

**Trinidad & Tobago National Petroleum Marketing
Company Limited and Its Subsidiaries**

Consolidated Financial Statements

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars)

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

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Independent Auditor's Report

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

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Trinidad & Tobago National Petroleum Marketing Company Limited (the Company) and its subsidiaries (together, the Group) which comprise the consolidated statement of financial position as of 31 March 2011 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

CB Wharfe (Senior Partner), L Awai, F Aziz Mohammed, WK Daniel, A Gopaulsingh, BA Hackett, H Mohammed, NA Panchoo, F Parsotan, S Ragobar, SW Ramirez, A West

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"PwC" refers to the Trinidad and Tobago firm of PricewaterhouseCoopers.

Independent Auditor's Report (Continued)

Opinion

In our opinion the consolidated financial statements present fairly, in all material respects the financial position of the Trinidad & Tobago National Petroleum Marketing Company Limited and its subsidiaries as of 31 March 2011 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers
4 January 2013
Port of Spain
Trinidad, West Indies

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	2011 \$	31 March 2010 Restated \$	2009 Restated \$
ASSETS				
Non-Current Assets				
Property, plant and equipment	5	482,431	471,864	430,327
Retirement benefit asset	6	189,059	186,920	176,778
Deferred income tax assets	14	20,056	26,247	38,464
Trade and other receivables	11	54	--	--
Fixed deposits	7	3,507	10,340	340
		<u>695,107</u>	<u>695,371</u>	<u>645,909</u>
Current Assets				
Property, plant and equipment	5	--	10	198
Inventories	8	260,718	189,408	145,853
Trade and other receivables	11	3,710,274	1,985,302	1,604,674
Taxation recoverable		51,778	36,074	33,535
Fixed deposits	7	--	--	10,000
Cash and cash equivalents	12	167,330	357,619	151,462
		<u>4,190,100</u>	<u>2,568,413</u>	<u>1,945,722</u>
Non-Current Assets classified as Held for Sale				
Vessels		--	--	372
		--	--	372
Total Assets		<u>4,885,207</u>	<u>3,263,784</u>	<u>2,592,003</u>

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Consolidated statement of financial position (continued)

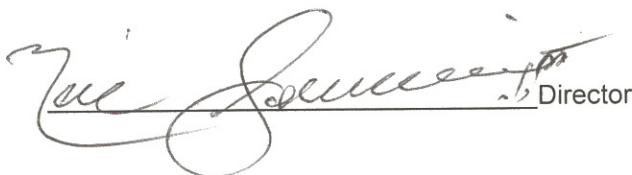
(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

	Notes	2011 \$	31 March 2010 Restated \$	2009 Restated \$
EQUITY AND LIABILITIES				
Capital and Reserves attributable to Equity Holders of the parent Company				
Share capital	13	47,100	47,100	47,100
Translation Reserve		3,205	1,574	--
Retained earnings		<u>402,761</u>	<u>361,539</u>	<u>296,611</u>
Total Equity		<u>453,066</u>	<u>410,213</u>	<u>343,711</u>
Non-Current Liabilities				
Post employment medical plan obligation	6	31,109	28,697	25,155
Deferred tax liabilities	14	73,071	66,186	59,080
Provision for environmental clean-up costs	15	29,937	33,452	36,368
Provision for dismantlement cost	16	9,971	9,786	12,765
Deferred government grant	17	173,000	159,084	117,157
Pension and termination benefits		<u>--</u>	<u>--</u>	<u>--</u>
		<u>317,088</u>	<u>297,205</u>	<u>250,525</u>
Current Liabilities				
Trade and other payables	18	4,094,205	2,514,063	1,938,723
Liabilities associated with held for sale assets		--	--	--
Provision for environmental clean-up costs	15	1,776	5,590	7,700
Deferred government grants	17	--	--	5,908
Taxation	23	19,072	20,769	29,492
Dividends payable		<u>--</u>	<u>15,944</u>	<u>15,944</u>
		<u>4,115,053</u>	<u>2,556,366</u>	<u>1,997,767</u>
Total Liabilities		<u>4,432,141</u>	<u>2,853,571</u>	<u>2,248,292</u>
Total Equity and Liabilities		<u>4,885,207</u>	<u>3,263,784</u>	<u>2,592,003</u>

Refer to note 2.2 for more information on the restatement of these consolidated financial statements.

The Notes on pages 8 to 45 are an integral part of these consolidated financial statements.

On 10 December 2012, the Board of Directors of Trinidad and 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 comprehensive income

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

	Notes	Year ended 31 March	
		2011	2010
		\$	Restated \$
<u>Continuing Operations</u>			
Gross sales		2,848,916	2,714,610
Customs and excise duties		(1,714)	(1,327)
Net sales		2,847,202	2,713,283
Cost of sales	19	(2,505,058)	(2,379,674)
Gross profit		342,144	333,609
Other income	20	73,877	64,481
		416,021	398,090
Distribution costs	21	(29,321)	(22,988)
Administration costs	21	(130,607)	(106,024)
Other expenses	21	(145,869)	(138,555)
Finance cost	22	(58,784)	(38,072)
Profit before taxation from continuing operations		51,440	92,451
Taxation	23, 24	(16,576)	(27,059)
Profit for the year from continuing operations		34,864	65,392
<u>Discontinued Operations</u>			
Loss before taxation from discontinued operations	24	--	(619)
Tax on discontinued operations	24	--	155
Loss for the year from discontinued operations		--	(464)
Profit for the year		34,864	64,928
Total Comprehensive Income for the year		34,864	64,928

Refer to note 2.2 for more information on the restatement of these consolidated financial statements.

The Notes on pages 8 to 45 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 \$
Balance as at 1 April 2009	47,100	296,611	--	343,711
Comprehensive Income for the year				
Translation of foreign subsidiary	--	--	1,574	1,574
Profit for the year	--	64,928	--	64,928
Balance as at 31 March 2010	47,100	361,539	1,574	410,213
Balance as at 1 April 2010	47,100	361,539	1,574	410,213
Comprehensive Income for the year				
Other movements in reserves(Note 2.3)	--	6,358	--	6,358
Translation of foreign subsidiary	--	--	1,631	1,631
Profit for the year	--	34,864	--	34,864
Balance as at 31 March 2011	47,100	402,761	3,205	453,066

Refer to note 2.2 for more information on the restatement of these consolidated financial statements.

