



The **Energy Chamber**
of Trinidad & Tobago



2017-2018 Annual Report



Mark of Achievement

It started on September 13th, 1993 – a story that would make an indelible mark on the canvas of Trinidad and Tobago. The story of First Citizens.

A team that truly cares about the people we serve, we have created rewarding, enduring relationships. Strokes of extraordinary service, colouring a story that is 25 years strong. As we look forward to our 25th Anniversary we are proud to celebrate with you, the people who have made our unique legacy possible.

Our story is all about putting you first. Here's to another 25!



First Citizens
CELEBRATING THE FIRST 25





The Energy Chamber of Trinidad and Tobago is a vital player in the continued development of this country and the wider Caribbean region, and is committed to positioning Trinidad and Tobago as the energy services hub of the region.

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Company Information



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First Citizens Bank

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KPMG

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Trinidad and Tobago, W.I.

Attorneys-at-Law

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Trinidad and Tobago, W.I.

J.D. Sellier and Company

129-131 Abercromby Street
Port of Spain
Trinidad and Tobago, W.I.

Notice of the Annual General Meeting



NOTICE OF THE ANNUAL GENERAL MEETING

The Energy Chamber of Trinidad and Tobago
Unit B2.03 Atlantic Plaza
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Point Lisas
Republic of Trinidad and Tobago

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Notice is hereby given of the 2017 – 2018 Annual General Meeting of The Energy Chamber of Trinidad and Tobago to be held at 4:00pm on Wednesday October 10th 2018 at the Regency I – III, Hyatt Regency Trinidad, 1 Wrightson Road, Port-of-Spain for the following purposes:

1. To receive and consider the audited financial statements of the Chamber for the financial year ended June 30, 2018 together with the report of the auditors thereon.
2. To receive the report of the Board.
3. To confirm the election of Members of the Board.
4. To elect the auditors for the financial year ending June 30, 2019.
5. To consider and take action with regard to any business or motion of which due notice has been given.

Karen Darbasie
Secretary



Representation

We advocate for our members on key issues affecting the energy sector. The areas currently pursued are:

- Fiscal reform
- Gas value chain
- Local content
- Energy services export
- Energy efficiency and renewable energy
- Industrial relations

Certification

We certify companies/ individuals in the energy sector through:

- the Safe to Work (STOW) programme
- PLEA 10 assessments

Training

- HSE
- Corporate Governance
- Corporate Executive Training
- Continuous Professional Development

Other

- Approved exam center for ACCA (F1 – F4) qualifications.

Information and Networking

Members of the Energy Chamber benefit from:

- Information primarily through our Energynow newspaper, e-newsletter, Facebook page and website
- Insight into major issues and business opportunities through regular networking events, the annual Trinidad & Tobago Energy Conference, Clean Energy Conference and the Local Content Forum.
- Targeted research, with an emphasis on corporate governance, international market data and local energy sector data.
- Trade facilitation by facilitating contacts and business opportunities through outgoing and incoming trade missions.

Board of Directors

Energy Chamber Executive



Chairman
Mr. Eugene Tiah
Executive Chairman
Massy Energy and
Industrial Gases Business Unit



Deputy Chairman
(Upstream)
Mr. Norman Christie
(Resigned March 2018)
Regional President,
BP Trinidad and Tobago LLC



Deputy Chairman
(Mid/Downstream)
Mr. Richard de la Bastide
President,
Yara Trinidad Limited



Deputy Chairman
(Energy Services)
Mr. Dwight Mahabir
Chief Executive Officer,
DAMUS Limited



Secretary
Ms. Karen Darbasie
Group Chief Executive Officer,
First Citizens Bank



Treasurer
Dr. Vernon Paltoo
President,
National Energy



President & CEO
Dr. Thackwray Driver
President/
Chief Executive Officer,
The Energy Chamber of
Trinidad and Tobago



Immediate Past Chairman
Mr. Vincent Pereira
President,
BHP Billiton
Trinidad and Tobago

Board of Directors



Energy Chamber Board Members



Mr. Asgar Ali

Managing Director,
Weldfab Limited



Mr. Derek Hudson

Vice President,
Shell Trinidad and Tobago Limited



Mr. Mark Loquan

President,
The National Gas Company of
Trinidad and Tobago Limited



Mr. Nigel Darlow

(Resigned June 2018)
Chief Executive Officer,
Atlantic



Mr. Philip Julien

Regional Director
Caribbean Operations,
WorleyParsons



Mr. Stephen Awah

(Resigned March 2018)
VP Exploration and
Production,
PETROTRIN



Mr. Blair Ferguson

Executive Director,
Kenson Group



Deputy Chairman
(Upstream, from March 2018)

Mr. George Vieira

Managing Director,
EOG Resources
Trinidad Limited



Mr. Shazan Ali

Chief Executive Officer,
TOSL Engineering Limited

Message from the Chairman



Eugene Tiah
- Chairman

The past year (my first as Chairman of the Energy Chamber) has seen a generally improving overall economic environment within the global energy industry, with sustained commodity price increases and a cautious return of investor confidence.

Despite the much more positive position for major oil, gas and petrochemical companies, activity levels and pricing for services and other inputs have remained lower than prior to the 2014/15 oil price crash. Many service companies and contractors continued to struggle. A visual reminder of this reality for all of us in Trinidad & Tobago is the sight of the six Transocean drillships still dry stacked in the Gulf of Paria.

However, the higher commodity prices and the sustained new investment in upstream gas have led to a more positive picture than this time last year. The sentiment at the annual Trinidad & Tobago Energy Conference in early 2018 was generally far more positive than in the past few years, though many issues remain unresolved. While

“The Energy Chamber has continued to play a major role in encouraging investment into the Trinidad & Tobago energy sector through promoting the creation of the right enabling policy environment. ”

the gas supply situation has improved, there are still shortfalls affecting many of the downstream plants and there are difficult negotiations to complete between the NGC and many of the petrochemical plants. The Government has made its intentions clear to secure better returns for the country from the LNG value-chain, and tough negotiations between the major upstream suppliers and the Government to find workable solutions are underway in this regard.

The Energy Chamber has continued to play a major role in encouraging investment into the Trinidad & Tobago energy sector through promoting the creation of the right enabling policy environment. While progress has often been slow, we have seen some successes in our advocacy efforts, for example, a much greater emphasis on energy efficiency and increased attention to renewable energy. Much of our advocacy work takes many years to bear fruit and it is important that the Energy Chamber continues to work diligently and consistently on implementation of our strategic objectives.

Despite the generally more positive picture for the major operator companies on the back of sustained investment, many of our service company and contractor members have continued to face a difficult market. Activity in the oil sector has been down due to problems at the major oil producer, state-owned Petrotrin. While there has been new drilling and development activity offshore, the market in services has remained depressed for many of our members, with continued over-supply in services globally, meaning more competition in the local market.



“I would like to express my sincere gratitude for their continued support and commitment. With their continued dedication to the work of the Energy Chamber I am sure we can continue to positively influence the future for our sector and the wider economy and society. ”

While there has been a big increase in demand for services regionally, with the huge developments underway in Guyana, and with exploration activity in Suriname and elsewhere, it is often difficult for our smaller local members to access these opportunities.

The massive exploration success in Guyana has led to increased interest in the wider Caribbean region. Exploration campaigns are underway in Suriname, French Guiana, Trinidad & Tobago, Grenada and potentially in Barbados as well. Further afield, Jamaica also has had some indications of possible exploration success. With the interest in the Caribbean region growing, Trinidad & Tobago is well placed to be the regional hub for the development of the industry. We have well developed and experienced companies and skilled professionals as well as good port facilities and supporting infrastructure. Developing Trinidad & Tobago into a regional hub to service a growing offshore activity could be a major plank in our continued efforts to diversify the economy, especially if we are simultaneously able to develop our expertise in renewable energy.

The Energy Chamber has a major role to play in fostering the dialogue and interaction needed to pursue opportunities in both the domestic market and in the wider region. The Energy Chamber's role as a facilitator of discussion and a promoter of cooperation is very important to the continued development of the sector.

The Board of the Energy Chamber comprises a unique and powerful group of leaders from across industry, representing the upstream and downstream operators, service companies and contractors as well as the financial services sector. It has been an honour to lead this remarkable group of individuals for the past year and I would like to express my sincere gratitude for their continued support and commitment. With their continued dedication to the work of the Energy Chamber, I am sure we can continue to positively influence the future for our sector and the wider economy and society.

Eugene Tiah
Chairman

Chief Executive Officer's Report



Dr. Thackwray Driver
- President & CEO

While the Energy Chamber's 2017-2018 financial year saw significant increases in most commodity prices and an improving position for many of our bigger operator companies, it remained a challenging market for most of our service company and contractor members.

On the back of substantial new upstream investment, national gas production turned the corner and showed sustained increases. Despite this improvement, downstream natural gas consumers continued to face significant shortfalls and two key Point Lisas petrochemical plants remained mothballed at the end of the financial year.

While the business environment facing our members was mixed, the policy environment was also complicated, with the Government and the major gas companies continuing complex negotiations covering a number of closely interlinked issues, from gas contract renewals to taxation.

"In terms of our advocacy agenda, the Energy Chamber had its greatest success in the energy efficiency and renewables areas."

In terms of our advocacy agenda, the Energy Chamber had its greatest success in the energy efficiency and renewables areas, with significant shifts in policy being announced during the year, including signing on to the Paris Climate Accord and the first deliberate steps to introduce renewable energy into the grid.

