



**2020**

# NATIONAL ENTERPRISES LIMITED

## Condensed Financial Statements

As at 30 September 2020

### CHAIRMAN'S STATEMENT

As required by our mandate as an investment management company, and in light of the impact of the COVID-19 pandemic on the operations of some of our investee companies, the Board of Directors of National Enterprises Limited (NEL) updated the valuation of these companies as at September 30, 2020, to determine any significant movement in fair market value.

As at the second quarter of fiscal year 2021, NEL's earnings continue to be impacted by the decline in the performance of our investee companies, specifically a decline in the fair value of Telecommunication Services of Trinidad and Tobago Limited (TSTT) and some in our energy portfolio companies, NGC NGL and PanWest, partially offset by gains in National Flour Mills Limited (NFM) and NEL Power Holdings Limited (NPHL). We expect this trend to continue at least through to the end of third quarter 2021, when upward movement in commodity prices and improved performance from TSTT is projected to take effect.

A loss of \$107 million for the fiscal year to date compared to profit of \$18.4 million for the comparative period last year, is reflective of the movement in fair value this year compared to relative stability in the previous year. This indicates a similar trajectory for the results of this fiscal year as the recovery of commodity prices is extended.

During this period of patient Rebirth, we shall continue to prudently manage our investment holdings, protecting our cash flow positions while diligently working alongside our portfolio investee companies to ensure that we can realize gains through increased productivity and innovation in the shortest possible time. Our commitment to deliver value is unwavering.

Ingrid L-A Lashley  
Chairman  
30 September 2020

### CONDENSED STATEMENT OF FINANCIAL POSITION

	Unaudited Six months ended		Audited Year ended
	30 September 2020 \$ '000	30 September 2019 \$ '000	31 March 2020 \$ '000
<b>Assets</b>			
Investment in subsidiaries	409,240	663,786	530,240
Investment in joint venture and associates	1,552,048	1,752,064	1,552,048
Property, plant and equipment	389	491	439
Other non-current assets	403,395	414,036	395,091
Total non-current assets	2,365,072	2,830,377	2,477,818
Current assets	24,649	111,052	19,721
Total assets	2,389,721	2,941,429	2,497,539
<b>Equity</b>			
Stated capital	1,736,632	1,736,632	1,736,632
Investment remeasurement reserve	16,422	16,422	16,422
Translation reserve	63,866	63,866	63,866
Retained earnings	570,225	1,119,607	677,698
Total equity attributable to equity shareholders	2,387,145	2,936,527	2,494,618
<b>Liabilities</b>			
Current liabilities	2,576	4,902	2,921
Total liabilities	2,576	4,902	2,921
Total equity and liabilities	2,389,721	2,941,429	2,497,539

Director Ingrid L-A Lashley

Director Navin Rajkumar

### CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share Capital (\$'000)	Translation Reserve (\$'000)	Investment Remeasurement Reserve (\$'000)	Retained Earnings (\$'000)	Total Equity (\$'000)
<b>Year ended 31 March 2021</b>					
<i>Six months ended 30 September 2020</i>					
Balance as at 1 April 2020	1,736,632	63,866	16,422	677,698	2,494,618
Total comprehensive loss for the year	-	-	-	(107,473)	(107,473)
<b>Balance as at 30 September 2020</b>	<b>1,736,632</b>	<b>63,866</b>	<b>16,422</b>	<b>570,225</b>	<b>2,387,145</b>
<b>Year ended 31 March 2020</b>					
<i>Six months ended 30 September 2019</i>					
Balance as at 1 April 2019	1,736,632	63,866	16,422	1,101,238	2,918,158
Total comprehensive income for the year	-	-	-	18,369	18,369
<b>Balance as at 30 September 2019</b>	<b>1,736,632</b>	<b>63,866</b>	<b>16,422</b>	<b>1,119,607</b>	<b>2,936,527</b>
<b>Year ended 31 March 2020</b>					
<i>Six months ended 30 September 2019</i>					
Balance as at 1 April 2019	1,736,632	63,866	16,422	1,101,238	2,918,158
Total comprehensive loss for the year	-	-	-	(327,540)	(327,540)
Dividends paid	-	-	-	(96,000)	(96,000)
<b>Balance as at 31 March 2020</b>	<b>1,736,632</b>	<b>63,866</b>	<b>16,422</b>	<b>677,698</b>	<b>2,494,618</b>

### CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended		Audited Year ended
	30 September 2020 \$ '000	30 September 2019 \$ '000	31 March 2020 \$ '000
Dividend income	3,113	18,550	23,834
Other income	3,383	3,224	7,434
Operating expenses	(113,267)	(784)	(356,681)
Operating (loss)/profit	(106,771)	20,990	(325,413)
Finance costs	-	(96)	(96)
(Loss)/Profit before tax	(106,771)	20,894	(325,509)
Tax expense	(702)	(2,525)	(2,031)
<b>Total comprehensive (loss)/income for the year</b>	<b>(107,473)</b>	<b>18,369</b>	<b>(327,540)</b>

### CONDENSED STATEMENT OF CASHFLOWS

	Unaudited Three months ended		Audited Year ended
	30 September 2020 (\$ '000)	30 September 2019 (\$ '000)	31 March 2020 (\$ '000)
<b>OPERATING ACTIVITIES</b>			
Net (loss)/profit before taxation	(106,771)	20,894	(325,509)
Depreciation	50	53	102
Other non-cash movements	112,337	(628)	351,247
	5,616	20,319	25,840
Net change in operating assets and liabilities:			
Net change in accounts receivables	1,073	15,025	14,371
Net change in accounts payables	(345)	(541)	(348)
Net change in related parties	(162)	(13,429)	(13,738)
	6,182	21,374	26,125
Taxation paid	(613)	(731)	(3,300)
Cash generated from operating activities	5,569	20,643	22,825
<b>INVESTING ACTIVITIES</b>			
Change in long-term investments	521	1,167	2,200
Cash generated from investing activities	521	1,167	2,200
<b>FINANCING ACTIVITIES</b>			
Repayment of loan	-	(10,807)	(10,807)
Dividends paid	-	-	(96,000)
Cash used in financing activities	-	(10,807)	(106,807)
Net change in cash resources	6,090	11,003	(81,782)
Net cash resources at beginning of year	16,287	98,069	98,069
Net cash resources at end of year *	<b>22,377</b>	<b>109,072</b>	<b>16,287</b>

### Notes to the Condensed Financial Statements

For the three months ended 30 September 2020

#### 1. Basis of Preparation

These interim financial statements are prepared in accordance with International Accounting Standards (IAS 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 financial statements for the year ended 31 March 2020. These condensed interim financial statements have not been audited and were approved by the Board of Directors on 10 November 2020.

#### 2. Significant Accounting Policies

The accounting policies in these unaudited condensed interim financial statements are consistent with those applied in the audited financial statements for the year ended 31 March 2020.