



# Consolidated Interim Financial Statements

For the 6 months ended 30th September, 2016.

## Chairman's Statement

*Jerry Hospedales*

**Jerry Hospedales**  
Chairman

The Board of Directors of National Enterprises Limited (NEL) is pleased to report that profit after tax of **\$162.7 million** for the six months ended **September 30 2016** remains broadly consistent when compared with the **\$174.9 million** in the comparable six month period ending **September 30 2015**. Earnings per share were **\$0.25** in the second quarter of financial year **2017** compared with **\$0.28** in the comparable period of financial year **2016**. While persistently low commodity prices continue to weigh on their medium-term outlook, the investee companies have proven to be resilient in the challenging global environment by focusing on improving efficiency, seeking new markets, minimising costs and developing strategies to counter increasingly competitive forces.

The medium-term outlook of our investee companies is encouraging, in particular Telecommunications Services of Trinidad and Tobago (TSTT) in its drive to become an agile broadband company is investing significantly in the transformation of its information processing technology, in its wired and wireless infrastructure as well as in its retail and customer service support systems. Trinidad Nitrogen Co. Limited (Tringen) is maximising its production to optimise profitability to finance its capital costs with its recently installed Energy Efficiency Improvement Project.

The other investee companies are maintaining their profitability. With the appointment of the Board of Directors, The Power Generation Company of Trinidad and Tobago Limited will regularise its payment of dividends to NEL Power Holdings Limited.

The Board of NEL is reasonably assured that its balanced portfolio of quality assets will ensure stability during these uncertain times and continue to provide shareholders with consistent and reasonable returns over the long-term. The Board has agreed to an interim dividend payment of **\$0.15** per share and shareholders of record date November 18 2016 will be paid on December 9 2016.

### Condensed Consolidated Statement of Financial Position

	Unaudited Six months ended 30 September 2016 \$ '000	Unaudited Six months ended 30 September 2015 \$ '000	Audited Year ended 31 March 2016 \$ '000
<b>Assets</b>			
Equity accounted investments	2,459,757	2,599,787	2,318,064
Property, plant and equipment	166,187	153,302	167,376
Other non-current assets	467,573	286,310	432,302
Total non-current assets	3,090,517	3,039,399	2,917,742
Current assets	616,023	844,993	686,960
Total assets	3,706,540	3,884,392	3,604,702
<b>Equity</b>			
Stated capital	1,736,632	1,736,632	1,736,632
Investment remeasurement reserve	16,349	17,912	16,349
Translation reserve	35,155	18,537	25,147
Retained earnings	1,384,701	1,630,082	1,321,866
Total equity attributable to equity shareholders	3,172,837	3,403,163	3,099,994
Non-controlling interest	117,027	105,204	107,229
Total equity	3,289,864	3,508,367	3,207,223
<b>Liabilities</b>			
Non-current liabilities	150,943	123,908	146,405
Current liabilities	265,733	252,117	251,074
Total liabilities	416,676	376,025	397,479
Total equity and liabilities	3,706,540	3,884,392	3,604,702

Director *Jerry Hospedales*  
Jerry Hospedales

Director *Navin Rajkumar*  
Navin Rajkumar

### Condensed Consolidated Statement of Comprehensive Income

	Unaudited Six months ended 30 September 2016 \$ '000	Unaudited Six months ended 30 September 2015 \$ '000	Audited Year ended 31 March 2016 \$ '000
Revenue	237,562	245,049	481,214
Cost of sales	(165,791)	(186,315)	(365,463)
Gross profit	71,735	58,734	115,751
Other income	3,525	8,587	15,543
Operating expenses	(42,889)	(40,601)	(87,295)
Operating profit	32,371	26,720	43,999
Finance income	7,156	12,920	17,416
Finance costs	(7,653)	(2,888)	(7,284)
Net finance income	(497)	10,032	10,132
Share of profit of equity accounted investees (net of tax)	138,353	143,612	65,385
Profit before tax	170,227	180,364	119,516
Tax expense	(7,534)	(5,447)	(9,931)
Profit for the period	162,693	174,917	109,585
<b>Other comprehensive income</b>			
Remeasurement of retirement benefit asset, net of tax	-	-	(1,813)
Unrealised gains	539	763	(1,563)
Other comprehensive income for the year	539	763	(3,376)
Total comprehensive income for the year	163,232	175,680	106,209
Profit attributable to:			
Equity shareholders	152,836	165,600	90,419
Non-controlling interest	10,396	10,080	15,790
Profit for the period	163,232	175,680	106,209
Basic Earnings per Share	\$0.25	\$0.28	\$0.15