The Notes on pages 8 to 45 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)

	Year ended 31 March	
	2011	2010
	\$	Restated \$
Cash flows from operating activities		
Profit/(loss) before taxation	51,440	91,832
Adjustment for non cash items:		
Pension plan income/cost (Note 6)	5,137	(2,819)
Post-employment medical plan expense (Note 6)	3,814	4,594
Depreciation (Note 5)	27,962	21,452
Government grant amortisation (Note 17 and Note 21)	(6,080)	(13,751)
Profit on disposal of property, plant and equipment (Note 20)	(232)	(3,058)
Foreign exchange (gains)/losses (Note 25)	(2,710)	(2,850)
Unwinding of dismantlement provision (Note 16)	736	1,277
Unwinding of environmental clean-up provision (Note 15)	2,342	4,070
Decrease in environmental clean-up cost (Note 15)	(9,000)	(6,986)
Decrease in dismantlement provision (Note 16)	(550)	--
Write off work in progress	--	2,893
Translation difference	(148)	--
Other non-cash movements	917	(320)
Operating profit/(loss) before working capital changes	73,628	96,334
Increase in inventories	(71,310)	(43,555)
Increase in trade and other receivables	(1,718,139)	(380,628)
Increase in trade and other payables	1,580,142	575,340
Cash generated from operating activities	(135,679)	247,491
Environmental clean-up costs paid during the year (Note 15)	(671)	(2,110)
Benefits paid (Note 6)	(7,276)	(8,371)
Taxation paid	(14,901)	(18,747)
Net cash generated from/(used in) operating activities	(158,527)	218,263
Cash flows from investing activities		
Purchase of property, plant and equipment (Note 5)	(38,524)	(68,181)
Proceeds from disposal of property, plant and equipment	232	3,455
Net cash used in investing activities	(38,184)	(64,726)
Cash flows from financing activities		
Dividends paid (Note 27)	(15,944)	--
Government grants received during the year (Note 17 and 27)	19,996	49,770
Net cash generated from financing activities	4,052	49,770
Net increase/(decrease) in cash and cash equivalents	(192,999)	203,307
Cash and cash equivalents at beginning of year	357,619	151,462
Exchange adjustment	2,710	2,850
Cash and cash equivalents at end of year	167,330	357,619

Refer to note 2.2 for more information on the restatement of these consolidated financial statements.

The Notes on pages 8 to 45 are an integral part of these consolidated financial statements.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

1 General information

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 manufacture of petroleum and petroleum related products. The Company is wholly owned by the Government of Trinidad and Tobago. Shares are owned by the Ministry of Finance and ultimately controlled by the Government of Trinidad and Tobago.

The registered office is NP House, National Drive, Sea Lots, Port of Spain.

Natpet Investments Company Limited is a wholly owned subsidiary of the parent company and is incorporated in the Republic of Trinidad and Tobago. Its primary business activity is the filling of LPG cylinders. The address of its registered office is NP House, Sea Lots, Port of Spain. These consolidated financial statements are prepared on a going concern basis.

National Agro Chemicals Limited (NACL) is a wholly owned subsidiary of the parent company, 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, Sea Lots, Port of Spain. Natstar Manufacturing Company Limited (Natstar) is a wholly owned subsidiary of the parent company 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, Sea Lots, Port of Spain.

The approval by the Board of Directors for the liquidation of National Agro Chemicals Limited and Natstar Manufacturing Company Limited was granted on 21 July 2007. The filing of the statutory declaration of solvency was performed on 18 June 2009 and the Companies liquidation is ongoing. The standalone accounts of NACL and Natstar have not been included within these consolidated financial statements.

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

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

These consolidated financial statements have been approved for issue by the Board of Directors on 10 December 2012.

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.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

2 Summary of significant accounting policies

2.1.2 Changes in accounting policy and disclosures

a) *New and Amended Standard adopted by the Company.*

The amendment to IAS 24, 'Related party disclosures', clarifies the definitions of a related party. The new definition clarifies in which circumstances, persons and key management personnel affect related party relationships of an entity. Secondly, the amendment introduces an exemption from the general related-party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity.

b) *New and amended standards and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Company (although they may affect the accounting for future transactions and events).*

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2010 or later periods but the Company has not early adopted them.

- IFRIC 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009). The interpretation was published in November 2008. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as distribution on reserves or as dividends. IFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable.
- IFRIC 18, 'Transfer of assets from customers', effective for transfer of assets received on or after 1 July 2009. This interpretation clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use to either connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services. In some cases, the entity receives cash from a customer that must be used only to acquire or construct the item of property, plant and equipment in order to connect the customer to a network or provide the customer with ongoing access to a supply of goods or services (or to do both).
- IAS 1 (amendment) – 'Presentation of financial statements' – The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

2 Summary of significant accounting policies (continued)

2.1.1 Changes in accounting policy and disclosures

b) *New and amended standards adopted by the Company mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Company (although they may affect the accounting for future transactions and events) (continued).*

- IFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations'. The amendment clarifies that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirements of IAS 1 still apply, in particular paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1.
- IFRIC 9, 'Reassessment of embedded derivatives and IAS 39, Financial instruments: Recognition and measurement', effective 1 July 2009. This amendment to IFRIC 9 requires an entity to assess whether an embedded derivative should be separated from a host contract when the entity reclassifies a hybrid financial asset out of the 'fair value through profit or loss' category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. If the entity is unable to make this assessment, the hybrid instrument must remain classified as at fair value through profit or loss in its entirety.
- IAS 36 (amendment), 'Impairment of assets', effective 1 January 2010. The amendment clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of IFRS 8, 'Operating segments' (that is, before the aggregation of segments with similar economic characteristics).
- IFRIC 16, 'Hedges of a net investment in a foreign operation' effective 1 July 2009. This amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of IAS 39 that relate to a net investment hedge are satisfied. In particular, the group should clearly document its hedging strategy because of the possibility of different designations at different levels of the group. IAS 38 (amendment), 'Intangible assets', effective 1 January 2010. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

2 Summary of significant accounting policies (continued)

2.1.2 Changes in accounting policies and disclosures (continued)

b) *New and amended standards and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Company (although they may affect the accounting for future transactions and events) (continued).*

- IFRIC 9, 'Reassessment of embedded derivatives and IAS 39, Financial instruments: Recognition and measurement', effective 1 July 2009. This amendment to IFRIC 9 requires an entity to assess whether an embedded derivative should be separated from a host contract when the entity reclassifies a hybrid financial asset out of the 'fair value through profit or loss' category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. If the entity is unable to make this assessment, the hybrid instrument must remain classified as at fair value through profit or loss in its entirety.

c) *New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2010 and not adopted early.*

The Company's assessment of the impact of these new standards and interpretation is set out below.