Our work on industrial relations reform has continued in conjunction with the other major Chambers and Associations. The work in this area is primarily through the consultative fora established by the Ministry of Labour and the National Tripartite Advisory Council. While we have not yet seen firm legislative proposals, we had significant success in communicating our key messages about the need for labour market reform to increase competitiveness.

Dialogue on the structure and relationships along the gas value chain has shifted into more direct company-to-company and company-to-Government negotiations over the past year, with less of an advocacy role for the Energy Chamber. The continued upstream investment and the turnaround in gas production is in no small measure testimony to the spotlight we managed to focus on this issue in the past. In 2017-18, our major contribution in this advocacy area has been around highlighting how energy efficiency in power generation could help to free up more gas for petrochemicals and LNG.

We have continued to quietly advocate around fiscal reform for the oil sector, with a particular emphasis on how the structure of the Supplemental Petroleum Tax acts as a disincentive to investment.



The local content advocacy area attracted a little bit more interest from Government than in recent years, at least at a rhetorical level. The decision to move the fabrication of the Angelin platform to Mexico helped focus some attention on the issue and there has been a very comprehensive dialogue between the Energy Chamber's Energy Services Committee and major operator companies around local content. The Local Content Forum, in particular, was an important event at which contractors and operators were able to discuss issues. In the 2017-18 financial year, we managed to host a very successful Upstream Operators Forum, at which major upstream operators presented their upcoming plans in response to ongoing complaints from contractors and service companies that they do not have enough information about upcoming opportunities with sufficient notice for their business planning.

Our final major advocacy area is in the area of exporting energy services. The continued growth of the Guyana oil sector, with multiple significant finds, has obviously been a major focus for member companies. We have quietly lobbied the Trinidad & Tobago Government to sign an overarching memorandum of understanding with the Guyana Government in order to provide a framework for our engagement. This eventually came to fruition in September 2018. In the meantime, we continued to engage with various stakeholders in Guyana and Suriname, especially as regards the issue of safety management in the energy sector. We also took a small trade mission to Houston in May 2018 (coinciding with OTC) to meet with both operator companies and major international contractors. This was a very successful trip that we will repeat and expand in the future.

In addition to our major advocacy work, the Energy Chamber continued to successfully execute our certification and training programmes, especially in the areas of safety. Our efforts in competency

assessment unfortunately did not progress as quickly as we would have liked, with a squeeze on the Government funding that allowed NESC to provide assessments without charging individual workers. Nevertheless, we did continue to work on new job standards and the NTA signed off on a new "plant fitter" standard that will be very useful for the industry.

Our events continued to be well received by the membership, with yet another successful edition of the flagship Trinidad & Tobago Energy Conference taking place in January 2018. We also had a very successful second annual Clean Energy Conference in June 2018. The venue was sold out, and we are looking at other options in 2019 as we think that this event is only going to grow and improve over time, as interest in renewables and efficiency continues to grow.

Our other communication channels, including our very popular newspaper, EnergyNow, continued to be well received. While we have made increased use of social media to support our communications, most members continue to report that they favour email as the best route to receive news. We therefore revamped our weekly e-newsletter to ensure that we got out more news on the sector and the issues and concerns facing our membership.

While these communication channels are a good way of sharing information, face-to-face meetings are still the best way to share ideas and receive feedback from members. Accordingly, we organised two specific outreach sessions for members in the Mayaro/Galeota region and in Point Fortin and the south west peninsula. These were both very successful sessions that have helped tweak our offerings and services, which we will repeat in the upcoming year.

Dr. Thackwray Driver
President & CEO



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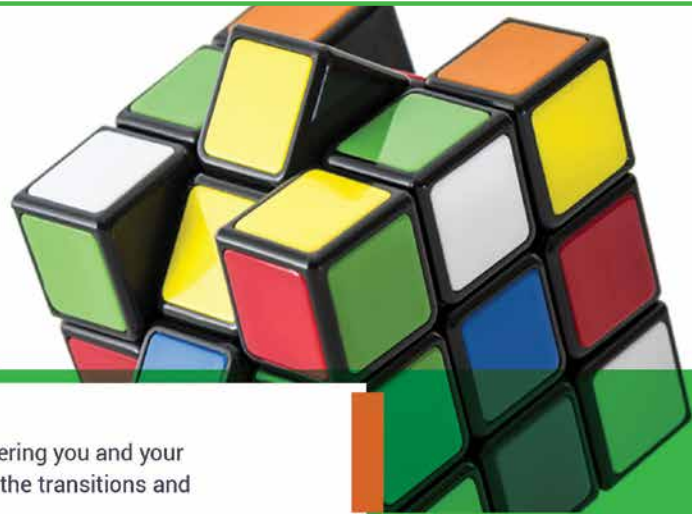


The Energy Chamber has produced the **EnergyNow** newspaper since 2015. With a distribution of 10,000 copies the paper contains features and information on the local, regional and international energy industry.

Visit our website at www.energy.tt to view articles and book your advertising space in the next issue.



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Trinidad and Tobago Energy Conference 2018



Key Speakers:

Sen. the Hon. Franklin Khan,
Minister of Energy & Energy Industries

Sen the Hon. Robert Le Hunte,
Minister of Public Utilities

Fawaz Bitar,
Head of Global Operations, Upstream, BP

Marc van Gerven,
Vice President, Solar, Shell New Energies

Clarisse Rocha,
Head of Americas, Energy Industries Council

Eugene Tiah,
Chairman, Energy Chamber of Trinidad & Tobago

Norman Christie,
Regional President, BPTT

Vincent Pereira,
President, BHP Trinidad & Tobago

Mark Loquan,
President, National Gas Company of Trinidad & Tobago Ltd.

Karen Darbasie,
Group CEO, First Citizens

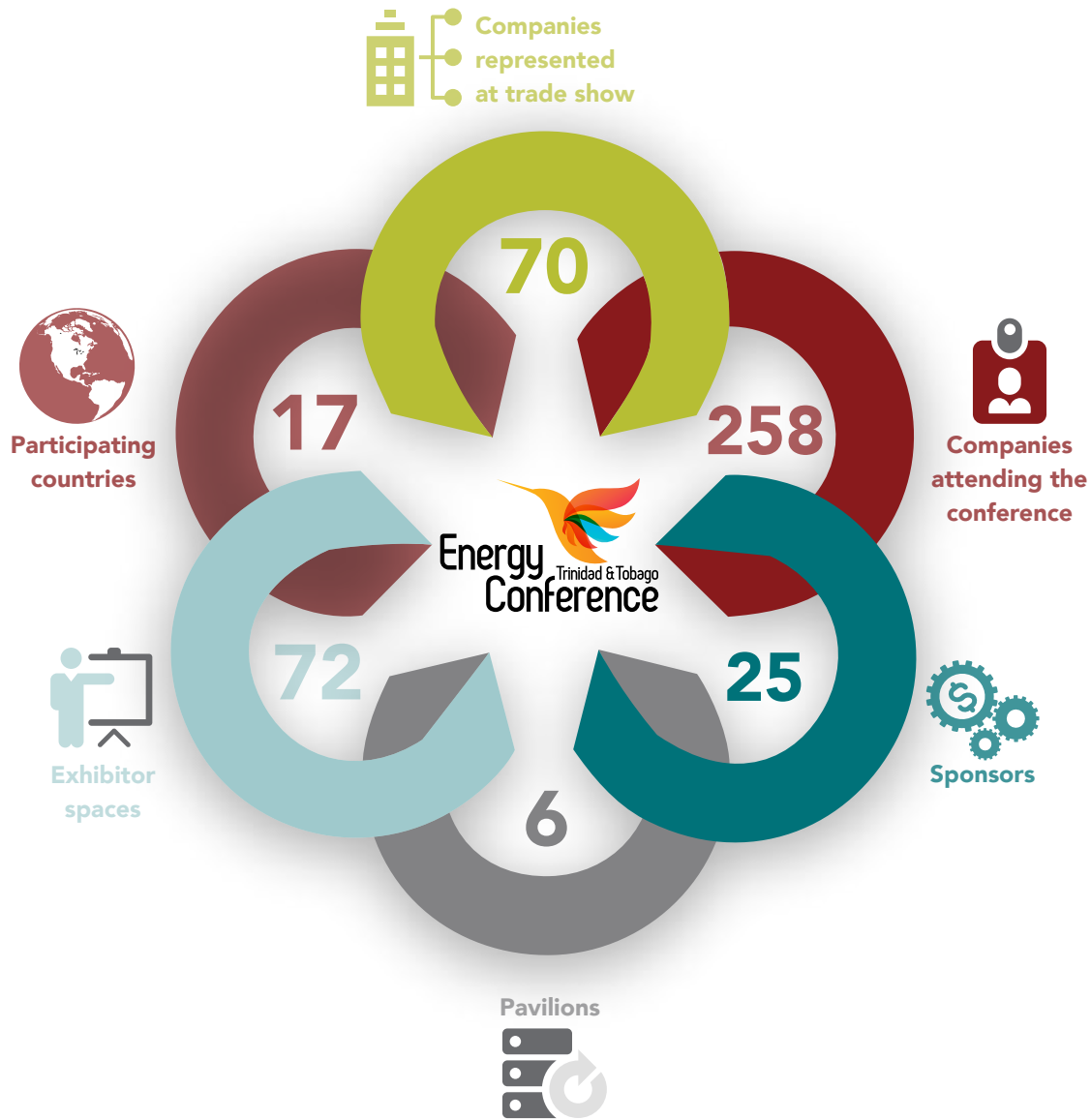
Derek Hudson,
Vice President, Shell Trinidad & Tobago Ltd.

