



Consolidated Interim Financial Statements

For the nine months ended 31 December, 2016.

Chairman's Statement


Ms. Ingrid L-A Lashley
Chairman


National Enterprises Limited (NEL) recorded operating profit of \$47.7M or 28.8% above the same period last year. These results were dampened by the impact of a decrease of \$59.4M or 26.9% in the company's share of profit of investee companies indicative of lower hydrocarbon-related prices and production and slower levels of economic activity.


Profit after tax of \$203.90M for the nine months ended December 31 2016 is \$58.9M or 22.4% below the comparative period last year. Earnings per share of \$0.32 in the third quarter of financial year 2017 compares to with \$0.41 in financial year 2016.

The companies in the NEL portfolio have identified the core issues that will impact their profitability in the short to medium term and have been developing strategies and realigning resources to take advantage of potential opportunities. This in the context of the current economic circumstances will augur well to ensure that shareholder value is enhanced going forward.

Condensed Consolidated Statement of Financial Position

| | Unaudited Nine months ended 31 December 2016 \$ '000 | Unaudited Nine months ended 31 December 2015 \$ '000 | Audited Year ended 31 March 2016 \$ '000 |
|--|---|---|---|
| Assets | | | |
| Equity accounted investments | 2,449,424 | 2,570,625 | 2,318,064 |
| Property, plant and equipment | 166,828 | 156,303 | 167,376 |
| Other non-current assets | 469,992 | 315,571 | 432,302 |
| Total non-current assets | 3,086,244 | 3,042,499 | 2,917,742 |
| Current assets | 582,672 | 731,531 | 686,960 |
| Total assets | 3,668,916 | 3,774,030 | 3,604,702 |
| Equity | | | |
| Stated capital | 1,736,632 | 1,736,632 | 1,736,632 |
| Investment remeasurement reserve | 16,349 | 17,912 | 16,349 |
| Translation reserve | 37,774 | 18,757 | 25,147 |
| Retained earnings | 1,333,171 | 1,503,169 | 1,321,866 |
| Total equity attributable to equity shareholders | 3,123,926 | 3,276,470 | 3,099,994 |
| Non-controlling interest | 118,661 | 109,370 | 107,229 |
| Total equity | 3,242,587 | 3,385,840 | 3,207,223 |
| Liabilities | | | |
| Non-current liabilities | 146,448 | 119,837 | 146,405 |
| Current liabilities | 279,881 | 268,353 | 251,074 |
| Total liabilities | 426,329 | 388,190 | 397,479 |
| Total equity and liabilities | 3,668,916 | 3,774,030 | 3,604,702 |

Director 
Ms. Ingrid L-A Lashley

Director 
Navin Rajkumar

Consolidated Statement of Changes in Equity

| | (Expressed in thousands of Trinidad and Tobago dollars) | | | | | |
|--|---|----------------------------------|--|--------------------------------|---|---------------------------|
| | Share Capital \$'000 | Translation Reserve \$'000 | Investment Remeasurement Reserve \$'000 | Retained Earnings \$'000 | Non- controlling Interest \$'000 | Total Equity \$'000 |
| as at 31 December 2016 | | | | | | |
| Nine months ended 31 December 2016 | | | | | | |
| Balance as at 1 April 2016 | 1,736,632 | 25,147 | 16,349 | 1,321,865 | 107,229 | 3,207,223 |
| Total comprehensive income for the year | - | - | - | 191,306 | 14,339 | 205,645 |
| Share of translation reserve | - | 12,627 | - | - | - | 12,627 |
| Subsidiary dividend paid on non-controlling interest | - | - | - | - | (2,908) | (2,908) |
| Dividends paid | - | - | - | (180,000) | - | (180,000) |
| Balance as at 31 December 2016 | 1,736,632 | 37,774 | 16,349 | 1,333,171 | 118,661 | 3,242,587 |
| as at 31 December 2015 | | | | | | |
| Nine months ended 30 September 2015 | | | | | | |
| Balance as at 1 April 2015 | 1,736,632 | 19,532 | 17,912 | 1,625,238 | 95,124 | 3,494,438 |
| Total comprehensive income for the year | - | - | - | 248,687 | 14,246 | 262,933 |
| Share of translation reserve | - | (775) | - | - | - | (775) |
| Subsidiary dividend paid on non-controlling interest | - | - | - | - | - | - |
| Dividends paid | - | - | - | (370,756) | - | (370,756) |
| Balance as at 31 December 2015 | 1,736,632 | 18,757 | 17,912 | 1,503,169 | 109,370 | 3,385,840 |
| as at 31 March 2016 | | | | | | |
| Year ended 31 March 2016 | | | | | | |
| Balance as at 1 April 2015 | 1,736,632 | 19,532 | 17,912 | 1,602,048 | 94,973 | 3,471,097 |
| Total comprehensive income for the year | - | - | (1,563) | 91,982 | 15,790 | 106,209 |
| Share of translation reserve | - | 5,615 | - | - | - | 5,615 |
| Share of deferred tax on actuarial gain | - | - | - | (1,407) | - | (1,407) |
| Subsidiary dividend paid on non-controlling interest | - | - | - | - | (3,534) | (3,534) |
| Dividends paid | - | - | - | (372,000) | - | (372,000) |
| Dividends refund | - | - | - | 1,243 | - | 1,243 |
| Balance as at 31 March 2016 | 1,736,632 | 25,147 | 16,349 | 1,321,865 | 107,229 | 3,207,223 |