- 'Prepayment of a minimum funding requirement' (amendments to IFRIC 14). The amendments correct an unintended consequence of IFRIC 14, 'IAS 19- The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct this. The amendments are effective for annual periods beginning 1 January 2011. Earlier application is permitted. The amendments should be applied retrospectively to the earliest comparative period presented. The Company will apply these amendments for the financial reporting period commencing on 1 April 2011.
- IFRS 9, 'Financial instruments', issued in November 2009. This standard is the first step in the process to replace IAS 39, 'Financial instruments: recognition and measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption.
- IFRIC 19, 'Extinguishing financial liabilities with equity instruments', effective 1 July 2010. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

2 Summary of significant accounting policies (continued)

2.2 Prior period misstatements

- (i) Property Plant and Equipment (PPE) – Restatement of Property Plant and Equipment.

IAS 16 Property, plant and equipment, (IAS 16) requires that the useful lives of PPE be reviewed at every balance sheet date. In the prior year management partially complied with this requirement by only reviewing those assets which were fully depreciated. In the current year management review the useful lives of PPE "in use" for the first time. The consolidated financial statements were restated in accordance with IAS 8 Accounting policies, changes in accounting estimates and errors to correct the allocation of depreciation charged to the statement of comprehensive income in prior years.

The review/assessment resulted in an increase in the useful lives of assets. The financial impact of the assessment resulted in reversal of depreciation charge for the periods 2009 and 2010. In the financial year 2009 PPE increased by \$50,202 with a corresponding entry to retained earnings. In 2010 the financial impact resulted in an increase to PPE by \$67,328 with a corresponding reversal of \$17,126 to the statement of comprehensive income. This adjustment for \$17,126 represented a decrease to the depreciation charge and was adjusted in operating overheads in the table below (note i).

- (ii) Deferred Tax Liability

The deferred tax liability was restated by \$12,550 in 2009 with a corresponding entry to retained earnings. In 2010 the deferred tax liability was increased by \$16,832 (inclusive of the 2009 balance) with a corresponding entry of \$4,282 to the statement of comprehensive income. This adjustment for \$4,282 represents an increase in the taxation expense and was adjusted in taxation expense in the table below (note ii).

31 March 2009	Balance before restatement \$	Restatement 2009 \$	Balance after restatement \$
Statement of Financial Position			
Property Plant and Equipment (Note i)	380,125	50,202	430,327
Deferred Income Tax Liability (Note ii)	(46,530)	(12,550)	(59,080)
Retained Earnings	258,959	37,652	296,611

31 March 2010	Balance before restatement \$	Restatement 2010 \$	Balance after restatement \$
Statement of Financial Position			
Property Plant and Equipment (Note i)	404,536	67,328	471,864
Deferred Income Tax Liability (Note ii)	(49,354)	(16,832)	(66,186)
Retained Earnings	311,043	50,496	361,539

Year ending 31 March 2010

Statement of Comprehensive Income

Other Expenses (Note i)	(155,681)	17,126	(138,555)
Tax Expense (Note ii)	(22,622)	(4,282)	(26,904)

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

2 Summary of significant accounting policies (continued)

2.3 Consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of Subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The excess of the cost of acquisition over the fair value of the Group's share of identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of Subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Included within the statement of changes in equity is a movement of \$6,358 which represents the negative retained earnings for immaterial subsidiaries under liquidation but not consolidated within the current year. The negative retained earnings were accounted for prior periods upon consolidation of the immaterial subsidiaries.

2.4 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 or valuation where items are re-measured. 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 comprehensive income in the year in which they occur.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income in the year in which they occur.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

2 Summary of significant accounting policies (continued)

2.5 Property, plant and equipment

Land is shown at cost and is not depreciated.

Dismantlement costs are shown at net present value less depreciation.

All other 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 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	-	1% - 5%
Plant and machinery	-	1% - 20%
Cylinders and other equipment	-	1% - 20%
Motor vehicles	-	1% - 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

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 2.6).

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

2.6 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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

2.7 Financial assets

Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

2 Summary of significant accounting policies (continued)

2.7 Financial assets (continued)

Loans and Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve (12) months after the end of the reporting period. These are classified as non-current assets. The Group's receivables are classified as 'trade and other receivables' in the statement of financial position (Note 2.10).

2.8 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.

2.9 Inventories

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

Cost is determined by the standard costing method for all inventory categories except for Main Products which are valued at FIFO and Material Stores Inventory which are valued at weighted average cost.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and applicable variable selling expenses. The Standard Costs are continuously monitored and are updated to actual cost.

2.10 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 and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

2 Summary of significant accounting policies (continued)

2.10 Trade receivables (continued)

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of comprehensive income within 'Expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the consolidated statement of comprehensive income the amount(s) in 'Operating Expenses'.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.12 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.

2.13 Employee benefits

(i) Retirement benefit asset

The Group does not have any defined contribution plans. A defined benefit plan is a pension plan that is not a defined contribution 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, together with adjustments for unrecognised actuarial gains or losses and past service costs. 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 liability.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

2 Summary of significant accounting policies (continued)

2.13 Employee benefits (continued)

(i) Retirement benefit asset (continued)

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are charged or credited to equity in other comprehensive income over the employees' expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

(ii) Post employment medical plan

The Group provides post-employment healthcare benefits to its retirees. The entitlement to these benefits is usually based 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 an accounting methodology similar to that for defined benefit pension plans. Valuations of these obligations are carried out by independent qualified actuaries using the projected unit credit method. Actuarial gains and losses arising from changes in actuarial assumptions are charged or credited to equity in other comprehensive income over the expected average remaining working lives of the related employees.

(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 when it is demonstrably committed to either, terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. 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.

2.14 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are 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.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

2 Summary of significant accounting policies (continued)

2.15 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 a number of 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 the expenditures expected to be required to settle the 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.

2.16 Grants in respect of the service station upgrade

Grants from the Government, provided by the Government in the capacity as the Government and not the shareholder, are recognised at their fair value when they are received as the Group would have complied with all attached conditions.

Government grants relating to costs 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 comprehensive income on a straight line basis over the expected lives of the related assets.

Other Government Grants

The Company also recognises grants in respect to expenses already incurred. This grant is recognised in the statement of comprehensive income in the period in which it becomes receivable. See Note 17.

2.17 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 on the basis of 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 is subject to interpretation and establishes provisions where appropriate on the basis of the amounts expected to be paid to the tax authorities.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

2 Summary of significant accounting policies (continued)

2.17 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 asset, provision for post medical retirement plan obligation, dismantlement provision, severance, provision for marine employees and provision for environmental clean up costs.

2.18 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 and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Sales of goods

Sales of goods are recognised when goods are sold to the customer. Sales are normally settled by cash, cheque or credit card.

(ii) Rental income

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(iii) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(iv) Aviation fees

This is recognised on an accruals basis.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

2 Summary of significant accounting policies (continued)

2.19 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

2.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which dividends are approved by the Company's shareholders.

2.21 Non Current Assets held for sale

Non Current Assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less cost to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

3 Financial risk management

3.1 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 Treasury Department. The Group at this time does not use derivative financial instruments to hedge its risk exposure.

