

# NEL GROWS



ANNUAL REPORT 2014

# Company Overview

National Enterprises Limited (NEL) is an investment holding company incorporated on August 27, 1999 by the Government of the Republic of Trinidad & Tobago. NEL was formed to consolidate the Government's shareholding in selected state enterprises, and facilitate a public offering on the Trinidad & Tobago Stock Exchange.

NEL has 600 million issued shares in industries that drive the economy of Trinidad & Tobago: natural gas and energy-based manufacturing; telecommunications; and the marketing and manufacturing of food basics.

NEL has shares in the following companies:

National Flour Mills (NFM)

NGC NGL Company Limited (NGC NGL)

NGC Trinidad and Tobago LNG Limited

Telecommunications Services of Trinidad and Tobago Limited (TSTT)

Trinidad Nitrogen Company Limited (TRINGEN)

Together, these companies employ a significant portion of the country's workforce and act as the crucible for local innovation and expertise development. Through NEL, individual and corporate investors can share in the financial stability and staying power of these enterprises. Today, over five thousand citizens, who enjoy steady dividends and increased capital appreciation, own 100,000,000 shares in NEL.



*Guided by our ethical and transparent culture, we will employ a disciplined, investment approach to achieve our vision. We will deliver optimal risk-adjusted returns from our diversified investment portfolio to provide superior shareholder value and to broaden national participation in capital markets.*



*To deliver consistently superior returns to our shareholders. We will focus on strong absolute growth with an emphasis on capital preservation.*



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A full-length portrait of a middle-aged man with dark hair and a mustache, wearing a dark blue suit, a light blue shirt, and a blue patterned tie. He is standing with his hands on his hips, leaning slightly forward. The background is a plain, light-colored wall.

# Chairman's Statement

Kenny Lue Chee Lip  
Chairman



Our results for the year ended March 31, 2014 reflect a significantly lower performance than the previous years both in our consolidated and unconsolidated accounts. Our slate of investee companies has had a period of sustained profitability and solid performance for the last few years, driven mainly by a period of high ammonia prices for Tringen and consistent performance from our NGC subsidiaries, NGC NGL and NGC LNG. However, this was unsustainable this past year as global prices for these companies' products dropped, and profits in Tringen were invested in ensuring plant sustainability and improvements in performance. These led to a significant decrease in dividend receipts from our investee companies.

2014 also marked a year of corporate restructuring for one of our main investee companies, Telecommunication Services of Trinidad and Tobago (TSTT), which seriously affected our consolidated accounts. NEL has also restated its 2013 financial results due to restatements by two of our investee companies, TSTT and NFM, as a result of changes in accounting policies for retirement benefits, exchange loss, and back pay accrual. The effect of these restatements has reduced our retained earnings as at March 31, 2013 by \$152 million, and is detailed in the notes to the financial statements. These restatements do not affect our dividend pay-out for the financial year ended March 31, 2014.

On the positive side, in this financial year we have started an investment programme and acquired a 10% shareholding in Powergen, one million shares in the Cllico Investment fund, and a 0.51% shareholding in First Citizens Bank. These investments of approximately \$250 million were completed in the latter half of the financial year and therefore the dividend receipts of these investments will be received from the financial year 2015 and onwards. These financial services and power sector investments add more diversity to our portfolio.

### **Financial Results and Dividends**

In our audited consolidated financials, the net profit for the year was \$200.9 million compared with restated \$511.1 million in 2013. This was mainly due to NEL recording its share of TSTT's loss arising from its provision for its VSEP plan, and lower dividend receipts from Tringen and NGC LNG. Earnings per share for the year were 0.32¢ compared to 0.85¢ restated in the previous year—a reduction of 62%. In our unconsolidated financial statements, net profit recorded was \$326.1 million compared to \$496.9 million in 2013. Our ability to pay dividends to our shareholders was therefore affected to a lesser extent, as our cash dividends receipts from our investee companies for the year amounted to \$308.7 million compared to \$490.1 million in 2013—a reduction of 37.1%.

The Board of Directors of NEL is pleased that, notwithstanding a 60.7% reduction in profitability, we are able to declare a final dividend pay-out of 0.23¢, bringing the total dividends paid for the financial year ending March 31, 2014 to 0.46¢. While this is less than 0.73¢ in the prior year, this represents a dividend yield of 2.51% which is still reasonably satisfactory given the current market conditions of low interest rates and overall stock market performance. When added to the appreciation in share price from \$15.40 to \$18.27, the overall return to our shareholders continues to be competitive.

