

# TRINIDAD GENERATION UNLIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2024

(Expressed in Thousands of United States Dollars)

Ernst & Young Services Limited



TRINIDAD GENERATION UNLIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

<b>C O N T E N T S</b>	<b>Page</b>
Independent Auditor's Report	2 – 4
Statement of Financial Position	5 – 6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9 – 10
Notes to the Financial Statements	11 – 49

## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDER OF TRINIDAD GENERATION UNLIMITED

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

We have audited the financial statements of Trinidad Generation Unlimited ("the Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' ("IESBA") *International Code of Ethics for Professional Accountants* (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. We have determined that there are no key audit matters to communicate in our report.

## INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF TRINIDAD GENERATION UNLIMITED

### **Report on the Audit of the Financial Statements** (Continued)

#### **Responsibilities of Management and the Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting 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.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

#### **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF TRINIDAD GENERATION UNLIMITED

### **Report on the Audit of the Financial Statements**

(Continued)

### **Auditor's Responsibilities for the Audit of the Financial Statements**

(Continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also: (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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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 the Board of Directors 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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner in charge of the audit resulting in this independent auditor's report is Sheldon Griffith.



Port of Spain  
TRINIDAD  
31 January 2025

TRINIDAD GENERATION UNLIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)

<b>ASSETS</b>	<b>Notes</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment	5	88,407	68,424
Net investment in leased assets	6	657,699	669,763
Other financial assets	7	39,639	58,903
Right-of-use assets	8	7,214	6,665
Deferred tax assets	19	<u>4,468</u>	<u>4,071</u>
		<u>797,427</u>	<u>807,826</u>
<b>Current assets</b>			
Cash and short-term deposits	9	224,184	208,428
Net investment in leased assets	6	12,064	10,986
Other financial assets	7	19,701	—
Trade and other receivables	10	43,350	45,804
Inventories	11	<u>23,602</u>	<u>23,880</u>
		<u>322,901</u>	<u>289,098</u>
<b>TOTAL ASSETS</b>		<u><b>1,120,328</b></u>	<u><b>1,096,924</b></u>

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

TRINIDAD GENERATION UNLIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

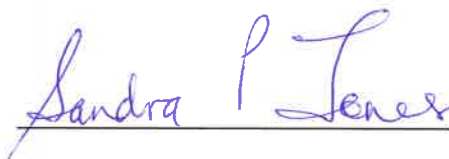
(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

	Notes	2024 \$'000	2023 \$'000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated capital	12	189,400	189,400
Retained earnings		<u>72,674</u>	<u>63,362</u>
		<u>262,074</u>	<u>252,762</u>
<b>Non-current liabilities</b>			
Deferred income	5	870	901
Deferred tax liabilities	19	224,308	222,329
Lease liabilities	8	8,023	7,289
Long term bond	15	<u>396,273</u>	<u>591,394</u>
		<u>629,474</u>	<u>821,913</u>
<b>Current liabilities</b>			
Deferred income	5	31	31
Lease liabilities	8	693	126
Long term bond	15	197,107	—
Trade and other payables	13	<u>30,949</u>	<u>22,092</u>
		<u>228,780</u>	<u>22,249</u>
<b>Total liabilities</b>		<u>858,254</u>	<u>844,162</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,120,328</u>	<u>1,096,924</u>

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

These financial statements were authorized for issue by the Board of Directors of Trinidad Generation Unlimited on 31 January 2025 and signed on their behalf by:

 : Director

 : Director

TRINIDAD GENERATION UNLIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)

	Notes	2024 \$'000	2023 \$'000
<b>Revenue</b>			
Finance lease income		94,592	95,819
Other revenue	16	<u>18,177</u>	<u>7,936</u>
		<u>112,769</u>	<u>103,755</u>
<b>Expenses</b>			
Plant and head office administrative expenses	17 (a)	(27,456)	(26,426)
Operating expenses	17 (b)	<u>(17,696)</u>	<u>(17,988)</u>
		<u>(45,152)</u>	<u>(44,414)</u>
<b>Operating profit</b>		67,617	59,341
Finance expenses	18(a)	(39,874)	(39,687)
Finance income	18(b)	<u>4,692</u>	<u>5,479</u>
<b>Profit before tax</b>		32,435	25,133
Taxation	19	<u>(9,121)</u>	<u>(8,921)</u>
<b>Net profit for the year</b>		23,314	16,212
Other comprehensive income		<u>—</u>	<u>—</u>
<b>Total comprehensive income</b>		<u>23,314</u>	<u>16,212</u>

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



TRINIDAD GENERATION UNLIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)

	<b>Stated capital \$'000</b>	<b>Retained earnings \$'000</b>	<b>Total \$'000</b>
<b>Year ended 31 December 2024</b>			
Balance at 1 January 2024	189,400	63,362	252,762
Comprehensive income for the year	—	23,314	23,314
Dividends proposed and paid (Note 24)	<u>—</u>	<u>(14,002)</u>	<u>(14,002)</u>
<b>Balance at 31 December 2024</b>	<u><b>189,400</b></u>	<u><b>72,674</b></u>	<u><b>262,074</b></u>
<b>Year ended 31 December 2023</b>			
Balance at 1 January 2023	189,400	57,302	246,702
Comprehensive income for the year	—	16,212	16,212
Dividends proposed and paid (Note 24)	<u>—</u>	<u>(10,152)</u>	<u>(10,152)</u>
<b>Balance at 31 December 2023</b>	<u><b>189,400</b></u>	<u><b>63,362</b></u>	<u><b>252,762</b></u>

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

TRINIDAD GENERATION UNLIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)

	Notes	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
Profit before taxation		32,435	25,133
Adjustments for:			
Depreciation of property, plant and equipment	5	11,539	11,081
Depreciation of right-of-use assets	8	337	252
Foreign exchange gains	18(b)	(691)	(423)
Amortized discount and transaction costs	18(a)	1,987	1,860
Deferred income	5	(31)	(31)
Loss on disposal and other movements		1,811	2,287
Amortized discount on other financial assets	18 (b)	(437)	(635)
Finance expense (net)		<u>33,962</u>	<u>32,638</u>
<b>Operating profit before changes in working capital</b>		80,912	72,162
Decrease in trade and other receivables		2,442	20,068
Decrease/(increase) in inventories		278	(1,436)
Increase in trade and other payables		<u>8,364</u>	<u>1,128</u>
<b>Net cash generated from operations</b>		91,996	91,922
Interest received		3,564	4,889
Interest paid		(37,105)	(37,109)
Finance lease collections		10,986	9,472
Tax paid		<u>(6,980)</u>	<u>(772)</u>
<b>Net cash from operating activities</b>		<u>62,461</u>	<u>68,402</u>

