Trinidad & Tobago National Petroleum Marketing Company Limited and Its Subsidiaries

Consolidated Financial Statements

31 March 2020

(Presented in Thousands of Trinidad and Tobago Dollars)

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

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Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of the Trinidad & Tobago National Petroleum Marketing Company Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2020, the consolidated statement of profit and loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;

- Ensuring that the Group keeps proper accounting records;

- Selecting appropriate accounting policies and applying them in a consistent manner;

- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of Group's operational efficiencies;

- Ensuring that the system of internal control operated effectively during the reporting period;

- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and

- Using reasonable and prudent judgement in the determination of estimates.

In preparing these consolidated audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying consolidated financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Director 16 May 2023	Director 16 May 2023

pwc

Independent Auditor's Report

To the shareholders of Trinidad & Tobago National Petroleum Marketing Company Limited and its subsidiaries

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects the consolidated financial position of Trinidad & Tobago National Petroleum Marketing Company Limited (the Company) and its subsidiaries (together 'the Group') as at 31 March 2020, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 March 2020;
- the consolidated statement of profit and loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

Responsibilities of management and those charged with governance for the consolidated financial statements (continued)

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
26 May 2023

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Consolidated Statement of Financial Position

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

	Notes	As at 31 March 2020 $	2019 $
Assets			
Non-current assets			
Property, plant and equipment	5	552,183	550,715
Right of Use Assets	6	105,055	--
Deferred income tax assets	16	80,567	48,287
Financial asset at amortised cost	8	940	1,309
		738,745	600,311
Current assets			
Inventories	9	122,290	167,997
Contract asset		394	--
Trade and other receivables	12	792,545	635,749
Taxation recoverable		59,616	60,197
Financial asset at fair value through profit or loss	13	4,355	4,472
Cash and cash equivalents	14	271,165	300,989
		1,250,365	1,169,404
Total assets		1,989,110	1,769,715

The notes on pages 9 to 65 are an integral part of these consolidated financial statements.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Consolidated Statement of Financial Position (continued)

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

	Notes	As at 31 March 2020 $	2019 $
Equity and liabilities			
Capital and reserves attributable to equity holders of the parent company			
Share capital	15	47,100	47,100
Translation reserve		4,487	4,694
Retained earnings		140,997	164,911
Total equity		192,584	216,705
Liabilities			
Non-current liabilities			
Post-employment medical plan obligation	7	57,012	54,856
Retirement pension plan obligation	7	88,266	86,734
Deferred tax liabilities	16	49,368	50,127
Provision for environmental clean-up costs	17	7,850	8,880
Provision for dismantlement cost	18	15,106	16,742
Deferred government grant	19	148,275	164,328
Deferred franchise fee income	20	1,287	1,529
Finance lease		488	680
Lease liabilities	6	33,521	--
		401,173	383,876
Current liabilities			
Trade and other payables	21	1,283,660	1,133,334
Deferred franchise fee income	20	699	1,369
Provision for environmental clean-up costs	17	892	1,013
Lease liabilities	6	75,657	--
Taxation payable		34,445	33,418
		1,395,353	1,169,134
Total liabilities		1,796,526	1,553,010
Total equity and liabilities		1,989,110	1,769,715

The notes on pages 9 to 65 are an integral part of these consolidated financial statements.

On 16 May 2023, the Board of Directors of Trinidad & Tobago National Petroleum Marketing Company Limited authorised these consolidated financial statements for issue.

______________ Director　　______________ Director

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Consolidated Statement of Profit and Loss and Other Comprehensive Income

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

	Notes	Year ended 31 March 2020 $	2019 $
Gross sales		4,080,514	4,025,183
Customs and excise duties		(1,557)	(1,325)
Net sales		4,078,957	4,023,858
Cost of sales	22	(3,731,211)	(3,695,351)
Gross profit		347,746	328,507
Other income	23	19,588	78,037
		367,334	406,544
Distribution costs	24	(43,377)	(46,046)
Administration costs	24	(104,448)	(181,898)
Other expenses	24	(229,189)	(162,751)
Finance cost	25	(14,876)	(31,304)
Loss before taxation		(24,556)	(15,455)
Taxation credit/(charge)	26	3,448	(30,605)
Loss for the year		(21,108)	(46,060)
Other comprehensive loss:			
Items that will not be reclassified to profit or loss			
Re-measurement of retirement benefit obligation	7	(9,520)	(8,630)
Re-measurement of medical obligation	7	846	2,743
Tax associated with other comprehensive income	16	2,602	1,766
		(6,072)	(4,121)
Items that may be subsequently reclassified to profit or loss			
Change in value of available-for-sale financial asset	13	(117)	400
Other comprehensive loss for the year, net of tax		(6,189)	(3,721)
Translation exchange gain		(207)	6
Total comprehensive loss for the year		(27,504)	(49,775)

The notes on pages 9 to 65 are an integral part of these consolidated financial statements.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Consolidated Statement of Changes in Equity

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

	Share capital $	Retained earnings $	Translation reserve $	Total $
Year ended 31 March 2020				
Balance as at 1 April 2019	47,100	164,911	4,694	216,705
IFRS 16 initial application adjustment (note 2 (a) (ii))	--	3,383	--	3,383
Balance as at 01 April 2019 - restated	47,100	168,294	4,694	220,088
Total comprehensive loss for the year	--	(27,297)	(207)	(27,504)
Balance as at 31 March 2020	47,100	140,997	4,487	192,584
Year ended 31 March 2019				
Balance as at 1 April 2018	47,100	217,657	4,688	269,445
IFRS 9 initial application adjustment	--	(2,965)	--	(2,965)
Balance as at 01 April 2018 - restated	47,100	214,692	4,688	266,480
Total comprehensive loss for the year	--	(49,781)	6	(49,775)
Balance as at 31 March 2019	47,100	164,911	4,694	216,705

The notes on pages 9 to 65 are an integral part of these consolidated financial statements.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Consolidated Statement of Cash Flows

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

	Notes	Year ended 31 March 2020 $	2019 $
Cash flows from operating activities			
Loss before taxation		(24,556)	(15,455)
Adjustment for non-cash items:			
Retirement pension plan expense	7	20,992	32,701
Post-employment medical plan expense	7	5,011	4,848
Depreciation charge	5	47,496	46,006
Depreciation right of use asset	6	75,290	--
Government grant amortisation	19	(16,053)	(14,605)
Loss on disposal of property, plant and equipment	23	2,625	4,058
Foreign exchange loss/(gain)	27	2,573	(2,431)
Unwinding of dismantlement provision	18	670	647
Decrease in dismantlement asset	18	--	(72)
Unwinding of environmental clean-up provision	17	859	470
Decrease in environmental clean-up cost	17	(1,199)	(1,699)
Decrease in dismantlement provision	18	(2,304)	(70)
Translation difference		(45)	6
Finance costs	25	14,876	31,304
Unwinding of interest on fixed deposits		(136)	(172)
IFRS 9 adjustments		--	(2,965)
Deferred franchise fee income	20	(912)	(1,360)
		125,187	81,211
Changes in working capital			
Decrease/(increase) inventories		45,707	(20,777)
(Increase)/decrease in trade and other receivables		(156,796)	535,434
Increase in contract asset		(394)	--
Increase/(decrease) in trade and other payables		150,326	(512,662)
Cash generated from operating activities		164,030	83,206
Environmental clean-up costs paid during the year	17	(811)	(167)
Retirement benefits paid		(30,989)	(13,813)
Change in finance lease		(192)	(227)
Interest paid	25	(14,876)	(31,304)
Refunds received		--	9,866
Taxation paid		(25,395)	(34,236)
Net cash generated from operating activities		91,767	13,325
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(52,351)	(37,709)
Proceeds from financial asset at amortised cost		505	505
Proceeds from disposal of property, plant and equipment		612	545
Net cash used in investing activities		(51,234)	(36,659)
Cash flows from financing activities			
Proceeds from government grant	19	--	45,400
Principal elements of lease payments	6	(67,784)	--
Net cash (used in)/generated from financing activities		(67,784)	45,400
Net (decrease)/increase in cash and cash equivalents		(27,251)	22,066
Cash and cash equivalents at beginning of year		300,989	276,492
Exchange adjustment		(2,573)	2,431
Cash and cash equivalents at end of year		271,165	300,989

The notes on pages 9 to 65 are an integral part of these consolidated financial statements.

1 General information

The Trinidad & Tobago National Petroleum Marketing Company Limited, the parent company, is incorporated in the Republic of Trinidad and Tobago and is primarily engaged in the marketing and manufacturing of petroleum and petroleum related products. It is wholly owned by the Government of the Republic of Trinidad and Tobago and thus is ultimately controlled by the Government of the Republic of Trinidad and Tobago. The registered office is NP House, National Drive, Sea Lots, Port of Spain. The Group comprises the parent company and subsidiaries listed below:

Natpet Investments Company Limited is a wholly-owned subsidiary and is incorporated in the Republic of Trinidad and Tobago. Its primary business activity is the filling of Liquefied Petroleum Gas (LPG) cylinders. The address of its registered office is NP House, Sea Lots, Port of Spain.

National Agro Chemicals Limited (NACL) is a wholly-owned subsidiary and is incorporated in the Republic of Trinidad and Tobago. It was primarily engaged in the manufacture and sale of agricultural and industrial chemicals. The address of its registered office is NP House, National Drive, Sea Lots, Port of Spain.

Natstar Manufacturing Company Limited (Natstar) is a wholly-owned subsidiary and is incorporated in the Republic of Trinidad and Tobago. It was primarily engaged in the manufacture of steel drums and refurbishing of LPG cylinders. The address of its registered office is NP House, National Drive, Sea Lots, Port of Spain.