(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. The Group manages its foreign exchange positions by matching foreign currency assets with foreign currency liabilities.

As at 31 March 2011, if the currency had weakened/strengthened by 1% against the US dollar with all other variables held constant, post tax profit for the year would have been \$231 (2010: \$10) higher/lower, mainly as a result of foreign exchange gains/loss on translation of US dollar denominated trade receivables and foreign exchange losses/gains on translation of US dollar denominated payables.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

3 Financial risk management

3.1 Financial risk factors (continued)

(i) Market risk (continued)

(b) Price risk

Due to the nature of the Group's operations, there is no significant exposure to price risk.

(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 arises from cash and cash equivalent deposits with banks and financial institutions as well as credit exposure to wholesale and retail customers, including outstanding receivables and other committed transactions. For banks and financial institutions only organisations which the Group deems reputable are accepted.

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. Refer to notes 10 and 11 for additional information.

(iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Group has appropriate policies in place to ensure proper management of liquidity. These include a government subsidy arrangement for key products, government grants and a special payment arrangement with the Group's main supplier. The Group is not currently financed by borrowings. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(iii) Liquidity risk (continued)

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 2011	0 – 60 days \$	61 – 365 days \$
Trade and other payables	4,094,205	--
Dividend Payable	--	--
Total	4,094,205	--

31 March 2010	0 – 60 days \$	61 – 365 days \$
Trade and other payables	2,514,063	--
Dividend Payable	5,000	10,944
Total	2,519,063	10,944

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order 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.

3.3 Fair value estimation

The carrying value of trade receivables and payables less their impairment provision are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

4 Critical accounting estimates and judgments

Estimates and judgments 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.

4.1 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.

(a) 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.

(b) Retirement benefit asset/Post employment medical plan

Certain actuarial and economic assumptions used in determining pension obligations and pension plan assets include: discount rates, long-term rates of return for plan assets, market estimates and rates of future compensation increases. Material changes in overall financial performance and the carrying amount of the pension obligations may arise because of revised assumptions to reflect updated historical information and updated economic conditions, in the material assumptions underlying this estimate.

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 is disclosed in Note 6.

(c) 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.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

4 Critical accounting estimates and judgments

4.1 Critical accounting estimates and assumptions (continued)

(c) Provision for environmental clean-up costs (continued)

The inflation and discounting rate used in the calculation of the provision for environmental clean-up cost were 4% and 6% respectively. If the inflation rate increased by 1% and the discount factor increased by 1% the profit will decrease by \$60, but if the inflation rate decreased by 1% and the discount factor decreased by 1% the profit will increase by \$60.

Additional information on the provision for environmental clean-up costs is disclosed in Note 15.

(d) 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 their 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 were 4% and 6% respectively. If the inflation rate increased by 1% and the discount factor increased by 1% the profit will decrease by \$37, but if the inflation rate decreased by 1% and the discount factor decreased by 1% the profit will increase by \$37.

Additional information on the provision for dismantlement cost is disclosed in Note 16.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2010

(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 2009 (Restated)						
Cost	192,252	185,378	215,019	25,716	79,321	697,686
Accumulated depreciation (Restated)	(55,689)	(95,330)	(108,511)	(7,631)	--	(267,161)
Less Current Portion	(47)	(104)	(47)	--	--	(198)
Net book value (Restated)	136,516	89,944	106,461	18,085	79,321	430,327
Year ended 31 March 2010 (Restated)						
Opening net book value (Restated)	136,563	90,048	106,508	18,085	79,321	430,525
Additions	--	--	122	--	68,059	68,181
Transfers	12,970	9,627	20,721	43	(46,085)	(2,724)
Disposals	(47)	(100)	(42)	--	--	(189)
Dismantlement cost	25	(3,897)	--	--	--	(3,872)
Translation difference	1,385	26	--	(13)	7	1,405
Depreciation charge (Restated)	(5,649)	(3,026)	(10,588)	(2,189)	--	(21,452)
Net book value	145,247	92,678	116,721	15,926	101,302	471,874
Less current portion	--	(10)	--	--	--	(10)
Non-current net book value (Restated)	145,247	92,668	116,721	15,926	101,302	471,864
At 31 March 2010 (Restated)						
Cost	205,200	191,018	235,820	25,759	101,295	759,082
Translation reserve	1,385	26	--	(13)	7	1,405
Accumulated depreciation (Restated)	(61,338)	(98,356)	(119,099)	(9,820)	--	(288,613)
Net book value	145,247	92,678	116,721	15,926	101,302	471,874
Less current portion	--	(10)	--	--	--	(10)
Non-current net book value (Restated)	145,247	92,668	116,721	15,926	101,302	471,864

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2010

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

5 Property, plant and equipment (continued)

Year ended 31 March 2011 (Restated)

	Land and Buildings \$	Plant and Machinery \$	Cylinders and Other Equipment \$	Motor Vehicles \$	Work In Progress \$	Total \$
Opening net book value (Restated)	145,247	92,678	116,721	15,926	101,302	471,874
Additions	--	--	25	--	38,731	38,756
Transfers	42,869	38,191	8,301	29	(89,634)	(244)
Disposals	(66)	(10)	(2)	--	--	(78)
Dismantlement cost	55	--	--	--	--	55
Translation difference	34	(15)	(3)	19	(5)	30
Depreciation charge (Restated)	(5,203)	(7,566)	(14,723)	(470)	--	(27,962)
Closing net book value	182,936	123,278	110,319	15,504	50,394	482,431

At 31 March 2010

Cost	246,254	219,603	235,783	27,739	50,389	779,768
Translation reserve	1,642	(56)	121	22	5	1,734
Accumulated depreciation (Restated)	(64,960)	(96,269)	(125,585)	(12,257)	--	(299,071)
Net book value	182,936	123,278	110,319	15,504	50,394	482,431

Depreciation expense of \$27,962 (2010 Restated: \$21,452) has been charged in operating expenses.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

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6 Retirement benefit asset / post-employment medical plan obligation

The Company operates two defined benefit pension plans. Plan I (May 1971) covers employees other than senior staff whilst Plan II (May 1984) covers senior staff employees. Membership in these plans comprises all permanent employees (active members), deferred pensioners and pensioners. The independent trustee of Plan I is Republic Bank - Trust and Asset Management Division, whilst the trustee of Plan II is First Citizens Investment Services Limited. The pension plans are funded by contributions determined by periodic actuarial calculations.