### **Investee Companies' Performance**

Telecommunication Services of Trinidad and Tobago recorded a net loss of \$505.9 million for the year ended March 31, 2014. NEL's share of TSTT's loss for the year amounted to \$226.1 million. These results included a provision for re-organisation costs of \$694.6 million which is expected to be a non-recurring provision. TSTT has embarked on an aggressive five year strategic plan, of which 2014 was the first year and included a significant Voluntary Separation of Employees (VSEP) component.

This VSEP is on track to successful completion, and will result in a significant reduction in operating costs—the single largest expense for TSTT. Other aspects of this strategic plan are being implemented and we are cautiously optimistic that this plan will revert TSTT to a profitable position from FY 2015 onwards and NEL will see a return of our dividends from this company.

The second significant factor affecting our performance was lower dividends receipts from Tringen. NEL's dividends receipts from Tringen for the financial year ending March 31, 2014 were \$115.1 million compared to \$213.4 million in 2013. Tringen's profitability was reduced as a result of lower ammonia prices, gas curtailment issues in 2013, and the cash requirements of the planned Tringen I plant Energy Efficiency Improvement Project (E.E.I.P) to be implemented in 2014. We expect that this significant capital project and the resumption of steady natural gas supply from NGC will result in improved financial performance going forward from the latter part of 2014. However, local natural gas prices, and the prices of commodities linked to it such as ammonia, will continue to be challenged by cheaper sources of natural gas such as shale gas in other parts of the world.

One of our subsidiaries in the Energy Sector also performed below 2013 levels. Our dividends from NGC NGL were \$123 million compared to \$201.5 million in 2013. In 2013, NEL benefitted from a higher-than-usual dividend payout from NGC NGL due to a payment from retained earnings.

NGC LNG performed marginally better with a dividend of \$54.3 million compared to \$52 million in 2013.

National Flour Mills performed significantly better than 2013 but their overall contribution to NEL dividend receipts continues to be very small.

### **Share Price Performance**

As at March 31, 2014 NEL's share price reached \$18.27, representing an increase during the period of \$2.87 or 18.6%. When added to NEL's dividend yield of 2.51%, NEL's shares continue to provide our shareholders with superior returns.

### **Future Prospects and Strategic Outlook**

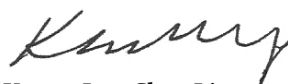
I am confident that NEL's existing investee companies will perform well in this current year and beyond, as management completes capital expenditure at Tringen and reorganisation at TSTT that will enhance shareholder value and profitability.

We have also added approximately \$250 million in new dividend earning equities that will start to contribute to NEL's performance in this current year. This marks the company's first investment after many years and

a significant build-up of cash resources, and the intent would be to continue to seek out opportunities for investments in mature, stable, profitable, quality entities that diversify our investment portfolio.

The Board has also approved and implemented a new organisational structure with a General Manager, Head of Secretariat and Accountant. We welcome Krishnadath Ramlogan to the role of General Manager. With this new structure in place, we are confident that this will improve operational efficiency, allow us to more closely monitor our investee companies, and to drive strategic growth to enhance shareholder value. NEL is moving from being a passive organisation to one that actively manages its investment portfolio and one that is actively seeking new investment opportunities. We are now set for a growth path that will surely redound to the benefit of our shareholders.

I thank the management of our investee companies, our Board of Directors, management and staff, our service providers, the Ministry of Finance, and all shareholders for their support over the last year and look forward to a bright and exciting future as NEL continues to increase shareholder value and provide excellent returns.



Kenny Lue Chee Lip  
Chairman

# Notice of Meeting



## NOTICE OF MEETING

Notice is hereby given that the Fifteenth Annual Meeting of shareholders of National Enterprises Limited "the Company" will be held at the Grand Ballroom, Radisson Hotel, formally Capital Plaza Hotel, Wrightson Road, Port of Spain on Thursday, September 18, 2014 commencing 10am for the following purposes:

1. To receive and, if approved, adopt the financial statements of the Company for the year ended March 31, 2014 and the reports of the Directors and Auditors.
2. To re-elect Directors.
3. To reappoint the Auditors and empower the Directors to determine the Auditors' remuneration in respect of the period ending at the next Annual Meeting of the Company.
4. To transact any business as may properly come before the meeting.