The Board of Directors approved the liquidation of NACL and Natstar on 21 July 2007. Natstar's voluntary liquidation was completed during the 2016 financial year while the liquidation of NACL is ongoing.

Natpetrol (Saint Maarten) N.V is a wholly-owned dormant subsidiary of the parent company and is incorporated in Saint Maarten.

Natpet (Saint Maarten) N.V is a wholly owned dormant subsidiary of the parent company and is incorporated in Saint Maarten.

Liquid Fuels Company of Trinidad and Tobago Limited is a wholly owned subsidiary of the parent company and is incorporated in the Republic of Trinidad and Tobago.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. *Basis of preparation*

(i) *Compliance with IFRS*

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

2 **Summary of significant accounting policies (continued)**

a. *Basis of preparation (continued)*

(ii) *Changes in accounting policies and disclosures*

(a) *Standards, amendments and interpretations adopted by the Group*

- IFRS 16 'Leases' (effective 1 April 2019):

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard removes the IAS 17 requirement for lessees to classify leases as finance leases or operating leases by introducing a single lessee accounting model that requires the recognition of lease assets (right-of-use assets) and lease liabilities on the statement of financial position for most leases. Also, lessees will now separately recognise interest expense on the lease liability and depreciation expense on the right-of-use asset in the statement of comprehensive.

Lessor accounting is substantially unchanged from accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 - Transition method and practical expedients applied

The Group adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (1 April 2019), without restatement of comparative amounts. The Group elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4.

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Reliance on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 April 2019;
- Exclude initial direct costs for the measurement of the right-of-use asset at the date of initial application;
- Apply the exemption not to recognise right-of-use assets and lease liabilities for leases less than 12 months of lease term remaining as of the date of initial application.
- Use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

2 **Summary of significant accounting policies (continued)**

a. *Basis of preparation (continued)*

(ii) *Changes in accounting policies and disclosures (continued)*

(a) *Standards, amendments and interpretations adopted by the Group (continued)*

- IFRS 16 'Leases' (effective 1 April 2019) (continued):

Measurement of right-of-use assets

On adoption of IFRS 16, the Group recognised right-of-use assets and lease liabilities in relation to leases of vessels, land and building, motor vehicles and other, which had previously been classified as operating leases. The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any accumulated depreciation from the inception date of the lease to the implementation date of the standard, plus any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 March 2019.

Measurement of lease liabilities

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 April 2019. The lessee's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average incremental borrowing rate applied to the lease liabilities on 1 April 2019 ranged from 4.70%-7.01%. The following table reconciles the minimum lease commitments disclosed in the Group's 31 March 2019 annual financial statements to the amount of lease liabilities recognised on 1 April 2019:

	As at 1 April 2019 $
Minimum operating lease commitments at 31 March 2019	73,895
Less: effect of discounting using the incremental borrowing rate as at the date of initial application	(4,366)
Lease liabilities recognised as at 1 April 2019	69,529
Classified as:	
Current lease liabilities	52,371
Non-current lease liabilities	17,158
	69,529

Summary of initial application adjustments:	**As at 1 April 2019 $**
Right of use assets recognised as at 1 April 2019 (Note 6)	72,912
Lease liabilities recognised as at 1 April 2019 (per above)	(69,529)
Net amount recognised in equity	3,383

2 **Summary of significant accounting policies (continued)**

a. *Basis of preparation (continued)*

(iii) *Historical cost convention*

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Financial Assets at fair value through profit or loss
- Defined benefit pension plans – plan assets measured at fair value

(iv) *New standards, amendments and interpretations adopted by the Group*

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

- IFRS 16 Leases
- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting

The Group had to change its accounting policies following the adoption of IFRS 16. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(v) *New standards, amendments and interpretations not yet adopted by the Group*

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(vi) *Going concern*

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. There are no plans to cease trading and the Group believes that it can maintain sufficient liquidity and a positive cash balance, and remain in operational existence, for at least the next twelve months from the date of approval of the financial statements. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

2 **Summary of significant accounting policies (continued)**

b. *Consolidation*

(i) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and could affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations by the Group (refer to note 2(u)).

Intercompany transactions, balances, and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

c. *Foreign currency translation*

(i) *Functional and presentation currency*

Items included in the Group's consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The consolidated financial statements are presented in Trinidad and Tobago dollars (thousands), which is the functional and presentation currency of the parent.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit and loss and other comprehensive income in the year in which they occur.

2 **Summary of significant accounting policies (continued)**

c. *Foreign currency translation (continued)*

(ii) *Transactions and balances (continued)*

Changes in the fair value of monetary securities denominated in foreign currency classified as financial assets at fair value through profit or loss are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financials asset and liabilities such as equities held at fair value through profit or loss are recognised in statement of profit and loss and other comprehensive income as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

(iii) *Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position.

(b) income and expenses for each consolidated statement of profit and loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting exchange differences are recognised in other comprehensive income.

2 **Summary of significant accounting policies (continued)**

d. *Property, plant, and equipment*

Land is shown at cost and is not depreciated.

Dismantlement costs are shown at net present value less depreciation.

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the consolidated statement of profit and loss and other comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on the straight-line basis at rates set out below to allocate the cost of assets to their residual values, over their estimated useful lives as follows:

Buildings	-	3% - 5%
Plant and machinery	-	5% - 20%
Cylinders and other equipment	-	5% - 20%
Motor vehicles	-	20% - 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period end. Adjustments to the residual value and useful lives of assets may result in the depreciation rate of the asset varying from the rates stated above.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2 e).

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These are included in the consolidated statement of profit and loss and other comprehensive income

2 **Summary of significant accounting policies (continued)**

e. *Impairment of non-financial assets*

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

f. *Financial assets*

(i) *Classification*

The Group classifies its financial assets in the following measurement categories:

- those measured subsequently at fair value (either through OCI or through profit or loss), and
- as those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cashflows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

2 **Summary of significant accounting policies (continued)**

f. *Financial assets (continued)*

(iii) *Measurement (continued)*

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

Amortised costs: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in statement of comprehensive income. Impairment losses are presented as separate line item in the statement of profit and loss and other comprehensive income.

FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the statement of profit and loss and other comprehensive income and presented net within other gains/(losses) in the period in which it arises.

(iv) *Impairment*

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost including amounts due from related parties.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial assets recognition of impairment provisions under IFRS 9 is based on the expected credit losses ("ECL") model. The ECL model is applicable to financial assets classified at amortised cost and contract assets under IFRS 15: Revenue from Contracts with Customers. The measurement of ECL reflects an unbiased and probability weighted amount that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions. The Group applied the simplified approach to determine impairment of its trade and other receivables. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Group's historical default rates observed over the expected life of the receivables and adjusted for forward looking estimates. This is then applied to the gross carrying amount of the receivables to arrive at the loss allowance for the period.

g. *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2 Summary of significant accounting policies (continued)

h. *Inventories*

All inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first-in, first-out (FIFO) method for main products (fuels), goods for resale, raw and packaging materials and manufactured goods. Weighted average cost is used for maintenance spares. Actual cost is used for all inventories. Net realisable value is the estimated selling price in the ordinary course of business, the estimated costs of completion and the estimated costs necessary to make the sale.

Provision for obsolescence

All inventories are reviewed on an annual basis to determine the age and condition of the items. A suitable provision is then determined and approved by Management.

i. *Trade and other receivables*

(i) *Classification of trade receivables*

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 3 (a) (ii).

(ii) *Fair values of trade receivables*

Due to the short-term nature of the current receivables, their carrying amounts are considered to be the same as their fair value.

(iii) *Impairment and risk exposure*

Information about the impairment of trade receivables and the group's exposure to credit risk and foreign currency risk can be found in note 3 (a) (ii).

j. *Cash and cash equivalents*

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

k. *Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares, if any, are shown in equity as a deduction, net of tax, from the proceeds.

2 **Summary of significant accounting policies (continued)**

l. *Employee benefits*

(i) *Retirement benefit liability*

The Group operates a defined benefit plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of comprehensive income.

(ii) *Post-employment medical plan*

The Group provides post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

2 **Summary of significant accounting policies (continued)**

l. *Employee benefits (continued)*

(iii) *Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises cost for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(iv) *Bonus scheme*

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

m. *Trade payables*

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables is classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. These amounts are unsecured and are usually paid within 30 days of recognition.

Due to the short-term nature of current payables, their carrying value is assumed to be the same as their fair value.

n. *Provisions*

Provisions for environmental restoration, restructuring costs, dismantlement costs, legal claims and all other provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise employee termination payments. Provisions are not recognised for future operating losses.

Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the present obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

2 **Summary of significant accounting policies (continued)**

o. *Government grants*

Grants in respect of the service station upgrade

Government grants, (provided in the capacity of the Government and not as a shareholder), are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

Government grants relating to expenses are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the consolidated statement of profit and loss and other comprehensive income on a straight-line basis over the expected lives of the related assets.

Other government grants

The Group also recognises grants in respect of expenses already incurred. This grant is recognised in the statement of profit and loss and other comprehensive income in the period in which it becomes receivable. See Note 19.

Subsidy

The Group also recognises a subsidy as a government grant. The subsidy is calculated on local volumes sold and is the difference between the market value of the fuel (which is determined by the Government of the Republic of Trinidad and Tobago) and the amount the government mandates it be sold for. The subsidy is recognised in the statement of profit and loss and other comprehensive income in the period in which it is receivable. See Note 19 and 22.

p. *Current and deferred income tax*

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or in equity, respectively.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted in Trinidad and Tobago at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. Taxation recoverable relates primarily to corporation tax refunds based on returns filed with the tax authorities. Management is satisfied that all amounts are recoverable.