	2011 \$	2010 \$
Statement of financial position (asset)/obligation for:		
Retirement benefit asset	(189,059)	(186,920)
Post-employment medical benefits	<u>31,109</u>	<u>28,697</u>
	<u>(157,950)</u>	<u>(158,223)</u>
Statement of comprehensive income credit (Note 30)		
Retirement benefit asset	5,137	(2,819)
Post-employment medical plan obligation	<u>3,814</u>	<u>4,594</u>
	<u>8,951</u>	<u>1,775</u>

Retirement benefit asset

The amounts recognised in the statement of financial position are as follows:

Fair value of plan assets	(483,290)	(463,583)
Present value of funded obligations	<u>446,558</u>	<u>368,010</u>
	(36,732)	(95,573)
Un-recognised loss	<u>(152,327)</u>	<u>(91,347)</u>
Asset in the statement of financial position	<u>(189,059)</u>	<u>(186,920)</u>

The movement in the fair value of plan assets is as follows:

At beginning of year	463,583	424,144
Expected return of plan assets	36,747	42,090
Actuarial gain/(loss)	(9,078)	3,155
Company contributions	7,276	7,323
Members contributions	3,685	3,641
Benefits paid	(18,561)	(16,469)
Expenses paid	<u>(362)</u>	<u>(301)</u>
	<u>483,290</u>	<u>463,583</u>

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

6 Retirement benefit asset/post employment medical plan obligation (continued)

Retirement benefit asset (continued)

	2011 \$	2010 \$
The movement in the present value of funded obligations is as follows:		
At beginning of year	368,010	325,868
Current service cost	15,558	11,187
Interest cost	23,327	25,423
Members' contributions	3,685	3,641
Benefit improvements	--	255
Actuarial (loss)/gain	54,901	18,406
Benefits paid	(18,561)	(16,469)
Expenses paid	(362)	(301)
	<u>446,558</u>	<u>368,010</u>

The amounts recognised in comprehensive income are as follows:

Current service cost	(15,558)	(11,187)
Interest cost	(23,327)	(25,423)
Expected return on plan assets	36,747	42,090
Amortised net loss	(2,999)	(2,406)
Past service cost	--	(255)
Net pension income, included in employee benefits (Note 26)	<u>(5,137)</u>	<u>2,819</u>

The total debit of, \$5,137 (2010: Credit of \$2,819) was included in other income in the statement of comprehensive income.

Expected return on plan assets	(36,747)	(42,090)
Actuarial (gain)/loss on plan assets	<u>9,078</u>	<u>(3,155)</u>
Actual return on plan assets	<u>(27,669)</u>	<u>(45,245)</u>

Plan assets are comprised as follows:

Equity instruments	34.30%	28.90%
Debt instruments	53.70%	55.40%
Other	<u>12.00%</u>	<u>15.70%</u>
	<u>100.00%</u>	<u>100.00%</u>

The expected return on the plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the end of the reporting period. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

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(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

6 Retirement benefit asset/post employment medical plan obligation (continued)

Retirement benefit asset (continued)

As at 31 March	2010/2011	2009/10	2008/9	2007/8	2006/7
	\$	\$	\$	\$	\$
Present value of defined benefit obligation	446,558	368,010	325,868	288,970	271,429
Fair value of plan assets	(483,290)	(463,583)	(424,144)	(437,996)	(412,157)
Surplus	(36,732)	(95,573)	(98,276)	(149,026)	(140,728)
Experience adjustment on plan liabilities	(54,901)	(16,674)	1,458	(3,456)	11,929
Experience adjustment on plan assets	(9,078)	3,155	(45,476)	(12,766)	17,638

Expected Company Contribution in 2011/2012 \$7,325

The movement in the net retirement benefit asset recognised in the statement of financial position is as follows:

	2011	2010
	\$	\$
At beginning of year	(186,920)	(176,778)
Net pension income	5,137	(2,819)
Contributions paid	(7,276)	(7,323)
At end of year	<u>(189,059)</u>	<u>(186,920)</u>

The principal actuarial assumptions used for accounting purposes were:

Discount rate	6.50%	6.50%
Expected return on plan assets	7.50%	8.00%
Future salary increases	5.75%	5.75%
Pension increases	0.00%	0.00%

The Rules of the Plans require the Company to pay contributions to the Plans at the minimum rate of 12% of members' earnings.

The pension plan last actuarial valuation was performed in the financial year 2011 and the financial statement of the pension plan was audited in 2011.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

6 Retirement benefit asset/post employment medical plan obligation (continued)

Post-employment medical plan obligation

The method of accounting, assumptions and frequency of valuations are similar to those used for defined benefit pension schemes.

In addition to the assumptions set out above, the main actuarial assumption is a long term increase in medical expense of 5.50% a year (2010: 5.50%).

Year ended 31 March 2011

Effect on	Aggregate Service and Interest Cost	Year End Defined Benefit Obligation
Medical expense increase by 1% pa	762	6,349
Medical expense decrease by 1 % pa	(597)	(5,140)

Year ended 31 March 2010

Effect on	Aggregate Service and Interest Cost	Year End Defined Benefit Obligation
Medical expense increase by 1% pa	855	5,784
Medical expense decrease by 1 % pa	(672)	(4,680)

The charge of, \$3,814 (2010: \$4,594) was included in other expenses in the statement of comprehensive income.

	2011 \$	2010 \$
The amounts recognised in the statement of financial position are as follows:		
Present value of defined benefit obligation	38,227	34,612
Unrealised loss	(7,118)	(5,915)
Liability in the statement of financial position	<u>31,109</u>	<u>28,697</u>

The amounts recognised in the statement of financial position are as follows:

Current service cost	1,445	1,445
Interest cost	2,205	2,740
Amortised loss	<u>164</u>	<u>409</u>
Total expense (note 26)	<u>3,814</u>	<u>4,594</u>

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

6 Retirement benefit asset/post employment medical plan obligation (continued)

Post employment medical plan obligation (continued)

The movement in the liability recognised in the statement of financial position is as follows:

	2011 \$	2010 \$
At beginning of year	28,697	25,155
Total expense	3,814	4,594
Benefits paid	(1,402)	(1,052)
At end of year	<u>31,109</u>	<u>28,697</u>

Expected benefit payable to post employment medical plan for the year 2011/12 is \$1,479

Experience History

As at 31 March	2010/11 \$	2009/10 \$	2008/9 \$	2007/8 \$	2006/7 \$
Present value of defined benefit obligation	38,227	34,612	34,766	31,127	30,779
Fair value of plan assets	--	--	--	--	--
Deficit	<u>38,227</u>	<u>34,612</u>	<u>34,766</u>	<u>31,127</u>	<u>30,779</u>
Experience adjustment on plan liabilities	<u>1,367</u>	<u>(3,287)</u>	<u>(669)</u>	<u>(2,391)</u>	<u>(675)</u>
Experience adjustment on plan assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>

7 Fixed Deposits

In October 2009 a fixed deposit of \$10,000 matured. Due to the financial constraints of the issuer, the Government of the Republic of Trinidad and Tobago (GORTT) gave approval to liquidate the arrears to depositors. The deposit has a structured settlement of GORTT zero coupon bonds with maturity dates over a period of 20 years. This investment was written down to its net present value of \$3,507. The net present value was derived by discounting the future cash flows in accordance with IAS 39 Financial Instruments: Recognition and Measurement. The impairment charge of \$6,493 is included within expenses.