By order of the Board,

Aegis Business Solutions  
Corporate Secretary  
August 24, 2014

## NOTES:—

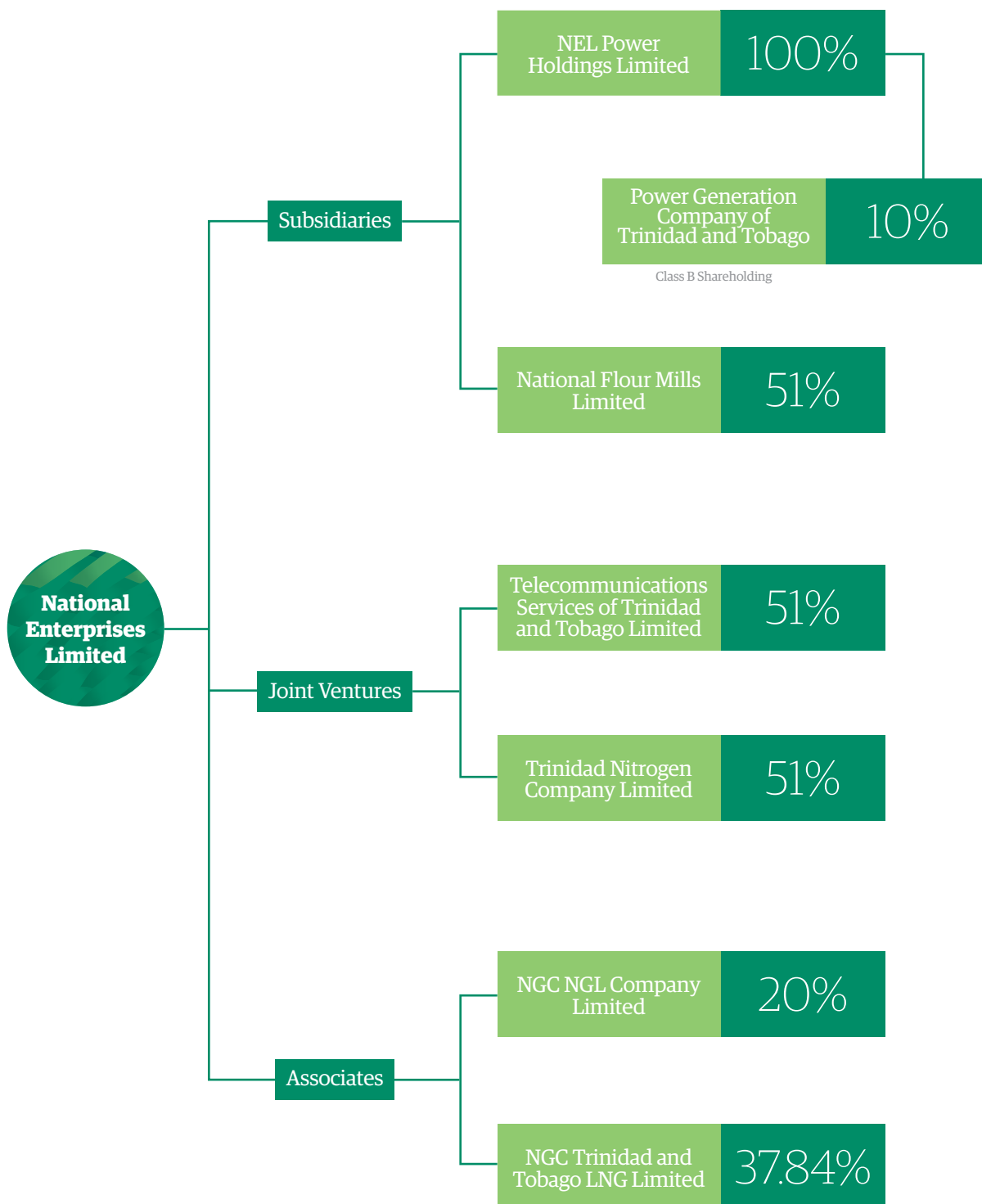
1. Only shareholders on record at the close of business on August 23, 2014, the date immediately preceding the day on which notice is given, are entitled to receive notice of the Annual Meeting.
2. A member entitled to attend and vote at the meeting may appoint one or more proxies to attend, and upon a poll, vote instead of him. A proxy need not be a member of the company.



