



Condensed Consolidated Financial Statements

For the nine months ended 31 December 2018.

Chairman's Statement

The Board of Directors of National Enterprises Limited (NEL) closely monitors the developments of its investee companies to ensure that shareholder value is not only preserved but enhanced. For the third quarter of the financial year ended March 31, 2019, the performance of almost all of our investee companies continues to be consistently strong to the extent that, discounting the performance of Telecommunication Services of Trinidad and Tobago Limited (TSTT), NEL's net profit after tax would have increased by over 10% when compared to the same period of fiscal 2018.

However, the third quarter financial results for the nine-month period ending December 31, 2018 NEL recorded a loss of \$188.8 million as compared to net profit for the corresponding period of fiscal 2018 of \$132.6 million. Compared to

a positive \$0.20 per share as at December 31, 2017, earnings per share as at December 31, 2018 reflects a loss of \$0.34 per share.

The company's results are directly affected by the performance of TSTT. In this regard, it is noteworthy that, while TSTT continues to successfully execute its strategic plan to transform into an agile broadband company, their results are impacted by "one-off" costs associated with this transformation exercise. TSTT has significantly upgraded and evolved its network, completed a national residential wireless broadband system, improved and expanded its fibre footprint and infrastructure and installed a state-of-the-art customer provisioning system. The company also recently implemented a new customer-centric business model geared at service assurance, revenue generation and improved customer service. Having recently completed its staff rationalisation programme which carried a one-time cost of \$620M, TSTT will immediately generate an annual

employee cost saving in excess of \$200M. We are advised that the benefits of the company's technology investments, improved customer service and new model of operations will ensure its return to profitability in the next fiscal year.

NEL's distributions to its shareholders are based on dividends received from its investee companies, and given the diversification of our portfolio, our revenue stream is not significantly affected by the financial results of any one company. We expect that our portfolio of companies will benefit from growth in their respective sectors of the economy this calendar year and this would be reflected in the final dividend to be recommended to shareholders for their approval.

Ingrid L-A Lashley
Chairman

Condensed Consolidated Statement of Financial Position

	Unaudited Nine months ended 31 December	Restated 2017 \$ '000	Audited Year ended 31 March
	2018 \$ '000	2017 \$ '000	2018 \$ '000
Assets			
Equity accounted investments	2,121,537	2,420,607	2,421,943
Property, plant and equipment	180,274	181,868	176,409
Other non-current assets	479,793	468,722	482,489
Total non-current assets	2,781,604	3,071,197	3,080,841
Current assets	349,150	459,133	522,610
Total assets	3,130,754	3,530,330	3,603,451
Equity			
Stated capital	1,736,632	1,736,632	1,736,632
Investment re-measurement reserve	11,393	9,189	16,422
Translation reserve	63,363	61,357	63,866
Other equity	(2,633)	(2,633)	(2,633)
Retained earnings	893,702	1,250,372	1,283,691
Total equity attributable to equity shareholders	2,702,457	3,054,917	3,097,978
Non-controlling interest	135,303	129,413	131,881
Total equity	2,837,760	3,184,330	3,229,859
Liabilities			
Non-current liabilities	176,854	255,733	194,931
Current liabilities	116,140	90,267	178,661
Total liabilities	292,994	346,000	373,592
Total equity and liabilities	3,130,754	3,530,330	3,603,451
Director	Ingrid L-A Lashley	Director	Navin Rajkumar

Condensed Consolidated Statement of Comprehensive Income

	Unaudited Nine months ended 31 December 2018 \$ '000	31 December 2017 \$ '000	Audited Year ended 31 March 2018 \$ '000
Revenue	323,805	320,057	435,493
Cost of sales	(231,319)	(223,238)	(304,697)
Gross profit	92,486	96,819	130,796
Other income	8,949	5,802	10,743
Operating expenses	(67,195)	(63,780)	(87,817)
Operating profit	34,240	38,841	53,722
Finance income	21,540	24,981	43,410
Finance costs	(6,787)	(9,761)	(13,275)
Net finance income	14,753	15,220	30,135
Share of profit of equity accounted investments (net of tax)	(225,284)	90,513	128,884
Profit before tax	(176,291)	144,574	212,741
Tax expense	(12,516)	(11,957)	(17,903)
Profit for the period	(188,807)	132,617	194,838
Other comprehensive income			
Remeasurement of retirement benefit asset, net of tax	-	-	(1,473)
Unrealised gains	(5,029)	-	7,233
Other comprehensive income for the year	(5,029)	-	5,760
Total comprehensive income for the year	(193,836)	132,617	200,598
Profit attributable to:			
Equity shareholders	(203,148)	121,568	187,082
Non-controlling interest	9,312	11,049	13,516
Profit for the period	(193,836)	132,617	200,598
Basic earnings per Share	(\$0.34)	\$0.20	\$0.31

Consolidated Statement of Changes in Equity

(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
Nine months ended 31 December 2018							
Balance as at 1 April 2018	1,736,632	(2,633)	16,422	63,866	1,283,691	131,881	3,229,859
Total comprehensive income for the year	-	-	(5,029)	-	(198,119)	9,312	(193,836)
Share of translation reserve	-	-	-	(503)	-	-	(503)
Share of deferred tax	-	-	-	-	(59,870)	-	(59,870)
Subsidiary dividend	-	-	-	-	-	(5,890)	(5,890)
Dividends paid	-	-	-	-	(132,000)	-	(132,000)
Balance as at 31 December 2018	1,736,632	(2,633)	11,393	63,363	893,702	135,303	2,837,760
Nine months ended 31 December 2017							
Balance as at 1 April 2017	1,736,632	(2,633)	9,189	61,576	1,314,806	124,255	3,243,825
Total comprehensive income for the year	-	-	-	-	121,568	11,049	132,617
Share of translation reserve	-	-	-	(219)	-	-	(219)
Share of deferred tax	-	-	-	-	-	-	-
Subsidiary dividend	-	-	-	-	-	(5,891)	(5,891)
Dividends paid	-	-	-	-	(186,002)	-	(186,002)
Restated balance as at 31 December 2017	1,736,632	(2,633)	9,189	61,357	1,250,372	129,413	3,184,330
Year ended 31 March 2018							
Balance as at 1 April 2017	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)
Dividends refunded	-	-	-	-	-	-	-
Subsidiary dividend paid on NCI	-	-	-	-	-	(5,890)	(5,890)
Dividends paid	-	-	-	-	(186,000)	-	(186,000)
Balance as at 31 March 2018	1,736,632	(2,633)	16,422	63,866	1,283,691	131,881	3,229,859

Condensed Consolidated Statement of Cash Flows

	Unaudited Nine months ended 31 December 2018 \$ '000	31 December 2017 \$ '000	Audited Year ended 31 March 2018 \$ '000
Cash flows from operating activities	54,021	71,143	99,370
Net cash flows from operating activities	54,021	71,143	99,370
Cash flows from investing activities:			
Dividends received	14,751	79,143	83,612
Other investing activities	30,257	(48,440)	(58,697)
Net cash flows from investing activities	45,008	(30,703)	24,915
Cash flows from financing activities:			
Dividends paid	(143,841)	(200,882)	(186,000)
Finance lease liability payments	(581)	(357)	(650)
Repayment of borrowings	(25,360)	(62,333)	(14,471)
Other financing activities	-	-	(5,890)
Net cash flows from financing activities	(169,782)	263,572	(207,011)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(70,753)	(161,726)	(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	69,422	61,175	140,175

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 31 December 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 February 05, 2019.

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.