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

TRINIDAD GENERATION UNLIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

	Notes	2024 \$'000	2023 \$'000
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	5	(33,334)	(17,129)
Investment in short-term deposits		(10,000)	(10,000)
Proceeds from maturity of short-term deposits		<u>15,477</u>	<u>55,000</u>
<b>Net cash (used in)/generated from investing activities</b>		<u>(27,857)</u>	<u>27,871</u>
<b>Cash flows from financing activities</b>			
Principal payments of lease liability		(57)	(96)
Dividends paid	24	<u>(14,002)</u>	<u>(10,152)</u>
<b>Net cash used in financing activities</b>		<u>(14,059)</u>	<u>(10,248)</u>
<b>Net increase in cash and cash equivalents</b>		20,545	86,025
<b>Cash and cash equivalents</b>			
- at the beginning of the year		<u>193,225</u>	<u>107,200</u>
- at the end of the year	9	<u>213,770</u>	<u>193,225</u>

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

## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)

#### 1. Corporate information

Trinidad Generation Unlimited (“TGU” or “the Company”) was incorporated in December 2006 and resides in the Republic of Trinidad and Tobago with its registered office situated at 21 Mulchan Seuchan Road, Chaguanas. The Company’s principal activity is to engage in the acquisition, construction, ownership, and the operation, management and maintenance of power generation facilities.

The Company is wholly owned by the National Investment Fund Holding Company Limited (“NIFHCL”), an entity controlled by the Government of the Republic of Trinidad and Tobago (“GORTT”).

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 GORTT. Entities under the common control of the GORTT include National Energy Corporation of Trinidad and Tobago Limited, Trinidad and Tobago Electricity Commission (“T&TEC”) and TGU’s parent company NIFHCL.

TGU owns, operates and maintains a power generation plant in La Brea, Trinidad, and has entered into a 30 year Power Purchase Agreement (“PPA”) with T&TEC dated 15 September 2009 for the provision of capacity and associated energy generated by the plant to T&TEC. Based on the evaluation of the terms of the PPA, TGU has accounted for the PPA as a finance lease in accordance with IFRS 16: “Leases”.

#### 2. Material accounting policies

##### a. Basis of preparation

These financial statements are prepared under the historical cost convention and are presented in United States dollars which is the Company’s functional currency.

##### *Statement of compliance*

The financial statements of the Company have been prepared with reference to IFRS Accounting Standards.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

**2. Material accounting policies (continued)**

**b. Accounting policies**

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 December 2023, except for the standards and interpretations effective as of 1 January 2024.

*New and amended standards and interpretations*

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback**

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Company's financial statements.

**Amendments to IAS 1 - Classification of Liabilities as Current or Non-current**

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

2. **Material accounting policies** (continued)

b. **Accounting policies** (continued)

**Amendments to IAS 1 - Classification of Liabilities as Current or Non-current**  
(continued)

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Company's financial statements.

**Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

The amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Company's financial statements.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**2. Material accounting policies (continued)**

**c. Foreign currency translation**

These financial statements are presented in United States dollars, which is the Company's functional and presentation currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

Transactions in foreign currencies (other than United States dollars) are initially recorded in the functional currency by applying the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the rate of exchange ruling at the reporting date. Any resulting exchange differences are included in the statement of comprehensive income.

Non-monetary assets and liabilities that are measured at historical cost and denominated in a foreign currency are translated into the functional currency using the rates of exchange as at the dates of the initial transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated into the functional currency using the rate of exchange at the date the fair value was determined.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**2. Material accounting policies (continued)**

**d. Property, plant and equipment**

Property, plant and equipment are stated at historical cost, less accumulated depreciation and accumulated impairment losses if any.

Depreciation is charged on a straight-line basis at rates estimated to write off the assets over their estimated useful life, as follows:

	%
Machinery and equipment	3 $\frac{1}{3}$ - 25
Other assets	4 $\frac{1}{2}$ 25
Capital spares	3 $\frac{1}{3}$ -11 $\frac{1}{9}$

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Capital work in progress (CWIP) represents on-going capital works which were not completed at the period end and therefore not depreciated.

The plant has been brought into operation in three phases, Phase 1A, Phase 1B and Phase 2 in accordance with the Power Purchase Agreement (PPA). The PPA was evaluated in accordance with the provisions of IFRIC 4 'Determining whether an arrangement contains a lease' and subsequently IFRS 16. This evaluation has resulted in the recognition of a leased asset related to the power plant (Refer to Note 6).



TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

**2. Material accounting policies (continued)**

**d. Property, plant and equipment (continued)**

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised .

Major Maintenance of the plant including replacement spares and labour costs, is capitalized and amortized on a straight-line basis over three (3) to six (6) years.

**e. Financial instruments**

Financial instruments carried on the statement of financial position include cash and cash equivalents, other financial assets, receivables, payables, short term deposits and borrowings. The particular recognition methods adopted are disclosed in the individual policy statement associated with each item.

**Financial instruments – initial recognition**

Financial assets and liabilities, with the exception of loans, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

***Initial measurement of financial instruments***

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss (FVPL), transaction costs are added to, or subtracted from, this amount.

Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Company accounts for the Day 1 profit or loss, as described below.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

2. **Material accounting policies** (continued)

e. **Financial instruments** (continued)

**Financial instruments - initial recognition** (continued)

*Day 1 profit or loss*

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

*Financial instruments - initial recognition and subsequent measurement*

The Company classifies all of its financial assets based on the business model for managing the assets and the assets' contractual terms. The Company's long term bond was initially recognised at the fair value of the consideration received less directly attributable costs. After initial recognition, the long term bond was subsequently measured at amortized cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Gains and losses shall be recognised in profit or loss when the long term bond is derecognised as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included as finance expense in the statement of comprehensive income.

*Derecognition of financial liabilities*

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

**2. Material accounting policies (continued)**

**f. Impairment of financial assets**

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

*Assets carried at amortized cost*

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognised in the statement of comprehensive income. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are de-recognised when they are assessed as uncollectible.