Darryl White,
Managing Director, RBC Royal Bank

Baptiste Breton,
Managing Director, Perenco

Paul Baay,
CEO & President, Touchstone Exploration





The 2018 edition of our renowned and highly anticipated Trinidad and Tobago Energy Conference once again attracted leading figures from the local, regional and international energy industry. Sponsor involvement was very good with the conference attracting 6 Platinum level sponsors, 5 Gold sponsors, 11 Silver sponsors, and 3 partner companies. A sold-out tradeshow comprising 72 booths was further evidence of companies understanding the tremendous value of aligning themselves with the conference, ensuring that they are present. The trend for the conference was not dissimilar, as we saw an

increase from 591 delegates the year prior, to 630 in 2018. The delegates came from 258 companies and 17 countries.

The Trinidad and Tobago Energy Conference has consistently improved with regard to the quality of presentations, presenters, sponsors, delegates and the overall planning and execution of the event. We recognise the role of our members, partners and sponsors in helping to grow and build this signature event on the local and regional energy sector calendar.

Safe to Work

Over the past financial year, the Energy Chamber made significant strides with the Safe to Work (STOW) programme, especially with regards to our vision of expanding the programme to Guyana.



We expended quite a lot of effort reaching out to the Guyana National Bureau of Standards (GNBS) on STOW, which resulted in a highly successful visit to Guyana to present the programme. The presentation was made on 13th June 2018 to a packed room comprising representatives of the GNBS, oil and gas companies operating out of Guyana, public and private sector companies and Government officials. Also in attendance was Mr. Dominic Gaskin, Minister of Business and Investment in Guyana.

Our focus was on detailing the benefits that Trinidad & Tobago has derived from STOW and the lessons learnt along the way. More importantly, we focused on outlining a roadmap for Guyana to replicate STOW for their emerging hydrocarbon and existing mining industries. Our presentation generated excitement and keen interest from all who were present. We will continue our engagement with Guyana over the coming financial year.

During each financial year we strive to strengthen and continuously improve the STOW programme. Over the past year the STOW Implementation

“Our visits were well received by contractors and we got frank and useful comments for improvement of the programme. We will continue these visits over the coming financial period.”

Board put a surveillance monitoring system in effect to ensure that contractors continue to maintain their health, safety and environmental (HSE) management systems throughout their period of certification. The surveillance monitoring system will also kick in if a complaint is raised against any certified company regarding poor HSE performance or HSE infringement.

We responded to feedback about the differences in interpretation of the STOW HSE requirements among Assessors by strengthening the guidance documents for them. We expect this intervention to yield positive results in future audits.

During the period, we also started conducting unannounced site visits to companies undergoing the STOW certification audit. The purpose was two-fold: firstly to monitor the work of Assessors in the field and secondly to solicit feedback from the auditee. Our visits were well received by contractors and we got frank and useful comments for improvement of the programme. We will continue these visits over the coming financial period.

On 24th October 2017, De Novo Energy became the most recent operating company to sign on to the STOW Charter, agreeing to use STOW for HSE screening of their contractors. The company set a deadline date of 1st May 2018 for their contractors to be certified to the STOW HSE requirements if they want to continue to do business with the company. We currently have 21 operating companies supporting the STOW programme.



"STOW is a certification programme for contractors' HSE management systems, which is governed by the STOW Implementation Board and administered on a day-to-day basis by the STOW Project Office of the Energy Chamber of Trinidad & Tobago."

Two hundred and thirty five (235) companies were certified during the financial year, a 24% increase over the previous year. This is a remarkable feat given the existing financial climate in the country. We hope to maintain this trend in the coming year.

The financial year ended with Eugene Tiah, Chairperson of the STOW Implementation Board for the past 5 years, stepping down and Premraj Dukharan taking up the mantle in July 2018. Prem has served on the Board since 2011, initially as a member and more recently as the Vice Chairman representing the Association of Upstream Operators of Trinidad and Tobago (AUOTT). He is currently the HSE Manager at BHP Trinidad and also the current Chairman of the AUOTT. We look forward to working with Prem in his new capacity on the STOW Board.

As we move on to another year with new opportunities and challenges, the Energy Chamber and members of the STOW Implementation Board take this opportunity to express our sincerest gratitude to Eugene for his active leadership, his time and his support over the period he served on the Board.

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Clean Energy Conference 2018



The Clean Energy Conference has grown in its second year. After the successful inaugural event in 2017, it was critical to establish the progression of the event. After another successful conference in 2018, it will now become a fixed part of the Energy Chamber's agenda for 2019 and beyond.

In 2018 the theme was "Toward Implementation". The conference focused on actions that were aptly aligned with last year's focus of the Energy Efficiency and Alternative Energy Committee of the Energy Chamber.

The 2-day conference was dedicated to the movement toward actionable projects. There was strong representation of Government stakeholders, the private sector, academia and NGOs. The sessions included State Perspectives, Renewable Energy and Power Generation, Reducing Demand for Electricity, Energy Services and Reducing Emissions in the Transport Sector, Government Initiatives, Financing for Renewables and a session on small scale projects.

The conference benefitted from an increase in sponsorship in 2018 with two platinum sponsors, BP and NGC, coming on board. We also received silver level sponsorship from Shell, PowerGen, Worley Parsons and the Arthur Lok Jack Global School of Business.

Feature speakers included Senator the Honourable Robert Le Hunte, Minister of Public Utilities; Courtenay Mark, AGM Engineering, T&TEC; Dr. James Lee Young, Executive Director, RIC; and Karl Ove Ingebrigtsen, Director, Low Carbon Power Generation, Lloyds Register. We also had speakers from the Clinton Climate Initiative, Rocky Mountain Initiative and the Green Building Council.





We were also fortunate to partner with the British High Commission and the Canadian High Commission who contributed two distinguished speakers to the event, Soffia Alarcón-Díaz, Director, Carbon Trust and Daniel Roscoe, Partner, Roswall.

The number of speakers at the event grew from 28 in 2017 to 36 in 2018 and the gender parity also improved with approximately 28% of the speakers being women.

In 2018 we also started a trade show element of the conference. Exhibiting companies included

NGC, Worley Parsons, Ansa Technologies, Coastal Dynamics, Optometrists Today, Mega Brite and Energy Guide. Other exhibitors included the IAMovement, Fondes Amandes Community Reforestation Project and United Way.

The conference was sold out at 160 persons and we expect that it will continue to grow. The Energy Efficiency and Alternative Energy Committee is looking at options so that the conference can continue to grow.

Learning Centre Highlights

Professional Workshops & Safety Training

In keeping with our Strategic Mandate to become a premier educational institute, we continue to offer workshops that meet the needs of our members, future members and the wider society. This year we offered 8 very successful workshops; a 60% increase over last year's offerings. This is significant for us as we are operating in a market where companies are choosing to conduct training internally to reduce costs. Despite this economic situation, our participating companies saw the benefits of accessing training with us.

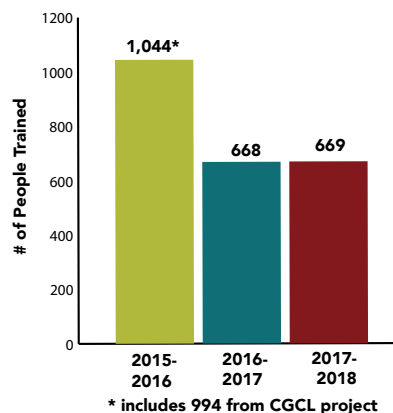
We introduced our second Technical Workshop, entitled "Scaffolding Training", certified by the US Scaffold Training Institute. It was a hands-on, three-day course offered to scaffolders or anyone having to erect or supervise a job involving scaffold erections. We had eight participants who thoroughly enjoyed the knowledge imparted to them and the practical experience obtained.

In addition to Scaffolding Training, other training sessions this year included: Introduction to Ergonomics, Accident Investigation, Process Safety Management, IOSH Managing Safely, Implementing the TT-OSH Act, Managing a Crisis, and Understanding the TT OSH Act.

We intend to introduce training for SMEs as well as workshops such as Communicating with Media and Asbestos Management. We also provide customised training and can source trainers upon companies' request.

We will continue to add more relevant workshops to our suite of offerings to ensure that they assist with maintaining a competent workforce.

Our Basic Health & Safety Classroom Training continues to thrive. We trained a comparable number of persons to last year and we have maintained a pass rate of 90% and above. We have trained 2,381 persons over the last 3 years.





Competency Development

Competency development continues to be a major area of interest for the Energy Chamber. With the halt in funding for the assessments of the Prior Learning Assessment Recognition Programme (PLAR) we have seen a reduction in the number of assessments being conducted for the various skill areas. The Government has recently renewed its commitment to supporting Technical Vocational areas and we hope to see the PLAR assessments re-started.