	2011 \$	2010 \$
Balance as at 1 April	10,000	10,000
Impairment charge	<u>(6,493)</u>	<u>--</u>
Balance as at 31 March	<u>3,507</u>	<u>10,000</u>

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued) 31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

8	Inventories	2011 \$	2010 \$
	Goods for resale	141,886	90,394
	Raw and packaging materials	28,920	18,085
	Maintenance spares	12,187	11,263
	Manufactured goods	46,352	41,223
	Goods in transit	31,491	28,543
	Provision for Inventory Write off	(118)	(100)
		<u>260,718</u>	<u>189,408</u>

The value of inventory recognised in the Statement of Comprehensive Income is \$4,905,231 (2010: \$3,900,265).

The inventory provision as at 31 March 2011 of \$118 was made at the end of the year and no inventory was impaired at the end of the prior year.

9 Financial instrument 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 prepayments	3,702,055	1,983,599
Cash and cash equivalents	<u>167,330</u>	<u>357,619</u>
Total	<u>3,869,385</u>	<u>2,341,218</u>
	Held to Maturity	
Fixed Deposits	<u>3,507</u>	<u>10,000</u>

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

9 Financial instrument by category (continued)

	Financial Liabilities at Amortised Cost 31 March	
	2011	2010
	\$	\$
Liabilities as per statement of financial position		
Trade and other payables excluding statutory liabilities	4,078,131	2,512,166
Dividends payable	--	15,944
Total	<u>4,078,131</u>	<u>2,528,110</u>

10 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

	2011	2010
	\$	\$
<u>Trade receivables</u>		
Counterparties without external credit ratings		
Group 1	278	12,516
Group 2	68,932	55,135
Group 3	<u>3,293,486</u>	<u>1,641,523</u>
Total trade receivables	<u>3,362,696</u>	<u>1,709,174</u>

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

Group 3 – Existing customers with no rating

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

All cash at bank and short-term bank deposits are deposited with reputable banking institutions.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

11 Trade and other receivables

	2011 \$	2010 \$
Trade receivables - non-current	<u>54</u>	<u>--</u>
Trade receivables - current	128,782	135,937
Less: provision for impairment of receivables	<u>(22,663)</u>	<u>(33,889)</u>
Trade receivables - net	106,119	102,048
Sundry debtors and prepayments	21,500	7,000
Less: provision for sundry debtors	(310)	--
VAT receivable	326,388	269,128
Other amounts receivable from the Government of Trinidad and Tobago (Note 27)	55,948	73,471
Subsidy claims due from the Government of Trinidad and Tobago (Note 27)	<u>3,200,629</u>	<u>1,533,655</u>
	<u>3,710,274</u>	<u>1,985,302</u>

Included in Trade Receivables are the following related party receivables

	2011 \$	2010 \$
Trade and others receivables - related parties		
Receivables from related parties	36,916	33,090
Less: provision for impairment of receivables	<u>(6,648)</u>	<u>(6,158)</u>
Net amounts due from related parties (Note 27)	<u>30,268</u>	<u>26,932</u>

The fair values of trade and other receivables approximate their carrying amounts. The provision for impairment of receivables does not include impairment of receivables for related parties. The receivables from related parties are shown net of impairment. There is no significant concentration of credit risk with respect to trade receivables.

As of 31 March 2011, trade receivables of \$70,075 (2010: \$67,651) were fully performing.

Trade receivables that are between 1 and 720 days past due are not considered to be impaired. As of 31 March 2011, receivables of \$32,324 (2010: \$34,397) were past due but not impaired. A significant portion of these receivables relates to government entities. The ageing analysis of these trade receivables is as follows:

The ageing analysis of these trade receivables is as follows:

	2011 \$	2010 \$
1 to 90 days	28,304	31,045
91 to 720 days	<u>4,020</u>	<u>3,352</u>
	<u>32,324</u>	<u>34,397</u>

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

11 Trade and other receivables (continued)

As of 31 March 2011, trade receivables of \$30,610 (2010: \$2,387) were impaired and written off. The amount of the provision was \$22,973 (2010: \$33,889). The individually impaired receivables relate to customers who are in a difficult economic condition and customers whose debts are more than 720 days overdue.

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

	2011 \$	2010 \$
Currency		
TT dollar	3,681,670	1,953,184
US dollar	23,724	27,219
EC dollar	4,880	4,899
	<u>3,710,274</u>	<u>1,985,302</u>

Movements on the Group provision for impairment of trade receivables are as follows:

	2011 \$	2010 \$
As at 1 April	33,889	31,340
Provision for receivables impairment	2,436	4,936
Unused amounts reversed	(384)	--
Exchange adjustment	(29)	--
Receivables written off during the year as uncollectible	<u>(12,939)</u>	<u>(2,387)</u>
As at 31 March	<u>22,973</u>	<u>33,889</u>

The creation and release of provision for impaired receivables have been included in operating 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 other classes within trade and other receivables do not contain impaired assets.

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.

12 Cash and cash equivalents

	2011 \$	2010 \$
Cash at bank and in hand	162,842	353,216
Short term bank deposits	<u>4,488</u>	<u>4,403</u>
	<u>167,330</u>	<u>357,619</u>

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

13 Share capital

	2011 \$	2010 \$
Issued and fully paid		
9,420,000 ordinary shares of no par value	<u>47,100</u>	<u>47,100</u>

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

14 Deferred tax liabilities

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 tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is the intention to settle the balances on a net basis.

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 25%.