**g. Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's cash-generating unit's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

**2. Material accounting policies (continued)**

**g. Impairment of non-financial assets (continued)**

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**h. Cash and short-term deposits**

Cash and short-term deposits are comprised of cash held in depository bank accounts and one year term deposits held as at the reporting date.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash at bank and deposits in banks with an original maturity of three months or less.

**i. Trade and other receivables**

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount.

The Company has assessed the Expected Credit Loss (ECL) associated with its trade receivables and has determined that no provision is required as at the reporting date.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**2. Material accounting policies (continued)**

**j. Inventories**

Inventories which consist of consumable spares and minor tools and equipment are carried at the lower of cost and net realisable value. Cost is determined based on the weighted average unit cost method.

**k. Trade and other payables**

Liabilities for trade and other payables which are normally settled on 30-90 day terms are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

**l. Revenue recognition**

Interest income is recognised as it accrues unless collectability is in doubt.

The recognition of lease income is based on a pattern reflecting a constant period rate of return on the net investment in leased asset. Contingent rents are recognised in the period in which they are earned.

**m. Taxation**

*Current tax*

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or subsequently enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

*Deferred tax*

Deferred income tax is provided, using the liability method, on all temporary differences at the reporting date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**2. Material accounting policies (continued)**

**m. Taxation (continued)**

*Deferred tax (continued)*

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will allow all parts of the deferred tax asset to be utilized.

**n. Stated capital**

Stated capital is classified within equity and is recognised at the fair value of the consideration received by the Company.

**o. Post employment benefits**

Obligations for contributions to the defined contribution pension plan are recognized as an expense in the profit or loss as incurred.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**2. Material accounting policies (continued)**

**p. Fair value measurement**

Fair values of financial instruments measured at amortized cost are disclosed in Note 22. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

See Note 22 for further details on the valuation techniques and inputs used to determine the fair value of financial instruments disclosed.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

**2. Material accounting policies (continued)**

**p. Fair value measurement (continued)**

For the purpose of fair value disclosures, the Company has determined classes of assets on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**q. Dividends proposed**

The Company recognises a liability to make dividend distributions to the parent in the period in which the dividends are approved by the Board of Directors.

**r. Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

*Company as Lessee*

The Company has lease contracts for motor vehicles and leased property. Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

*Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use asset has been depreciated on a straight-line basis over the remaining lease term for each lease.

*Lease liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.



## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

#### 2. Material accounting policies (continued)

##### r. Leases (continued)

###### *Short-term leases and leases of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term leases of office floor lease and a few of the motor vehicle leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below \$5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

###### *Company as Lessor*

Leases where the lessor effectively retains substantially all risks and rewards of ownership of the leased asset are classified as operating leases. Where substantially all the risks and rewards incidental to ownership of the asset are transferred to the lessee the lease is a finance lease. Finance leases are capitalized at the commencement of the lease at the fair value of the asset or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Assets held under a finance lease are recognised in the statement of financial position and presented as a recoverable balance at an amount equal to the net investment in the lease. Interest income and finance charges are recognised in the statement of comprehensive income.

Based on the analysis the Company concluded that the arrangement as described in the PPA contains a lease and qualifies for accounting as a finance lease in accordance with IFRS 16: "Leases" and is recorded as such.

##### s. Government grants

Government grants for the acquisition of assets are recognised at their fair value when there is reasonable assurance that the grant will be received, and any conditions attached to them have been fulfilled. Grants related to the receipt of a non-monetary asset is recognised on the statement of financial position as both current and non-current liabilities at fair value on initial recognition and the related deferred income recognised as a liability and released to the profit or loss over the periods necessary to match the related depreciation charges, or other expenses of the asset, as they are incurred.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**3. Significant accounting estimates, assumptions and judgments**

The preparation of the financial statements in conformity with IFRS Accounting Standards necessitates the use of estimates, assumptions and judgments. These estimates and assumptions affect the reported amounts of assets and liabilities and contingent liabilities at the period end as well as affecting the reported income and expenses for the period.

Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgments**

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements.

*Lease commitments – Company as lessee*

The Company has entered into short term office leases and has utilized the short term exemption under IFRS 16: "Leases" in relation to these office leases.

Upon adoption of IFRS 16 the Company has applied a single recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low-value assets.

*Lease commitments – Company as lessor*

Leases are classified as finance leases whenever based on management's evaluation of the terms and conditions of the arrangement, the terms of the lease transfer substantially all of the risks and rewards of ownership from the lessor.

## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

#### 3. Significant accounting estimates, assumptions and judgments (continued)

##### Judgments (continued)

###### *Determining the lease term of contracts with renewal options*

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

The Company applies judgment in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

The Company included the renewal period as part of the lease term for the lease of the property that houses the power plant, due to the significance of these assets to its operations. The renewal options for leases of motor vehicles were not included as part of the lease term because the Company has a policy of leasing motor vehicles for not more than five years and hence not exercising any renewal options.

###### *Determining the incremental borrowing rate*

The present value of the lease payments of the lease property is determined using the discount rate representing the Company's incremental borrowing rate. This rate represents the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Significant judgment was applied to determine the incremental borrowing rate.

###### *Property, plant and equipment*

Management exercises judgment in determining the useful lives of categories of property plant and equipment and the appropriate method of depreciation. Management judgment is also involved in determining whether major plant costs incurred can accrue sufficient future economic benefits such that these expenditures meet the recognition criteria as a capital expense under IAS 16: "Property, plant & equipment".

##### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the period end that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below. These assumptions and estimates are based on parameters existing and available when the financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Company.

## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

#### 3. Significant accounting estimates, assumptions and judgments (continued)

##### Estimates and assumptions (continued)

###### *Deferred tax assets*

The Company recognizes deferred tax assets in relation to other financial assets (finance expense and finance leases) to the extent that it is probable that taxable profit will be made available against which it can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

###### *Provision for impairment of trade receivables*

Management exercises judgment in assessing credit risk relating to outstanding trade receivables balances and therefore the determination of the adequacy of provisions for trade receivables for which collections are considered doubtful. Judgment is used in the assessment of the extent of recoverability of long outstanding balances. Actual outcomes may be materially different from the provision established by Management.

