



2022

NATIONAL ENTERPRISES LIMITED

Summary Financial Statements

As at September 30, 2022

Chairman's Statement for the 18-month Financial Period ended September 30, 2022

National Enterprises Limited (NEL) has recorded a net profit of \$1.98 Billion for the 18-month financial period ended September 30, 2022. This is compared to a loss of \$270 Million for the previous fiscal year ended March 31, 2021. This result has been driven by fair value gains of \$1.7 Billion primarily from the energy segment of NEL's portfolio of investee companies and dividend income of \$296 Million, which is 11.8 times the dividend income received in the prior fiscal year. NEL's assets have grown commensurately to \$4 Billion as of September 30, 2022, an 82% increase over the \$2.2 Billion as at March 31, 2021.

Following the change in the company's fiscal year-end from March 31 to September 30, NEL has provided unaudited 12-month comparatives for its previous fiscal year ended March 31, 2021 as well as unaudited comparatives for the preceding 18-month period ended September 30, 2021 as part of the supplementary information in the full version of the audited financial statements. Overall company performance is reflective of the resilience, recovery and volatility experienced during the 18-month financial period. NEL and its portfolio of investee companies have had to navigate a rapidly changing environment characterized by higher energy prices, uneven post-Covid economic recovery, geo-political forces like the Russia/Ukraine conflict, supply chain issues and strong inflationary pressures.

The Trinidad Nitrogen Company Limited (Tringen) continues to deliver exceptional results with a strong rebound of ammonia prices that are projected to be maintained for the next 12 months. Phoenix Park Gas Processors Limited (PPGPL) similarly

has delivered strong results and continues with its expansion strategy in regional and international markets. As the non-energy portfolio investee companies like National Flour Mills Limited and Telecommunications Services of Trinidad and Tobago Limited (TSTT) continue to engage with the challenges of the post-Covid economy, NEL will monitor and focus on delivering the optimal mix of assets for sustainable returns and growth for our shareholders.

The improvement in the company's cashflows arising from increased dividend income has allowed for three (3) interim dividend payments as opposed to two (2) payments per fiscal year that applied previously. Having previously paid interim dividends of \$0.03 per share and \$0.25 per share, the Board of Directors now declare a third interim dividend payment of \$0.18 per share making the total dividend payment for the fiscal period ended September 30, 2022, \$0.46 per share. It is proposed that this third interim payment of \$0.18 per share will be considered the final dividend upon approval of shareholders at the Company's Annual Meeting to be held on March 9, 2023. The third interim dividend will be paid on January 30, 2023 to shareholders on the register as of January 9, 2023.

Ingrid L-A Lashley
Chairman
December 28, 2022



Independent Auditor's Report

To the Shareholders of
National Enterprises Limited

Opinion

The summary financial statements, which comprise the summary statement of financial position as of September 30, 2022, and the summary statement of comprehensive income for the period from April 1, 2021 to September 30, 2022, and related notes, are derived from the audited financial statements of National Enterprises Limited (the "Company") for the period from April 1, 2021 to September 30, 2022.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements in accordance with the significant accounting policies note to the summary financial statement.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated December 28, 2022. That report also includes:

- the communication of 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 period.
- An *Other Matters* section which states that the financial statements of the Company for the year ended March 31, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on June 28, 2021.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the significant accounting policies note to the summary financial statement.

Auditors' Responsibility

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

December 28, 2022
Port of Spain,
Trinidad and Tobago



2022

NATIONAL ENTERPRISES LIMITED

Summary Financial Statements

As at September 30, 2022

SUMMARY FINANCIAL STATEMENTS FOR THE 18-MONTH PERIOD ENDED SEPTEMBER 30, 2022

Incorporation and principal activities

National Enterprises Limited (the "Company") was incorporated in Trinidad and Tobago and is controlled by the Minister of Finance (Corporation Sole). The Company 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.

The Company's initial portfolio of investments in National Flour Mills Limited (NFM), Telecommunications Services of Trinidad and Tobago (TSTT) and Trinidad Nitrogen Company Limited (TRINGEN) were transferred at their last audited net asset value by the Minister of Finance (Corporation Sole) on behalf of the Government in exchange of 500,000,000 ordinary shares of no par value in the Company. All formation expenses were borne by the Ministry of Finance. Subsequently, on December 14, 2001, the Company acquired a 20% shareholding in NGC NGL Company Limited (NGCNGL) financed by the issue of an additional 50,511,540 shares and on December 8, 2003, the Company acquired a 37.84% shareholding in NGC Trinidad and Tobago LNG Limited (NGCLNG) financed by the issue of an additional 49,489,101 shares.

The Company's principal business activity is to purchase investments, primarily for long-term capital growth and investments.

The Company has a wholly owned subsidiary, NEL Power Holdings Limited (NPHL). In December 2014, the Company entered into a joint venture arrangement, acquiring 33.33% of Pan West Engineers and Constructors LLC.

