



Summary Separate Financial Statements

30 September 2019

(Presented in Thousands of Trinidad and Tobago Dollars)

Chairman's Report

Year ended 30 September, 2019

The financial year ended September 30, 2019, was the first year following the restructuring of Petroleum Company of Trinidad and Tobago Limited ("Petrotrin"). On November 30, 2018, Petrotrin ceased its operations. Petrotrin's refining assets were vested in The Guaracara Refining Company Limited ("Guaracara"), its terminal assets were vested in Paria Fuel Trading Company Limited ("Paria") and its assets relating to the exploration and production operations were vested in Heritage Petroleum Company Limited ("Heritage"). The remaining non-core assets have been retained by Petrotrin. The delayed timing of this publication is due to complications arising out of that very significant restructuring exercise which resulted in an extremely complex and time consuming Petrotrin audit for the year ended September 30, 2019.

Petrotrin reported a loss after tax of \$8.9 billion for the year ended September 30, 2019 (2018 Restated Loss: \$16.9 billion). These results represent two months of operations and ten months post restructuring. Included in the results are a one-off non-cash charge to profit relating to the bad debt provisioning for amounts due from related parties and the tax charge associated with the vesting of the assets. The 2018 Restated Loss was driven by the reclassification of amounts transferred to/from the new entities which resulted in a recalculation of the provision for abandonment and impairment of fixed assets. Additionally, in 2018 unpaid production taxes were incorrectly treated as an allowable deduction in calculating the chargeable income which resulted in an understatement of taxation expense, current tax liabilities and deferred income taxes. It should be noted, that these figures do not represent actual cash losses, but accounting losses emanating from the discontinued operations of Petrotrin. In fact, Petrotrin's cash generated from operations was positive in 2019.

The Board of Directors and Management of Petrotrin commit to working with all partners and stakeholders to ensure the continued prudent management of the non-core asset and short-term debt portfolios.

Michael A.A. Quamina
Chairman

Summary Separate Statement of Financial Position

30 September 2019 (Presented in Thousands of Trinidad and Tobago Dollars)

	2019 \$	Restated 2018 \$	Restated 2017 \$
ASSETS			
Tangible and intangible assets	67,686	73,237	23,410,686
Other non-current assets	808,776	5,504,410	12,189,922
Total non-current assets	876,462	5,577,647	35,600,608
Current assets	374,420	1,144,611	4,241,221
Due from related parties	447,128	2,331,074	1,037,389
Assets held for sale	-	14,530,050	-
	821,548	18,005,735	5,278,610
Total assets	1,698,010	23,583,382	40,879,218
EQUITY AND LIABILITIES			
Share capital	2,272,274	2,272,274	2,272,274
Accumulated deficit	(24,074,047)	(15,366,398)	1,198,473
Currency translation differences	-	590,495	512,931
Total equity	(21,801,773)	(12,503,629)	3,983,678
Non-current liabilities			
Borrowings	336,638	-	7,384,200
Other non-current liabilities	500,936	5,185,661	17,061,287
Total non-current liabilities	837,574	5,185,661	24,445,487
Current liabilities			
Borrowings	2,507,804	10,879,820	4,241,576
Trade and other payables	1,177,835	5,006,697	4,034,107
Current tax liabilities	6,943,734	3,916,021	2,621,687
Due to related parties	12,032,836	2,854,296	1,552,683
Liabilities directly associated with the assets held for sale	-	8,244,516	-
	22,662,209	30,901,350	12,450,053
Total liabilities	23,499,783	36,087,011	36,895,540
Total equity and liabilities	1,698,010	23,583,382	40,879,218

On 5th May 2022, the Board of Directors of Petroleum Company of Trinidad and Tobago Limited authorised these financial statements for issue.

Director

Director

Independent Auditors' Report on the Summary Financial Statements To the Shareholders of the Petroleum Company of Trinidad and Tobago

Opinion

The summary financial statements, which comprise the summary statement of financial position as at September 30, 2019, the summary statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited financial statements of the Petroleum Company of Trinidad and Tobago ("the Company") for the year ended September 31, 2019. We expressed a qualified audit opinion on those financial statements in our report dated March 02, 2022.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with International Financial Reporting Standards (IFRS). However, the summary financial statements are misstated to the equivalent extent as the audited financial statements of Petroleum Company of Trinidad and Tobago for the year ended September 30, 2019.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards (IFRS). Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to that date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed a qualified audit opinion on the audited financial statements in our report dated March 02, 2022. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements for the current period.

