NATIONAL ENTERPRISES LIMITED

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2019 Condensed Financial Statements

As at 31st December 2019

Chairman's Statement

The management financial statements (unaudited) of National Enterprises Limited (NEL) as at the third quarter of fiscal 2020 ended December 31, 2019, indicate even more significantly the impact of the change in financial reporting from previous years.

You would recall that, effective for the fiscal year ended March 31, 2019, NEL's financial reporting as an investment company was changed to indicate the fair value assessment of the investee companies and the company's investment portfolio. This approach to financial reporting will more accurately reflect NEL's mandate to give its shareholders the opportunity to benefit from direct ownership of state-owned enterprises and a diversified portfolio of investments, and to monitor the value of these investments.

The management financial statements for the third quarter ended December 31, 2019 to date reflects this change in financial reporting in the elimination of the 'share of profit of equity accounted investees'. As a result, the profit for the period of TT$30.8 million represents the unconsolidated profit of the company derived in the main from dividend income from investments.

The results of investee companies are no longer included in the company's reporting profit. The increase in value of these subsidiaries however, are reflected in their carrying value, resulting in an increase over the comparative period last year, of $221.4 million or 8.3% .

NEL will continue to adhere to the dividend policy defined in its original mandate to the benefit of its shareholders.

Ingrid L-A Lashley
Chairman
February 7, 2020

CONDENSED STATEMENT OF FINANCIAL POSITION

	Unaudited Nine months ended 31 December 2019 $ '000	Unaudited Nine months ended 31 December 2018 $ '000	Audited Year ended 31 March 2019 $ '000
Assets			
Investment in subsidiaries	663,786	781,781	663,786
Investment in joint venture and associates	1,752,064	1,442,409	1,752,064
Property, plant and equipment	466	573	541
Other non-current assets	423,283	395,328	401,240
Total non-current assets	2,839,599	2,620,091	2,817,631
Current assets	46,464	44,501	115,075
Total assets	2,886,063	2,664,592	2,932,706
Equity			
Stated capital	1,736,632	1,736,632	1,736,632
Investment re-measurement reserve	16,422	11,393	16,422
Translation reserve	63,866	63,363	63,866
Retained earnings	1,066,058	834,699	1,101,238
Total equity attributable to equity shareholders	2,882,978	2,646,087	2,918,158
Liabilities			
Non-current liabilities	-	3,340	-
Current liabilities	3,085	15,165	14,548
Total liabilities	3,085	18,505	14,548
Total equity and liabilities	2,886,063	2,664,592	2,932,706

Director
Ingrid L-A Lashley

Director
Navin Rajkumar

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Nine months ended 31 December 2019 $ '000	Unaudited Nine months ended 31 December 2018 $ '000	Audited Year ended 31 March 2019 $ '000
Dividend income	20,402	9,511	98,392
Other income	5,671	10,154	28,760
Total income	26,073	19,665	127,152
Operating expenses	7,562	(3,044)	(110,560)
Operating profit	33,635	16,621	16,592
Finance costs	(96)	(608)	(759)
Share of profit of equity accounted investees (net of tax)	-	(225,284)	-
Profit/loss before tax	33,539	(209,271)	15,833
Tax expense	(2,719)	(2,053)	(3,334)
Profit for the period	30,820	(211,324)	12,499
Other comprehensive income			
Unrealised gains	-	(5,029)	-
Other comprehensive income for the year	-	(5,029)	-
Total comprehensive income/(loss) for the year	30,820	(216,353)	12,499

CONDENSED STATEMENT OF CASHFLOWS

	Unaudited Nine months ended 31 December 2019 $ '000	Unaudited Nine months ended 31 December 2018 $ '000	Audited Year ended 31 March 2019 $ '000
OPERATING ACTIVITIES			
Net profit/loss before taxation	33,539	(209,271)	15,833
Adjustment for non-cash items:			
Share of profit of equity accounted investments net of tax	-	225,284	-
Depreciation	78	92	121
Other non-cash movements	(10,386)	-	90,350
	23,231	16,105	106,304
Net change in operating assets and liabilities:			
Net change in accounts receivables	14,884	12,035	(2,916
Net change in accounts Payables	(800)	(639)	292
Due to/from related party	(13,478)	(2,100)	(1,939)
	23,837	(25,401)	101,741
Taxation paid	(2,438)	(109)	(303)
Cash (used in)/generated from Operating Activities	21,399	25,292	101,438
INVESTING ACTIVITIES			
Dividends declared and received	-	14,753	-
Change in long-term investments	1,681	1,299	1,500
Purchase of fixed assets	-	(12)	(10)
Cash generated from Investing Activities	1,681	16,040	1,490
FINANCING ACTIVITIES			
Proceeds from/Repayment of loan	(10,807)	(15,409)	(20,770)
Dividends paid	(66,000)	(132,000)	(132,000)
Cash used in Financing Activities	(76,807)	(147,409)	(152,770)
Net change in Cash Resources	(53,727)	(106,077)	(49,842)
Net Cash Resources at beginning of year	98,069	147,911	147,911
Net Cash Resources at end of year *	44,342	41,834	98,069

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share Capital $'000	Translation Reserve $'000	Investment Remeasurement Reserve $'000	Retained Earnings $'000	Total Equity $'000
Year ended 31 March 2020					
Nine months ended 31 December 2019					
Balance as at 1 April 2019	1,736,632	63,866	16,422	1,101,238	2,918,158
Total comprehensive income for the year	-	-	-	30,820	30,820
Dividend paid	-	-	-	(66,000)	(66,000)
Balance as at 31 December 2019	**1,736,632**	**63,866**	**16,422**	**1,066,058**	**2,882,978**
Nine months ended 31 December 2018					
Balance as at 1 April 2018	1,736,632	63,866	16,422	1,237,892	3,054,812
Total comprehensive loss for the year	-	-	-	(211,324)	(211,324)
Fair Value Reserve	-	-	(5,029)	-	(5,029)
Share of translation reserve	-	(503)	-	-	(503)
Share of deferred tax on actual gain	-	-	-	(59,869)	(59,869)
Dividends paid	-	-	-	(132,000)	(132,000)
Balance as at 31 December 2018	**1,736,632**	**63,363**	**11,393**	**834,699**	**2,646,087**
Year ended 31 March 2019					
Balance as at 1 April 2018	1,736,632	63,866	16,422	1,237,892	3,054,812
Restatement:					
Expected Credit loss financial assets	-	-	-	(17,153)	(17,153)
Restated opening balance 1.04.2018	1,736,632	63,866	16,422	1,220,739	3,037,659
Total comprehensive income for the year	-	-	-	12,499	12,499
Dividends paid	-	-	-	(132,000)	(132,000)
Balance as at 31 March 2019	**1,736,632**	**63,866**	**16,422**	**1,101,238**	**2,918,158**

Notes to the Condensed Financial Statements

For the Nine months ended 31 December 2019

1. **Basis of Preparation -**

   These condensed 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 financial statements for the year ended 31 March 2019. These condensed interim financial statements have not been audited and were approved by the Board of Directors on February 7, 2020.

2. **Significant Accounting Policies -**

   The accounting policies in these unaudited condensed interim financial statements are consistent with those applied in the audited financial statements for the year ended 31 March 2019.