2 **Summary of significant accounting policies (continued)**

p. *Current and deferred income tax (continued)*

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The principal temporary differences arise from depreciation on property, plant and equipment, retirement benefit liability, provision for post medical retirement plan obligation, dismantlement provision, right of use asset, lease liabilities and provision for environmental clean-up costs, lease assets and tax losses.

Deferred income tax liabilities are provided on taxable temporary differences, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for subsidiaries.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The deferred income tax asset and deferred tax liability for leases are disclosed in gross amounts.

q. *Revenue recognition*

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. A five-step process is applied before revenue can be recognised; they are as follows: identify contracts with customers, identify the separate performance obligation, determine the transaction price of the contract, allocate the transaction price to each of the separate performance obligations, and recognize the revenue as each performance obligation is satisfied. Revenue from the Group's main revenue streams are fuel sales to exploration, aviation marine, retail and industrial sales; sale of lubricants; LPG sales and convenience store sales.

The Group bases its estimates, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2 **Summary of significant accounting policies (continued)**

q. *Revenue recognition (continued)*

Revenue is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue from the sales of exploration, aviation and marine, retail and fuel, lubricants, industrial sales, LPG and LPG accessories and convenience goods are recognised when control is transferred for the ownership of the product.

- Fuel sales to Exploration, Aviation and Marine customers:
  - ➢ Exploration
    - o For sales via road tank wagon – title passes at the inlet point of the road tank wagon.
    - o For sales via barges/berths - Title passes when the oil passes the vessels inlet manifold flange at the loading port.
    - o For fuel sales via pipelines - when loading is completed and product is transferred to the customer's storage area.
  - ➢ Aviation – title passes over when fuel has been loaded on tanks on the airplane
  - ➢ Marine - title passes over when the fuel has been loaded on the ship via the ship's inlet manifold.
- Retail and Fuel – title passes at the inlet point of the road tank wagon.
- Lubricants:
  - o Local distributors, title passes to the customer upon the transfer of product from the Group's warehouse to the customer's transport vehicle.
  - o Regional distributors, title passes to the customer based on the shipping terms.
- Industrial sales:
  - o For peddler sales, title passes when purchase price has been paid in full. All sales to peddlers is on a cash basis.
  - o For state enterprises sales, title passes over when the fuel has been loaded into the customer's storage area.
  - o For private sales, title passes over when the fuel has been loaded into the customer's storage area.
- LPG and LPG accessories sales - title passes either at:
  - o at the inlet point of the Bridger
  - o at the discharge flange at the bulk installation
  - o LPG cylinder is filled and loaded in the customer vehicle

  LPG accessories - Title passes over to customer upon transfer of the product to the customer
- Convenience goods – title passes to the customer upon the transfer of product from the convenience store to the customer

2 Summary of significant accounting policies (continued)

q. *Revenue recognition (continued)*

Sales are recognised when control of the products or services has transferred, being when the products or services are delivered to the customer, the customer has full discretion over the channel and price to sell the products or services, and there is no unfulfilled obligation that could affect the customer's acceptance of the products or services.

No element of financing is deemed present as typically, payment for the sale of the product or service is received by the end of the month following the month in which the sale is recognised, which is consistent with market practice.

Rental income

Rental income relates to royalty income earned from franchisees and other arrangements and is based on the rate per unit of fuel sold. This is recognised on the accrual basis in accordance with the substance of the relevant agreements.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

r. *Leases*

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

2 **Summary of significant accounting policies (continued)**

r. *Leases (continued)*

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- The amount expected to be payable by the lessee under residual value guarantees.
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

2 **Summary of significant accounting policies (continued)**

r. *Leases (continued)*

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss (see note 24).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease component based on their relative stand-alone price. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease component and instead account for these as a single lease component.

s. *Dividend distribution*

Provision is made for the value of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

t. *Rounding of amounts*

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

u. *Business combination*

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

2 **Summary of significant accounting policies (continued)**

u. *Business combination (continued)*

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the
- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

3 **Financial risk management**

a. *Financial risk factors*

The Group's activities expose it to financial risks: market risk (including currency risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The risk management is carried out by the Group's treasury department.

Risk management is carried out by management under policies approved by the Board of Directors. Management identifies and evaluates financial risks in co-operation with the Group's operating units and provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and invest of excess liquidity.

(i) *Market risk*

(a) *Foreign exchange risk*

The Group operates regionally and is exposed to foreign exchange risk primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. Most of the foreign exchange risk resides with the parent and the Group manages this risk by holding amounts in US dollars within its cash balances.

As at 31 March 2020, if the functional currency of the parent had weakened/strengthened by 1% against the US dollar with all other variables held constant, post tax loss for the year would have been $150 higher/lower, mainly as a result of foreign exchange gains/loss on translation of US dollar denominated trade receivables, cash and payable balances.

As at 31 March 2019, if the functional currency of the parent had weakened/strengthened by 1% against the US dollar with all other variables held constant, post-tax loss for the year would have been $357 higher/lower, mainly as a result of foreign exchange gains/loss on translation of US dollar denominated trade receivables, cash and payable balances.

There were no changes in the policies and procedures for managing foreign currency risk compared with prior year.

(b) *Price risk*

The Group is exposed to bond securities price risk because of investments held by the Group and classified in the consolidated statement of financial position as financial assets at fair value through profit or loss. Management manages its price risk by reviewing the movement trend of prices on the stock exchange. This information is used to determine whether its investment should be retained or disposed. Due to the nature of the Group's operations, there is no significant exposure to price risk.

As at 31 March 2020, if the financial asset at fair value through profit or loss quoted prices increased/ decreased by 5%, total comprehensive loss would have been higher/lower by $218.

3 **Financial risk management (continued)**

a. *Financial risk factors (continued)*

(i) *Market risk (continued)*

(b) *Price risk (continued)*

As at 31 March 2019, if the financial asset at fair value through profit or loss quoted prices increased/decreased by 5%, total comprehensive loss would have been higher/lower by $224.

There were no changes in the policies and procedures for managing price risk compared with prior year.

(c) *Cash flow and fair value interest rate risk*

As the Group has no significant interest-bearing assets, the Group's income and core operating cash flows are substantially independent of changes in market interest rates. The Group has no long-term loans and its investments are short-term. As such, the Group's exposure to cash flow and fair value interest rate risk is minimal.

(ii) *Credit risk*

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost and at fair value through profit or loss (FVPL), and deposits with banks and financial institutions, as well as credit exposures to outstanding trade and other receivables. Financial instruments which potentially subject the Group to significant credit risk consist principally of cash and trade and other receivables. The Group's maximum amount of credit risk exposure is limited to the carrying amount of these financial instruments.

The Group's cash is held with or issued by leading financial institutions. Therefore, the Group considers the risk of non-performance on these instruments to be minimal.

The Group's credit risk is principally attributable to its trade receivables. The amounts disclosed in the statements of financial position are net of an allowance for doubtful accounts, estimated by the Group's management and based, in part, on the age of the specific receivable balance and the current and expected collection trends.

The Group considers its credit risk with trade debtors to be limited due to the large number of customers comprising the Group's customer base. Individual credit limits are approved by the Credit Committee and are monitored on an ongoing basis. These are determined based on evaluations of customers' financial situation, past experience and other factors. The exposure of potential losses from granting credit is also monitored on an ongoing basis. The Group's other receivable balances comprises of amounts receivable from the Government of the Republic of Trinidad and Tobago (GORTT). These balances have a low credit risk. Refer to Notes 11 and 12 for additional information.

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

3 **Financial risk management (continued)**

a. *Financial risk factors (continued)*

(ii) *Credit risk (continued)*

There were no changes in the policies and procedures for managing credit risk compared with prior year.

(a) *Risk Management*

The Group's cash is held with or issued by leading financial institutions in amounts varying between TT$4 to TT$133,903; US$88 to US$3,913 and XC$28 to XC$2,178 (2019:TT$2 to TT$59,931; US$57 to US$ 3,775 and XC$27 to XC$2,386). Therefore, the Group considers the risk of non-performance on these instruments to be minimal.

(b) *Security*

There are no trade receivables for which the Group has obtained any form of guarantee, deeds of undertaking or letters of credit.

(c) *Credit quality*

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates:

Cash at bank and short-term bank deposits

	2020 $	2019 $
National Bank of Dominica Limited	9,990	13,074
First Citizens Bank Limited	215,580	239,194
Trinidad and Tobago Unit Trust Corporation	17,005	21,831
Citibank (Trinidad & Tobago) Limited	585	382
Scotiabank Trinidad and Tobago Limited	759	326
Republic Bank Limited	26,915	25,290
	270,834	300,097

The rest of the statement of financial position item cash and cash equivalents comprises cash in hand.

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

3 **Financial risk management (continued)**

a. *Financial risk factors (continued)*

(ii) *Credit risk (continued)*

(d) *Impairment of financial assets*

The following is a summary of the Group's maximum exposure to credit risk:

31 March 2020	**Fully performing $**	**Past due $**	**Impaired $**	**Provision for impairment $**	**Total $**
Cash at bank	270,834	--	--	--	270,834
Trade receivables and other receivables (excluding prepayments)	91,550	527,019	28,669	(28,669)	618,569
Financial asset at amortised cost	940	--	--	--	940
Financial asset at fair value through profit or loss	4,355	--	--	--	4,355
Total	367,679	527,019	28,669	(28,669)	894,698

31 March 2019	**Fully performing $**	**Past due $**	**Impaired $**	**Provision for impairment $**	**Total $**
Cash at bank	300,097	--	--	--	300,097
Trade receivables and other receivables (excluding prepayments)	304,675	322,725	38,313	(38,313)	627,400
Financial asset at amortised cost	1,309	--	--	--	1,309
Financial asset at fair value through profit or loss	4,472	--	--	--	4,472
Total	610,553	322,725	38,313	(38,313)	933,278

The Group does not hold any collateral in relation to these assets.

