful debts	31,562	(2,662)	--	--	28,900
Directors and key management remuneration (Note 17)	--	3,535	--	--	3,535
Net pension cost	--	157,550	--	--	157,550
DIE	--	--	--	3,696	3,696
Other expenses (income)	(3)	(12,916)	29,131	5,184	21,396
<b>Total</b>	<b><u>10,707,583</u></b>	<b><u>622,253</u></b>	<b><u>69,699</u></b>	<b><u>13,618</u></b>	<b><u>11,413,153</u></b>

**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended 2018 March 31

*(Presented in Thousands of Trinidad and Tobago dollars)***13. Operating costs by nature (continued)**

	Cost of sales	Six months ended 2017 March 31			Total
		Administrative expenses	Marketing expenses	Other operating expenses	
	\$	\$	\$	\$	\$
Purchases	7,073,255	--	--	--	7,073,255
Production taxes	309,978	--	--	--	309,978
Employee benefits expense (excluding retirement benefits)	689,738	347,088	30,459	--	1,067,285
Production and refining expenses	778,172	--	--	--	778,172
Movement in inventories	(247,949)	--	--	--	(247,949)
Amortisation of intangible assets (Note 7)	296,541	--	--	--	296,541
Depreciation (Note 7)	501,658	--	7,285	11,286	520,229
Operating lease rental	164,330	3,137	885	--	168,352
Net medical benefit cost	--	115,850	--	--	115,850
Loss on foreign currency exchange	35,616	(2,018)	--	--	33,598
Directors and key management remuneration (Note 17)	--	8,191	--	--	8,191
Net pension cost	--	148,950	--	--	148,950
Other expenses (income)	46,350	(47,559)	26,798	(245)	25,344
<b>Total</b>	<b>9,647,689</b>	<b>573,639</b>	<b>65,427</b>	<b>11,041</b>	<b>10,297,796</b>

**14. Impairment losses**

	Six months ended March 31	
	2018	2017
	\$	\$
Impairment loss related to loans receivable:		
-World GTL (Trinidad) Limited in receivership	(1,431)	903
	(1,431)	903

**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended 2018 March 31

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

---

**15. Tax**

	Six months ended March 31	
	2018	2017
Tax (benefit)/expense:	\$	\$
Current year taxes:		
Current tax –PPT/ UL	(12,840)	(1,065)
— Deferred tax	(44,616)	166,924
	<u>(57,456)</u>	<u>165,859</u>

**16. Capital commitments**

Capital expenditure contracted for but not yet incurred at 2018 March 31 amounted to \$543,270 (2017: \$591,450).



**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended 2018 March 31

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

<u>Name of Company/Equity</u>	Six months ended 2018 March 31			
	Cost		Revenue	
	Goods	Services	Goods	Services
	\$	\$	\$	\$
The Government of the Republic of Trinidad and Tobago (GORTT)				
- Taxes & Royalties	-	299,881	-	-
- Taxes other than Income Tax	-	128,629	-	-
<u>Entities under common control</u>				
Trinidad and Tobago National Petroleum Marketing Company Limited	6,552	-	2,066,639	831
The National Gas Company of Trinidad and Tobago Limited	232,368	-	-	-
<u>Name of Company/Equity</u>	Six months ended 2017 March 31			
	Cost		Revenue	
	Goods	Services	Goods	Services
	\$	\$	\$	\$
The Government of the Republic of Trinidad and Tobago (GORTT)				
- Taxes	-	227,626	-	-
- Other	-	106,322	-	-
<u>Entities under common control</u>				
Trinidad and Tobago National Petroleum Marketing Company Limited	5,997	-	1,826,735	737
The National Gas Company of Trinidad and Tobago Limited	240,116	-	-	-

**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended 2018 March 31

*(Presented in Thousands of Trinidad and Tobago dollars)***17. Related parties (continued)****Compensation of directors and key 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:

	Six months ended March 31	
	2018	2017
	\$	\$
Short-term employee benefits	8,528	7,520
Long-term employee benefits	526	671
	<u>9,054</u>	<u>8,191</u>

**18. 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:

	Joint operations					
	Block 9 – Offshore	Teak, Samaan, Poui (TSP)	Central Block	South East Coast Consortium	Other	Total
	Six months ended 2018 March 31					
Revenue	125,689	134,078	27,411	67,887	10,384	365,449
Cost of Sales	(175,575)	(90,556)	(31,642)	(35,213)	(4,191)	(337,177)
Income tax benefit/(expense)	28,256	(21,895)	1,873	(23,837)	(5,649)	(21,252)
	Six months ended 2017 March 31					
Revenue	150,985	104,414	27,509	75,095	7,097	365,100
Cost of Sales	(82,242)	(64,924)	(40,414)	(32,438)	(2,929)	(222,947)
Income tax expense	(27,747)	(22,309)	11,722	(30,305)	(4,389)	(73,028)

**PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended 2018 March 31

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

---

**19. Subsequent events**

**(a) Contingent liabilities - 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 \$146,356/US\$21,708 with an expiry date of 2018 December 31 was established.

**(b) Status of Petrotrin**

Discussions are ongoing with our shareholders and other stakeholders with respect to the reorganisation of Petrotrin.

**(c) US\$ 850 million Loan**

Petrotrin continues to review its options for the refinancing of this debt.