The gross movement in the deferred income tax account is as follows:

	2011 \$	2010 \$ Restated
At beginning of the year	39,939	20,616
Statement of Comprehensive Income charge/(credit) (Note 23)	<u>13,076</u>	<u>19,323</u>
At end of year	<u>53,015</u>	<u>39,939</u>

The net deferred tax liability arises out of the retirement benefit asset, accelerated tax allowances on property, plant and equipment, the post-employment medical plan, unwinding of dismantlement provision and the provision for environmental clean-up costs.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

14 Deferred tax liabilities (continued)

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

	31.03.09 Restated \$	(Credited)/ Charged to Income statement \$	31.03.10 Restated \$
Deferred tax assets			
Tax losses	(20,347)	11,989	(8,358)
Post-employment medical plan	(6,289)	(886)	(7,175)
Unwinding dismantlement provision	(624)	(316)	(940)
Accelerated depreciation	(188)	174	(14)
Provision for environmental clean-up costs	(11,016)	1,256	(9,760)
	<u>(38,464)</u>	<u>12,217</u>	<u>(26,247)</u>
Deferred tax liability			
Retirement benefit asset	44,195	2,536	46,731
Accelerated depreciation	14,885	4,570	19,455
	<u>59,080</u>	<u>7,106</u>	<u>66,186</u>
Net deferred tax liability	<u>20,616</u>	<u>19,323</u>	<u>39,939</u>
		Charged/ (Credited) to Income Statement	
	31.03.10 Restated \$		31.03.11 \$
Deferred tax assets			
Tax losses	(8,358)	5,129	(3,229)
Post-employment medical plan	(7,175)	(603)	(7,778)
Unwinding dismantlement provision	(940)	(180)	(1,120)
Accelerated depreciation	(14)	14	--
Provision for environmental clean-up costs	(9,760)	1,831	(7,929)
	<u>(26,247)</u>	<u>6,191</u>	<u>(20,056)</u>
Deferred tax liability			
Retirement benefit asset	46,731	535	47,266
Accelerated depreciation	19,455	6,350	25,805
	<u>66,186</u>	<u>6,885</u>	<u>73,071</u>
Net deferred tax liability	<u>39,939</u>	<u>13,076</u>	<u>53,015</u>

Deferred income tax assets are recognised for tax losses to the extent of the Group's taxable temporary differences. The Group recognised deferred income tax assets (\$3,229) (2010: (\$8,358)) in respect of unused of tax losses amounting to \$12,916 (2010: \$33,432). The tax losses have not been agreed by the Board of Inland Revenue.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

15 Provision for environmental clean-up costs

	2011 \$	2010 \$
At beginning of year	39,042	44,068
Decrease/Increase in provision	(9,000)	(6,986)
Unwinding of provision (Note 22)	2,342	4,070
Utilised during the year	<u>(671)</u>	<u>(2,110)</u>
At end of year	<u>31,713</u>	<u>39,042</u>

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a provision of approximately \$220 (2010: \$200) per company owned service station has been made for environmental remediation works throughout the service station network.

The amount will be settled as follows:

Within 1 year	1,776	5,590
Within 2 to 5 years	6,981	33,452
Over 5 years	<u>22,956</u>	<u>--</u>
	<u>31,713</u>	<u>39,042</u>

16 Provision for dismantlement cost

	2011 \$	2010 \$
At beginning of year	9,786	12,765
Change in cost estimate	(550)	(3,935)
Provision utilised during the year	--	(321)
Exchange adjustment	(1)	--
Unwinding of dismantlement provision (Note 22)	<u>736</u>	<u>1,277</u>
At end of year	<u>9,971</u>	<u>9,786</u>

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, an average provision of \$68 (2010: between \$28 and \$167) per service station has been made for dismantlement cost throughout the service station network. A discounting rate of 6% (2010: 7.5%) was used to obtain the present value and an inflation rate of 4% (2010: 5%) was used.

The amount will be settled as follows:

Within 2 to 5 years	5,944	6,748
Over 5 years	<u>4,027</u>	<u>3,038</u>
	<u>9,971</u>	<u>9,786</u>

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

17 Government grants

	2011 \$	2010 \$
Grants in respect of the service station upgrade		
At beginning of year	159,084	117,157
Grants received during the year (Note 27)	19,996	49,770
Amortised to statement of comprehensive income (Note 26)	<u>(6,080)</u>	<u>(7,843)</u>
	<u>173,000</u>	<u>159,084</u>

The Company 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.

Other government grants

The Company anticipates it will receive from the Government of the Republic of Trinidad and Tobago (GORTT) a grant to settle interest due to a supplier on the product account of \$55,498 (2010:\$73,471).

Other grants (Note 27)	55,498	73,471
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18 Trade and other payables

	2011 \$	2010 \$ Restated
Trade payables	3,866,223	2,333,742
Sundry payables and accruals	210,830	164,649
Deposits on cylinders	<u>17,152</u>	<u>15,672</u>
	<u>4,094,205</u>	<u>2,514,063</u>

19 Cost of sales

	2011 \$	2010 \$
Purchases of raw materials, goods for resale and other direct costs	5,085,480	4,033,548
Change in inventories	(66,652)	(19,125)
Subsidies (Note 27)	<u>(2,513,770)</u>	<u>(1,634,749)</u>
	<u>2,505,058</u>	<u>2,379,674</u>

Subsidies are received from the Government of Trinidad and Tobago in respect of the purchase of fuel from the Petroleum Company of Trinidad and Tobago for resale in the domestic market at controlled prices.

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

Notes to the consolidated financial statements (continued)

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(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

20	Other income	2011 \$	2010 \$ Restated
	Rental income	9,318	6,040
	Government grant	--	5,908
	Interest income	1,055	2,607
	Aviation fees	6,905	7,993
	Pension income (Note 6)	--	2,819
	Gain on disposal of plant and equipment	232	3,058
	Gain on exchange	560	--
	Miscellaneous income	<u>55,807</u>	<u>36,056</u>
		<u>73,877</u>	<u>64,481</u>

Miscellaneous income includes an amount that the Company anticipates it will receive from the Government of the Republic of Trinidad and Tobago (GORTT) to settle interest due to a supplier on the product account of \$48,770 (2010:\$21,335) (Notes 17 and 27).

21	Other expenses	2011 \$	2010 \$ Restated
	Retail outlet expenses	32,423	32,578
	Operating overheads	87,727	89,320
	Depreciation (Note 5)	27,962	21,452
	Amortisation of government grant (Note 17)	(6,080)	(7,843)
	Green Fund Levy	2,358	2,091
	Loss on exchange	954	--
	Directors' fees	<u>525</u>	<u>957</u>
		145,869	138,555
	Distribution costs	29,321	22,988
	Administration costs	<u>130,607</u>	<u>106,024</u>
		<u>305,797</u>	<u>267,567</u>

Distribution cost comprises mainly of wages and salaries which amounts to \$26,418 for 2011 (2010: \$19,826), and Administrative Cost consist of mainly employee remuneration and medical benefits.