The Group has one type of financial asset that are subject to the expected credit loss model:

- Trade and other receivables

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

3 **Financial risk management (continued)**

a. *Financial risk factors (continued)*

(ii) *Credit risk (continued)*

(d) *Impairment of financial assets (continued)*

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. The simplified approach eliminates the need to calculate 12-month ECL and to assess when a significant increase in credit risk has occurred. Accordingly, a lifetime expected loss allowance is used from day 1. To measure the lifetime loss allowance, the Group first considers whether any individual customer accounts require specific provisions. Loss rates are then assigned to these accounts based on an internal risk rating system considering various qualitative and quantitative factors. All other non-specific trade receivables are then grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 March 2020 or 1 April 2019 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as GDP and unemployment affecting the ability of the customers to settle the receivables.

The following is a summary of the ECL on trade and other receivables. The estimated EAD excludes special provisions made.

As at 31 March 2020

Aging Bucket	Average ECL rate %	Estimated EAD $	Expected credit loss $
Current (0-30 days)	0.19%	68,460	133
31 to 60 days	0.37%	21,626	79
61 to 90 days	3.16%	3,163	100
91 to 120 days	9.60%	2,541	117
Over 120 days	11.55%	28,562	3,300
		124,352	3,729

As at 31 March 2019

Aging Bucket	Average ECL rate %	Estimated EAD $	Expected credit loss $
Current (0-30 days)	0.35%	93,147	331
31 to 60 days	0.25%	33,424	84
61 to 90 days	1.95%	2,200	43
91 to 120 days	4.41%	1,156	51
Over 120 days	6.0%	42,832	2,568
		172,759	3,077

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

3 **Financial risk management (continued)**

a. *Financial risk factors (continued)*

(ii) *Credit risk (continued)*

(d) *Impairment of financial assets (continued)*

The closing loss allowances for trade and other receivables as at 31 March 2020 reconcile to the opening loss allowances as follows:

	Trade and other receivables $
Balance at beginning of the year as reported under IAS 39	38,591
Decrease in loss allowance recognised in profit or loss during the year – general	(820)
Increase in loss allowance recognised in profit or loss during the year – specific	2,576
Unused amounts reversed	--
Amounts written off	(11,623)
Translation adjustment	(55)
As at 31 March 2020	28,669

The following is an analysis of the net impairment expense on financial assets recognised in profit and loss:

	2020 $
Net changes to provisions for the year	(3,886)
Amounts directly written off to profit or loss	(6,036)
Net expenses for the year	(9,922)

Trade and receivables are written off when there is no reasonable expectation of recovery, indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due.

Impairment losses on trade and other receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

3 **Financial risk management (continued)**

a. *Financial risk factors (continued)*

(iii) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulties in meeting its obligations as they fall due.

The Group treasury function ensures that the Group maintains funding flexibility by assessing future cash flow expectations. Management monitors the liquidity requirements to ensure it has sufficient cash to meet operational needs.

The table below analyses the Group's financial liabilities into the relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2020	**Less than 1 year $**	**2-5 years $**	**More than 5 years $**	**Total contractual cash flows $**	**Carrying value $**
Trade and other payables excluding statutory liabilities	1,241,198	--	--	1,241,198	1,241,198
Lease liabilities	80,006	32,097	3,159	115,262	109,178
Total	1,321,204	32,097	3,159	1,356,460	1,350,376

31 March 2019	**Less than 1 year $**	**2-5 years $**	**More than 5 years $**	**Total contractual cash flows $**	**Carrying value $**
Trade and other payables excluding statutory liabilities	1,105,716	--	--	1,105,716	1,105,716

3 Financial risk management (continued)

b. *Capital risk management*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group does not monitor gearing ratio as it presently has no borrowings.

Net debt is calculated as lease liabilities as shown in the statement of financial position less cash and cash equivalent. Total capital is calculated as 'equity' as shown in the statement of financial position.

The Group's cash and cash equivalents exceed lease liabilities therefore the net debt to equity ratio is nil.

c. *Fair value estimation*

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (Level 3)

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

3 **Financial risk management (continued)**

c. *Fair value estimation (continued)*

The following table presents the Group's financial assets and liabilities that are measured at fair value.

31 March 2020

Asset	**Level 1** **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
Financial asset at fair value through profit or loss	--	4,355	--	4,355
Financial asset at amortised cost	--	--	940	940

31 March 2019

Asset	**Level 1** **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
Financial asset at fair value through profit or loss	--	4,472	--	4,472
Financial asset at amortised cost	--	--	1,309	1,309

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the consolidated statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transaction on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a. *Critical accounting estimates and assumptions*

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(i) *Income taxes*

There are some transactions and calculations for which the ultimate tax determination may be uncertain during the ordinary course of business. When the final tax outcome is determined, the amounts payable may be different from the amounts that were initially recorded. Such differences will impact the current and deferred tax provisions in the consolidated financial statements.

(ii) *Retirement benefit liability/Post-employment medical plan*

The present value of the pension obligations depends on several factors that are determined on the actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of the estimated future cash outflows, expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high quality bonds that are denominated in the currency in which the benefits will be paid, and that have the terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information and sensitivity analysis is disclosed in Note 7.

(iii) *Provision for environmental clean-up costs*

The provision for environmental clean-up costs was determined using reliable estimates of future cash outflows expected to be incurred to undertake the remediation project. Management uses their judgement in arriving at these estimates and the assumptions used may change over time. The key assumptions relate to estimated level of contamination, expected inflation and the expected time and technology required to complete the project.

The inflation rate used in the calculation of the provision for environmental clean-up cost as at 31 March 2020 was 0.30%. The discount rate used in the calculation of the calculation of the provision for environmental clean-up cost as at 31st March 2020 ranged between 2.08% to 4.61%. If the inflation rate increased by 1% and the discount factor increased by 1% the loss will increase by $16k, but if the inflation rate decreased by 1% and the discount factor decreased by 1% the loss will decrease by $16k.

4 **Critical accounting estimates and judgements (continued)**

a. *Critical accounting estimates and assumptions (continued)*

(iii) *Provision for environmental clean-up costs (continued)*

The inflation and discounting rate used in the calculation of the provision for environmental clean-up cost as at 31 March 2019 were 1.75% and 4.00% respectively. If the inflation rate increased by 1% and the discount factor increased by 1% the losses will increase by $37k, but if the inflation rate decreased by 1% and the discount factor decreased by 1% the loss will decrease by $164k.

Additional information on the provision for environmental clean-up costs is disclosed in Note 17.

(iv) *Provision for dismantlement cost*

The provision for dismantlement cost was determined by using estimates of future cash flows expected to be incurred to dismantle service stations where the Group owns equipment. Management uses its judgement in arriving at these estimates and the estimates and assumptions may change over time. The key cost assumption is based on actual past costs incurred to dismantle service stations, expected inflation, discounting rate and the expected time and manpower required to complete the dismantlement.

The inflation and discounting rate used in the calculation of the provision for dismantlement as at 31 March 2020 was 0.3%. The discount rate used in the calculation of the provision for dismantlement as at 31st March 2020 ranged between 2.56% to 6.05%. If the inflation rate increased by 1% and the discount factor increased by 1% the loss will increase by $36k, but if the inflation rate decreased by 1% and the discount factor decreased by 1% the loss will decrease by $36k.

The inflation and discounting rate used in the calculation of the provision for dismantlement as at 31 March 2019 were 1.75% and 4.00% respectively. If the inflation rate increased by 1% and the discount factor increased by 1% the loss will increase by $34k, but if the inflation rate decreased by 1% and the discount factor decreased by 1% the loss will decrease by $34k.Additional information on the provision for dismantlement cost is disclosed in Note 18.

(v) *Leases*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has no borrowings, so the incremental borrowing rates used were provided by its main bankers First Citizens Bank as a starting point. The rates used ranged between 4.7% and 7.01% depending on the lease term. If the rate increases by 1% the right of use will increase by $574k, but if the rate decreases by 1% the right of use asset will decrease by $584k.

4 **Critical accounting estimates and judgements (continued)**

a. *Critical accounting estimates and assumptions (continued)*

(v) *Leases (continued)*

The Group initially estimates and recognizes amounts expected to be payable under residual value guarantees as part of the lease liability. Typically, the expected residual value at lease commencement is equal to or higher than the guaranteed amount, and so the Group does not expect to pay anything under the guarantees.

(vi) Estimation of forward-looking assumptions under IFRS 9 – Note 13.

(vii) The Group did not use any critical estimates under IFRS 15 as no assumptions are used to determine revenue recognition.

b. *Critical accounting judgements*

(i) *Government funding*

The funding received from the Government of the Republic of Trinidad and Tobago (GORTT) for the upgrade of the Service Station Network under the Public Sector Investment Programme (PSIP) is accounted for as a government grant under International Accounting Standard 20 "Accounting for government grants and disclosure of government assistance".

In determining whether the government is providing funds to the Group in the capacity of the government (government grant) or in the capacity as the shareholder (shareholder contribution), the Group assessed and made certain judgements concerning the following factors:

- Whether similar funding was provided to other non-governmental institutions.
- The treatment of other government funding; and
- Whether the funding was refundable to the government.

Additional information on government grants is disclosed in Note 2o. and Note 19.