### Consolidated Statement of Changes in Equity

as at 30th September, 2016	(Expressed in thousands of Trinidad and Tobago dollars)					
	Share Capital \$'000	Translation Reserve \$'000	Investment Remeasurement Reserve \$'000	Retained Earnings \$'000	Non-controlling Interest \$'000	Total Equity \$'000
Six months ended 30 September 2016						
<b>Balance as at 1 April 2016</b>	1,736,632	25,147	16,349	1,321,865	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
Dividends paid on non-controlling interest	-	-	-	-	(599)	(599)
Dividends paid	-	-	-	(90,000)	-	(90,000)
<b>Balance as at 30 September 2016</b>	1,736,632	35,155	16,349	1,384,701	117,027	3,289,864
Six months ended 30 September 2015						
<b>Balance as at 1 April 2015</b>	1,736,632	19,532	17,912	1,625,238	95,124	3,494,438
Total comprehensive income for the year	-	-	-	165,600	10,080	175,680
Share of translation reserve	-	(995)	-	-	-	(995)
Dividends paid	-	-	-	(160,756)	-	(160,756)
<b>Balance as at 30 September 2015</b>	1,736,632	18,537	17,912	1,630,082	105,204	3,508,367
Year ended 31 March 2016						
<b>Balance as at 1 April 2015</b>	1,736,632	19,532	17,912	1,602,048	94,973	3,471,097
Total comprehensive income for the year	-	-	(1,563)	91,982	15,790	106,209
Share of translation reserve	-	5,615	-	-	-	5,615
Share of deferred tax on actuarial gain	-	-	-	(1,407)	-	(1,407)
Dividends paid on non-controlling interest	-	-	-	-	(3,534)	(3,534)
Dividends paid	-	-	-	(372,000)	-	(372,000)
Dividends refund	-	-	-	1,243	-	1,243
<b>Balance as at 31 March 2016</b>	1,736,632	25,147	16,349	1,321,865	107,229	3,207,223

### Condensed Consolidated Statement of Cash Flows

	Unaudited Six months ended 30 September 2016 \$ '000	Unaudited Six months ended 30 September 2015 \$ '000	Audited Year ended 31 March 2016 \$ '000
Cash flows from operating activities	98,304	155,318	173,257
<b>Net cash flows from operating activities</b>	98,304	155,318	173,257
Cash flows from investing activities			
Dividends received	6,668	217,998	362,032
Dividends declared	-	-	64,666
Other investing activities	(34,283)	(4,060)	(157,150)
<b>Net cash flows from investing activities</b>	(27,615)	213,938	269,548
Cash flows from financing activities			
Dividends paid	(91,226)	(160,756)	(372,000)
Finance lease liability payments	(373)	-	(1,040)
Repayment of borrowings	5,725	(78,137)	(1,308)
Other financing activities	-	-	(2,291)
<b>Net cash flows from financing activities</b>	(85,874)	(238,892)	(376,639)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(15,185)	130,364	66,166
Cash, cash equivalents and bank overdrafts at start of period	391,868	344,418	157,681
Cash, cash equivalents and bank overdrafts at end of period	376,683	474,782	223,847

### Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2016

#### 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 March 31 2016. These condensed consolidated interim financial statements have not been audited and were approved by the Board of Directors on November 08 2016.

#### 2. Significant Accounting Policies -

The accounting policies applied in these unaudited condensed consolidated interim financial statements are consistent with those applied in the audited consolidated financial statements for the year ended March 31 2016.