22	Finance costs	2011 \$	2010 \$ Restated
	Bank charges and overdraft interest	1,215	437
	Interest charges on accounts payable	54,491	32,288
	Unwinding of environmental provision (Note 15)	2,342	4,070
	Unwinding of dismantlement provision (Note 16)	<u>736</u>	<u>1,277</u>
		<u>58,784</u>	<u>38,072</u>

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Notes to the consolidated financial statements (continued)

31 March 2011

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

23	Taxation	2011 \$	2010 \$ Restated
	Corporation tax		
	- Prior years over provision	(2,883)	285
	- Current year	555	1,833
	Deferred taxation (Note 14)		
	- Current year	13,076	19,323
	Business levy	<u>5,828</u>	<u>5,463</u>
	Charged/(credited) to statement of comprehensive income	<u>16,576</u>	<u>26,904</u>
	The tax on profit differs from the theoretical amount that would arise using the basic rate of tax as follows:		
	Profit/(Loss) before taxation	<u>51,440</u>	<u>91,832</u>
	Tax calculated at 25%	12,860	22,958
	Expenses not deductible for tax purposes	882	1,950
	Income not subject to tax	(1,602)	(3,752)
	Prior years over provision	(2,883)	285
	Business levy	5,828	5,463
	Translation Difference	643	--
	Differences in additions used in Wear & Tear	<u>848</u>	<u>--</u>
	Charge/(credited) to statement of comprehensive income	<u>16,576</u>	<u>26,904</u>
24	Discontinued operations		
	<u>Operational costs</u>		
	NP Unity	--	312
	NP Enterprise	<u>--</u>	<u>307</u>
		--	619
	Tax on Discontinued Operations at 25%	<u>--</u>	<u>(155)</u>
	Net Discontinued Operations	<u>--</u>	<u>464</u>
25	Net foreign exchange Gain/(Loss)		
	The net foreign exchange gain credited to the statement of comprehensive income is:	<u>2,710</u>	<u>2,850</u>
26	Employee benefit expense		
	Wages and salaries	142,099	110,058
	Pension cost – post-employment medical plan (Note 6)	3,814	4,594
	Pension expense/(income)– Retirement Benefit Plan (Note 6)	5,137	(2,819)
	National insurance	4,773	4,577
	Other	<u>19,681</u>	<u>8,205</u>
		<u>175,504</u>	<u>124,615</u>
	Number of employees	<u>721</u>	<u>734</u>

Wages and salaries of \$139,076 includes an estimate of salary increases for the period 2008 to 2011 of \$31,672 (Note 29).

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

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27 Related party transactions

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

Most significant transactions concerned:

- Purchase of refined products from the Petroleum Company of Trinidad and Tobago
- Sale of fuels to Government Bodies
- Sales to Roopnarine Holdings & Investments Limited
- Sales to Kamala Roopnarine Service Station
- Sales to Mohan Roopnarine Service Station
- Sales to Manbode Roopnarine Service Station

Transactions with related parties comprise the following:

(i) Sales	2011 \$	2010 \$
Government ministries and state owned enterprises	452,787	370,067
Roopnarine Holdings & Investments Limited	2,222	3,309
Kamala Roopnarine Service Station	14,690	23,464
Mohan Roopnarine Service Station	5,608	12,078
	<u>475,307</u>	<u>408,918</u>
(ii) Purchases		
State owned enterprise	4,699,179	3,719,390
Subsidies (Note 19)	<u>(2,513,770)</u>	<u>(1,634,749)</u>
	<u>2,185,409</u>	<u>2,084,641</u>
(iii) Amortisation of government grant		
Government of the Republic of Trinidad and Tobago (Note 17)	<u>6,080</u>	<u>7,843</u>
(iv) Key management compensation		
Salaries and other benefits	5,740	10,946
Directors Remuneration	469	660
Long term employee benefits: Savings Plan	84	198
Pension	426	932
	<u>6,719</u>	<u>12,376</u>

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

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27	Related party transactions (continued)	2011 \$	2010 \$
(v)	Year-end balances arising from sales/ purchases of goods/services		
	<u>Due from related parties</u>		
	Subsidy claims due from the Government of the Republic of Trinidad and Tobago (Note 11)	3,200,629	1,533,655
	Other amounts receivable from the Government of the Republic of Trinidad and Tobago (Note 11)	55,948	73,471
	Government ministries and state owned enterprises (Note 11)	30,268	26,932
	Phoenix Park Gas Limited	8,615	
	Roopnarine Holdings & Investments Ltd.	--	107
	Kamala Roopnarine Service Station	--	239
	Mohan Roopnarine Service Station	--	90
	Manbode Roopnarine Service Station	--	57
		<u>3,295,460</u>	<u>1,634,551</u>
	<u>Due to related parties</u>		
	State owned enterprise	3,863,978	2,332,782
	Treasury surplus due to the Government of the Republic of Trinidad and Tobago	57,586	57,586
		<u>3,921,564</u>	<u>2,390,368</u>
(vi)	Dividend		
	<u>Due to related parties</u>		
	Government of the Republic of Trinidad and Tobago	--	15,944
(viii)	Administrative charges/service fees		
	<u>Paid to related parties</u>		
	Petroleum Company of Trinidad and Tobago	<u>7,229</u>	<u>5,891</u>
(ix)	Deferred government grant		
	Government of the Republic of Trinidad and Tobago (Note 17)	<u>173,000</u>	<u>159,084</u>

Trinidad & Tobago National Petroleum Marketing Company Limited and its Subsidiaries

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31 March 2011

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27	Related party transactions (continued)	2011	2010
		\$	\$
(x)	Government grants received/credited to the statement of comprehensive income		
	Amounts received for the service station upgrade from the Government of the Republic of Trinidad and Tobago (Note 17)	19,996	49,770
	Other funding from the Government of the Republic of Trinidad and Tobago (Note 17)	<u>48,770</u>	<u>21,335</u>
		<u>68,766</u>	<u>71,105</u>

28 Contingencies and commitments

Contingencies

- i) The Company is a defendant in various legal actions. In the current year \$9,027 has been provided for legal claims against the Company (2010: \$2,300). In the opinion of Management, after taking appropriate legal advice, the outcome of all other actions not provided for will either not give rise to any significant loss or the outcome and amounts are uncertain.
- ii) The Company has the following contingent liability arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for. (Note 18)

- First Citizens Bank – There are customs bonds with a balance of TT\$2,265.

Commitments

Capital commitments

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

	2011	2010
	\$	\$
Property, plant and equipment	<u>33,693</u>	<u>41,878</u>

Operating lease commitments

The Company leases property, equipment and vehicles under operating leases. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payments under non-cancellable operating leases are as follows:

No later than one year	895	2,576
Later than 1 year and no later than 5 years	2,054	2,302
Later than 5 years	<u>9,635</u>	<u>9,823</u>
	<u>12,584</u>	<u>14,701</u>

Lease cost recognised in the operating expenses for was \$2,357 (2010: \$6,539).

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29 Subsequent events

Subsequent to the year end the company settled its negotiations for increased wages and salaries. The negotiations related to the financial period 2008 to 2011. The impact of the settlement was recorded within the 2011 statement of comprehensive income in accordance with IAS 8 Accounting policies, changes in accounting estimates and errors and IAS 10 Events after the reporting period.