Despite the slow developments in the PLAR process, we have continued to assist with the review of major standards in the relevant occupational areas. This year we continued work with the National Training Agency (NTA) to complete the following standards: Welding Levels I, II and III; Machining Levels I, II & III. We have also started to work on the Derrick

Man and Drilling Standards. In addition to this, occupational maps were developed for each sub-sector and will be soon available on our website. Our major roles in this process are providing the Lead Body members that will review the standards and an Energy Chamber representative to sign off the standard.

As our members continue to request the standardisation of the minimum requirement for all operating plants with respect to competency of their workers, the Energy Chamber continues to work with various stakeholders to make this a reality.

The Energy Chamber will continue to work with all stakeholders to ensure that Competency development remains paramount on their agenda.

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Corporate Social Responsibility (CSR)

ICC beach clean-up 2017



The Energy Chamber has actively participated in the Ocean Conservancy, International Coastal Cleanup in Trinidad and Tobago (ICCTT) over the last seven years. It started 14 years ago with one beach and 40 volunteers. The Chamber has been a longstanding and active member of the National Planning Committee (NPC) for this initiative.

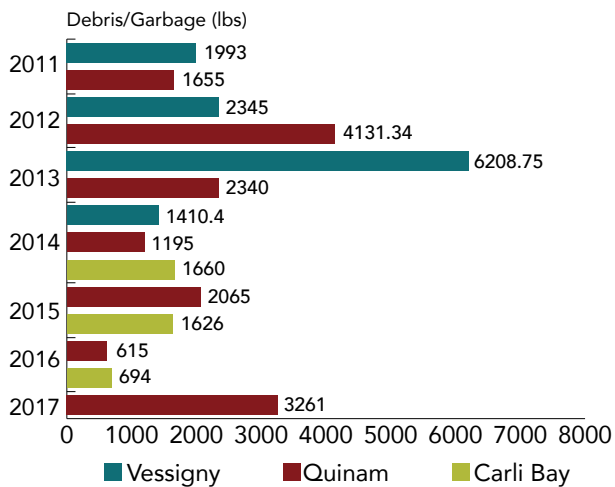
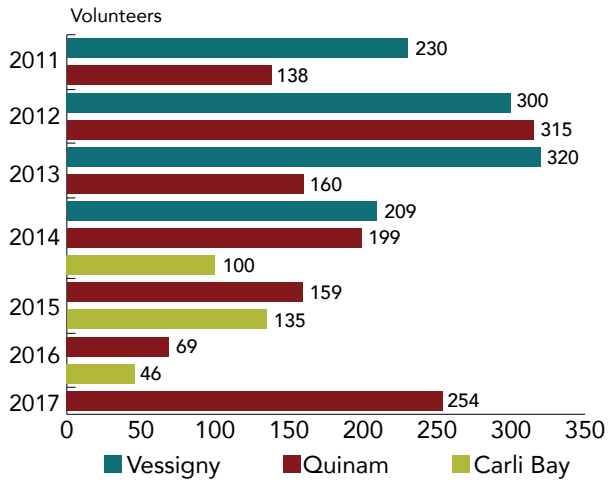


This event takes place globally every year on the third Saturday of September. Beaches throughout Trinidad and Tobago are targeted with a collective volunteer base of over 2,000 persons. This year's event took place on the 16th September 2017 with the Energy Chamber adopting Quinam Beach in Siparia. There were over 250 volunteers with the usual committed support from the Sea Scouts representing over 40 persons. Our volunteers included member company employees, family members, schools, community groups and civil society organisations. Our members and associates also support this initiative via monetary donations for supplies needed on the day, provision of services and equipment.

Every piece of garbage collected is recorded and submitted to ICCTT in an effort to monitor the sources of litter and identify possible solutions to curb marine pollution in the future.



ICCTT Beach Clean-Up Data:



Committee Members:

Behzad Hassanali

Candice Clarke-Salloum - Shell Trinidad and Tobago

Carlene Mc Lean - Methanex Trinidad Ltd

Dianne Wells - Options Plus

Elsa Lara-Joseph - Phoenix Park Gas Processors Ltd

Jason Cox - Allied Caterers Ltd.

Javed Birbal - Haztec Safety Services Trinidad

Joanne Salazar - Phoenix Park Gas Processors Ltd

Kirkland Brathwaite - Katalyst Solutions Group Limited

Mushtaq Mohammed

Nicole Ashby-Wade

Resa Torrie / Nadia Khan - Worley Parsons Trinidad and Tobago Limited

Dr. Ron Sookram - Arthur Lok Jack Graduate School of Business

Russell Boodoo - TOSL Engineering Ltd

Dr. Thackwray Driver - The Energy Chamber of T&T

Ariane Moonie - The Energy Chamber of T&T

United Way's (UWTT) National Day of Caring

We have committed to participating in this initiative by promoting volunteerism and collaboration among our member companies. Companies already committed to projects are encouraged to welcome volunteers and donations from other member companies in

an effort to team up and have an even greater impact. With the assistance of UWTT, we are able to identify projects, share the information and facilitate member companies who are not able to undertake larger projects on their own, to participate.

Annual Awards 2018



Our Annual Awards programme focuses on recognising and celebrating companies engaged in CSR best practice while sharing lessons and creating synergies amongst the membership. In an effort to stay relevant, the Awards programme has developed to include new categories for energy services, corporate governance, health & safety, energy efficiency and renewable energy. We also focus on strategies aimed at increasing participation from the small and medium member companies and have included non-member companies as entrants.


The award process consists of a submission period at the end of which all entries are sent to an independent judging panel for shortlisting. The judging panel consists of volunteers and experts in the various categories from different institutions. Once shortlisted, vignettes of the different projects are filmed for all the shortlisted entries. These vignettes can be viewed on the Chamber's YouTube page. An 'Award Clinic' hosted by the Chamber is designed and aimed at assisting all shortlisted companies with their final presentations to the judges in an effort to 'level the playing field' among the entries.





Winners of the Annual Awards 2018:

- Best Energy Efficiency or Green House Gas Reduction Project: **Energy Dynamics**
- Best Social Investment Project (Small): **Vetiver TT Ecological Engineering Solutions**
- Excellence in STOW: **Massy Wood Group**
- Exporter of the Year: **Ramps Logistics**
- NGO Award for Good Governance: **Bovell Cancer Diabetes Foundation, Tobago**



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FISHER	KTM	EL-O-MATIC	YARWAY
CASH	TOPWORX	FIELDQ	
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Safe To Work

Corporate Governance

The Energy Chamber remains committed to the dissemination of our Corporate Governance Toolkit as we continue to build on the strong foundation and success of the *“Improving Corporate Governance in Trinidad and Tobago”*. We focus on our members and organisations at a national level to bring awareness of the policies and procedures needed for good governance practice within these organisations. The toolkit is free and can be accessed at our corporate governance webpage www.corpgov.energy.tt

This year, together with the Arthur Lok Jack Global School of Business and the Trinidad and Tobago Manufacturers Association, we tendered for and were successfully awarded the two-year project entitled *“Capacity Building and Development of Civil Society Organisations (CSOs) for Business in Trinidad and Tobago”* funding by the European Union.

This project focuses on the strengthening of the capacity of national and local CSOs to improve their effectiveness in participating in the decision-making and implementation process of policies related to Trinidad and Tobago’s business and economy. Over the two-year project period, training sessions will provide part of the capacity-building process for 40 CSOs with a focus on Leadership, Policy, Advocacy, and Internationalisation, with the Chamber taking lead role on governance training.



Meet the Members



The Energy Chamber implemented our Meet the Members initiative in an effort to host interactive sessions for our members and future members within their community and areas of operation. The main objective of this initiative was to learn more on how the Chamber can better serve our members. We therefore provided a forum where people could freely share their experience, express any challenges they faced and provide us with feedback. The sessions consisted of presentations and meetings with the President/CEO and representatives from our Safe To Work (STOW), Learning Centre and Research & Communications teams.

Two sessions were conducted, with the first held at Mayaro/Guayaguayare and the second at La Brea/Point Fortin. The venues for these sessions were made available to the Chamber by BPTT and Atlantic respectively. These sessions were very successful and extremely interactive. We look forward to hosting more of these sessions in the next year.



Energy Services

The Energy Services Committee of the Energy Chamber continues to champion the interests of energy services companies by focussing on enhancing their competitiveness and local content development.

The energy services sector is an important sector of the economy. Firstly, it is the largest employer in the energy sector, accounting for over one third of total energy sector jobs. Secondly, the sector includes a large number (around 300–400) small to medium-sized, Trinidad & Tobago owned and operated companies. With this in mind, the Energy Services Committee remains committed to the further development of this sector, both locally and internationally.

The Energy Chamber remains committed to working with our CARICOM neighbour to ensure that their private sector and government are well poised to benefit from their hydrocarbon finds. In 2017, the Chamber, along with several member companies, participated in the GIPEX conference in Guyana. We intend to continue building a mutually beneficial relationship with the Government as well as with the private sector of Guyana in the coming years.