(ii) *Impairment of assets*

The Group evaluates assets or CGUs for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset or CGU may not be recoverable. There were impairment triggers at the year end, being business closure due to Covid-19 and recent history of accounting losses. Management assessed PPE for impairment using VIU calculations which are based on cashflows expected to be generated by the various CGUs. The CGUs identified were:

- Retail
- Industrial
- Lubricant
- Aviation
- Marine
- LPG

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

4 **Critical accounting estimates and judgements (continued)**

b. *Critical accounting judgements (continued)*

(ii) *Impairment of assets (continued)*

The key assumptions used were:

- Revenue was derived using projected prices based on historical and future trends
- Direct operating cost were projected based on past experience and available historical data and management's planned programs for future periods.
- The time horizon used for the valuation was between 2020 and 2025
- The cash flows beyond the 5-year period assumed no growth
- The Company's WACC used in the calculation was 10.2%

The impairment review determined that there was no impairment of PPE at the end of the financial year.

The table below shows the percentages that the WACC and cost of equity can increase before an impairment issue will arise:

	RIF	LUBES	AVIATION	MARINE	LPG
WACC for impairment to apply	17.6%	55.6%	85.5%	524.7%	16%
Cost of equity threshold for impairment	24.4%	89.4%	128.8%	804.5%	27.0%
Cost of debt threshold for impairment	14.5%	116.8%	208.6%	1463.3%	12.6%

(iii) *Impairment of financial asset at fair value through profit or loss*

The Company follows the guidance of IFRS 9 to determine when an financial asset at fair value through profit or loss investment is impaired. This determination required significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

5 **Property, plant and equipment**

	Land and buildings $	Plant and machinery $	Cylinders and other equipment $	Motor vehicles $	Work in progress $	Total $
At 31 March 2018						
Cost	344,392	305,144	354,895	43,617	63,027	1,111,075
Translation difference	1,880	176	17	(98)	140	2,115
Accumulated depreciation	(129,744)	(155,820)	(241,509)	(22,555)	--	(549,628)
Net book amount	216,528	149,500	113,403	20,964	63,167	563,562
Year ended 31 March 2019						
Opening net book amount	216,528	149,500	113,403	20,964	63,167	563,562
Reallocation	(3)	(7)	54	(49)	5	--
Additions	--	5	421	292	36,991	37,709
Transfers	5,265	1,663	12,402	1,690	(21,020)	--
Disposals	(113)	(112)	(4,353)	(25)	--	(4,603)
Dismantlement	76	--	--	--	--	76
Translation difference	2	(11)	(3)	(20)	9	(23)
Depreciation charge	(10,335)	(13,072)	(20,544)	(2,055)	--	(46,006)
Closing net book amount	211,420	137,966	101,380	20,797	79,152	550,715
At 31 March 2019						
Cost	348,254	296,734	287,844	43,508	79,001	1,055,341
Translation difference	1,881	166	13	(116)	151	2,095
Accumulated depreciation	(138,715)	(158,934)	(186,477)	(22,595)	--	(506,721)
Net book amount	211,420	137,966	101,380	20,797	79,152	550,715

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

5 **Property, plant and equipment (continued)**

	Land and buildings $	Plant and machinery $	Cylinders and other equipment $	Motor vehicles $	Work in progress $	Total $
Year ended 31 March 2020						
Opening net book amount	211,420	137,966	101,380	20,797	79,152	550,715
Reallocation	--	--	--	--	--	--
Additions	--	148	33	--	52,170	52,351
Transfers	9,251	11,000	20,890	--	(41,142)	(1)
Disposals	(118)	(1,264)	(1,656)	(200)	--	(3,238)
Dismantlement	4	--	--	--	--	4
Translation difference	(68)	(25)	(10)	(27)	(22)	(152)
Depreciation charge	(10,917)	(14,335)	(20,143)	(2,101)	--	(47,496)
Closing net book amount	209,572	133,490	100,494	18,469	90,158	552,183
At 31 March 2020						
Cost	352,404	291,594	286,071	41,760	90,030	1,061,859
Accumulated depreciation	(144,645)	(158,244)	(185,579)	(23,149)	--	(511,617)
Translation difference	1,813	140	2	(142)	128	1,941
Net book amount	209,572	133,490	100,494	18,469	90,158	552,183

Depreciation expense of $47,496 (2019: $46,006) has been charged to operating expenses in the statement of profit or loss and other comprehensive income.

Work in progress comprises of costs associated with projects which are capital in nature, but which are incomplete as at the end of the respective years.

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

6 Leases

This note provides information for leases where the Group is the lessee.

Amounts recognised in the Statement of Financial position

Right of Use Assets

	Vessels $	Land and Buildings $	Motor vehicles $	Other $	Total $
Year ended 31 March 2020					
Adjustment on initial application of IFRS 16	49,452	3,401	19,826	233	72,912
Additions	107,433	--	--	--	107,433
Depreciation charge	(66,415)	(686)	(7,956)	(233)	(75,290)
Closing net book value	90,470	2,715	11,870	--	105,055
At 31 March 2020					
Cost	156,885	3,401	19,826	233	180,345
Accumulated depreciation	(66,415)	(686)	(7,956)	(233)	(75,290)
Net book value	90,470	2,715	11,870	--	105,055

The Group has lease contracts for vessels, land and buildings, vehicle and office equipment rental used in its operations. Leases for land and building rental generally have lease terms between 3 and 25 years, vessels 1 to 2 years and motor vehicles 3 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

6 Leases (continued)

Amounts recognised in the Statement of Financial Position

Lease liabilities

	Vessels $	Land and Buildings $	Motor vehicles $	Other $	Total $
Year ended 31 March 2020					
Adjustment on initial application of IFRS 16	44,745	4,373	20,163	248	69,529
Additions	107,433	--	--	--	107,433
Principal payments	(60,159)	(622)	(6,755)	(248)	(67,784)
Carrying amount	92,019	3,751	13,408	--	109,178
At 31 March 2020					
Current	68,246	683	6,728	--	75,657
Non-current	23,773	3,068	6,680	--	33,521
Carrying amount	92,019	3,751	13,408	--	109,178

The statement of profit or loss and other comprehensive income includes the following amounts relating to leases:

	2020 $
Interest expense (included in finance cost note 25)	3,773
Depreciation charge on ROU assets	75,290
Expenses relating to short term leases/low value assets	479,930

Total cash outflow for leases in 2020 was $71,557.

Refer to note 2 (a) (ii)(a) for a summary of initial application adjustments and note 4 (a) (v) for estimates and assumptions used in the IFRS 16 calculation.

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

7 Retirement benefit and post-employment medical plan obligation

Defined benefit pension plans

The Group operates two defined benefit pension plans. Plan I (established May 1971) covers employees other than senior staff whilst Plan II (established May 1984) covers senior staff employees. Membership in these plans comprises all permanent employees (active members), deferred pensioners and pensioners. All the plans are final salary pension plans, which provide benefits to members for life. The level of benefits depends on the members' length of service and their salary in the final years leading to retirement. Plan assets held in trust are governed by local regulations.

Responsibility for governance of the plans including investment decisions and contribution schedules lies jointly with the Management Committees and Trustees. The Management Committees comprise of representatives of the Group and members of the plans in accordance with the plans' rules.

The trustee of Plan I is Republic Bank Limited - Trust and Asset Management Division, whilst the trustee of Plan II is First Citizens Asset Management Limited. The pension plans are funded by contributions determined by periodic actuarial calculations. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method, and a full valuation is done every three years. The last full valuation was done for the year ended 31 March 2020 on 28 December 2020. Roll forward valuations, which are less detailed than full valuations are performed annually.

Post-employment medical plan

This plan covers medical benefits and is self-insured and administered by the Group. Employees who retire directly from either one of the Group's pension plans and are in receipt of a pension are eligible for the medical benefit. Employees who leave the Group and do not retire immediately are not eligible for post-retirement medical coverage. The plan also covers the pensioner's spouse for the duration of the member's lifetime only.

	2020 $	2019 $
Statement of financial position obligation for:		
Retirement benefit obligation - Pension benefits	88,266	86,734
Retirement benefit obligation - Medical benefits	57,012	54,856
Statement of profit and loss and other comprehensive income:		
Net pension cost – Pension benefits	20,992	32,701
Net pension cost – Medical benefits	5,011	4,848
	26,003	37,549

Retirement benefit obligation

The amounts recognised in the statement of financial position for Plans I and II combined are as follows:

	2020	2019
Present value of funded obligations	706,184	691,209
Fair value of plan assets	(617,918)	(604,475)
Retirement benefit obligation - Pension benefits	88,266	86,734

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

7 **Retirement benefit and post-employment medical plan obligation (continued)**

Retirement benefit obligation

	2020 $	2019 $
Movement in the present value of funded obligations:		
Present value of funded obligations at the start of year	691,209	662,897
Current service cost	16,784	26,448
Interest cost	37,167	35,350
Members contributions	10,871	4,444
Past service cost		2,970
Experience adjustment	(26,258)	--
- Actuarial gains for changes in demographic assumptions	7,734	--
- Benefits paid	(31,323)	(40,900)
Present value of funded obligations at end of year	706,184	691,209

The defined benefit obligation is allocated between the Plans' members as follows:

- Active	57%
- Deferred members	2%
- Pensioners	41%
The weighted average duration of the defined benefit obligation at the year end	12.6 years

96.5% of the benefits for active members were vested
25.5% of the defined benefit obligation for active members is conditional on future pay increases.

