



# Condensed Consolidated Financial Statements

For the six months ended 30 September 2018

## Chairman's Statement

The financial results of National Enterprises Limited (NEL) for the first six months of the fiscal year ended March 31, 2019 showed that NEL experienced a loss of \$119.6 million as compared to net profits in the same period of 2017 of \$112.8 million. Earnings per share to September 2018 were a loss of \$0.22 cents per share as compared to a positive \$0.17 per share in 2017.

These unusual results were directly related to the performance of Telecommunication Services of Trinidad and Tobago Limited (TSTT). In fact, if we were to neutralise the impact of this company, that is, assume a break-even position for TSTT only, NEL would reflect an increase in net profits of over 10% when compared to the same half year period in fiscal 2018. The results of that company was negatively impacted by a significant provision now required under the International Financial Reporting Standard (IFRS) 9 in respect of long outstanding receivables (in this case greater than one (1) year). This amount was valued at TTS\$356 million for the fiscal year to date.

Notwithstanding this, the Board of this investee company is satisfied that the customers in question have the capacity to meet their obligations and that the company will recover over the short term (two to three years) by virtue of transformative strategic undertakings over the period.

There were relatively good performances from the other investee companies in the portfolio. Phoenix Park Gas Processors Limited continues to operate with efficiency and profitability, and associated companies also benefit from these operations, including NGC NGL Limited, Pan West Engineers and Constructors LLC and Trinidad and Tobago NGL Limited. Trinidad Nitrogen Company Limited is one of the many companies in the energy sector that had access to increased gas supplies and more favourable market prices. National Flour Mills Limited has shown stability in its operations and sales are expected to improve in the next quarter as the end of the calendar year approaches. Finally, the Power Generation Company of Trinidad and Tobago Limited continues with its consistent and dependable output which has led to solid dividends for the company.

Given this, and cognizant of our diversified investment portfolio, the Board has approved an interim dividend of \$0.11 per share, the same as it was in the corresponding period of the previous year and above the minimum distribution rate under the company's dividend mandate. With increased US dollar cash flows, the company continues to work towards the possibility of paying US dollar dividends to shareholders who may choose this option. The company has also initiated a number of changes to its internal operations with the objective of enhanced returns to its shareholders.

The interim dividend of \$0.11 per share will be paid on December 18 2018 to shareholders on record as at November 21 2018.

Ingrid L-A Lashley  
Chairman

## Condensed Consolidated Statement of Financial Position

	Unaudited Six months ended 30 September 2018 \$ '000	Unaudited Six months ended 30 September 2017 \$ '000	Audited Year ended 31 March 2018 \$ '000
<b>Assets</b>			
Equity accounted investments	2,267,117	2,477,513	2,421,943
Property, plant and equipment	180,304	169,797	176,409
Other non-current assets	479,658	482,361	482,489
Total non-current assets	2,927,079	3,129,671	3,080,841
Current assets	416,604	535,569	522,610
Total assets	3,343,683	3,665,240	3,603,451
<b>Equity</b>			
Stated capital	1,736,632	1,736,632	1,736,632
Investment remeasurement reserve	10,680	9,189	16,422
Translation reserve	63,363	62,388	63,866
Other Equity	(2,633)	(2,633)	(2,633)
Retained earnings	1,088,787	1,299,468	1,283,691
Total equity attributable to equity shareholders	2,896,829	3,105,044	3,097,978
Non-controlling interest	135,303	126,468	131,881
Total equity	3,032,132	3,231,512	3,229,859
<b>Liabilities</b>			
Non-current liabilities	188,505	270,876	194,931
Current liabilities	123,046	162,852	178,661
Total liabilities	311,551	433,728	373,592
Total equity and liabilities	3,343,683	3,665,240	3,603,451