Committee Members:

- Douglas Boyce (Chairman)** - INTECSEA
- Asgar Ali** - Weldfab Ltd.
- Ashton Brown** - Phoenix Park Gas Processors Ltd, (PPGPL)
- Blair Ferguson** - Kenson Group
- Jason Cox** - Allied Caterers Ltd.
- Michael Anton** - Anfield Services Ltd.
- Peter Ghany** - Esau Oilfield Suppliers Co. Ltd
- Priya Marajh** - The Energy Chamber of T&T
- Roger Packer** - Tucker Energy Services Ltd
- Sasha Addo** - L&S Surveying Services Limited
- Dr. Thackwray Driver** - The Energy Chamber of T&T



On November 23rd, 2017 the Energy Chamber hosted its fifth annual Local Content Forum. The objectives of the forum were:

- To achieve greater clarity on the Government of Trinidad & Tobago's local content and capability development policy and to encourage the Ministry to set targetted goals to increase local content.
- To review the targets coming out of the last forum and provide an update on the activities that the Energy Chamber has undertaken since then.
- To set new targets and activities for the upcoming year for the Energy Chamber and additional stakeholders as they relate to local content development over the medium to long-term.

These objectives were met and the Energy Chamber continues to focus on building strong, competitive energy services companies that are

able to effectively capitalise on opportunities that present themselves.

Another event that fed into this overall objective was the Upstream Supply Chain Forum that the Energy Chamber held. This event initially came about as an action from our annual Local Content Forum in 2015, and was repeated in 2016. The operators' commitment to this forum was then embodied in the Local Content Charter, which was signed by all operator companies at the Energy Conference 2017. The objective of the Upstream Supply Chain Forum was to have operators present as much information as possible on upcoming projects and new contracts, so that local companies have sufficient information to assist in forward planning, so they could adequately take advantage of opportunities that present themselves. The Energy Chamber will be hosting this forum again and will also be organising a similar forum for the Downstream sector.

Energy Efficiency and Alternative Energy

Over the last year the Energy Efficiency and Alternative Energy Committee has strengthened its position as a source for credible information and perspectives around energy efficiency and renewable energy. One of the major changes to the committee over the past year was the appointment of a new board champion, Phillip Julien, Local Director, Caribbean Operations at Worley Parsons. With this appointment, activities of the committee are directly reported to the board of the Energy Chamber, which lends an added level of credibility to the committee.

The committee over the past year has continued to expand the reach of its message to higher levels in the Government. It has engaged more key stakeholders, including the heads of the Regulated Industries Commission, Trinidad and Tobago Electricity Commission (T&TEC), the Ministry of Energy and the Ministry of Public Utilities. It has formed excellent relationships within these organisations and made progress in engaging them in two-way dialogue, which helps the Chamber to understand the constraints within which they operate and how we can assist in moving the blockages.

We are happy to announce that work was completed with the European Union's Technical Assistance Consultant. The consultant completed the report—Sustainable Energy Roadmap 2021/2030 for Trinidad and Tobago—which was submitted to the Ministry of Energy and Energy Industries. The report is before cabinet for approval and action.

For the upcoming year, the committee will move forward with the Carbon Market. The concept has continued to receive significant interest globally and even at the United Nations Framework Convention for Climate Change (UNFCCC). The committee has engaged the World Bank for funding under their Zero Flare Initiative to continue

this work. In addition, key member companies from the upstream have also been engaged, noting their interest in a locally based option for offsetting emissions.

One of the key issues with getting renewable energy off the ground in T&T is understanding the renewable resources we have in the country – in particular, wind and solar. Noting this, several members of the committee formed an NGO to ensure that a national resource assessment and a grid integration study is completed. The NGO approached DNV-GL to assist with the technical work and engaged the Green Fund for the resources to complete the work. At this stage, the team is formalising the application.



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ROGER MIKE Executive Chairman 687-5260	NICHOLAS R. MIKE Chief Executive Officer 680-0012	MARILYN RANSOME HR & Administration Manager 794-1773
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Committee Members:

- Phillip Julien** - Worley Parsons (Board Champion)
- Christopher Narine Thomas** - BPTT (Chairman of the Committee)
- Andrew Hosein** - Energy Chamber
- Andre Escalante** - Energy Dynamics
- Christian Tom Yew** - Energy Dynamics
- Dr. Dale Ramlakhan** - PowerGen
- David Landreth-Smith**
- Donnie Boodlal** - University of Trinidad and Tobago
- Gary Clyne** - TOSL Engineering
- Jeffrey Chen** - Massy Energy
- Joel Edwards** - Methanex
- Johan Sydow** - Inova Energy

- Lydia Singh** - Worley Parsons
- Martin Pinard** - New Horizon Energy Services Limited
- Natalie Jackman Ible** - Individual
- Shanta Ramkisson** - R.O.S.E. Environmental
- Stephon Jiminez** - National Energy
- Dr. Thackwray Driver** - Energy Chamber

Guests:

- Hannibal Anyika** - Ministry of Energy and Energy Industries
- Jasmine Lawrence** - Ministry of Public Utilities
- Leah Pierre** - Regulated Industries Commission (RIC)
- Trevonne Clarke** - Telecommunications Authority of Trinidad and Tobago (TATT)



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Corporate Contact Information

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info@touchstoneexploration.com

Trinidad Office

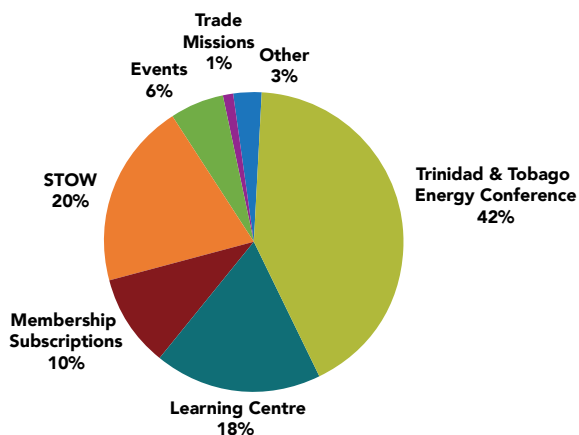
Touchstone Exploration (Trinidad) Ltd.
 #30 Forest Reserve Road
 Fyzabad, Trinidad
 Office: (868) 677-7411

www.touchstoneexploration.com f t i in

Treasurer's Report

The Energy Chamber performed commendably for the 2017-2018 financial period.

Revenue by Category 2017-2018



As can be seen in the Statement of Financial Position (Balance Sheet), our total assets increased by 9% from \$24.9 million to \$27.3 million. Notably, our cash reserves continue to be robust with a 10% growth from the previous period. We have also begun to prepare for the requirements of IFRS 15. The IFRS will be in full effect by June 2019 and the Chamber will be ready for the change. An 84% increase was required for accounts payables due to increased accrued expenses to ensure proper matching of costs with revenue. It must also be noted that the Chamber has still maintained zero gearing.

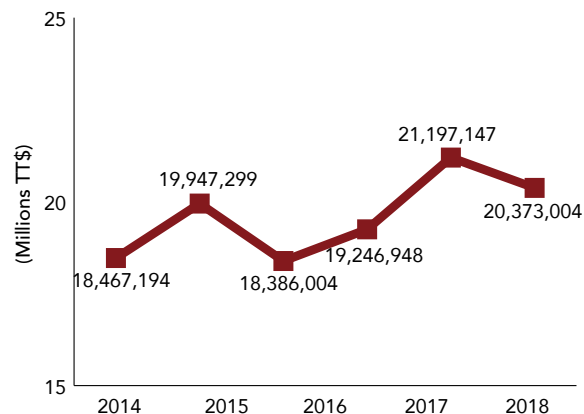
To a great extent, our experiences for the year mirror the challenges faced by our member companies, where revenue fell by 4% as compared to 2017. Our major sources of revenue were the annual Energy Conference, the Safe to Work (STOW) programme, the Learning Centre and membership subscriptions. With respect to the smaller contributors to revenue, there were fewer breakfast meetings and smaller numbers of participants in trade missions, however, there was a threefold increase in revenue from Energy Luncheons. There was also good participation at the Clean Energy Conference, the Local Content Forum, the re-introduced Meet the Members cocktail event as well as the newly introduced

Upstream Operators Forum. These were all opportunities provided for our members to network and to receive information on the sector.

Total expenditure increased by 7.5% as compared to the previous financial period. This can be attributed to increases in direct and operating costs, by 6% and 10% respectively. Direct costs increased in the areas of the Energy Conference, the costs associated with an increased number of Energy Luncheons and STOW costs. The increase in operating costs was mainly due to increased costs in our advocacy drive as well as staff costs. The increase in staff costs resulted from a one-time reward accrual, which was put in place during this period to recognise staff for their performance as well as their contribution to the organisation's performance over the last three years. It is worthy to mention the Chamber's very low staff turnover over the years. There was little change in administrative expenses and finance costs, while marketing costs fell by 28% due to a greater reliance on social media.

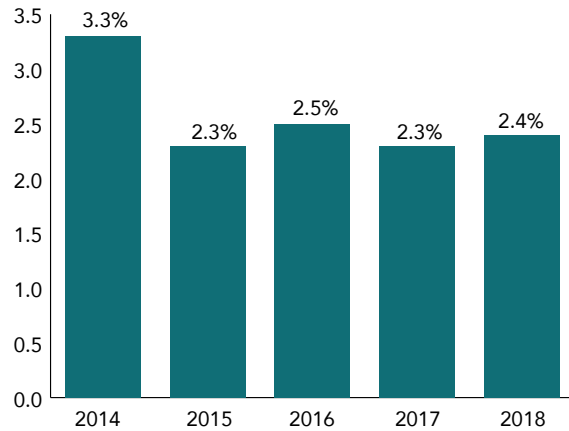
The Chamber also conducted an independent internal audit on its financial management and control systems, which is generally done every three years. The audit revealed strong controls were in place, however, there were a few areas where the controls could be strengthened. These will be implemented during 2018-2019.