The basis for our qualified audit opinion was because we were unable to obtain sufficient appropriate audit evidence over the expenses in the amount of \$0.309 billion and the carrying amount of related trade and other payables in the amount of \$0.233 billion that is contained within the caption trade and other payables that totaled \$1.178 billion, due to the inability of management to locate the supporting evidence from its repository of files or to obtain directly from the respective vendor. Consequently, we were unable to determine whether any adjustment to these amounts were necessary and any corresponding implications on expenses and accumulated deficit.

The Company had at the beginning of the year assets held for distribution to owners in the amount of \$14.530 billion. As stated in note 12 of the audited financial statements, these assets held for distribution to owners were fully distributed during the year to other entities ultimately controlled by the Government of the Republic of Trinidad and Tobago. We were unable to obtain sufficient appropriate audit evidence about the accuracy of a movement in the carrying amount of assets held for distribution to owners in the amount of \$8.421 million during the financial year, due to the inability of management to analyze and or reconcile this amount. Consequently, we were unable to determine whether any adjustments to this and other possible related financial statement captions were necessary.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with IFRS 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.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements."

Chartered Accountants

Port of Spain
Trinidad and Tobago
May 6, 2022



Summary Separate Financial Statements

30 September 2019

(Presented in Thousands of Trinidad and Tobago Dollars)

Summary Separate Statement of Comprehensive Income

30 September 2019 (Presented in Thousands of Trinidad and Tobago Dollars)

	2019 \$	Restated 2018 \$
Discontinued operations		
Revenue	2,891,094	24,535,898
Cost of sales	<u>(3,618,322)</u>	<u>(38,700,839)</u>
Gross loss	(727,228)	(14,164,941)
Other operating income	225,946	177,611
	(501,282)	(13,987,330)
Administrative expenses	(5,387,371)	(190,375)
Marketing expenses	(25,693)	(151,181)
Other operating expenses	(7,422)	(20,867)
Impairment expense	(1,138)	45,561
Operating loss	<u>(5,922,906)</u>	<u>(14,304,192)</u>
Net finance costs	(362,110)	(1,056,488)
Loss before tax	(6,285,016)	(15,360,680)
Income tax expense	<u>(2,597,046)</u>	<u>(1,527,191)</u>
Loss for the period	<u>(8,882,062)</u>	<u>(16,887,871)</u>
Other comprehensive (loss)/income		
Currency translation differences	(43,882)	77,564
Re-measurements experience adjustments on retirement benefit obligation - pension benefits	(362,400)	8,700
Re-measurements experience adjustments on retirement benefit obligation - medical benefits	(9,800)	314,300
Other comprehensive (loss)/income	<u>(416,082)</u>	<u>400,564</u>
Total comprehensive loss	<u>(9,298,144)</u>	<u>(16,487,307)</u>

Summary Separate Statement of Changes in Equity

30 September 2019 (Presented in Thousands of Trinidad and Tobago Dollars)

	Share Capital \$	Currency Translation Difference \$	Accumulated Deficit \$	Total \$
Balance as at 30 September 2018 (Restated)	2,272,274	590,495	(15,366,398)	(12,503,629)
Loss for the year	-	-	(8,882,062)	(8,882,062)
Currency translation differences	-	(43,882)	-	(43,882)
Remeasurements experience adjustments on defined benefit obligations	-	-	(372,200)	(372,200)
Currency translation transferred to accumulated deficit	-	(546,613)	546,613	-
Balance as at 30 September 2019	<u>2,272,274</u>	<u>-</u>	<u>(24,074,047)</u>	<u>(21,801,773)</u>
Balance as at 30 September 2017 (Restated)	2,272,274	512,931	1,198,473	3,983,678
Loss for the year	-	-	(16,887,871)	(16,887,871)
Currency translation differences	-	77,564	-	77,564
Remeasurements experience adjustments on defined benefit obligations	-	-	323,000	323,000
Balance as at 30 September 2018	<u>2,272,274</u>	<u>590,495</u>	<u>(15,366,398)</u>	<u>(12,503,629)</u>

Summary Separate Statement of Cash Flows

30 September 2019 (Presented in thousands of Trinidad and Tobago Dollars)

	2019 \$	Restated 2018 \$
Cash flows from operating activities		
Loss for the period	(6,285,016)	(15,360,680)
Adjustments for non-cash items	(101,152)	16,283,600
Changes in working capital	<u>6,413,447</u>	<u>1,011,584</u>
Net cash flows generated from operating activities	27,279	1,934,504
Net cash used in investing activities	(132,433)	(559,987)
Net cash used in financing activities	(9,358)	(1,723,187)
Currency translation differences relating cash and cash equivalents	(61,348)	(4,430)
Increase in cash and cash equivalents	(175,860)	(353,100)
Cash and cash equivalents at start of year	400,088	798,942
Less: Amounts held for distribution	-	(45,754)
Cash and cash equivalents at the end of the year	<u>224,228</u>	<u>400,088</u>
Represented by:		
Cash and cash equivalents	<u>224,228</u>	<u>400,088</u>