# NEL's Group Structure









# Board of Directors

A

Kenny Lue Chee Lip  
Chairman

B

Sylvester Ramquar  
Deputy Chairman

C

Ross Alexander

D

Anthony Jordan

E

Valini Pundit

F

Sherry Katwaroo-Ragbir

G

Utam Maharaj

H

Ethelbert Wilson

I

Angela Lee Loy  
Aegis Business Solutions  
Corporate Secretary





# General Manager

Krishnadath Ramlogan





# Head of Secretariat

Keisha Armstrong



# Corporate information

**Board of Directors**

Kenny Lue Chee Lip (Chairman)  
Sylvester Ramquar (Deputy Chairman)  
Ross Alexander  
Sherry Katwaroo-Ragbir  
Valini Pundit  
Ethelbert Wilson  
Anthony Jordan (appointed December 1, 2013)  
Utam Maharaj (appointed December 16, 2013)

**Corporate Secretary**

Aegis Business Solutions Limited

**Registered Office**

Level 15, Tower D  
International Waterfront Centre  
Wrightson Road  
Port of Spain  
Trinidad & Tobago  
Tel: (868) 625-0015

**Bankers**

First Citizens Bank Limited  
50 St. Vincent Street  
Port of Spain

**Auditors**

PKF Chartered Accountants and Business Advisors  
P.O. Bag 250  
90 Edward Street  
Port of Spain

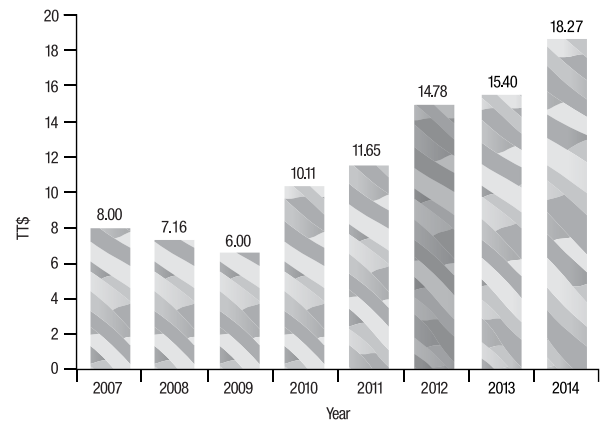
**Attorneys**

LEX Caribbean  
P.O. Box 1165  
First Floor  
5-7 Sweet Briar Road  
St. Clair

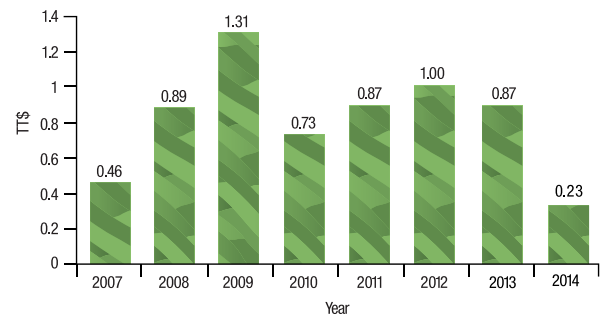


# NEL's Performance History

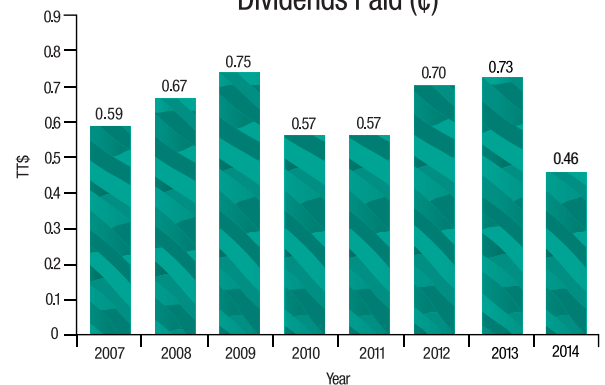
Record of Share Price (\$)



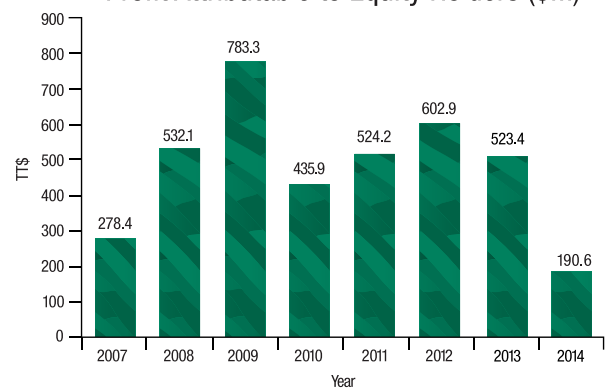
Earnings Per Share (\$)



Dividends Paid (¢)



Profit Attributable to Equity Holders (\$M)







## Social Responsibility

A group of young football players, likely from San Juan Jabloteh, are shown from the back, huddled together on a grassy field. They are wearing bright pink jerseys with black accents and dark shorts. The background is a blurred outdoor setting with trees and a fence. The text is overlaid in the top right corner.