Total Revenue





Impaired Receivables as % of Revenue



Although our surplus after tax fell significantly, the Chamber's net surplus position was still a positive \$1.7 million. Since the Chamber was once again profitable, surplus allocations were made to the Chamber Home and Stabilisation Funds, which now stand at \$2.4 million each. The focus will continue to be on increasing opportunities for revenue generation and expenditure control. As we look forward to another successful financial year, our current financial standing shows that the Chamber is well poised to continue delivering value to our members and the national community through the pursuit of our advocacy objectives.



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Statement of Management Responsibilities

The Energy Chamber of Trinidad and Tobago

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of The Energy Chamber of Trinidad and Tobago (the Chamber) which comprise the statement of financial position as at June 30, 2018, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and significant accounting policies and other explanatory information;
- Ensuring that the Chamber keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Chamber's assets, detection/prevention of fraud, and the achievement of the Chamber's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that complies with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgment in the determination of estimates.

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

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

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



Director
Dr. Thackwray Driver, President & CEO
October 02, 2018



Director
Dr. Vernon Paltoo, Treasurer
October 02, 2018

Independent Auditors' Report



KPMG
Chartered Accountants

Savannah East
11 Queen's Park East
P.O. Box 1328
Port of Spain
Trinidad and Tobago, W.I.

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Independent Auditors' Report to the Members of The Energy Chamber of Trinidad and Tobago

Opinion

We have audited the financial statements of The Energy Chamber of Trinidad and Tobago ("the Chamber"), which comprise the statement of financial position as at June 30, 2018, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Chamber as at June 30, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Chamber in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements and with the IESBA Code.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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



Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Chamber's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditors' Report (continued)



Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Chamber's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Chamber to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

A handwritten signature in blue ink that reads 'KPMG'.

Chartered Accountants

Port of Spain
Trinidad and Tobago
October 2, 2018

Statement of Financial Position

June 30, 2018

(Expressed in Trinidad and Tobago Dollars)

	Notes	2018 \$	2017 \$
ASSETS			
Non-current assets			
Premises and equipment	5	927,685	1,072,425
Investments in government bonds	6	3,385,000	3,385,000
		<u>4,312,685</u>	<u>4,457,425</u>
Current assets			
Accounts receivable	7	423,975	353,913
Sundry receivables and prepayments		582,323	423,796
Taxation receivable		352,629	-
Cash and cash equivalents		21,627,332	19,699,109
		<u>22,986,259</u>	<u>20,476,818</u>
Total assets		<u>27,298,944</u>	<u>24,934,243</u>
EQUITY AND LIABILITIES			
Equity			
Capital reserve	8	60,000	60,000
Accumulated surplus		18,806,461	17,536,839
Stabilisation fund	9	2,428,613	2,197,320
Chamber Home fund	9	2,428,613	2,197,320
		<u>23,723,687</u>	<u>21,991,479</u>
Non-current liabilities			
Deferred tax liability	13	47,817	58,931
Current liabilities			
Accounts payable		880,508	476,366
Deferred income		171,025	119,195
Taxation payable		228,310	520,696
Other payables and accruals	10	2,247,597	1,767,576
		<u>3,527,440</u>	<u>2,883,833</u>
Total liabilities		<u>3,575,257</u>	<u>2,942,764</u>
Total Equity and Liabilities		<u>27,298,944</u>	<u>24,934,243</u>

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board


Director


Director

Statement of Comprehensive Income



Year ended June 30, 2018
(Expressed in Trinidad and Tobago Dollars)

	Notes	2018 \$	2017 \$
Revenue	11	20,096,732	20,911,583
Direct expenses	12	<u>(10,873,525)</u>	<u>(10,224,991)</u>
		<u>9,223,207</u>	<u>10,686,592</u>
Indirect expenses			
Operating		(6,640,311)	(6,019,373)
Administrative		(383,138)	(384,676)
Marketing		<u>(40,452)</u>	<u>(55,925)</u>
	12	<u>(7,063,901)</u>	<u>(6,459,974)</u>
Operating surplus		2,159,306	4,226,618
Other income		276,271	285,564
Finance costs		<u>(122,649)</u>	<u>(121,332)</u>
Surplus of revenue over expenditure before taxation		2,312,928	4,390,850
Taxation	13	<u>(580,720)</u>	<u>(1,356,886)</u>
Surplus of revenue over expenditure for the year		<u><u>1,732,208</u></u>	<u><u>3,033,964</u></u>

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Equity

Year ended June 30, 2018
(Expressed in Trinidad and Tobago Dollars)

	Stabilisation Fund \$	Chamber Home Fund \$	Capital Reserve \$	Accumulated Surplus \$	Total \$
Balance as at July 1, 2016	1,758,235	1,758,235	60,000	15,381,045	18,957,515
Surplus of revenue over expenditure for the year	-	-	-	3,033,964	3,033,964
Allocation of surplus	439,085	439,085	-	(878,170)	-
Balance as at June 30, 2017	<u>2,197,320</u>	<u>2,197,320</u>	<u>60,000</u>	<u>17,536,839</u>	<u>21,991,479</u>
Balance as at July 1, 2017	2,197,320	2,197,320	60,000	17,536,839	21,991,479
Surplus of revenue over expenditure for the year	-	-	-	1,732,208	1,732,208
Allocation of surplus	231,293	231,293	-	(462,586)	-
Balance as at June 30, 2018	<u>2,428,613</u>	<u>2,428,613</u>	<u>60,000</u>	<u>18,806,461</u>	<u>23,723,687</u>

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows



Year ended June 30, 2018
(Expressed in Trinidad and Tobago Dollars)

	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before taxation	2,312,928	4,390,850
Adjustments for:		
Depreciation	205,495	246,422
(Gain) loss on disposal of premises and equipment	(66)	25,828
Operating surplus before working capital changes	2,518,357	4,663,100
Changes in accounts receivable	(70,062)	152,153
Changes in sundry receivables and prepayments	(158,527)	5,410
Changes in deferred income	51,830	(173,808)
Changes in accounts payable	404,142	331,988
Changes in other payables and accruals	480,021	(290,056)
Cash generated from operating activities	3,225,761	4,688,787
Taxation paid	(1,240,441)	(5,768,504)
Taxation received	3,592	-
Net cash from (used in) operating activities	<u>1,988,912</u>	<u>(1,079,717)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of premises and equipment	(60,839)	(15,835)
Purchase of government bonds	-	(3,385,000)
Proceeds from sale of premises and equipment	150	6,144
Net cash used in investing activities	<u>(60,689)</u>	<u>(3,394,691)</u>
Net increase (decrease) in cash and cash equivalents	1,928,223	(4,474,408)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>19,699,109</u>	<u>24,173,517</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>21,627,332</u>	<u>19,699,109</u>

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

June 30, 2018

1. Incorporation and Principal Activities

The Energy Chamber of Trinidad and Tobago (“the Chamber”) was incorporated in the Republic of Trinidad and Tobago as a non-profit company under the Companies Act, 1995. It was established to influence general economic growth through the promotion of commercial and industrial activities and to render assistance to members of the business community.

The Chamber’s registered office is Unit B2.03 Atlantic Plaza, Atlantic Avenue, Point Lisas.

These financial statements were authorised for issue by the Board of Directors on October 02, 2018.

2. Significant Accounting Policies

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

(a) *Basis of accounting*

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

(b) *Basis of measurement*

These financial statements are prepared on the historical cost basis.

(c) *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Trinidad and Tobago dollars, which is the Chamber’s functional and presentation currency.

(d) *Use of estimates and judgements*

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have a significant effect on the amounts recognised in the financial statements are:

- i) Depreciable lives of premises and equipment – Accounting Policy Note 2(f)
- ii) Accounts receivable provision – Accounting Policy Note 2(g).



June 30, 2018

2. Significant Accounting Policies (continued)

(e) *Foreign currency transactions*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in operating surplus for the year.

(f) *Premises and equipment*

Premises and equipment are stated at cost less accumulated depreciation. Premises and equipment consist of the equipment, fittings and leasehold improvements for the locations occupied under operating leases.

Depreciation is calculated on the reducing balance basis using the following annual rates, which are considered appropriate to write off the assets over their estimated useful lives:

Motor vehicle	25%
Office equipment	10% - 33 1/3%
Furniture and fittings	10% - 25%
Air condition units	15%
Leasehold Improvements	50%

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in the statement of comprehensive income. Repairs and maintenance are charged to operating surplus for the financial period in which they are incurred.

(g) *Accounts receivable*

Accounts receivables are recognised at original invoiced amount less provision for impairment. A provision for impairment is established when there is objective evidence that the Chamber 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 (more than 90 days overdue) are considered indicators that the receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in operating surplus. When an account receivable is uncollectible, it is written off against the allowance account for accounts receivable. Subsequent recoveries of amounts previously written off are credited to operating surplus.

(h) *Cash and cash equivalents*

Cash and cash equivalents comprise cash in hand and at bank and deposits held with financial institutions with an original maturity of three months or less.

(i) *Investment securities*

Government bonds are stated at amortised cost since it is the intention to hold these investments to maturity.

Notes to the Financial Statements (continued)

June 30, 2018

2. Significant Accounting Policies (continued)

(j) Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are stated at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received.

(k) Provisions

Provisions are recognised when the Chamber has a present obligation legal or constructive, as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

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.

