



Consolidated Interim Financial Statements

For the nine month period ended 31 December 2017.

Chairman's Statement

Profit after tax of \$132.6 million for the nine month period ended 31 December 2017 represents a decline of \$71.3 million or 35% below the corresponding period last year. This translates into earnings per share for the period of \$0.20 compared with \$0.32 in the corresponding period of fiscal 2017.

With few exceptions, investee companies continue to be challenged by economic volatility and decline. As a consequence, re-positioning to implement revised strategic initiatives is the order of the day with focus on their medium to long-term objectives. This has been the case of Telecommunications Services of Trinidad and Tobago (TSTT) in particular, as its business model is revised. For National Flour Mills Limited (NFM), a majority-owned company, they will actively pursue the management of risks associated with the price volatility of key raw materials.

In the energy sector, Trinidad Nitrogen Company Limited (Tringen) continues to produce and trade in international markets where prices have been relatively stable in recent months. On a more positive note, in addition to improved hydrocarbon prices over the past few months, increased local production and the implementation of certain strategies have had a significant positive impact on the gas processing industry and our investments in this sector have been beyond expectations. This sector should continue to have solid results for the rest of the financial year 2018.

Strategic review and redirection are receiving the attention of our major stakeholders. This is expected to redound to the benefit of shareholders over the medium to long-term and position NEL to add to its shareholder value over time.

Ingrid L-A Lashley
Chairman

Condensed Consolidated Statement of Financial Position

	Unaudited Nine month ended 31 December 2017 \$ '000	Unaudited Nine month ended 31 December 2016 \$ '000	Audited Year ended 31 March 2017 \$ '000
Assets			
Equity accounted investments	2,443,651	2,449,424	2,432,501
Property, plant and equipment	172,680	166,828	165,337
Other non-current assets	477,910	469,992	462,337
Total non-current assets	3,094,241	3,086,244	3,060,175
Current assets	459,132	582,672	632,103
Total assets	3,553,373	3,668,916	3,692,278
Equity			
Stated capital	1,736,632	1,736,632	1,736,632
Other Equity	(2,633)	-	(2,633)
Investment remeasurement reserve	9,189	16,349	9,189
Translation reserve	61,356	37,774	61,576
Retained earnings	1,273,416	1,333,171	1,337,850
Total equity attributable to equity shareholders	3,077,960	3,123,927	3,142,614
Non-controlling interest	129,413	118,660	124,255
Total equity	3,207,373	3,242,587	3,266,869
Liabilities			
Non-current liabilities	255,733	279,881	207,058
Current liabilities	90,267	146,448	218,351
Total liabilities	346,000	426,329	425,409
Total equity and liabilities	3,553,373	3,668,916	3,692,278

These financial statements were approved by the Board of Directors and authorised for issue on 30 January 2018 and signed on their behalf by:

Director 
Ingrid L-A Lashley

Director 
Navin Rajkumar

Consolidated Statement of Changes in Equity

as at 31 December 2017

(Expressed in thousands of Trinidad and Tobago dollars)

	Share Capital \$'000	Other Equity \$'000	Investment Remeasurement Reserve \$'000	Translation Reserve \$'000	Retained Earnings \$'000	Non- controlling Interest \$'000	Total Equity \$'000
Nine month period ended 31 December 2017							
Balance as at 1 April 2017	1,736,632	(2,633)	9,189	61,576	1,337,850	124,255	3,266,869
Total comprehensive income for the year	-	-	-	-	121,568	11,049	132,617
Share of translation reserve	-	-	-	(219)	-	-	(219)
Investment remeasurement	-	-	-	-	-	-	-
Subsidiary dividend paid on non-controlling interest	-	-	-	-	-	(5,891)	(5,891)
Dividends paid	-	-	-	-	(186,002)	-	(186,002)
Balance as at 31 December 2017	1,736,632	(2,633)	9,189	61,356	1,273,416	129,413	3,207,373
Nine month period ended 31 December 2016							
Balance as at 1 April 2016	1,736,632	-	16,349	25,147	1,321,866	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	-	16,349	37,774	1,333,171	118,661	3,242,587
Year ended 31 March 2017							
Balance as at 1 April 2016	1,736,632	-	16,349	25,147	1,321,866	107,229	3,207,223
Total comprehensive income for the year	-	-	(7,160)	-	188,735	21,738	203,313
Share of translation reserve	-	-	-	36,429	-	-	36,429
Treasury Shares	-	(2,633)	-	-	-	-	(2,633)
Share of deferred tax on actuarial gain	-	-	-	-	6,005	-	6,005
Subsidiary dividend paid on non-controlling interest	-	-	-	-	-	(4,712)	(4,712)
Dividends refund	-	-	-	-	1,244	-	1,244
Dividends paid	-	-	-	-	(180,000)	-	(180,000)
Balance as at 31 March 2017	1,736,632	(2,633)	9,189	61,576	1,337,850	124,255	3,266,869

Condensed Consolidated Statement of Comprehensive Income

	Unaudited Nine month period ended 31 December 2017 \$ '000	Unaudited Nine month period ended 31 December 2016 \$ '000	Audited Year ended 31 March 2017 \$ '000
Revenue	320,057	355,970	470,509
Cost of sales	(223,238)	(250,979)	(330,518)
Gross profit	96,819	104,991	139,991
Other income	5,802	5,806	9,442
Operating expenses	(63,780)	(63,060)	(86,377)
Operating profit	38,841	47,737	63,056
Finance income	24,981	19,978	28,151
Finance costs	(9,761)	(14,248)	(14,977)
Net finance income	15,220	5,730	13,174
Share of profit of equity accounted investments (net of tax)	90,513	161,521	145,899
Profit before tax	144,574	214,988	222,129
Tax expense	(11,957)	(11,089)	(21,333)
Profit for the period	132,617	203,899	200,796
Other comprehensive income			
Remeasurement of retirement benefit asset, net of tax	-	-	9,667
Unrealised gains	-	1,746	(7,160)
Other comprehensive income for the year	-	1,746	2,517
Total comprehensive income for the year	132,617	205,645	203,313
Profit attributable to:			
Equity shareholders	121,568	191,306	181,575
Non-controlling interest	11,049	14,339	21,738
Profit for the period	132,617	205,645	203,313
Basic Earnings per Share	\$0.20	\$0.32	\$0.30

Condensed Consolidated Statement of Cash Flows

	Unaudited Nine month period ended 31 December 2017 \$ '000	Unaudited Nine month period ended 31 December 2016 \$ '000	Audited Year ended 31 March 2017 \$ '000
Cash flows from operating activities	71,143	153,313	152,450
Net cash flows from operating activities	71,143	153,313	152,450
Cash flows from investing activities			
Dividends received	79,143	42,788	60,068
Other investing activities	(48,440)	(41,986)	(99,077)
Net cash flows from investing activities	30,703	802	(39,009)
Cash flows from financing activities			
Dividends paid	(200,882)	(185,938)	(180,000)
Finance lease liability payments	(357)	(609)	(744)
Repayment of borrowings	(62,333)	12,345	72,458
Other financing activities	-	-	(6,101)
Net cash flows from financing activities	(263,572)	(174,202)	(114,387)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(161,726)	(20,087)	(946)
Cash, cash equivalents and bank overdrafts at start of period	222,901	391,868	223,847
Cash, cash equivalents and bank overdrafts at end of period	61,175	371,781	222,901

Notes to the Condensed Consolidated Interim Financial Statements

For the nine month period ended 31 December 2017

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 2017. These condensed consolidated interim financial statements have not been audited and were approved by the Board of Directors on 30 January 2018.

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 2017.