	2020	2019
Movement in the fair value of plan assets:		
Fair value of plan assets at start of year	604,475	605,107
Interest income	33,464	32,613
Return on plan assets, excluding interest income	(28,044)	(8,630)
Company contributions	28,980	12,387
Members' contributions	10,871	4,444
Benefits paid	(31,323)	(40,900)
Administrative expenses	(505)	(546)
Fair value of plan assets at end of year	617,918	604,475
The actual return on plan assets	5,420	23,893
Expenses recognised in statement of profit and loss and other comprehensive income:		
Current service cost	16,784	26,448
Net interest cost	3,703	2,737
Past service cost	--	2,970
Administrative expenses	505	546
Net pension cost	20,992	32,701

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

7 Retirement benefit and post-employment medical plan obligation (continued)

Retirement benefit obligation (continued)	2020 $	2019 $
Reconciliation of opening and closing statement of financial position entries:		
Opening retirement benefit obligation - Pension benefits	86,734	57,790
Net pension cost	20,992	32,701
Re-measurement recognised in other comprehensive income	9,520	8,630
Company contributions paid	(28,980)	(12,387)
Closing retirement benefit obligation - Pension benefits	88,266	86,734
Re-measurements recognised in other comprehensive income:		
Experience losses	9,520	8,630

Expected Group contribution in 2020/2021 is $23,400 (2019/2020 is $19,700).

The plans' assets are fully invested in diversified general portfolio funds managed by the respective Trustees. Asset allocation is as follows:

Asset allocations	2020 $	2019 $
Local and regional equity securities	152,882	155,299
Overseas equities (outside CARICOM)	87,235	106,659
TT$ denominated bonds	286,911	310,075
US$ denominated bonds	44,909	1,891
Cash and cash equivalents	42,674	28,371
Other (annuities, mortgages)	3,307	2,180
Fair value of plan assets at end of year	617,918	604,475

Summary of principal assumptions	2020	2019
Discount rate assumption	5.5%	5.5%
Average individual salary increases	5.0%	5.0%

Assumptions regarding future mortality are based on published mortality tables. The life expectancy underlying the value of the retirement benefit obligation - pension benefits as at 31 March is as follows:

Life expectancy at age 60 for current pensioner in years		
Male	21.8	21.0
Female	26.0	25.1

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

7 Retirement benefit and post-employment medical plan obligation (continued)

Retirement benefit obligation (continued)	**2020**	**2019**
Life expectancy at age 60 for current members age 40 in years		
Male	22.7	21.4
Female	27.0	25.4

Retirement benefit sensitivity analysis

The calculation of the defined benefit obligations is sensitive to the assumptions used. The following summarises how the defined benefit obligations on 31 March 2019 would have changed, as a result of the change in these assumptions.

	1%pa higher	**1% pa lower**
Discount rate	(76,274)	94,144
Future salary increases	28,462	(25,245)

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at 31 March 2020 by $2,800.

	2020 **$**	**2019** **$**
Post-retirement medical liability		
Retirement benefit obligation - Medical benefits	57,012	54,856
Movement in present value of defined benefit obligation		
Retirement benefit obligation - Medical benefits at start of year	54,856	54,177
Current service cost	2,048	1,907
Interest cost	2,963	2,941
Re-measurement:		
Experience adjustments	(2,550)	(2,743)
Actuarial gains for changes in demographic assumptions	1,704	--
Benefits paid	(2,009)	(1,426)
Retirement benefit obligation - Medical benefits at end of year	57,012	54,856
Amounts recognised in the statement of comprehensive income		
Current service cost	2,048	1,907
Net interest on net defined benefit liability	2,963	2,941
Net medical cost	5,011	4,848

The defined benefit obligation is allocated between the Plan's Members as follows:

- Active	47%
- Deferred members	0%
- Pensioners	53%

The weighted average duration of the defined benefit obligation at the year end	16 years

64% of the benefits for active members are vested

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

7 Retirement benefit and post-employment medical plan obligation (continued)

Post-retirement medical liability (continued)	2020 $	2019 $
Re-measurements recognised in other comprehensive income:		
Experience gains	(846)	(2,743)
Reconciliation of opening and closing consolidated statement of financial position entries		
Retirement benefit obligation - Medical benefits at start of year	54,856	54,177
Net medical cost	5,011	4,848
Re-measurement recognised in other comprehensive income	(846)	(2,743)
Benefits paid	(2,009)	(1,426)
Retirement benefit obligation - Medical benefits at end of year	57,012	54,856

	2020	2019
Summary of principal assumptions		
Discount rate assumption	5.5%	5.5%
Future medical cost increases	5.0%	5.0%

Assumptions regarding future mortality are based on published mortality tables. The life expectancy underlying the value of the retirement benefit obligation - medical benefits at year-end is as follows:

Life expectancy at age 60 for current pensioner in years		
Male	21.8	21.0
Female	26.0	25.1
Life expectancy at age 60 for current members age 40 in years		
Male	22.7	21.4
Female	27.0	25.4

Sensitivity analysis

The calculation of the defined benefit obligations is sensitive to the assumptions used. The following summarises how the defined benefit obligations would change as a result of the changes in these assumptions.

	1% pa higher	1% pa lower
Discount rate	(7,664)	9,765
Medical cost increase	9,715	(7,763)

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at 31 March 2020 by $2,207. Expected Group contribution in 2021 is $2,130.

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

8 Financial assets at amortised cost

In October 2009, a fixed deposit matured. No proceeds for this investment were received by the Group due to the financial constraints of the issuer. In December 2012, the Government of the Republic of Trinidad and Tobago restructured the investment to reflect repayments over a period of twenty (20) years. In October 2013, pursuant to an offer from the Government of the Republic Trinidad and Tobago, the Group surrendered the 11 year to 20-year portion of the bond for units in the Clico Investment Fund (CIF). The Clico Investment Fund (CIF) is classified as financial asset at amortised cost as the Group intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

	$
Balance as at 1 April 2019	1,309
Interest of financial asset at amortised cost	(505)
Unwinding of the financial asset at amortised cost	136
Balance as at 31 March 2020	940

9 Inventories

	2020 $	2019 $
Goods for resale	48,396	85,155
Raw and packaging materials	38,464	44,267
Maintenance spares	14,353	12,834
Manufactured goods	17,234	23,562
Goods in transit	5,645	4,452
Provision for obsolete and slow-moving goods	(1,802)	(2,273)
	122,290	167,997

Movement on the Group's provision for obsolete and slow-moving goods is as follows:

	2020 $	2019 $
At beginning of the year	(2,273)	(268)
Reversal of provision	584	150
Provision for slow moving goods	(113)	(2,155)
	(1,802)	(2,273)

The cost of inventory recognised in the consolidated statement of profit and loss and other comprehensive income is $3,601,796 (2019: $4,054,990).

10 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

Assets as per statement of financial position	**Loans and receivables**	
Trade and other receivables excluding statutory receivables and prepayments	618,569	627,400
Cash and cash equivalents	271,165	300,989
Total	889,734	928,389

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

10 Financial instruments by category (continued)

	2020 $	2019 $
	Financial asset at amortised cost	
Financial asset at amortised cost	940	1,309
	Financial asset at fair value through profit or loss	
Financial asset at fair value through profit or loss	4,355	4,472
	Financial liabilities at amortised cost	
Liabilities as per statement of financial position		
Lease liabilities	109,178	--
Trade and other payables excluding statutory liabilities	1,241,198	1,105,716
	1,350,376	1,105,716

The Group has no liabilities at fair value through profit or loss.

11 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates.

Trade receivables

	2020 $	2019 $
Counterparties without external credit ratings		
Group 1	26,193	22,857
Group 2	69,810	111,589
Total unimpaired trade receivables (current and non-current)	96,003	134,446

Group 1 – Existing customers (more than 6 months) with no defaults in the past
Group 2 – Existing customers (more than 6 months) with some defaults in the past

All defaults were fully recoverable.

None of the financial assets that are fully performing has been renegotiated in the last year.

Cash at bank and short-term deposits (exclusive of held-to-maturity investment)

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

11 Credit quality of financial assets (continued)

All cash at bank and short-term bank deposits are deposited with reputable banking institutions. The credit ratings of the financial institution were obtained by Standard and Poor's.

Cash and cash equivalents (Note 14)	**Rating**
Citibank International Plc	A-1
Republic Bank Limited	BBB+
Scotiabank Trinidad & Tobago Limited	A-1
First Citizens Bank Limited	BBB+
Financial asset at FVTPL (Note 13)	A-2
Financial asset at amortised cost (Note 8)	A

12 Trade and other receivables

	2020 $	**2019** $
Trade receivables - current	124,352	172,759
Less: provision for impairment of receivables	(28,349)	(38,313)
Trade receivables - net	96,003	134,446
Sundry debtors and prepayments	14,960	2,974
Less: provision for impairment of debtors	(320)	(278)
Value Added Tax receivable	172,625	177,905
Rebate receivable from the Government of the Republic of Trinidad and Tobago (Note 29)	224,321	146,739
Subsidy claims due from the Government of the Republic of Trinidad and Tobago (Note 29)	215,849	109,395
Other amounts receivable from the Government of the Republic of Trinidad and Tobago (Note 19, 21 and 29)	69,101	64,563
Interest receivable	6	5
	792,545	635,749

The rebate and subsidy receivables relate to purchases of fuels and LPG at market prices. These products are then sold locally at regulated prices set by the Government of the Republic of Trinidad and Tobago. The difference between the purchase price and the regulated selling price is called a subsidy/rebate which is receivable from the Government of the Republic of Trinidad and Tobago in accordance with the Petroleum Production Levy and Subsidy Act Chapter 62~02.