(l) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services provided, stated net of discounts and value-added taxes. The Chamber recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met as follows:

(i) Membership subscriptions

Membership subscriptions are recognised at the invoice date which usually corresponds with the effective renewal date for each member.

(ii) Other revenue

Other revenue is recognised upon performance of services and is stated net of discounts and value-added taxes.

(m) Deferred income

Deferred income, which represents unearned income that has been invoiced in the financial year, but for which the services have not been provided, is deferred until the Chamber renders the service to the customer.

(n) Financial instruments

Financial instruments carried on the statement of financial position include cash and bank balances, accounts receivable, investment securities and accounts payable. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.



June 30, 2018

2. Significant Accounting Policies (continued)

(o) Leases

Assets held by the Chamber under leases that transfer to the Chamber substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction in the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 operating surplus on a straight-line basis.

(p) Employee benefits

During the financial period 2011-2012, the Chamber instituted a defined contribution plan where contributions are made based on a fixed percentage of the employee's monthly gross salary and are charged to operating surplus on the accruals basis. Contributions are paid until the employee either resigns or attains the retirement age of 60. The employee can access the accumulated contributions of the corporate plan upon retirement.

(q) Taxation

Income tax expense comprises current and deferred tax. It is recognised in surplus or deficit except to the extent that it relates to items recognised directly in equity.

Current tax

Current tax comprises the expected tax payable on the taxable surplus for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

June 30, 2018

2. Significant Accounting Policies (continued)

(q) **Taxation (continued)**

Deferred tax (continued)

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

(r) **New standards and interpretations not yet adopted**

There are a number of new standards, amendments to standards and interpretations which were in issue but were not yet effective for the year ended June 30, 2018, and have not been applied in preparing these financial statements. None of these will have an effect on the financial statements of the Chamber, except:

- IFRS 9, *Financial Instruments*, which is effective for annual reporting periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) – are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ model, which means that a loss event will no longer need to occur before an impairment allowance is recognised.

The Chamber has assessed the estimated impact that the initial application of IFRS 9 will have on its 2019 financial statements to be insignificant.

- IFRS 15, *Revenue From Contracts With Customers*, effective for accounting periods beginning on or after January 1, 2018, replaces IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter Transactions Involving Advertising Services*. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties.



June 30, 2018

2. Significant Accounting Policies (continued)

(r) **New standards and interpretations not yet adopted (continued)**

- IFRS 15, *Revenue From Contracts With Customers* (continued)

Entities will apply a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised at a point in time, when control of goods or services is transferred to the customer; or over time, in a manner that best reflects the entity's performance.

There will be new qualitative and quantitative disclosure requirements to describe the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Chamber has assessed the estimated impact that the initial application of IFRS 15 will have on its 2019 financial statements to be in the region of \$150,000 - relating to revenue which may need to be deferred to a later period.

- IFRS 16, *Leases*, which is effective for annual reporting periods beginning on or after January 1, 2019, eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Entities will be required to bring all major leases on-balance sheet, recognising new assets and liabilities. The on-balance sheet liability will attract interest; the total lease expense will be higher in the early years of a lease even if a lease has fixed regular cash rentals. Optional lessee exemption will apply to short-term leases and for low-value items with value of US\$5,000 or less.

Lessor accounting remains similar to current practice as the lessor will continue to classify leases as finance and operating leases. Finance lease accounting will be based on IAS 17 lease accounting, with recognition of net investment in lease comprising lease receivable and residual asset. Operating lease accounting will be based on IAS 17 operating lease accounting.

Early adoption is permitted if IFRS 15, *Revenue from Contracts with Customers* is also adopted.

The Chamber is assessing the impact that this amendment will have on its 2020 financial statements.

June 30, 2018

3. Financial Risk Management

Overview

The Chamber's activities expose it to a variety of financial risks. These risks are market risk (including currency risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Chamber's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Chamber's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Chamber is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the United States dollar. Foreign exchange risk arises when recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. Foreign currency transactions are limited to a few customers and suppliers and therefore the risk is minimal.

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

At the reporting date, the Chamber has limited exposure to interest rate risk.

(b) Credit risk

The Chamber's credit risk arises from its customer portfolio, investments in bonds, cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, management determines the placement of funds based on its judgment and experience. Management assesses the credit quality of customers, taking into account its financial position, past experience and other factors.

The carrying amounts of the following assets and liabilities approximate their fair values: cash and cash equivalents, accounts receivable, and accounts payable.

The accounts receivable aging and movement in the provision for impairment of receivables is disclosed in Note 7.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Management maintains flexibility in funding by maintaining availability under committed credit lines. The table below shows the financial liabilities classed by maturity groupings from the statement of financial position date. The amounts disclosed represent the contractual undiscounted cash flow.

Notes to the Financial Statements (continued)



June 30, 2018

(Expressed in Trinidad and Tobago Dollars)

3. Financial Risk Management (continued)

(c) Liquidity risk (continued)

	Less than 1 year \$	Between 1-2 years \$	Between 2-5 years \$	Total Contractual Cash flows \$	Carrying Amount \$
Financial Liabilities					
Year ended June 30, 2018					
Accounts payable	880,508	-	-	880,508	880,508
Other payables and accruals	2,247,597	-	-	2,247,597	2,247,597
	<u>3,128,105</u>	<u>-</u>	<u>-</u>	<u>3,128,105</u>	<u>3,128,105</u>
Financial Liabilities					
Year ended June 30, 2017					
Accounts payable	476,366	-	-	476,366	476,366
Other payables and accruals	1,767,576	-	-	1,767,576	1,767,576
	<u>2,243,942</u>	<u>-</u>	<u>-</u>	<u>2,243,942</u>	<u>2,243,942</u>

4. Capital Risk Management

The Chamber's objectives when managing capital are to safeguard the Chamber's ability to continue as a going concern in order to benefit stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Chamber has nil borrowings which makes it ungeared as at June 30, 2018 and June 30, 2017.

Notes to the Financial Statements (continued)

June 30, 2018

(Expressed in Trinidad and Tobago Dollars)

5. Premises and Equipment

	Motor Vehicle \$	Office Equipment \$	Furniture and Fittings \$	Air Condition Units \$	Leasehold Improvements \$	Total \$
Year ended June 30, 2018						
Opening net book value	290,763	411,855	329,506	9,157	31,144	1,072,425
Disposals	-	-	(84)	-	-	(84)
Additions	-	56,986	3,853	-	-	60,839
Depreciation charge	(64,914)	(84,974)	(41,869)	(1,283)	(12,455)	(205,495)
Closing net book value	<u>225,849</u>	<u>383,867</u>	<u>291,406</u>	<u>7,874</u>	<u>18,689</u>	<u>927,685</u>
At June 30, 2018						
Cost	698,927	1,046,155	737,752	17,290	922,451	3,422,575
Accumulated depreciation	(473,078)	(662,288)	(446,346)	(9,416)	(903,762)	(2,494,890)
Closing net book value	<u>225,849</u>	<u>383,867</u>	<u>291,406</u>	<u>7,874</u>	<u>18,689</u>	<u>927,685</u>
Year ended June 30, 2017						
Opening net book value	374,335	488,714	409,386	10,649	51,900	1,334,984
Disposals	-	(2,974)	(28,998)	-	-	(31,972)
Additions	-	15,835	-	-	-	15,835
Depreciation charge	(83,572)	(89,720)	(50,882)	(1,492)	(20,756)	(246,422)
Closing net book value	<u>290,763</u>	<u>411,855</u>	<u>329,506</u>	<u>9,157</u>	<u>31,144</u>	<u>1,072,425</u>
At June 30, 2017						
Cost	698,927	989,169	736,118	17,290	922,451	3,363,955
Accumulated depreciation	(408,164)	(577,314)	(406,612)	(8,133)	(891,307)	(2,291,530)
Closing net book value	<u>290,763</u>	<u>411,855</u>	<u>329,506</u>	<u>9,157</u>	<u>31,144</u>	<u>1,072,425</u>

Caroni Land Lease

In 2000, the Energy Chamber made a down payment of \$50,000 for a 99-year lease of a parcel of land from Caroni (1975) Limited located north of the Tarouba Link Road, San Fernando. The down payment is classified under sundry receivables and prepayments.

With the closure of Caroni (1975) Limited the agreement to lease the land was taken over by the Commissioner of State Lands who has confirmed by letter that they will honour the agreement. The Energy Chamber has continued to be in active correspondence and discussion with the Commissioner of State Lands concerning this agreement.

Notes to the Financial Statements (continued)



June 30, 2018
(Expressed in Trinidad and Tobago Dollars)

6. Government Bonds

	Date of Redemption	Nominal Amount \$	Rate of Interest %	Book Value \$	Market Value \$	Unit Market Price \$
Government of Trinidad and Tobago \$1,000M FXRB	2025	3,385,000	4.10	<u>3,385,000</u>	<u>3,449,315</u>	101.90

This government bond is carried at cost as at June 30, 2018.