#### 4. Standards and interpretations issued but not yet effective

- Lack of exchangeability – Amendments to IAS 21 – Effective 1 January 2025
- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 – Effective 1 January 2026
- Annual improvements to IFRS Accounting Standards – Volume 11 – Effective 1 January 2026
- IFRS 18 – Presentation and Disclosure in Financial Statements – Effective 1 January 2027
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures – Effective 1 January 2027
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 – Effective date to be determined.

Management is assessing the potential future impact (if any) of these new standards and/or amendments and will adopt them when effective where applicable.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

5. Property, plant and equipment

Cost	Machinery & equipment \$'000	Other assets \$'000	Capital spares \$'000	Capital work in progress (CWIP) \$'000	Total \$'000
Balance at 1 January 2023	24,991	41,653	44,182	4,755	115,581
Additions	—	11,173	711	5,245	17,129
Transfers from CWIP	2,017	3,149	(537)	(4,629)	—
Disposals and other movements	—	—	(2,560)	(598)	(3,158)
Balance at 31 December 2023	27,008	55,975	41,796	4,773	129,552
Additions	—	8,120	1,100	24,114	33,334
Transfers from CWIP	4,219	1,421	—	(5,640)	—
Disposals and other movements	—	(714)	(688)	(575)	(1,977)
Balance at 31 December 2024	<u>31,227</u>	<u>64,802</u>	<u>42,208</u>	<u>22,672</u>	<u>160,909</u>
<b>Accumulated depreciation</b>					
Balance at 1 January 2023	6,243	25,406	19,028	—	50,677
Charge for the year (Note 17a)	833	7,636	2,612	—	11,081
Disposals and other movements	—	—	(630)	—	(630)
Balance at 31 December 2023	7,076	33,042	21,010	—	61,128
Charge for the year (Note 17a)	2,079	6,974	2,486	—	11,539
Disposals and other movements	—	—	(165)	—	(165)
Balance at 31 December 2024	<u>9,155</u>	<u>40,016</u>	<u>23,331</u>	<u>—</u>	<u>72,502</u>
<b>Net book value</b>					
Balance at 31 December 2024	<u>22,072</u>	<u>24,786</u>	<u>18,877</u>	<u>22,672</u>	<u>88,407</u>
Balance at 31 December 2023	<u>19,932</u>	<u>22,933</u>	<u>20,786</u>	<u>4,773</u>	<u>68,424</u>

Additions to property plant and equipment recorded in the statement of financial position for the year ended 31 December 2024 amounted to \$33.334 million (2023: \$17.129 million). Depreciation charge recorded in the statement of comprehensive income or the year ended 31 December 2024 amounted to \$11.54 million (2023: \$11.081 million) and is recorded within plant and head office administrative expenses. Included within other assets in an intangible asset amounting to \$0.3 million relating to software as at 31 December 2024.

# TRINIDAD GENERATION UNLIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

### 5. Property, plant and equipment (continued)

#### Government grant

In 2020, the Company received a Government Grant of land and building from GORTT. The fair value of the property on initial recognition was \$1.036 million (Land \$0.391 million and Building \$0.645 million) and accounted for in accordance with IAS 20 "Accounting for Government Grants and disclosure of Government assistance". The amount included within Other assets category of Property, plant and equipment is depreciated on a straight-line basis over 22 years for the building and the remaining lease life upon acquisition of the land. The carrying value of the property amounted to \$0.901 million (2023: \$0.932 million) as at year end and is presented within the Property, plant and equipment note above under the "Other assets" class of asset. The fair valuation was established based on a professional valuation performed by an independent valuation professional as at 18 December 2020. The fair value was established based on Level 2 observable data inputs.

The following is the movement in deferred income in respect of the government grant for the year:

	2024 \$'000	2023 \$'000
At 1 January	932	963
Less: deferred income released (Note 16)	<u>(31)</u>	<u>(31)</u>
At 31 December	<u>901</u>	<u>932</u>
Non-current	870	901
Current	<u>31</u>	<u>31</u>
	<u>901</u>	<u>932</u>

### 6. Net investment in leased assets

Finance lease - gross investment	1,746,936	1,852,514
Less: Unearned finance income	<u>(1,077,173)</u>	<u>(1,171,765)</u>
Net investment in leased asset	669,763	680,749
Less amounts due within one year	<u>(12,064)</u>	<u>(10,986)</u>
	<u>657,699</u>	<u>669,763</u>

# TRINIDAD GENERATION UNLIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

### 6. Net investment in leased assets (continued)

The Company entered into a Power Purchase Agreement (PPA) for the supply of capacity and associated energy generated for a term of thirty (30) years from the commencement of Phase 1A commercial operations. The power plant was brought into operation in three phases. Each phase provided incremental capacity for power generation as follows:

Phase 1A commissioned on 31 July 2011	225MW
Phase 1B commissioned on 20 December 2011	225MW
Phase 2 commissioned on 18 December 2012	270MW

The provisions of the PPA were evaluated in accordance with IFRIC 4: "Determining whether an arrangement contains a lease" and reassessed under IFRS 16: "Leases" as at 1 January 2019. Phase 1A and Phase 1B were commissioned during 2011 and Phase 2 in 2012. Their related costs were transferred from capital work in progress and an investment in these assets was recognised in the respective years.

As at 31 December the gross investment and present value of receivables relating to future minimum lease payments were distributed as follows:

	2024		2023	
	Gross investment	Present value of receivable	Gross investment	Present value of receivable
	\$'000	\$'000	\$'000	\$'000
Within 1 year	105,289	12,064	105,578	10,986
1 to 5 years	421,445	66,521	421,445	58,800
Over 5 years	<u>1,220,202</u>	<u>591,178</u>	<u>1,325,491</u>	<u>610,963</u>
	<u>1,746,936</u>	<u>669,763</u>	<u>1,852,514</u>	<u>680,749</u>

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

	2024 \$'000	2023 \$'000
<b>7. Other financial assets</b>		
Investment at par value	60,000	60,000
Less: Unamortized discount	<u>(660)</u>	<u>(1,097)</u>
	<u>59,340</u>	<u>58,903</u>

Other financial assets is presented on the statement of financial position as follows:

Non-current	39,639	58,903
Current	<u>19,701</u>	<u>—</u>
	<u>59,340</u>	<u>58,903</u>

Other financial assets represent an investment in the Company's Senior Unsecured Notes (Note 15). This investment earns interest at 5.25% per annum and matures on 4 November 2027. The investment is listed on a recognised Stock Exchange and as at 31 December 2024 was traded at \$97.90 (31 December 2023: \$98.35). Upon maturity, the par value will be received. The Company has assessed the Expected Credit Loss (ECL) associated with its other financial assets and has determined that no provision is required as at the reporting date.