# NEL'S SAN JUAN JABLOTEH

UNDER 14 - UNDER 16  
FOOTBALL TEAM









A

Keisha Armstrong, NEL's Head of Secretariat, with members of NEL's San Juan Jabloteh football team, coaches and support staff

B

NEL's San Juan Jabloteh take on W Connection at the Youth Pro League

C

Pre match warm-up drill

D

Half-time pep talk



E



F



G

E

Goal mouth action

F

Kerry Baptiste, Coach of NEL's San Juan Jabloteh, chats with team before game

G

The team in action

H

NEL's Head of Secretariat with Kofi John - Mr. John received partial assistance to travel to compete in the Penn Relay Games 2014 in Philadelphia



H



## Acquisition of NEL Power Holdings Limited

National Enterprises Limited has acquired a 10% stake in PowerGen from a subsidiary company of BP known as Amoco Trinidad Power Resources Corporation (ATPRC). This purchase was effected on December 18, 2013.

The assets of ATPRC were transferred to a newly-formed subsidiary of NEL called NEL Power Holdings Limited (NPHL), in which NEL retains a 90% interest. Unit Trust Corporation was invited to participate in the purchase and will acquire 10% of NPHL. This purchase increases NEL's asset base by roughly 5% and is expected to result in additional dividend income, thus benefitting the shareholders of NEL.





# National Flour Mills Limited

National Flour Mills Limited (NFM) was established in 1972 as a public trading company and has since been recognized as the main leader in flour milling, rice packaging, feed milling and dry mix operations throughout Trinidad & Tobago.

The company's product range for human consumption is comprised of wheat-based products such as all purpose flour, bakers flour, whole wheat flour, cake flour, self rising flour, cracked wheat flour, wheat germ, wheat bran and wheat cereal. Its dry mix operations include pholourie mix, split peas powder, baking powder, custard powder and icing sugar.

Within the trading and distribution portfolio, the company sells parboiled rice, white rice, brown rice, edible oil, instant ginger tea, coconut milk powder and instant yeast.

Its feed milling and packaging division manufactures feeds for broilers, layers, ducks, goats, dairy, sheep, pigs, horses, fishes, rabbits, puppies and dogs.

In addition to deepening local distribution channels, NFM is also focused on increasing regional trade.







## NGC NGL Company Limited

NGC NGL is a holding company with a 51% shareholding in Phoenix Park Gas Processors Limited (PPGPL), located at the Point Lisas Industrial Estate. PPGPL is one of the largest and most efficient gas processing facilities in the Americas.

PPGPL provides natural gas through processing raw natural gas which is delivered from customers' existing pipelines. Processing involves the extraction of natural gas liquids (NGLs).

The high quality processed gas is delivered to downstream facilities, which use the gas as fuel and feedstock.

PPGPL also fractionates the extracted NGLs into three products: propane, butane and natural gasoline. The extracted propane and butane are marketed in the Caribbean and Central America, whereas the natural gasoline is marketed internationally.





# Trinidad Nitrogen Company Limited

Trinidad Nitrogen Company Limited (Tringen) is a limited liability company, owned by National Enterprises Limited with 51% shareholding, and Yara Caribbean (2002) Limited with 49%. The company is managed and operated by Yara Trinidad Limited, a wholly owned subsidiary of Yara Caribbean (2002) Limited.

Tringen manufactures anhydrous ammonia in two independent plants, Tringen I and Tringen II. All production from both plants is sold through sales agency agreements, with a related party, on the open market.

The Company has entered into agreements with various agencies of the Government of the Republic of Trinidad and Tobago for the supply of natural gas, electricity and water for continued production strength.





# NGC Trinidad and Tobago LNG Limited

NGC LNG is a holding company. Formed in July 1995, Atlantic LNG was charged with developing a liquefied natural gas plant in Point Fortin.