Condensed Consolidated Statement of Comprehensive Income

| | Unaudited Nine months ended 31 December 2016 \$ '000 | Unaudited Nine months ended 31 December 2015 \$ '000 | Audited Year ended 31 March 2016 \$ '000 |
|--|---|---|---|
| Revenue | 355,970 | 358,747 | 481,214 |
| Cost of sales | (250,979) | (272,792) | (365,463) |
| Gross profit | 104,991 | 85,955 | 115,751 |
| Other income | 5,806 | 10,334 | 15,543 |
| Operating expenses | (63,060) | (59,218) | (87,295) |
| Operating profit | 47,737 | 37,071 | 43,999 |
| Finance income | 19,978 | 17,589 | 17,416 |
| Finance costs | (14,248) | (4,977) | (7,284) |
| Net finance income | 5,730 | 12,612 | 10,132 |
| Share of profit of equity accounted investees (net of tax) | 161,521 | 220,909 | 65,385 |
| Profit before tax | 214,988 | 270,592 | 119,516 |
| Tax expense | (11,089) | (7,795) | (9,931) |
| Profit for the period | 203,899 | 262,797 | 109,585 |
| Other comprehensive income | | | |
| Remeasurement of retirement benefit asset, net of tax | - | - | (1,813) |
| Unrealised gains | 1,746 | 136 | (1,563) |
| Other comprehensive income for the year | 1,746 | 136 | (3,376) |
| Total comprehensive income for the year | 205,645 | 262,933 | 106,209 |
| Profit attributable to: | | | |
| Equity shareholders | 191,306 | 248,687 | 90,419 |
| Non-controlling interest | 14,339 | 14,246 | 15,790 |
| Profit for the period | 205,645 | 262,933 | 106,209 |
| Basic Earnings per Share | \$0.32 | \$0.41 | \$0.15 |

Condensed Consolidated Statement of Cash Flows

| | Unaudited Nine months ended 31 December 2016 \$ '000 | Unaudited Six months ended 31 December 2015 \$ '000 | Audited Year ended 31 March 2016 \$ '000 |
|---|---|--|---|
| Cash flows from operating activities | 153,313 | 167,880 | 173,257 |
| Net cash flows from operating activities | 153,313 | 167,880 | 173,257 |
| Cash flows from investing activities | | | |
| Dividends received | 42,788 | 324,677 | 362,032 |
| Dividends declared | - | - | 64,666 |
| Other investing activities | (41,986) | (38,782) | (157,150) |
| Net cash flows from investing activities | 802 | 285,895 | 269,548 |
| Cash flows from financing activities | | | |
| Dividends paid | (185,938) | (387,495) | (372,000) |
| Finance lease liability payments | (609) | - | (1,040) |
| Repayment of borrowings | 12,345 | (136,727) | (1,308) |
| Other financing activities | - | - | (2,291) |
| Net cash flows from financing activities | (174,202) | (524,222) | (376,639) |
| Net (decrease)/increase in cash, cash equivalents and bank overdrafts | (20,087) | (70,447) | 66,166 |
| Cash, cash equivalents and bank overdrafts at start of period | 391,868 | 344,418 | 157,681 |
| Cash, cash equivalents and bank overdrafts at end of period | 371,781 | 273,971 | 223,847 |

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended 31 December 2016

1. Basis of Preparation -

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards 34 – "Interim Financial Reporting". They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2016. These condensed consolidated interim financial statements have not been audited and were approved by the Board of Directors on 27 January 2017.

2. Significant Accounting Policies -

The accounting policies applied in these unaudited condensed consolidated interim financial statements are consistent with those applied in the audited consolidated financial statements for the year ended 31 March 2016.