Included in trade receivables are the following related party receivables:

	2020	2019
Trade and other receivables - related parties		
Receivables from related parties	45,265	47,009
Less: provision for impairment of receivables	(10,963)	(10,809)
Net amounts due from related parties	34,302	36,200

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

12 **Trade and other receivables (continued)**	**2020 $**	**2019 $**

Movements on the Group provision for impairment of trade and other receivables is as follows:

	2020	2019
Provision for receivables impairment as reported in IAS 39	38,591	31,505
Amounts restated through opening retained earnings	--	2,970
Provision for receivables impairment	(820)	(580)
Additional provision – Specific	2,576	4,931
Exchange adjustment	(55)	20
Unused amounts reversed	--	(69)
Reclassification of amount for NACL	--	(93)
Receivables written off during the year as uncollectible	(11,623)	(93)
As at 31 March 2020	28,669	38,591

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

Currency	2020	2019
TT dollar	769,629	590,339
US dollar	20,268	41,950
EC dollar	2,648	3,460
Total current and non-current	792,545	635,749

The creation and release of provision for impaired receivables have been included in other expenses in the consolidated statement of comprehensive income. Amounts charged to the allowance account are generally written-off when there is not an expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

Impairment and risk exposure

	Current $	**More than 30 days Past due $**	**More than 60 days Past due $**	**More than 90 days Past due $**	**More than 120 days Past due $**	**Total $**
31-Mar-20						
Expected loss rate	0.19%	0.37%	3.16%	4.60%	11.55%	
Gross carrying amount – Trade receivables	68,460	21,626	3,163	2,541	28,562	124,352
Less: loss allowance	(133)	(79)	(100)	(117)	(3,300)	(3,729)
Trade receivables	68,327	21,547	3,063	2,424	25,262	120,623
Less: specific provision	--	--	--	(367)	(24,253)	(24,620)
Trade Receivables, net	68,327	21,547	3,063	2,057	1,009	96,003
Total loss allowance	(133)	(79)	(100)	(484)	(27,553)	(28,349)

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

12 **Trade and other receivables (continued)**

	Current $	More than 30 days Past due $	More than 60 days Past due $	More than 90 days Past due $	More than 120 days Past due $	Total $
31-Mar-19						
Expected loss rate	0.35%	0.25%	1.95%	4.41%	6.0%	
Gross carrying amount - Trade receivables	93,147	33,424	2,200	1,156	42,832	172,759
Less: loss allowance	(331)	(84)	(43)	(51)	(2,568)	(3,077)
Trade receivables	92,816	33,340	2,157	1,105	40,264	169,682
Less: specific provision	--	--	--	(367)	(34,869)	(35,236)
Trade receivables, net	92,816	33,340	2,157	738	5,395	134,446
Total loss allowance	(331)	(84)	(43)	(418)	(37,437)	(38,313)
Other receivables, net	--	--	--	--		
Loss allowance	(0)	(0)	(0)	(0)	(0)	(0)

Sensitivity analysis

The calculation of the ECL for trade and other receivables is sensitive to the assumptions used, specifically the forward-looking rate. The following table summaries how the ECL as at 31 March 2020 and 31 March 2019 would have changed as a result of an increase/(decrease) in the forward-looking rate used of 5%.

	2020 Increase 5%	2019 Increase 5%
Increase in ECL	186	154

	2020 Decrease %	2019 Decrease 5%
Decrease in ECL	(186)	(154)

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

13 Financial asset

	2020 $	2019 $
Opening balance	4,472	4,072
Net gain/(loss) included within other comprehensive income	(117)	400
Closing balance	4,355	4,472
Financial asset at fair value through profit or loss include the following		
Listed securities:		
Bonds	4,355	4,472

This balance relates to units in the Clico Investment Fund. This security is denominated in Trinidad and Tobago dollars and is not impaired (Note 10).

14 Cash and cash equivalents

Cash at bank and in hand	266,163	296,059
Short-term bank deposits	5,002	4,930
	271,165	300,989

15 Share capital

Issued and fully paid		
9,420,000 ordinary shares of no par value	47,100	47,100

There are 10,000,000 authorised ordinary shares for issue. All issued shares are fully paid.

16 Deferred tax assets and liabilities

Deferred taxes are calculated in full on temporary differences under the liability method to the extent that they are scheduled to reverse using a principal tax rate of 30%. The gross movement in the deferred income tax account is as follows:

At beginning of the year	1,840	9,877
Statement of other comprehensive income - OCI	(2,602)	(1,766)
Statement of comprehensive income charge (Note 26)	(30,437)	(6,269)
Translation difference	--	(2)
At end of year	(31,199)	1,840

The net deferred tax asset arises out of the temporary differences on the retirement and post-employment benefit liabilities, accelerated tax allowances on property, plant and equipment, taxation losses, unwinding of dismantlement provision and the provision for environmental clean-up costs.

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

16 Deferred tax assets and liabilities (continued)

The movement in the deferred tax assets and liabilities during the year without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

	31.03.18 $	Charged/ (credited) to income statement $	Net charge to OCI $	31.03.19 $
Deferred tax assets				
Retirement benefit liability	(17,336)	(6,095)	(2,589)	(26,020)
Post-employment medical plan	(16,254)	(1,026)	823	(16,457)
Unwinding dismantlement provision	(2,651)	(191)	--	(2,842)
Provision for environmental clean-up costs	(3,387)	419	--	(2,968)
Total deferred tax asset	(39,628)	(6,893)	(1,766)	(48,287)
Deferred tax liability				
Accelerated depreciation	49,505	622	--	50,127
Total deferred tax liability	49,505	622	--	50,127
Net deferred tax liability	9,877	(6,271)	(1,766)	1,840

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

16 Deferred tax assets and liabilities (continued)

	31.03.19 $	Charged/ (credited) to income statement $	Net charge to OCI $	31.03.20 $
Deferred tax assets				
Accelerated depreciation	--	(8)	--	(8)
Retirement benefit liability	(26,020)	2,396	(2,856)	(26,480)
Post-employment medical plan	(16,457)	(901)	254	(17,104)
Lease asset	--	(2,276)	--	(2,276)
Unwinding dismantlement provision	(2,842)	(257)	--	(3,099)
Tax losses	--	(28,977)	--	(28,977)
Provision for environmental clean-up costs	(2,968)	345	--	(2,623)
Total deferred tax asset	(48,287)	(29,678)	(2,602)	(80,567)
Deferred tax liability				
Accelerated depreciation	50,127	(783)	--	49,344
Lease asset	--	24	--	24
Total deferred tax liability	50,127	(759)	--	49,368
Net deferred tax liability/(asset)	1,840	(30,437)	(2,602)	(31,199)

17 Provision for environmental clean-up costs

	2020 $	2019 $
At beginning of year	9,893	11,289
Decrease in cost estimates	(1,199)	(1,699)
Unwinding of provision (Note 25)	859	470
Utilised during the year	(811)	(167)
At end of year	8,742	9,893

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a provision of approximately per group-owned service station has been made for environmental remediation works throughout the service station network.

The amount is expected to be settled as follows:

	2020	2019
Within 1 year (included within current liabilities)	892	1,013
Over 2 years (included within non-current liabilities)	7,850	8,880
	8,742	9,893

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

18 Provision for dismantlement cost

	2020 $	2019 $
At beginning of year	16,742	16,164
Exchange adjustment	(2)	(3)
(Decrease)/increase in cost estimate	(2,304)	6
Amount written off	--	(72)
Unwinding of dismantlement provision (Note 25)	670	647
At end of year	15,106	16,742

In accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, an average provision of $152 (2019: $125) per service station has been made for dismantlement cost throughout the service station network.

The amount is expected to be settled as follows:

	2020	2019
Within 2 to 5 years	10,821	10,151
Over 5 years	4,285	6,591
	15,106	16,742

19 Government grants

	2020	2019
Grants in respect of the service station upgrades		
At beginning of year	124,489	133,532
Amortised to statement of profit and loss and other comprehensive income (Note 24)	(7,731)	(9,043)
	116,758	124,489
Grants in respect of the liquid fuels pipeline project		
At beginning of year	39,839	--
Grant received	--	45,400
Amortised to statement of profit and loss and other comprehensive income (Note 24)	(8,322)	(5,561)
	31,517	39,839
Total grants	148,275	164,328

The Group received grants from the Government of the Republic of Trinidad and Tobago for expenditure incurred in the upgrade of the service station network and environmental remediation.

One of the Group's subsidiaries received a government grant for the design, construct, and commission the liquid fuels pipeline and ancillary facilities (LFPP).

Other government grants

The Group anticipates it will receive from the Government of the Republic of Trinidad and Tobago (GORTT) a grant to settle interest due to a supplier of $ 69,101 (2019: $64,563). The interest due to the supplier is recorded in trade payables.

	2020	2019
Other grants (Notes 12, 21 and 29)	69,101	64,563

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

20 Deferred franchise fee income

Franchisee fees relate to fees received under the franchise arrangements between the Group and Independent Contractors.

	2020 $	2019 $
At beginning of year	2,898	4,258
Amortised to statement of profit and loss and other comprehensive income	(912)	(1,360)
	1,986	2,898
The amount will be settled as follows:		
Within 1 year (included within current liabilities)	699	1,369
Over 1 year (included within non-current liabilities)	1,287	1,529
	1,986	2,898

21 Trade and other payables

	2020 $	2019 $
Trade payables	536,071	561,497
Sundry payables and accruals	723,506	548,025
Deposits on cylinders	24,083	23,812
	1,283,660	1,133,334

Included within trade payables is $137,359 (2019: $137,444) which is payable to the Petroleum Company of Trinidad and Tobago Limited. This amount also includes interest charges. Included within trade payables is $398,685 (2019: $479,966) which is payable to the Paria Fuel Trading Company Limited. This amount also includes interest charges (Note 29).

22 Cost of sales

	2020 $	2019 $
Purchases of raw materials, goods for resale and other direct costs	3,596,500	4,229,807
Change in inventories	48,269	(22,343)
Treasury surplus/subsidy (Note 29 ii)	86,442	(512,113)
	3,731,211	3,695,351

The subsidy is received from the Government of the Republic of Trinidad and Tobago in respect of the purchase of fuel from Paria Fuel Trading Company Limited for resale in the domestic market at controlled prices in accordance with the Petroleum Production Levy and Subsidy Act Chapter 62~02. Refer to note 29 (v).