**8. Right-of-use assets and lease liabilities**

Set out below, are the carrying amounts of the Company's right-of-use assets and the movements during the year:

	Lease property \$'000	Motor vehicles \$'000	Total \$'000
As at 1 January 2023	6,855	18	6,873
Additions	—	—	—
Modifications and other movements	(21)	65	44
Depreciation expense (Note 17a)	<u>(220)</u>	<u>(32)</u>	<u>(252)</u>
As at 31 December 2023	6,614	51	6,665
Additions	—	212	212
Modifications and other movements	674	—	674
Depreciation expense (Note 17a)	<u>(243)</u>	<u>(94)</u>	<u>(337)</u>
As at 31 December 2024	<u>7,045</u>	<u>169</u>	<u>7,214</u>



TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**8. Right-of-use assets and lease liabilities (continued)**

The Company recognised rent expense from short-term leases of \$38 (2023: \$27) for the year ended 31 December 2024 within plant and head office administrative expenses. Also recorded in the statement of comprehensive income is depreciation expense on right-of-use assets of \$337 (2023: \$252) within plant and head office administrative expenses and interest expense of \$472 (2023: \$434) on leases within finance expenses.

Set out below, are the carrying amounts of lease liabilities and the movements during the year:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
As at 1 January	7,415	7,511
Additions	212	–
Modifications and other movements	674	21
Accretion of interest (Note 18a)	472	434
Payments	<u>(57)</u>	<u>(551)</u>
<b>As at 31 December</b>	<b><u>8,716</u></b>	<b><u>7,415</u></b>
The lease liability is presented on the statement of financial position as follows:		
Non-current	8,023	7,289
Current	<u>693</u>	<u>126</u>
	<b><u>8,716</u></b>	<b><u>7,415</u></b>

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

	2024 \$'000	2023 \$'000
<b>9. Cash and short-term deposits</b>		
Cash at bank	213,770	193,225
Short-term deposits	<u>10,414</u>	<u>15,203</u>
	<u>224,184</u>	<u>208,428</u>

Cash at bank earn interest at floating rates based on daily bank deposit rates.

Short-term deposits include US dollar denominated deposits with maturity periods within one year (2023: within one year). Interest is earned for all short-term deposits on hand at a rate ranging between 1.70% to 2.05% per annum (2023: 2% per annum).

For the purpose of the statement of cash flows, cash and cash equivalents comprise:	2024 \$'000	2023 \$'000
Cash at bank	<u>213,770</u>	<u>193,225</u>
<b>10. Trade and other receivables</b>		
Trade receivables – T&TEC (Note 14)	29,770	32,617
Accrued revenues – T&TEC (Note 14)	10,500	10,463
Prepayments and other receivables	2,974	2,606
Tax recoverable	<u>106</u>	<u>118</u>
	<u>43,350</u>	<u>45,804</u>

Trade receivables and accrued revenues of \$40,270 (2023: \$43,080) are in respect of amounts due from a related party. There are no expected credit losses in respect of the trade receivables.

As at 31 December, the ageing analysis of trade receivables and accrued revenues is as follows:

			<u>Past due but not impaired</u>		
	Total \$'000	Current \$'000	>30 to 60 days \$'000	>60 to 90 days \$'000	> 90 days \$'000
<b>2024</b>	40,270	21,178	–	–	19,092
<b>2023</b>	43,080	20,162	–	–	22,918

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

<b>11. Inventories</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Spare parts	23,475	23,025
Materials in transit	<u>127</u>	<u>855</u>
	<u>23,602</u>	<u>23,880</u>

The cost of inventories recognized as an expense during the year is \$4.3 million (2023: \$2.7 million) and this is disclosed within operating expenses (Note 17b).

**12. Stated capital**

*Authorized*

Unlimited number of Ordinary shares at par value

*Issued and fully paid*

189,400,000 (2023: 189,400,000) Ordinary shares at no par value 189,400 189,400

**13. Trade and other payables**

Trade payables and related accruals	19,573	11,754
Other payables	5,633	5,088
Tax payable	493	—
Interest payable	<u>5,250</u>	<u>5,250</u>
	<u>30,949</u>	<u>22,092</u>

Trade payables are non-interest bearing and are normally on 30-day terms.

# TRINIDAD GENERATION UNLIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

### 14. Related parties

Parties are considered to be related if one has the ability to control or exercise significant influence over the other party in making financial or operating decisions.

In the ordinary course of its business, the Company enters into transactions concerning the exchange of goods, provision of services and financing with affiliate companies as well as with entities directly and indirectly owned or controlled by the GORTT. Entities under the common control of the GORTT include National Energy Corporation of Trinidad and Tobago Limited, Trinidad and Tobago Electricity Commission and WASA.

Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any amounts due from related parties except as stated in Note 22(i).

The following table provides the details of transactions with and balances due to related parties for the year:

<b>Due to related parties</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
The Water and Sewerage Authority		
- Trade and other payables	13	25
National Infrastructure Development Co Ltd (NIDCO)		
- Trade and other payables (Office Building Project)	<u>—</u>	<u>714</u>
	<u>13</u>	<u>739</u>
<b>Due from related parties</b>		
Trinidad and Tobago Electricity Commission (Note 10)	<u>40,270</u>	<u>43,080</u>
<b>Purchases from related parties</b>		
National Energy Corporation of Trinidad & Tobago		
- Lease rental	559	512
National Infrastructure Development Co Ltd (NIDCO)		
- Lease rental	—	714
Water and Sewerage Authority		
- Water utilities expense	<u>53</u>	<u>207</u>
	<u>612</u>	<u>1,433</u>

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

	2024 \$'000	2023 \$'000
<b>14. Related parties (continued)</b>		
<b>Sales to related parties</b>		
Trinidad and Tobago Electricity Commission		
- Finance lease income	94,592	95,818
- Finance lease collections	10,986	9,472
- Other revenue (Note 16)	18,177	7,936
- Other finance income	<u>—</u>	<u>283</u>
	<u>123,755</u>	<u>113,509</u>

**Dividends paid to parent company**

National Investment Fund Holding Company Limited		
- Dividend paid (Note 24)	<u>14,002</u>	<u>10,152</u>

**Compensation of key management personnel**

Short-term employee benefits	<u>932</u>	<u>903</u>
------------------------------	------------	------------

Key management personnel are the persons having authority and responsibility for planning, directing and controlling the activities of the Company. The remuneration of members of key management personnel is a component of administration expenses in the statement of comprehensive income. The amount expensed during the year is shown above.