Notes to the Summary Separate Financial Statements

(Presented in Thousands of Trinidad and Tobago Dollars)

1. Reporting Entity

Effective 30 November 2018, Petroleum Company of Trinidad and Tobago Limited ("PETROTRIN" or "the Company") ceased operating as an integrated petroleum company and its Exploration and Production (E&P) and Refining and Marketing (R&M) assets and associated liabilities were vested in newly incorporated entities namely Heritage Petroleum Company Limited (Heritage), Paria Fuel Trading Company Limited (Paria) and The Guaracara Refining Company Limited (Guaracara) respectively. The sole shareholder is Trinidad Petroleum Holdings Limited (TPHL). This was in accordance with a vesting order issued by the Government of the Republic of Trinidad and Tobago (GORTT) who is the Ultimate Parent. The registered office was located at the Administration Building, Southern Main Road, Pointe-à-Pierre, Trinidad and Tobago, West Indies. Subsequent to year end, the registered office of PETROTRIN changed to 9 Queen's Park West, Port of Spain, Trinidad and Tobago, West Indies.

2. Basis of preparation

Management has prepared a comprehensive set of separate financial statements in accordance with the International Financial Reporting Standards but has summarised it by disclosing the summary statements of financial position, statement of comprehensive income, changes in equity and cash flows for the year ended September 30, 2019 and selected notes to the summary financial statements comprising certain significant accounting policies and other explanatory information. The summary separate financial statements are expressed in thousands of Trinidad and Tobago dollars.

The summary separate financial statements has been extracted from the audited financial statements for the year ended September 30, 2019 which was approved by the Board of Directors on March 02, 2022. This summary does not include the accounting policies and notes that are contained in the separate financial statements. Details of Petrotrin's complete set of audited financial statements can be obtained on TPHL's website.

3. Change in basis of measurement

In accordance with IAS 1 "Presentation of Financial Statements" the basis of preparing financial statements is a non-going concern following a decision by The Government of the Republic of Trinidad and Tobago to restructure the Company.

As at 30 September 2019, the Company's deficit amounted to \$24,074,047 (2018: \$15,366,398) and as at that date, the Company's current liabilities (inclusive of assets held for distribution to owners) exceeded current assets by \$21,840,661 (2018: \$12,895,615). Assets held for distribution to owner amount to nil (2018: \$14,530,050). Management and the Board of Directors are in current negotiations with GORTT on the way forward with certain amounts due to the Board of Inland Revenue. Management and the Board of Directors are taking all reasonable steps to dispose of its assets at fair market rates and will utilise the proceeds to settle its third party liabilities. The impact on the measurement of the Company's assets and liabilities has been specified in the Notes to the Financial Statements. Additionally, the Company has recognised possible contractual obligations as a result of the restructuring. The Company has also disclosed contingent liabilities that could arise from the restructuring process.

In addition, the Directors have obtained a letter of financial support from its Ultimate Shareholder, the Government of the Republic of Trinidad and Tobago, which can be called upon if needed to meet its legal and financial obligations as they fall due.

New standards, amendments and interpretations adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting year commencing 1 October 2018:

- IFRS 9 Financial Instruments and associated amendments to various other standards
- IFRS 15 Revenue from contracts with customers and associated amendments to various other standards
- Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Annual Improvements to IFRS Standards 2014-2016 Cycle

4. Functional and presentation currency

Items included in the separate financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The United States dollar was the Company's functional currency up to 30 November 2018. Post 30 November 2018, due to the restructuring which resulted in the cessation of PETROTRIN's trading activities which were substantially denominated in United States dollars, the Company changed its functional currency to Trinidad and Tobago dollars on the basis that going forward the Company's major cash flows are expected to be denominated in Trinidad and Tobago dollars. The financial statements are presented in Trinidad and Tobago dollars, rounded to the nearest thousand, which is the Company's presentation currency. Effective 1 December 2018, the Company's main stakeholders are the Government of the Republic of Trinidad and Tobago, the Ministry of Finance and its employees.

5. Use of estimates and judgements

The preparation of these summary separate financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the summary separate financial statements are disclosed within the separate financial statements.