The venture linked NGC LNG Limited, Amoco Trinidad (LNG) BV, British Gas Trinidad LNG Limited, Repsol International Finance BV, and Cabot Trinidad LNG Limited. These linkages brought together extensive international experience in the natural gas industry. Today, Amoco's shareholding is now held by BP Trinidad (LNG) BV and Cabot's by Suez (Trinidad and Tobago) LNG Limited.

The total production capacity of Atlantic LNG Company Trinidad and Tobago Limited's four trains is around 14.8 million metric tonnes per annum (mmtpa, Tg/a). The capacity of Train 1, of which NGC LNG owns 10%, is 3 mmtpa (Tg/a), and the capacity of each of Trains 2 and 3 is 3.3 mmtpa (Tg/a). Train 4, which cost \$1.2 billion, has a production capacity of 5.2 mmtpa (Tg/a), which makes it the largest LNG train in the world. The total storage capacity of Atlantic LNG's facility is 524,000 cubic metres.







## Telecommunications Services of Trinidad and Tobago

TSTT is the country's largest and most advanced provider of integrated communications solutions to the residential and commercial markets. Its leading edge products are designed around an IP-based core infrastructure and marketed under its BLINK and Bmobile brands. In addition to fixed line and 4G mobile communications, the company has an innovative line of BlackBerry, Android and iPhone devices, wireless broadband using best-in-class Wi-Max, HSPA+ and LTE technologies, Metro Ethernet, TelePresence and Video Conferencing, subscription-based IPTV as well as business and home alarm monitoring services.

The company's mobile business operates on a HSPA+ mobile network complemented with access to unlimited highspeed data over dozens of Wi Fi mesh locations known as 'bzones'.

TSTT's deployment of both wireless and fiber optic networks to deliver "quintuple play" services positions the company as one of the more advanced providers of telecommunications services within the Caribbean. In 2014 it made Trinidad & Tobago the first country in the English-speaking Caribbean to rollout a Gigabit community and the company's customers include key industry leaders in the finance, energy, government, manufacturing, education, healthcare and tourism sectors.

TSTT's development as a world-class communications solutions provider has given state agencies, local enterprises and locally-based multinational corporations a solid foundation for their own expansion and development strategies.

TSTT has a long-standing history of excellence as a corporate citizen and it remains firm in its commitment to supporting continued business development and economic growth in Trinidad and Tobago through the delivery of its services.



# Directors' Report



The Directors are pleased to present their report to the members together with the audited financial statements for the year ended March 31, 2014.

	<b>\$000</b>
Profit for the year	200,956
Interim dividend paid	138,000
Final dividend declared	136,513
Total dividend paid for the year	274,513
Retained earnings as at March 31, 2013	1,451,330

## **Dividend**

An interim dividend of 23 cents per share was paid to shareholders on December 13, 2014. A final dividend of 23 cents per share will be paid to shareholders on the Register of Members as at August 8, 2014. The dividends will be paid on August 21, 2014.

## **Directors**

Subsequent to the Fourteenth Annual Meeting the following changes occurred on the Board of Directors:

Mr. Robert Le Hunte, representative for RBL, resigned effective November 31, 2013

Mr. Anthony Jordan was nominated to represent RBL with effect from December 1, 2013 on NEL's Board of Directors

Mr. Premchand Beharry, representative for NGC NGL and LNG, resigned effective December 4, 2014

Dr. Utam Maharaj was nominated to represent NGC NGL and LNG with effect from December 16, 2014

## **Auditors**

The Auditors, PKF Chartered Accountants and Business Advisors, retire at the end of the Fourteenth Annual Meeting of the Company on September 18, 2014 and have indicated that they are willing to continue as the Auditors of National Enterprises Limited.