	2024 \$'000	2023 \$'000
<b>15. Long term bond</b>		
Face value of bond	600,000	600,000
Unamortized discount	<u>(6,620)</u>	<u>(8,606)</u>
	<u>593,380</u>	<u>591,394</u>

The long term bond is presented on the statement of financial position as follows:

Non-current	396,273	591,394
Current	<u>197,107</u>	<u>—</u>
	<u>593,380</u>	<u>591,394</u>

# TRINIDAD GENERATION UNLIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

### 15. Long term bond (continued)

Trinidad Generation Unlimited issued 5.250% 144A/REG S Senior Unsecured Notes in the amount of US \$600,000,000 dollars on 4 November 2016 with a maturity date of 4 November 2027 listed on the Singapore Stock Exchange with a minimum denomination of US \$200,000 dollars and integral multiples of US \$1,000 dollars in excess thereof. Gross proceeds of the bond amounted to US \$589,920,000 dollars with an issue price of 98.320% of the principal amount.

Interest payment dates will be made at six month intervals on 4 May and 4 November of each year commencing 4 May 2017. Principal repayments will be made in six equal, consecutive, semi-annual instalments commencing on 4 May 2025. Accordingly, during 2025 two instalments are due in the months of May and November 2025, aggregating \$200,000,000 in total.

Individual ratings of BB+ and BB for the bond was presented by Standard and Poor's (S&P) and Fitch Ratings respectively. For the duration of the bond U.S. Bank National Association would act as Trustee, Paying Agent, Transfer Agent and Registrar.

Under the terms of the Indenture the Company is required to comply with certain restrictions relating to the issuance of the long term bond as follows but not limited to:

- Certain limitations on sale and leaseback transactions;
- Certain limitations to the amendment of the PPA;
- The Company shall be required to repurchase its notes upon change of control.

	2024	2023
16. Other revenue	\$'000	\$'000
Capacity revenue	13,969	7,297
Energy delivered revenue	670	608
Insurance proceeds	3,507	—
Miscellaneous revenue (Note 5)	<u>31</u>	<u>31</u>
	<u>18,177</u>	<u>7,936</u>

Capacity revenues represent the difference between the amounts recognised as lease revenue and billings to T&TEC for the year representing the variable lease element. In 2024 the Company reported an average Equivalent Availability (EA) of 93.49% (2023: 88.74%) in relation to the contracted capacity of 93%.

During the year, the Company received insurance proceeds in the amount of \$3.5 million relating to an insured claim liability which was approved, finalised and therefore recognised in 2024.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

	2024 \$'000	2023 \$'000
<b>17. Expenses</b>		
<b>a. Plant and head office administrative expenses</b>		
Depreciation of property, plant and equipment (Note 5)	11,539	11,081
Staff costs (Note 17c)	6,987	6,865
Insurance	5,507	5,280
IT expenses	881	741
Professional and legal fees	810	781
Travel and motor vehicle expenses	414	361
Events and community work	375	516
Depreciation of right-of-use assets (Note 8)	337	252
Utilities	124	132
Audit fees	140	75
Director fees	67	67
Non audit fees	45	13
Rent	29	29
Other	<u>201</u>	<u>233</u>
	<u>27,456</u>	<u>26,426</u>
<b>b. Operating expenses</b>		
Repairs and maintenance	4,879	7,554
Inventories utilised (Note 11)	4,333	2,675
Contracted services	2,741	2,144
Inspections	2,585	2,281
Safety and security	604	554
Parts and supplies	549	1,428
Contract labour	391	222
Training	250	161
Other	<u>1,364</u>	<u>969</u>
	<u>17,696</u>	<u>17,988</u>
<b>c. Staff costs</b>		
Salaries and wages	3,514	3,302
Allowances, subsistence and other benefits	3,209	3,299
Pension contributions	<u>264</u>	<u>264</u>
	<u>6,987</u>	<u>6,865</u>

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

	2024 \$'000	2023 \$'000
<b>18. a. Finance expenses</b>		
Interest expense on long term bond	31,500	31,500
Withholding tax	5,605	5,610
Bond amortization	1,987	1,860
Interest on lease liabilities (Note 8)	472	434
Bond monitoring fees	299	248
Bank charges	11	35
	<u>39,874</u>	<u>39,687</u>
<b>18. b. Finance income</b>		
Investment income on debt instrument at amortized cost	3,564	4,421
Gain on foreign exchange	691	423
Other finance income	437	635
	<u>4,692</u>	<u>5,479</u>
<b>19. Taxation</b>		
<b>a. Tax expense</b>		
Taxation charge for the year:		
Corporation tax	7,539	—
Business levy	—	705
Deferred tax	1,582	8,216
	<u>9,121</u>	<u>8,921</u>
A reconciliation of the expected income tax expense determined using the statutory tax rate to the effective income tax expense is as follows:		
	2024 \$'000	2023 \$'000
Profit before taxation	32,435	25,133
Income taxes thereon at the statutory rate at 30%	9,731	7,540
Tax effect of non-deductible expenses	839	1,034
Tax effect of income not taxable/allowances	(1,297)	(199)
Business levy	—	705
Other	(152)	(159)
	<u>9,121</u>	<u>8,921</u>



TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**19. Taxation (continued)**

**b. Deferred taxation**

Significant components of deferred tax are as follows:	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Deferred tax assets:</b>		
Interest payable	1,853	1,853
Lease liabilities	<u>2,615</u>	<u>2,218</u>
	<u>4,468</u>	<u>4,071</u>
<b>Deferred tax liabilities:</b>		
Finance lease and property, plant and equipment (excluding capital spares)	(219,232)	(216,978)
Right-of-use asset	(2,164)	(1,986)
Capital spares	<u>(2,912)</u>	<u>(3,365)</u>
	<u>(224,308)</u>	<u>(222,329)</u>
Net	<u>(219,840)</u>	<u>(218,258)</u>
Deferred tax charge	<u>1,582</u>	<u>8,216</u>