The principal business activities of the Company's subsidiaries, joint ventures and associated companies are disclosed in the notes to the financial statements. The registered office of the Company is Level 15, Tower D, International Waterfront Centre, Wrightson Road, Port of Spain.

On July 27, 2021; the Board of Directors approved the change of the Company's year end from March to September. These summary financial statements have been prepared for the eighteen-month period ended September 30, 2022 with the comparatives representing the year ended March 31, 2021. Additional disclosure has been included in the notes the full version of the financial statements for comparison purposes.

Summary of Significant Accounting Policies

These summary financial statements are prepared in accordance with established criteria developed by management and disclose the summary statement of financial position, summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows. These summary financial statements are derived from the audited financial statements of National Enterprises Limited for the 18-month period ended September 30, 2022 which are prepared in accordance with International Financial Reporting Standards. A full version of the audited financial statements will be available on the Company's website.

SUMMARY STATEMENT OF FINANCIAL POSITION

	As at September 30, 2022 \$ '000	As at March 31, 2021 \$ '000
Assets		
Non-current assets		
Investment in subsidiaries	387,934	490,815
Investment in joint venture and associates	3,037,307	1,287,060
Property, plant and equipment	499	682
Other non-current assets	342,771	401,754
Total non-current assets	<u>3,768,511</u>	<u>2,180,311</u>
Current assets	271,446	47,801
Total assets	<u>4,039,957</u>	<u>2,228,112</u>
Equity		
Share capital	1,736,632	1,736,632
Translation reserve	63,866	63,866
Investment remeasurement reserve	16,422	16,422
Retained earnings	2,219,027	407,267
Total equity attributable to equity shareholders	<u>4,035,947</u>	<u>2,224,187</u>
Liabilities		
Current liabilities	4,010	3,925
Total liabilities	<u>4,010</u>	<u>3,925</u>
Total equity and liabilities	<u>4,039,957</u>	<u>2,228,112</u>

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	18 months ended September 30, 2022 \$ '000	Year ended March 31, 2021 \$ '000
Interest income	9,478	6,621
Dividend income	296,431	25,969
Other income	256	687
Operating expenses	(8,760)	(4,993)
Operating profit	297,405	28,284
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	1,685,865	(296,934)
Net profit/(loss) before taxation	1,983,270	(268,650)
Taxation	(3,510)	(1,781)
Total comprehensive income/(loss) for the period/year	<u>1,979,760</u>	<u>(270,431)</u>



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SUMMARY STATEMENT OF CHANGES IN EQUITY

	Share Capital (\$ '000)	Translation Reserve (\$ '000)	Investment Remeasurement Reserve (\$ '000)	Retained Earnings (\$ '000)	Total Equity (\$ '000)
<i>Eighteen months ended September 30, 2022</i>					
Balance as at April 1, 2022	1,736,632	63,866	16,422	407,267	2,224,187
Total comprehensive income for the period	-	-	-	1,979,760	1,979,760
Dividends paid	-	-	-	(168,000)	(168,000)
Balance as at September 30, 2022	1,736,632	63,866	16,422	2,219,027	4,035,947
<i>Year ended March 31, 2021</i>					
Balance as at April 1, 2020	1,736,632	63,866	16,422	677,698	2,494,618
Total comprehensive loss for the year	-	-	-	(270,431)	(270,431)
Balance as at March 31, 2021	1,736,632	63,866	16,422	407,267	2,224,187

SUMMARY STATEMENT OF CASHFLOWS

	18 months ended September 30, 2022 (\$ '000)	Year ended March 31, 2021 (\$ '000)
Cash flows from operating activities		
Net profit/(loss) before taxation expenses	1,983,270	(268,650)
Adjustment to reconcile net profit/(loss) before taxation to cash provided by operating activities:		
Net unrealised (gain)/loss on financial assets at fair value through profit or loss	(1,685,575)	296,934
Reversal of expected credit loss	-	(24)
Depreciation	296	137
Net change in accounts receivable and prepayments	(17,078)	530
Net change in accounts payable and accruals	85	1,004
Net change in due from related parties	682	(613)
Operating profit before working capital	281,390	29,318
Taxes paid	(3,623)	(1,354)
Net cash generated from operating activities	277,767	27,964
Cash flows from investing activities		
Purchase of property and equipment	(112)	(380)
Net change in other financial assets	(120,564)	-
Net change in other long-term investments	96,789	1,453
Net cash (used by)/generated from investing activities	(23,887)	1,073
Cash flows from financing activities		
Dividends paid	(168,000)	-
Net cash used by financing activities	(168,000)	-
Net increase in cash and cash equivalents	85,880	29,037
Cash and cash equivalents, beginning of year	45,324	16,287
Cash and cash equivalents, end of year	\$131,204	\$45,324
Represented by:		
Short-term investments	117,874	15,446
Cash and cash equivalents	13,330	29,878
	\$131,204	\$45,324