By order of the Board

Aegis Business Solutions Limited  
Corporate Secretary  
Port of Spain  
August 24, 2014



# Substantial and Directors' Interests

## Substantial Interests in National Enterprises Limited as at June 30, 2014

Holder's Name and Address	Ordinary Shares	Percentage of Issued Share Capital
Minister of Finance (Corporation Sole) Eric Williams Finance Building Eric Williams Plaza, Independence Square Port of Spain	396,324,700	66%
The National Gas Company of Trinidad and Tobago Limited Orinoco Drive, Point Lisas Point Lisas	100,000,641	17%

(A substantial interest means a holding of 5% or more of the issued share capital of the company)

## Directors' Interests in National Enterprises Limited

Director's Name	Share Balance	
	As at March 31, 2014	As at June 30, 2014
Kenny Lue Chee Lip	0	0
Sylvester Ramquar	0	0
Valini Pundit	0	0
Ross Alexander	2,000	2,000
Sherry Katwaroo-Ragbir	0	0
Ethelbert Wilson	0	0
Anthony Jordon	0	0
Utam Maharaj	0	0



## Financial Statements



# Statement of Management's Responsibilities



It is the responsibility of management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the operating results of the Company for the year. It is also management's responsibility to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards. Management is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its operating results. Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of Management to indicate that the Company will not remain a going concern for at least the next twelve months from the date of this statement.

Kenny Lue Chee Lip  
Director  
July 18, 2014

Ross Alexander  
Director  
July 18, 2014



# Independent Auditors' Report



## **The Shareholders National Enterprises Limited**

We have audited the accompanying consolidated financial statements of National Enterprises Limited, which comprise the statement of financial position as at 31 March 2014, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of National Enterprises Limited as of 31 March 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Port of Spain  
TRINIDAD AND TOBAGO  
18 July 2014

# Consolidated Statement of Financial Position

(Expressed in Trinidad and Tobago dollars)

## ASSETS

	Notes	2014 (\$'000)	31 March 2013 (\$'000)	2012 (\$'000) (Re-stated)
<b>Non-Current Assets:</b>				
Equity accounted investments	5	2,336,503	2,519,474	2,579,895
Financial assets	6	275,706	59,592	59,540
Fixed assets	7	141,077	147,689	155,972
Retirement benefit asset	8	15,193	11,338	16,087
Trademarks	9	2,997	4,229	5,462
Total Non-Current Assets		2,771,476	2,742,322	2,816,956
<b>Current Assets:</b>				
Inventories	10	87,348	77,243	69,146
Accounts receivable and prepayments	11	146,294	93,145	103,802
Cash and cash equivalents	12	586,250	905,994	808,572
Total Current Assets		819,892	1,076,382	981,520
<b>Total Assets</b>		<b>3,591,368</b>	<b>3,818,704</b>	<b>3,798,476</b>

## LIABILITIES AND EQUITY

<b>Equity:</b>				
Stated capital	14	1,736,632	1,736,632	1,736,632
Investment remeasurement reserve	15	16,766	—	—
Translation reserve		31,979	24,931	31,335
Retained earnings		1,451,330	1,781,764	1,755,732
Capital and reserves attributable to equity holders		3,236,707	3,543,327	3,523,699
Non-controlling interest		88,805	83,130	86,053
Total Equity		3,325,512	3,626,457	3,603,752
<b>Non-Current Liabilities:</b>				
Non-current portion of long term borrowings	16	2,553	7,663	12,771
Non-current portion of finance lease facility		—	546	1,275
Deferred taxation	17	15,911	8,696	5,249
Total Non-Current Liabilities		18,464	16,905	19,295
<b>Current Liabilities:</b>				
Bank overdraft and short-term borrowings	18	217,040	131,721	128,466
Current portion of long-term borrowings	16	5,109	5,109	5,110
Current portion of finance lease facility		546	729	728
Taxation payable		212	898	1,531
Accounts payable and accruals	19	24,485	36,885	39,594
Total Current Liabilities		247,392	175,342	175,429
Total Liabilities		265,856	192,247	194,724
<b>Total Liabilities and Equity</b>		<b>3,591,368</b>	<b>3,818,704</b>	<b>3,798,476</b>

These financial statements were approved by the Board of Directors and authorised for issue on 18 July 2014 and signed on their behalf by:

Director:   
Kenny Lue Chee Lip

Director:   
Ross Alexander

(The accompanying notes are an integral part of these financial statements)

# Consolidated Statement of Comprehensive Income

(Expressed in Trinidad and Tobago dollars)