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

**19. Taxation (continued)**

**c. Reconciliation of deferred tax**

	At 1 January 2024 \$'000	(Charge)/ credit to statement of income \$'000	At 31 December 2024 \$'000
<b><u>At 31 December 2024</u></b>			
<b>Deferred tax asset</b>			
Interest payable	1,853	–	1,853
Lease liabilities	<u>2,218</u>	<u>397</u>	<u>2,615</u>
	<u>4,071</u>	<u>397</u>	<u>4,468</u>
<b>Deferred tax liability</b>			
Finance lease and property, plant and equipment (excluding capital spares)	(216,978)	(2,254)	(219,232)
Right of use asset	(1,986)	(178)	(2,164)
Capital spares	<u>(3,365)</u>	<u>453</u>	<u>(2,912)</u>
	<u>(222,329)</u>	<u>(1,979)</u>	<u>(224,308)</u>
Net deferred tax liability/ net deferred tax expense	<u>(218,258)</u>	<u>(1,582)</u>	<u>(219,840)</u>
	At 1 January 2023 \$'000	(Charge)/ credit to statement of income \$'000	At 31 December 2023 \$'000
<b><u>At 31 December 2023</u></b>			
<b>Deferred tax asset</b>			
Tax losses	9,239	(9,239)	–
Interest payable	1,853	–	1,853
Lease liabilities	<u>2,253</u>	<u>(35)</u>	<u>2,218</u>
	<u>13,345</u>	<u>(9,274)</u>	<u>4,071</u>
<b>Deferred tax liability</b>			
Finance lease and property, plant and equipment (excluding capital spares)	(217,107)	129	(216,978)
Right of use asset	(2,062)	76	(1,986)
Capital spares	<u>(4,218)</u>	<u>853</u>	<u>(3,365)</u>
	<u>(223,387)</u>	<u>1,058</u>	<u>(222,329)</u>
Net deferred tax liability/ net deferred tax expense	<u>(210,042)</u>	<u>(8,216)</u>	<u>(218,258)</u>

## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

#### **20. Contingent liabilities and commitments**

##### **Contingent liabilities**

Pursuant to the provisions of the Property Tax (Amendment) Act, 2018, which became effective on 8 June 2018, the Property Tax waiver was extended to 30 September 2017 or such later date as the Minister of Finance may by Order prescribe. This legislation also revised the date of payment of the Property Tax to 30 September in every year. In a Media Release dated 2 May 2018, the Ministry of Finance clarified that Property Tax will become applicable from the year in which payment of the tax becomes due. The Company has not accrued for Property Tax as at 31 December 2024 under the Property Tax (Amendment) Act, 2018 as there is no reliable estimate of the liability and there is no clarity to the period from which the tax liability will be implemented.

During 2024, the Company's 2018 tax year of income was audited by the Board of Inland Revenue ("BIR"). As part of the audit the BIR agreed the tax adjustment for the 2013 year of income of TT \$210.5 million (US \$31.1million) relating to tax losses carried forward which was applied against the 2018 tax loss carried forward. There were no further adjustments arising from this audit for the current financial year.

##### **Capital commitments**

As at 31 December 2024, the Company had \$16.9 million in major capital commitments (2023: \$0.7 million).

##### **Contractual commitments**

###### *Power Purchase Agreement*

On 15 September 2009, the Company entered into a Power Purchase Agreement for 30 years with Alutrint Limited (Alutrint) and the Trinidad and Tobago Electricity Commission (T&TEC) as buyers in which each of the buyers is jointly and separately obligated to fulfilling the terms and conditions of the agreement which provides inter alia for the sale of the maximum available output of the plant. In accordance with the power purchase agreement these obligations would commence once Phase 1A of the plant is operational. Phase 1A became operational in 31 July 2011, Phase 1B on 20 December 2011, and Phase 2 became operational on 18 December 2012.

The obligations of T&TEC under the Power Purchase Agreement are unconditionally guaranteed by the Government of Trinidad & Tobago. The total capacity of the plant is dedicated to T&TEC.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**20. Contingent liabilities and commitments (continued)**

**Contractual commitments (continued)**

*Power Purchase Agreement (continued)*

The Company owns, operates and maintains the power generation plant in La Brea, Trinidad. In accordance with the terms and conditions set forth in the PPA, the off-taker, T&TEC, has the option to purchase the facility by way of written notice, no less than twenty-four (24) months before the date on which the PPA would otherwise expire. The option to purchase should be mutually acceptable to both the Company and T&TEC. The Company controls the physical access to the plant and the manner in which the plant is operated. The maintenance program in respect of the plant, including maintenance techniques and scheduling is established and managed by the Company, based on recommendations from the Manufacturer and maintenance costs are borne by the Company.

# TRINIDAD GENERATION UNLIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

### 21. Financial risk management objectives and policies

The Company is exposed to credit risk, liquidity risk and foreign currency risk, arising from the financial instruments that it holds. The risk management policies employed by the Company to manage these risks are discussed below.

#### (i) Credit risk

Credit risk arises when failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at year end. The maximum exposure to credit risk for the components of the statement of financial position is shown below:

	<b>Gross maximum exposure 2024 \$'000</b>	<b>Gross maximum exposure 2023 \$'000</b>
Net investment in leased assets	669,763	680,749
Other financial assets	59,340	58,903
Cash and short-term deposits	224,184	208,428
Trade and other receivables	<u>40,270</u>	<u>43,080</u>
	<u>993,557</u>	<u>991,160</u>

The net investment in leased asset and therefore 100% of the Company's revenue is earned from one related party under a Power Purchase Agreement (Note 20), which is backed by a full Government of Trinidad and Tobago guarantee for risk of defaults. In addition, trade receivables amounting to \$40.3 million (2023: \$43.1 million) are also backed by the full Government guarantee.

Cash and short-term deposits are placed with reputable financial institutions. All other financial instruments introduce no new credit risk and are managed by reputable international financial institutions.

