

2017

CONSOLIDATED FINANCIAL STATEMENTS

CHAIRMAN'S REPORT

YEAR ENDING MARCH 31 2017

We are pleased to report that National Enterprises Limited with its portfolio of local investee companies, continues to provide shareholders with competitive dividends despite the challenges of the economic downturn.

The company's operating profits increased from \$28.4 million in fiscal year ended March 31, 2016 to \$53.6 million this year, an increase of \$25.2 million or 88.7%. The share of profit of equity accounted investments, which will include shareholdings in: Trinidad Nitrogen Company Limited (TRINGEN), NGC NGL Company Limited (NGC NGL), Telecommunications Services of Trinidad and Tobago (TSTT), and Pan West Engineers and Constructors LLC (Pan West), is \$145.9 million, an increase of \$80.5 million or 123% over the corresponding period last year. This was due largely to improvement in the results of TSTT as the company moved from a loss position to profitability over the period as well as marked

improvement in the performance of Phoenix Park Gas Processors Limited (PPGL). Dividends from the Power Generation Company of Trinidad and Tobago (Powergen) were also noteworthy.

The result of these increases was a net profit after tax of \$200.8 million, almost 100% increase from the previous year's figure of \$109.6 million. The net profit for the year is reflected in an increase in earnings per share that doubled to \$0.30 from \$0.15 in 2016.

The Board of Directors had declared an interim dividend of \$0.15 in December 2016. It is proposed that a final dividend of \$0.20 be paid to shareholders on the register as of July 21, 2017, for a total dividend of \$0.35 for the financial year. In order to facilitate the payment of dividend, the register will be closed on July 19, 2017.



Ingrid L-A Lashley
Chairman

PKF INDEPENDENT AUDITORS' REPORT ON SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The Shareholders
National Enterprises Limited

Opinion

The accompanying summary consolidated financial statements of National Enterprises Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2017, the consolidated statement of comprehensive income for the year then ended and a summary of significant accounts policies and other explanatory information, are derived from the audited consolidated financial statements of the Group for the year ended 31 March 2017.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, on the basis of management's established criteria as described below.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards applied in the preparation of the consolidated financial statements of the Group. Reading the summary consolidated financial statements is not a substitute for reading the audited consolidated financial statements of the Group.

The Audited Consolidated Financial Statements and our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 23 June 2017.

Responsibilities of Management for the Summary Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the summary consolidated financial statements in accordance with the basis of criteria established by management.

Under management's established criteria, management prepares the abridged consolidated financial statements in accordance with International Financial Reporting Standards but summarises it by disclosing the statement of financial position, the statement of comprehensive income and excluding notes to the consolidated financial statements except for information on incorporation, principal activities and significant accounting policies.

Auditors' Responsibilities for the Audit of the Summary Consolidated Financial Statements

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



Port-of-Spain
TRINIDAD
23 June 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ASSETS

31 March

	2017 (\$'000)	2016 (\$'000)
Non-Current Assets:		
Equity accounted investments	2,432,501	2,318,064
Financial Assets	437,010	410,843
Fixed Assets	165,337	167,376
Retirement benefit asset	20,277	9,059
Trademarks	-	533
Deferred tax asset	5,050	11,867
Total Non-Current Assets	3,060,175	2,917,742
Current Assets:		
Inventories	72,051	78,940
Accounts receivable and prepayments	154,554	211,809
Restricted deposit	54,728	-
Cash and cash equivalents	348,155	391,868
Taxation recoverable	2,615	4,343
Total Current Assets	632,103	686,960
Total Assets	3,692,278	3,604,702

LIABILITIES AND EQUITY

Equity:		
Stated capital	1,736,632	1,736,632
Other equity	(2,633)	-
Investment remeasurement reserve	9,189	16,349
Translation reserve	61,576	25,147
Retained earnings	1,337,850	1,321,866
Capital and reserves attributable to equity holders	3,142,614	3,099,994
Non-controlling interest	124,255	107,229
Total Equity	3,266,869	3,207,223
Non-Current Liabilities:		
Non-current portion of long-term borrowings	145,729	93,895
Non-current portion of finance lease liability	932	932
Deferred tax liability	43,564	34,384
Medical and Life Insurance	16,833	17,194
Total Non-Current Liabilities	207,058	146,405
Current Liabilities:		
Bank overdraft and short-term borrowings	125,254	168,021
Current portion of long-term borrowings	27,190	6,566
Current portion of finance lease facility	603	1,347
Taxation payable	4,663	26
Accounts payable and accruals	60,641	75,114
Total Current Liabilities	218,351	251,074
Total Liabilities	425,409	397,479
Total Liabilities and Equity	3,692,278	3,604,702

These financial statements were approved by the Board of Directors and authorised for issue on 23 June 2017 and signed on their behalf by:

Director 
Ingrid L-A Lashley

Director 
Navin Rajkumar

For the year ended
31 March

	2017 (\$'000)	2016 (\$'000)
Turnover	470,509	481,214
Cost of sales	(330,518)	(365,463)
Gross profit	139,991	115,751
Selling and distribution expenses	42,695	46,237
Administrative expenses	43,682	41,058
	86,377	87,295
Operating profit	53,614	28,456
Finance cost	(14,977)	(7,284)
Dividend income	18,635	10,808
Interest income	9,516	6,608
Other income	9,442	15,543
Share of profit of equity accounted investments net of tax	145,899	65,385
Profit before tax	222,129	119,516
Taxation	(21,333)	(9,931)
Net profit for the year	200,796	109,585
Other Comprehensive Income		
Items that may be reclassified subsequently to profit or loss		
Unrealised gains	(7,160)	(1,563)
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of retirement benefit asset and medical plan expenses, net of tax	9,677	(1,813)
Other comprehensive income for the year	2,517	(3,376)
Total comprehensive income for the year	203,313	106,209
Attributable to:		
Equity holders of the Company	181,575	90,419
Non-controlling Interest	21,738	15,790
Net profit for the year	203,313	106,209
Earnings per share	\$0.30	\$0.15

Incorporation and Principal Activities

National Enterprises Limited (NEL) is incorporated in Trinidad and Tobago with controlling interest by the Minister of Finance (Corporation Sole). It was formed by the Government of the Republic of Trinidad and Tobago as part of a re-organisation exercise, to hold its shareholdings in selected state enterprises and facilitate a public offering on the Trinidad and Tobago Stock Exchange.

Basis of preparation

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs), and are stated in thousands of Trinidad and Tobago dollars rounded to the nearest thousand. The historical cost basis is used, except for the measurement at fair value of available-for-sale investments and certain other financial instruments. The accounting policies adopted are consistent with those of the previous financial year.