23 Other income

	2020 $	2019 $
Loss on disposal of plant and equipment	(2,625)	(4,058)
Gain on exchange	20	3
Interest income	915	2,568
Rental income	16,965	16,592
Retail outlets	3,673	1,986
Miscellaneous income	640	60,946
	19,588	78,037

Miscellaneous income relates to amounts attributable to Government of the Republic of Trinidad and Tobago (GORTT) in respect of interest due to a supplier, which is state-owned entity of $4,538 (2019: $25,174).

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24 Expenses

	2020 $	2019 $
Amortisation of government grants (Note 19)	(16,053)	(14,604)
Directors' fees	724	730
Green fund levy	12,051	11,603
Pension plan expense (Note 7)	20,992	32,701
Retail outlet expenses	3,454	6,691
Medical plan expense (Note 7)	5,011	4,848
Depreciation (Note 5)	47,496	46,006
Depreciation ROU asset (Note 6)	75,290	--
Operating overheads	80,224	74,776
	229,189	162,751
Distribution costs	43,377	46,046
Administration costs	104,448	181,898
	377,014	390,695

Employee remuneration is 90% of administrative costs. Employee remuneration of $21,567 (2019: $18,526) is included within distribution costs.

25 Finance costs

	2020 $	2019 $
Unwinding of dismantlement provision (Note 18)	670	647
Bank charges	497	302
Unwinding of provision for environmental clean-up costs (Note 17)	859	470
Interest charges on trade payables	9,077	29,885
Interest charges on lease liability (Note 6)	3,773	--
	14,876	31,304

26 Taxation

	2020 $	2019 $
Corporation tax		
- Current year	1,218	12,957
- Prior year	1,822	902
Deferred taxation (Note 16)		
- Current year and prior	(30,420)	(6,269)
Business levy	23,932	23,015
(Credit)/charge to statement of comprehensive income	(3,448)	30,605

The tax on loss differs from the theoretical amount that would arise using the basic rate of tax as follows:

	2020 $	2019 $
Loss before taxation	(24,556)	(15,455)
Tax calculated at 30%/25%	(6,317)	(4,637)
Expenses not deductible for tax purposes	4,713	5,495
Income not subject to tax	(3,777)	(3,889)
Prior years under provision	1,412	12,957
Recognition of tax losses not previously recognised	(28,614)	--
Business levy	23,932	23,015
Taxable losses not recognised/(utilised)	5,195	(3,580)
Other	8	1,244
Charge to statement of comprehensive income	(3,448)	30,605

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26 Taxation (continued)

Taxation losses as at 31 March 2020 available for set off against future taxable profits of the various entities where the losses arose amount to approximately $95.4m (2019: $78.1m). These losses do not have an expiry date and have not yet been confirmed by the Board of Inland Revenue.

27 Net foreign exchange gain

	2020 $	2019 $
The net foreign exchange (gain)/loss	2,573	(2,431)

28 Employee benefit expense

	2020 $	2019 $
Wages and salaries	142,860	186,423
Net pension cost – post-employment medical plan (Note 7)	5,011	4,848
Net pension cost – retirement benefit plan (Note 7)	20,992	32,701
National insurance	11,374	11,127
Other	1,987	16,942
	182,224	252,041
Number of employees	599	612

Employee benefit expenses are included within cost of sales and expenses.

29 Related party transactions

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

Related party transactions relate to the:

- Purchase of refined products from the Petroleum Company of Trinidad and Tobago Limited and Paria Fuel Trading Company Limited and the related subsidy on sale of products
- Sale of fuels to government bodies
- Bank balances held with First Citizens Bank Limited
- Rebates relates to purchases of liquefied petroleum gas (LPG) at market prices
- Government grants relate to grants received in respect of the service station upgrade, environmental remediation, and construction of LFCTT pipeline

(Presented in Thousands of Trinidad and Tobago Dollars Unless Otherwise Stated)

29 Related party transactions (continued)

Transactions with related parties comprise the following:

		2020 $	2019 $
(i)	*Sales*		
	Government ministries and state-owned enterprises	385,388	405,887
(ii)	*Purchases*		
	State-owned enterprise:		
	- Purchases	3,370,132	3,889,916
	- Subsidy (Note 22)	(86,442)	(512,113)
		3,283,690	3,377,803
(iii)	*Amortisation of government grant*		
	Government of the Republic of Trinidad and Tobago (Notes 19 and 24)	16,053	14,604
(iv)	*Key management compensation*		
	Salaries and other benefits	8,129	8,413
	Directors remuneration	1,033	1,120
	Group contributions - Savings plan	149	136
	Group contributions - Pension plan	590	482
		9,901	10,151
(v)	*Year-end balances arising from sales/ purchases of goods/services*		
	Due from related parties		
	Subsidy claims due from the Government of the Republic of Trinidad and Tobago* (Note 12)	215,849	109,395
	Other amounts receivable from the Government of the Republic of Trinidad and Tobago (Note 12 and 21)	69,101	64,563
	Government ministries and state-owned enterprises – trade receivables	34,302	36,588
	Rebate receivable from the Government of the Republic of Trinidad and Tobago (Note 12)	224,321	146,739
		543,573	357,285
	Cash and cash equivalents held by related party		
	First Citizens Bank Limited - Amounts included within cash balances (Note 14)	215,579	239,198

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29 **Related party transactions (continued)**

(v) *Year-end balances arising from sales/ purchases of goods/services (continued)*

	2020 $	2019 $
Due to related parties		
State-owned enterprises (Note 21)	536,044	561,152
*Treasury surplus due to the Government of the Republic of Trinidad and Tobago	215,876	198,812
	751,920	759,964

* By virtue of legislative provisions, NPMC obtains a subsidy from GORTT when its selling prices of specified types of fuel fall below certain threshold levels (Ex Refinery / Ex Terminal Prices) and must pay a Treasury Surplus when its selling prices exceed the thresholds. These arrangements are administered by the Ministry of Energy on behalf of GORTT. It is accounted for in NP's financial statements through cost of sales with corresponding entries to Subsidy Receivable and Treasury Surplus Payable respectively. Refer to note 22.

(vi) *Administrative charges/service fees*

	2020 $	2019 $
Paid to related party		
Petroleum Company of Trinidad and Tobago Limited	1,515	76,445

(vii) *Deferred government grant*

	2020 $	2019 $
Government of the Republic of Trinidad and Tobago (Note 19)	148,276	164,328

(viii) *Government grants received/credited to the statement of financial position*

	2020 $	2019 $
Other funding from the Government of the Republic of Trinidad and Tobago (Note 19)	69,101	64,563

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30 Contingencies and commitments

Contingencies

a. The Group is a defendant in various legal actions. In the opinion of management, after taking appropriate legal advice, the outcome of all actions not provided for will either not give rise to any significant loss or the outcome and amounts are uncertain.

b. The Group has a contingent liability arising from custom bonds held with First Citizens Bank Limited for $5,225 (2019: $5,225). It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for in Note 21.

c. The Property Tax Act of 2009 (PTA) was enacted into law by the Government of the Republic of Trinidad and Tobago (GORTT), effective from January 1, 2010. There were challenges with its implementation and GORTT implemented waivers of the tax, the last of which expired on September 30, 2017. As of present date there have been no further changes to the legislation or extension of the waivers previously granted by the GORTT. The PTA has not yet been enforced primarily due to non-completion of property valuations by the statutory authority and assessments not being sent to taxpayers. While a present obligation exists, taxpayers are unable to reliably estimate the liability as the basis for fair value at this time has not been clarified.

Commitments

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	2020 $	2019 $
Property, plant and equipment	10,080	10,919

31 **Subsequent events**

(a) In February 2022, Russia launched a military invasion on Ukraine, which saw oil prices increase sharply to over US$110/bbl, There remains considerable uncertainty regarding future oil prices. The Group does not have activity in Ukraine nor Russia, nor have relationships with Russian or Ukrainian groups. However, over time, the conflict is likely to have direct and indirect economic and financial consequences, notably in the supply chain from rising prices and/or shortage of certain materials, goods and services and delays and increased costs in logistics. Furthermore, the conflict may disrupt the overall global economy and growth. Management and the directors are closely monitoring the Group's exposure, including the uncertainties and risks associated with the crisis, but at this point it is too early to assess any impacts. Therefore, at the date of these financial statements, there is no identified financial impact related to this conflict on the Group's Statement of Financial Position.

(b) On 15 May 2021, the Government of the Republic of T&T ("GORTT") declared a state of public emergency due to the detrimental effects of the COVID-19 pandemic on the health of the population. Trinidad and Tobago's international borders was re-opened on 17 July 2021 after being closed to travelers on 22 March 2020. The state of emergency was lifted on 29 November 2021.

The COVID-19 pandemic's impact on demand for oil, the subsequent fall in oil prices, and the operating disruption to oil and gas companies was an extremely challenging situation, however, the Group was able to maintain sufficient liquidity and a positive cash balance to remain operational during that difficult period. In December 2020, the World Health Organisation (WHO) granted emergency use authorisation for the first COVID-19 vaccine.

(c) The Minister of Finance in the 2020/2021 National Budget presentation on 5 October 2020 indicated the following as regards reform of the liquid petroleum products sector:

(i) From January 2021, the fixed retail margins for all liquid petroleum products will be removed; Petroleum retailers and dealers will now be allowed to fix their own margins.

(ii) All gas stations owned by Trinidad & Tobago National Petroleum Marketing Company Limited will also now be offered for sale to the private sector with first preference given to existing dealers and concessionaires.

To date these measures have not been implemented. Management is currently assessing the impact of these matters on the Group.

(d) NATPET CORPORATION INC. was incorporated in Guyana on 16 July 2021 and is a wholly owned subsidiary of the parent company. The Company currently does not have any trading activities.