Director

Ingrid L-A Lashley

Director

Navin Rajkumar

## Consolidated Statement of Changes in Equity

as at 31 March 2018	(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
<b>Six months ended 30 September 2018</b>							
<b>Balance as at 1 April 2018</b>	1,736,632	(2,633)	16,422	63,866	1,283,691	131,881	3,229,859
Total comprehensive income for the year	-	-	(5,742)	-	(128,904)	9,312	(125,334)
Share of translation reserve	-	-	-	(503)	-	-	(503)
Share of translation reserve	-	-	-	-	(66,000)	-	(66,000)
<b>Balance as at 30 September 2018</b>	1,736,632	(2,633)	10,680	63,363	1,088,787	135,303	3,032,132
<b>Six months ended 30 September 2017</b>							
<b>Balance as at 1 April 2017</b>	1,736,632	(2,633)	9,189	61,576	1,314,806	124,255	3,243,825
Total comprehensive income for the year	-	-	-	-	104,664	8,104	112,768
Share of translation reserve	-	-	-	812	-	-	812
Share of deferred tax	-	-	-	-	-	-	-
Subsidiary dividend	-	-	-	-	-	(5,892)	(5,892)
Dividends paid	-	-	-	-	(120,001)	-	(120,001)
Dividend Refund	-	-	-	-	-	-	-
<b>Restated balance as at 30 September 2017</b>	1,736,632	(2,633)	9,189	62,388	1,299,469	126,467	3,231,512
<b>Year ended 31 March 2018</b>							
<b>Balance as at 1 April 2017</b>	1,736,632	(2,633)	9,189	61,576	1,314,806	124,255	3,243,825
Total comprehensive income for the year	-	-	7,233	-	179,849	13,516	200,598
Share of translation reserve	-	-	-	2,290	-	-	2,290
Share of deferred tax on actuarial gain	-	-	-	-	(24,964)	-	(24,964)
Subsidiary dividend paid on NCI	-	-	-	-	-	(5,890)	(5,890)
Dividends paid	-	-	-	-	(186,000)	-	(186,000)
<b>Balance as at 31 March 2018</b>	1,736,632	(2,633)	16,422	63,866	1,283,691	131,881	3,229,859

## Condensed Consolidated Statement of Comprehensive Income

	Unaudited Six months ended 30 September 2018 \$ '000	Unaudited Six months ended 30 September 2017 \$ '000	Audited Year ended 31 March 2018 \$ '000
Revenue	323,805	206,824	435,493
Cost of sales	(231,319)	(143,043)	(304,697)
Gross profit	92,486	63,781	130,796
Other income	5,410	3,867	10,743
Operating expenses	(66,474)	(40,885)	(87,817)
Operating profit	31,422	26,763	53,723
Finance income	10,771	15,357	43,410
Finance costs	(4,838)	(6,389)	(13,275)
Net finance income	5,933	8,968	30,135
Share of profit of equity accounted investments (net of tax)	(145,940)	84,604	128,884
Profit before tax	(108,585)	120,335	212,742
Tax expense	(11,007)	(7,567)	(17,903)
Profit for the period	(119,592)	112,768	194,838
<b>Other comprehensive income</b>			
Remeasurement of retirement benefit asset, net of tax	-	-	(1,473)
Unrealised gains	(5,742)	-	7,233
Other comprehensive income for the year	(5,742)	-	5,760
Total comprehensive income for the year	(125,334)	112,768	200,598
Profit attributable to:			
Equity shareholders	(134,646)	104,664	187,082
Non-controlling interest	9,312	8,104	13,516
Profit for the period	(125,334)	112,768	200,598
Basic Earnings per Share	(\$0.22)	\$0.17	\$0.31

## Condensed Consolidated Statement of Cash Flows

	Unaudited Six months ended 30 September 2018 \$ '000	Unaudited Six months ended 30 September 2017 \$ '000	Audited Year ended 31 March 2018 \$ '000
Cash flows from operating activities	42,851	89,459	99,370
<b>Net cash flows from operating activities</b>	42,851	89,459	99,370
Cash flows from investing activities:			
Dividends received	6,998	17,360	83,612
Other investing activities	29,680	(49,256)	(58,697)
<b>Net cash flows from investing activities</b>	36,678	(31,896)	24,915
Cash flows from financing activities:			
Dividends paid	(77,841)	(123,270)	(186,000)
Finance lease liability payments	(581)	(230)	(650)
Repayment of borrowings	(7,716)	(26,380)	(14,471)
Other financing activities	-	-	(5,890)
<b>Net cash flows from financing activities</b>	(86,138)	(149,880)	(207,011)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(6,609)	(92,317)	(82,726)
Cash, cash equivalents and bank overdrafts at start of period	140,175	222,901	222,901
Cash, cash equivalents and bank overdrafts at end of period	133,566	130,584	140,175

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2018

### 1. Basis of Preparation -

These consolidated 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 consolidated financial statements for the year ended 31 March 2018. These condensed consolidated interim financial statements have not been audited and were approved by the Board of Directors on November 9 2018.

### 2. Significant Accounting Policies -

The accounting policies 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 2018.