The maximum exposure on these financial statements is equal to their carrying amounts at year end with the exception of the net investment in leased assets where the exposure is based on fair value at the year end.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**21. Financial risk management objectives and policies (continued)**

**(ii) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with the financial instruments. The Company has procedures with the objective of minimizing such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand \$'000	Less than 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
<b>31 December 2024</b>						
Trade and other payables	—	25,196	5,250	—	—	30,446
Lease liabilities	—	579	612	2,976	12,855	17,022
Long term bond	—	<u>7,875</u>	<u>219,250</u>	<u>422,313</u>	—	<u>649,438</u>
	<u>—</u>	<u>33,650</u>	<u>225,112</u>	<u>425,289</u>	<u>12,855</u>	<u>696,906</u>
<b>31 December 2023</b>						
Trade and other payables	—	16,842	5,250	—	—	22,092
Lease liabilities	—	9	538	2,073	12,798	15,418
Long term bond	—	<u>7,875</u>	<u>23,625</u>	<u>649,438</u>	—	<u>680,938</u>
	<u>—</u>	<u>24,726</u>	<u>29,413</u>	<u>651,511</u>	<u>12,798</u>	<u>718,448</u>

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**21. Financial risk management objectives and policies (continued)**

**(iii) Foreign currency risk**

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. Management monitors its exposure to foreign currency fluctuations and employs appropriate strategies to mitigate any potential losses. Risk management in this area is active to the extent that hedging strategies are available and cost effective.

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates, with all other variables held constant, of net profit for the year (due to changes in the fair value of monetary assets and liabilities) and the Company's equity:

	<b>Increase/(decrease) in TT dollar rate</b>	<b>Effect on net profit \$'000</b>	<b>Effect on equity \$'000</b>
<b>2024</b>			
US dollar	+1%	46	32
US dollar	-1%	(46)	(32)
<b>2023</b>			
US dollar	+1%	54	38
US dollar	-1%	(54)	(38)

The aggregate value of financial assets and liabilities by reporting currency are as follows:

<b>2024</b>	<b>USD \$'000</b>	<b>TTD \$'000</b>	<b>Total \$'000</b>
<b>Financial assets</b>			
Net investment in leased assets	669,763	—	669,763
Cash and short term deposits	214,681	9,503	224,184
Other financial assets	59,340	—	59,340
Trade and other receivables	<u>40,270</u>	<u>—</u>	<u>40,270</u>
	<u>984,054</u>	<u>9,503</u>	<u>993,557</u>
<b>Financial liabilities</b>			
Trade and other payables	26,056	4,893	30,949
Lease liabilities	8,293	34	8,327
Long term bond	<u>593,380</u>	<u>—</u>	<u>593,380</u>
	<u>627,729</u>	<u>4,927</u>	<u>632,656</u>

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

**21. Financial risk management objectives and policies (continued)**

**(iii) Foreign currency risk (continued)**

**2023**

	<b>USD</b>	<b>TTD</b>	<b>Total</b>
<b>Financial assets</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Net investment in leased assets	680,749	—	680,749
Cash and short term deposits	197,736	10,692	208,428
Other financial assets	58,903	—	58,903
Trade and other receivables	<u>43,053</u>	<u>27</u>	<u>43,080</u>
	<u>980,441</u>	<u>10,719</u>	<u>991,160</u>
<b>Financial liabilities</b>			
Trade and other payables	16,833	5,259	22,092
Lease liabilities	7,361	54	7,415
Long term bond	<u>591,394</u>	<u>—</u>	<u>591,394</u>
	<u>615,588</u>	<u>5,313</u>	<u>620,901</u>

**(iv) Capital management**

The primary objective of the Company's Capital Management is to ensure that it maintains a strong credit rating and healthy capital structure in order to support its business, maximize shareholder value and ensure adequate liquidity to support operational and debt funding. As a result of the long term bond issue, the Company's strategy has been amended to include its ongoing operations, future growth initiatives and its new requirements in compliance with its long term debt restructure.

The Company monitors capital on the basis of the gearing ratio, which is calculated as total borrowings, less cash and short term deposits divided by shareholder's equity. The gearing ratio at 31 December 2024 is 1.41 (2023: 1.51).



# TRINIDAD GENERATION UNLIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

### 22. Fair value of financial instruments

The carrying amounts of the Company's cash and short-term deposits, trade receivables, and trade and other payables, approximate their fair value, in view of their short-term maturities of a year or less. The fair value of the financial instruments is presented below:

	Carrying amount 2024 \$'000	Fair value 2024 \$'000	Carrying amount 2023 \$'000	Fair value 2023 \$'000
<b>Financial assets:</b>				
Net investment in leased asset	669,763	1,065,427	680,749	1,140,433
Other financial assets	59,340	58,740	58,903	59,010
<b>Financial liabilities:</b>				
Long term bond	593,380	587,400	591,394	590,100

The fair value of the leased asset was estimated using relevant industry and market observable data to arrive at a proxy for fair value at the year end. Fair value of the other financial asset and long-term bond is derived based on a quoted market price at year end on a traded market (Level 1) for the asset/bond.

23. Dividends	2024 \$'000	2023 \$'000
Proposed and paid dividends on ordinary shares for the year:		
2024: approximately \$0.07 per share	14,002	—
2023: approximately \$0.05 per share	—	<u>10,152</u>
	<u>14,002</u>	<u>10,152</u>

On 2 July 2024, an interim dividend of \$10.2 million (\$0.05 per share) was approved by the Board of Directors in respect of 2024. This dividend was charged against retained earnings in the current year and was paid on 8 July 2024.

On 24 October 2024, a second interim dividend of \$3.8 million (\$0.02 per share) was approved by the Board of Directors in respect of 2024. This dividend was charged against retained earnings in the current year and was paid on 28 October 2024.

On 16 July 2023, an interim dividend of \$10.2 million (\$0.05 per share) was approved by the Board of Directors in respect of 2023. This dividend was charged against retained earnings in the current year and was paid on 18 July 2023.

## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

#### **24. Segment entity-wide disclosure**

As disclosed in Note 1, the Company (“TGU”) is controlled by the Government of the Republic of Trinidad and Tobago (“GORTT”).

TGU owns, operates and maintains a power generation plant in La Brea, Trinidad and has entered into a Power Purchase Agreement (“PPA”) with The Trinidad and Tobago Electricity Commission (“T&TEC”) for the provision of capacity and associated energy generated by the plant to T&TEC, its sole customer. T&TEC also operates in Trinidad and Tobago. Revenue earned from the sale of power accounted for 97% (2023: 99%) of total revenue. TGU has determined that it operates in a single reportable segment which is the generation and sale of power in Trinidad and Tobago.

#### **25. Events after the reporting period**

There were no events or conditions existing after the reporting period which are material to the financial statements which may result in adjustments to the financial statements or which may require disclosures in the notes to the financial statements.