



# 2023

## NATIONAL ENTERPRISES LIMITED

# Summary Financial Statements

As at September 30, 2023

### Chairman's Statement for the Financial Year Ended September 30, 2023

For the financial year ended September 30, 2023, National Enterprises Limited (NEL) earned an Operating Profit of \$391.3 Million – a 32% increase from the prior 18-month period ended September 30, 2022. This profit is principally driven by Dividend Income of \$382.7 Million, which represents an increase of 29% above the \$296.4 Million recorded in the prior period, a period within which our financial year-end was changed to September annually from March, resulting in an eighteen-month reporting period.

NEL registered a total comprehensive loss of \$455.1 Million for FY2023. This is in contrast to the gain of \$1.98 Billion in the previous 18-month financial period. This position is due mainly to the significant swing in fair value of Trinidad and Tobago Nitrogen Company Limited (Tringen) from \$2.43 Billion in the previous financial period to \$1.46 Billion at the close of this financial year. Just as elevated ammonia prices drove the valuation in the financial period 2022, a decline and volatility in ammonia prices combined with gas curtailment issues, were responsible for the 40% decline in this year's valuation. Despite this decline in Tringen's fair value, NEL continues to demonstrate resilience through sustained cash flow growth. Notably, dividends from Tringen totaling \$371.2 Million were recorded in the current financial year, marking a significant increase from \$239.3 Million in the 18-month period of 2022.

Furthermore, our diversified portfolio showcases robust performance, with almost all investee companies, apart from National Flour Mills Limited, NGC Trinidad and Tobago LNG Limited and Tringen, exhibiting substantial gains in fair value over the past fiscal year. This is exemplified by the impressive 43% surge in the fair value of Telecommunications Services of Trinidad and Tobago from \$161.9 Million in September 2022 to \$184.9 Million by September 30, 2023.

Maintaining a healthy cash position is pivotal, and I am pleased to report that NEL boasts \$242.6 Million in cash and cash equivalents at the close of this financial year. This solid financial foundation not only ensures consistent dividend payments to our esteemed shareholders, aligning with our established dividend policy, but also empowers us to consider strategic investments, bolstering our planned diversification strategy.

In spite of the challenges, our commitment to growth, resilience, and strategic foresight remains unwavering, positioning us strongly for a prosperous future.

**Ingrid L-A Lashley**  
Chairman  
December 28, 2023



### 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, 2023, and the summary statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited financial statements of National Enterprises Limited (the "Company") for the year ended September 30, 2023.

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 22, 2023. 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.

#### 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 statements.

#### 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 22, 2023  
Port of Spain,  
Trinidad and Tobago



**2023**

**NATIONAL ENTERPRISES LIMITED**

# Summary Financial Statements

As at September 30, 2023

## SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2023

### 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, associates and joint ventures 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 31 to September 30 annually. The comparative included in these summary financial statements have been prepared for the eighteen-month period ended September 30, 2022. Additional disclosure has been included in the notes to 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 year ended September 30, 2023 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

	Audited As at September 30, 2023 \$ '000	Audited As at September 30, 2022 \$ '000
<b>Assets</b>		
Property, plant and equipment	514	499
Investment in subsidiaries	445,818	387,934
Investment in associates and joint ventures	2,156,593	3,037,307
Other long-term investments	251,873	230,847
Other non-current assets	111,687	111,924
Total non-current assets	<u>2,966,485</u>	<u>3,768,511</u>
Current assets	<u>318,443</u>	<u>271,446</u>
Total assets	<u>3,284,928</u>	<u>4,039,957</u>
<b>Equity</b>		
Share capital	1,736,632	1,736,632
Translation reserve	63,866	63,866
Remeasurement reserve	16,422	16,422
Retained earnings	1,463,923	2,219,027
Total equity attributable to equity shareholders	<u>3,280,843</u>	<u>4,035,947</u>
<b>Liabilities</b>		
Current liabilities	<u>4,085</u>	<u>4,010</u>
Total liabilities	<u>4,085</u>	<u>4,010</u>
Total equity and liabilities	<u>3,284,928</u>	<u>4,039,957</u>

## SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	Audited Year ended September 30, 2023 \$ '000	Audited 18 month period ended September 30, 2022 \$ '000
Dividend income	382,740	296,431
Interest income	10,713	9,478
Other income	3,231	256
Operating expenses	<u>(5,378)</u>	<u>(8,760)</u>
Operating profit	391,306	297,405
Net unrealised (loss)/gain on financial assets at fair value through profit or loss	<u>(841,905)</u>	<u>1,685,865</u>
Net (loss)/profit before taxation	(450,599)	1,983,270
Taxation	<u>(4,505)</u>	<u>(3,510)</u>
<b>Total comprehensive (loss)/income for the year/period</b>	<u>(455,104)</u>	<u>1,979,760</u>



**2023**

**NATIONAL ENTERPRISES LIMITED**

**Summary Financial Statements**

As at September 30, 2023

**SUMMARY STATEMENT OF CHANGES IN EQUITY**

	Share Capital (\$ '000)	Translation Reserve (\$ '000)	Remeasurement Reserve (\$ '000)	Retained Earnings (\$ '000)	Total Equity (\$ '000)
<b>For the year ended September 30, 2023</b>					
Balance as at October 1, 2022	1,736,632	63,866	16,422	2,219,027	4,035,947
Total comprehensive loss for the year	-	-	-	(455,104)	(455,104)
Dividends paid	-	-	-	(300,000)	(300,000)
<b>Balance as at September 30, 2023</b>	<b>1,736,632</b>	<b>63,866</b>	<b>16,422</b>	<b>1,463,923</b>	<b>3,280,843</b>
<b>For the period from April 1, 2021 to September 30, 2022</b>					
Balance as at April 1, 2021	1,736,632	63,866	16,422	407,267	2,224,187
Total comprehensive income for the period	-	-	-	1,979,760	1,979,760
Dividend paid	-	-	-	(168,000)	(168,000)
<b>Balance as at September 30, 2022</b>	<b>1,736,632</b>	<b>63,866</b>	<b>16,422</b>	<b>2,219,027</b>	<b>4,035,947</b>

**SUMMARY STATEMENT OF CASHFLOWS**

	Audited Year Ended September 30, 2023 (\$ '000)	Audited Eighteen Months Ended September 30, 2022 (\$ '000)
<b>OPERATING ACTIVITIES</b>		
Net (loss)/profit before taxation expenses	(450,599)	1,983,270
Depreciation	218	296
Other non-cash movements	841,605	(1,685,574)
Net change in operating assets and liabilities:		
Net change in accounts receivables	16,868	(17,078)
Net change in accounts payables	75	85
Net change in related parties	237	682
Taxation paid	408,404	281,681
Cash generated from operating activities	(4,956)	(3,623)
Net cash generated from operating activities	403,448	278,058
<b>INVESTING ACTIVITIES</b>		
Net change in other financial assets	31,679	(85,958)
Net change in other long-term investments	(23,530)	61,892
Purchase of fixed assets	(233)	(112)
Net cash generated from/(used by) investing activities	7,916	(24,178)
<b>FINANCING ACTIVITIES</b>		
Dividends paid	(300,000)	(168,000)
Cash used by financing activities	(300,000)	(168,000)
Net change in cash resources	111,364	85,880
Net cash resources at beginning of year/period	131,204	45,324
Net cash resources at end of year/period	242,568	131,204
<b>Represented by:</b>		
Short-term investments	179,810	117,874
Cash and cash equivalents	62,758	13,330
	242,568	131,204