7. Accounts Receivable

	2018 \$	2017 \$
Accounts receivable	913,865	841,521
Impairment allowance	(489,890)	(487,608)
Accounts receivable - net	<u>423,975</u>	<u>353,913</u>

- (a) As of June 30, 2018, accounts receivable of \$84,190 (2017: \$71,043) were past due but not impaired. These relate to a few customers for whom there is no history of default. The ageing analysis of receivables is as follows:

	2018 \$	2017 \$
Current	290,376	213,683
31 – 60 days	39,072	25,312
61 – 90 days	10,337	43,875
Over 90 days	<u>574,080</u>	<u>558,651</u>
	<u>913,865</u>	<u>841,521</u>

- (b) As at June 30, 2018, accounts receivable of \$489,890 (2017: \$487,608) were impaired and fully provided for. Movements in the impairment allowance of accounts receivables are as follows:

	2018 \$	2017 \$
Opening balance	487,608	479,389
Reversal	(15,974)	(21,663)
Increase in provision	<u>18,256</u>	<u>29,882</u>
Closing balance	<u>489,890</u>	<u>487,608</u>

Notes to the Financial Statements (continued)

June 30, 2018

(Expressed in Trinidad and Tobago Dollars)

	2018 \$	2017 \$
8. Capital Reserve		
Capital reserve	<u>60,000</u>	<u>60,000</u>

This amount was received from the Trinidad and Tobago Chamber of Industry and Commerce (Incorporated) as a measure of goodwill, when the Southern Branch of the Trinidad and Tobago Chamber merged with The Energy Chamber of Trinidad and Tobago.

	2018 \$	2017 \$
9. Stabilisation and Chamber Home Funds		
Stabilisation Fund	2,428,613	2,197,320
Chamber Home	<u>2,428,613</u>	<u>2,197,320</u>
	<u>4,857,226</u>	<u>4,394,640</u>

In the 2013 financial year, the Board approved the allocation of 10% of the Chamber's surplus each year for the construction of a permanent office (Chamber Home Fund) and 10% of the Chamber's surplus to have an emergency fund (Stabilisation Fund).

	2018 \$	2017 \$
10. Other Payables and Accruals		
VAT	106,357	115,761
Other payables and accruals	<u>2,141,240</u>	<u>1,651,815</u>
	<u>2,247,597</u>	<u>1,767,576</u>

	2018 \$	2017 \$
11. Revenue		
Membership fees and subscriptions	2,125,318	2,142,451
Energy conference income	8,487,345	8,436,575
Corporate Governance Project	-	148,875
Learning Centre	3,689,020	3,642,394
Other	<u>5,795,049</u>	<u>6,541,288</u>
	<u>20,096,732</u>	<u>20,911,583</u>

Notes to the Financial Statements (continued)



June 30, 2018
(Expressed in Trinidad and Tobago Dollars)

	2018 \$	2017 \$
12. Expenditure Analysis		
<i>Direct expenses</i>		
Energy Conference	3,634,066	3,165,967
STOW	3,636,032	3,049,218
Corporate governance project	-	96,337
Salaries	1,705,448	1,747,434
Other	1,897,979	2,166,035
	<u>10,873,525</u>	<u>10,224,991</u>
<i>Operating, administrative and marketing expenses</i>		
Staff costs	4,030,739	3,451,598
Rental of premises	859,275	855,979
Telephone	212,372	197,734
Bad debts	29,143	29,882
Advertising	40,452	55,925
Depreciation	205,495	246,422
Contract work	298,102	344,528
Repairs and maintenance	112,119	89,468
Administrative	383,138	384,676
Advocacy agenda	400,604	310,430
Other	492,462	493,332
	<u>7,063,901</u>	<u>6,459,974</u>
<i>Staff costs</i>		
Wages and salaries	<u>5,736,187</u>	<u>5,199,032</u>

The average number of employees during the year was 20 (2017: 19).

Notes to the Financial Statements (continued)

June 30, 2018

(Expressed in Trinidad and Tobago Dollars)

13. Taxation

Taxation recognised in profit or loss:

Current tax expense:

	2018 \$	2017 \$
Current year	675,983	1,264,747
Green Fund Levy	61,603	63,591
Changes in estimates related to prior years	(145,752)	41,330
	<u>591,834</u>	<u>1,369,668</u>

Deferred tax expense:

Origination and reversal of temporary differences	(10,907)	(21,930)
Change in estimate related to prior years	(207)	-
Effect of change in tax rate	-	9,148
	<u>580,720</u>	<u>1,356,886</u>

Reconciliation of effective tax rate:

Surplus before taxation	<u>2,312,928</u>	<u>4,390,850</u>
Corporation tax at statutory rate of 30% / 25%	693,878	1,267,255
Tax effect of permanent and other differences	(28,802)	(24,438)
Changes in estimates related to prior years	(145,959)	41,330
Effect of change in tax rate	-	9,148
Green Fund Levy	<u>61,603</u>	<u>63,591</u>
	<u>580,720</u>	<u>1,356,886</u>

Deferred tax liability

The net deferred tax liability is attributable to the following items:

	2017 \$	Credit to profit or loss \$	2018 \$
Premises and equipment	<u>58,931</u>	<u>(11,114)</u>	<u>47,817</u>

Notes to the Financial Statements (continued)



June 30, 2018
(Expressed in Trinidad and Tobago Dollars)

14. Operating Lease Commitments

The Chamber leases offices under separate operating lease agreements. The operating leases are for a duration of 3 years respectively commencing January 1, 2018, September 5, 2017 and July 1, 2016. These leases are renewable at the end of the lease period at market rates.

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

	2018	2017
	\$	\$
No later than 1 year	859,275	912,617
Later than 1 year and no later than 5 years	<u>1,138,404</u>	<u>60,071</u>
	<u><u>1,997,679</u></u>	<u><u>972,688</u></u>

15. Events after the Reporting Date

There are no events occurring after the reporting date that require adjustment to or disclosure in these financial statements.





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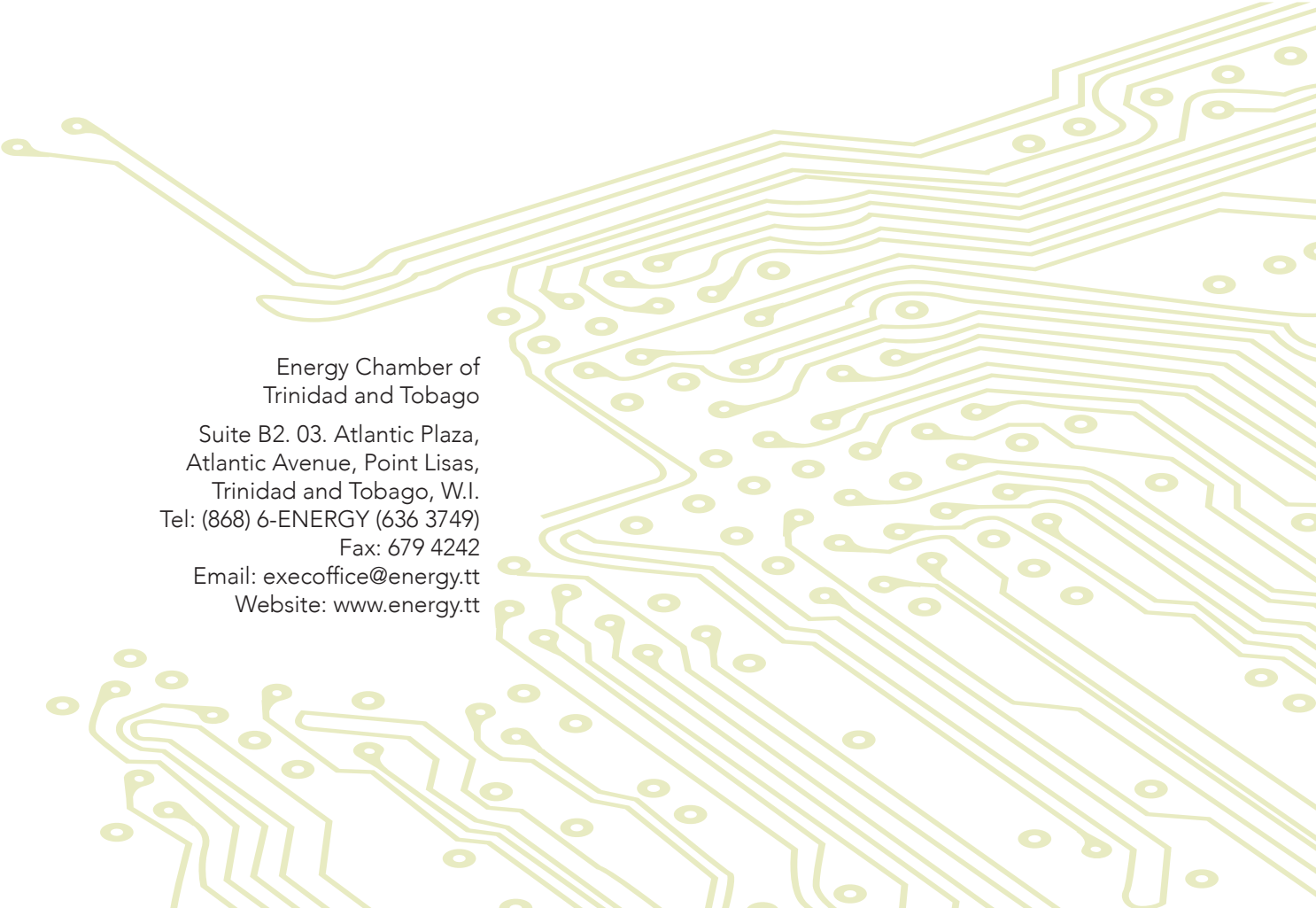
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