



# Consolidated Interim Financial Statements

For the 6 months ended 30 September 2017.

## Chairman's Statement

**Ingrid L.A. Lashley**  
Chairman

The Board of Directors of National Enterprises Limited (NEL) reports profit after tax of **\$112.8 million** for the six month period ended **September 30 2017**, a decline of **\$49.9 million** or **31%** below the corresponding period last year. Earnings per share were **\$0.17** in the first two quarters of the financial year **2018** compared with **\$0.25** in financial year **2017**.

These results are reflective of the challenges of the markets in which our investee companies operate. Of note are the more conservative long-term prospects for National Flour Mills Company Limited (NFM) and Telecommunications Services of Trinidad and Tobago (TSTT), our majority owned companies. While these companies have actively progressed their strategic targets, it is anticipated that the impact on results will more readily be influenced by economic factors outside of the companies' control resulting in a long-term return to improved shareholder value.

Commodity prices have generally stabilised since the same period last year and increased upstream hydrocarbon activity is expected to lead to increased petrochemical production for the rest of the financial year. However, while our investee companies have undertaken initiatives to

improve their operating efficiencies and implement strategic decisions to increase shareholder value over the medium-term, such measures will redound to the benefit of shareholders of NEL in a similar time period.

Companies associated with the gas processing industry have produced exceptional results over the period under review. Higher product prices and optimised production in these companies have led to increased profits and improved dividends. Trinidad Nitrogen Company Limited (Tringen) competes on a global scale and is using its international marketing network to leverage its plant operations after its recently completed 'Energy Efficiency Improvement Project'.

The Board of Directors of NEL continuously reviews the production and outlook of its investee companies and is focused on providing shareholders with consistent and reasonable returns over the long-term. In this regard, the Board has agreed to an interim dividend payment of **11 cents** per share to shareholders of record date **November 24 2017** which will be paid on **December 18 2017**.

## Condensed Consolidated Statement of Financial Position

	Unaudited Six months ended 30 September 2017 \$ '000	Unaudited Six months ended 30 September 2016 \$ '000	Audited Year ended 31 March 2017 \$ '000
<b>Assets</b>			
Equity accounted investments	2,500,557	2,459,757	2,432,501
Property, plant and equipment	169,797	163,187	165,337
Other non-current assets	482,361	467,573	462,337
Total non-current assets	3,152,715	3,090,517	3,060,175
Current assets	535,569	616,023	632,103
Total assets	3,688,284	3,706,540	3,692,278
<b>Equity</b>			
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	62,388	35,155	61,567
Retained earnings	1,322,512	1,384,701	1,337,850
Total equity attributable to equity shareholders	3,172,088	3,172,838	3,142,614
Non-controlling interest	126,468	117,026	124,255
Total equity	3,254,556	3,289,864	3,266,869
<b>Liabilities</b>			
Non-current liabilities	270,876	265,733	207,058
Current liabilities	162,852	150,943	218,351
Total liabilities	433,728	416,676	425,409
Total equity and liabilities	3,688,284	3,706,540	3,692,278

These financial statements were approved by the Board of Directors and authorised for issue on 09 November 2017 and signed on their behalf by:

Director   
Ingrid L.A. Lashley

Director   
Navin Rajkumar

## Consolidated Statement of Changes in Equity

as at 30 September 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
<b>Six months ended 30 September 2017</b>							
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	-	-	-	-	104,664	8,104	112,768
Share of translation reserve	-	-	-	812	-	-	812
Investment remeasurement	-	-	-	-	-	-	-
Subsidiary dividend paid on non-controlling interest	-	-	-	-	-	(5,892)	(5,892)
Dividends paid	-	-	-	-	(120,001)	-	(120,001)
Balance as at 30 September 2017	1,736,632	(2,633)	9,189	62,388	1,322,513	126,467	3,254,556
<b>Six months ended 30 September 2016</b>							
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	-	-	-	-	152,836	10,396	163,232
Share of translation reserve	-	-	-	10,008	-	-	10,008
Subsidiary dividend paid on non-controlling interest	-	-	-	-	-	(599)	(599)
Dividends paid	-	-	-	-	(90,000)	-	(90,000)
Balance as at 30 September 2016	1,736,632	-	16,349	35,155	1,384,701	117,027	3,289,864
<b>Year ended 31 March 2017</b>							
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 Six months ended 30 September 2017 \$ '000	Unaudited Six months ended 30 September 2016 \$ '000	Audited Year ended 31 March 2017 \$ '000
Revenue	206,824	237,562	470,509
Cost of sales	(143,043)	(165,791)	(330,518)
Gross profit	63,781	71,735	139,991
Other income	3,867	3,525	9,442
Operating expenses	(40,885)	(42,889)	(86,377)
Operating profit	26,763	32,371	63,056
Finance income	15,357	7,156	28,151
Finance costs	(6,389)	(7,653)	(14,977)
Net finance income	8,968	(497)	13,174
Share of profit of equity accounted investments (net of tax)	84,604	138,353	145,899
Profit before tax	120,335	170,227	222,129
Tax expense	(7,567)	(7,534)	(21,333)
Profit for the period	112,768	162,693	200,796
<b>Other comprehensive income</b>			
Remeasurement of retirement benefit asset, net of tax	-	-	9,677
Unrealised gains	-	539	(7,160)
Other comprehensive income for the year	-	539	2,517
Total comprehensive income for the year	112,768	163,232	203,313
Profit attributable to:			
Equity shareholders	104,664	152,836	181,575
Non-controlling interest	8,104	10,396	21,738
Profit for the period	112,768	163,232	203,313
Basic Earnings per Share	\$0.17	\$0.25	\$0.30

## Condensed Consolidated Statement of Cash Flows

	Unaudited Six months ended 30 September 2017 \$ '000	Unaudited Six months ended 30 September 2016 \$ '000	Audited Year ended 31 March 2017 \$ '000
Cash flows from operating activities	89,459	98,304	152,450
<b>Net cash flows from operating activities</b>	89,459	98,304	152,450
Cash flows from investing activities			
Dividends received	17,360	6,668	60,068
Other investing activities	(49,256)	(34,283)	(99,077)
<b>Net cash flows from investing activities</b>	(31,896)	(27,615)	(39,009)
Cash flows from financing activities			
Dividends paid	(123,270)	(91,226)	(180,000)
Finance lease liability payments	(230)	(373)	(744)
Repayment of borrowings	(26,380)	5,725	72,458
Other financing activities	-	-	(6,101)
<b>Net cash flows from financing activities</b>	(149,880)	(85,874)	(114,387)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(92,317)	15,185	(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	130,584	376,683	222,901

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 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 09 November 2017.