		For the year ended 31 March	
	Notes	2014 (\$'000)	2013 (\$'000)
Turnover		457,897	446,263
Cost of sales		(371,848)	(356,039)
Gross profit		86,049	90,224
Less:			
Selling and distribution expenses		31,513	41,425
Administrative expenses		35,792	29,030
Finance charges		10,032	13,425
		77,337	83,880
Operating profit		8,712	6,344
Dividend income		3,679	8
Interest income		7,568	11,357
Other income		11,706	8,674
Share of profit of equity accounted investments net of tax		158,328	496,126
Profit before taxation	20	189,993	522,509
Taxation	21	(8,130)	(7,726)
Net profit for the year		181,863	514,783
<b>Other Comprehensive Income</b>			
Remeasurement of retirement benefit asset, net of tax		2,327	(3,625)
Unrealised gains		16,766	—
Other comprehensive income for the year		19,093	(3,625)
Total comprehensive income for the year		<b>200,956</b>	<b>511,158</b>
<b>Attributable to:</b>			
Equity holders of the Company		190,569	507,080
Non-controlling interest		10,387	4,078
Net profit for the year		<b>200,956</b>	<b>511,158</b>
Earnings per share	22	<b>0.32</b>	<b>0.85</b>

(The accompanying notes are an integral part of these financial statements)

# Consolidated Statement of Changes in Equity

(Expressed in Trinidad and Tobago dollars)

	Stated Capital (\$,000)	Translation Reserve (\$,000)	Investment Remeasurement Reserve (\$,000)	Retained Earnings (\$,000)	Non- Controlling Interest (\$,000)	Total Equity (\$,000)
<b>Year ended</b>						
<b>31 March 2014</b>						
Balance as at 1 April 2013	1,736,632	24,931	—	1,781,764	83,130	3,626,457
Total comprehensive income for the year	—	—	16,766	173,803	10,387	200,956
Share of actuarial loss	—	—	—	(43,333)	—	(43,333)
Share of translation reserve	—	7,048	—	—	—	7,048
Subsidiary dividend	—	—	—	(4,904)	(4,712)	(9,616)
Dividends paid ( <b>Note 24</b> )	—	—	—	(456,000)	—	(456,000)
<b>Balance as at 31 March 2014</b>	<b>1,736,632</b>	<b>31,979</b>	<b>16,766</b>	<b>1,451,330</b>	<b>88,805</b>	<b>3,325,512</b>
<b>Year ended</b>						
<b>31 March 2013</b>						
Balance as at 1 April 2012	1,736,632	31,335	—	1,860,505	98,359	3,726,831
Restatement ( <b>Note 31</b> )	—	—	—	(104,773)	(18,306)	(123,079)
Restated balance as at 1 April 2012	1,736,632	31,335	—	1,755,732	80,053	3,603,752
Total comprehensive income for the year	—	—	—	507,080	4,078	511,158
Share of actuarial loss	—	—	—	(60,006)	—	(60,006)
Share of translation reserve	—	(6,404)	—	—	—	(6,404)
Subsidiary dividend	—	—	—	(1,042)	(1,001)	(2,043)
Dividends paid ( <b>Note 24</b> )	—	—	—	(420,000)	—	(420,000)
<b>Balance as at 31 March 2013</b>	<b>1,736,632</b>	<b>24,931</b>	<b>—</b>	<b>1,781,764</b>	<b>83,130</b>	<b>3,626,457</b>

(The accompanying notes are an integral part of these financial statements)

# Consolidated Statement of Cash Flows

(Expressed in Trinidad and Tobago dollars)

	<b>For the year ended 31 March</b>	
	<b>2014 (\$'000)</b>	<b>2013 (\$'000)</b>
<b>OPERATING ACTIVITIES</b>		
Net profit before interest and taxation	192,457	524,577
Interest received	7,568	11,357
Interest paid	(10,032)	(13,425)
Profit before taxation	189,993	522,509
Adjustment for non-cash items:		
Share of profit of equity accounted investments net of tax	(158,328)	(496,126)
Depreciation	8,728	10,156
Amortisation	1,232	1,233
Interest expense	10,032	13,425
Gain on disposal of fixed asset	—	9
Retirement benefit cost	(753)	(85)
Write off bargain from purchase (negative goodwill)	(317)	—
	50,587	51,121
Net change in operating assets and liabilities	(15,055)	(1,229)
Interest paid	(8,236)	(11,923)
Dividends received	(3,679)	(8)
Taxation paid	(2,378)	(4,124)
Cash Generated From Operating Activities	21,239	33,837
<b>INVESTING ACTIVITIES</b>		
Purchase of investment	(213,395)	—
Dividends received from joint ventures and associates (Note 23)	305,014	490,137
Change in long-term investments	(48,030)	(52)
Other investment income	3,679	8
Purchase of fixed assets	(2,116)	(1,882)
Cash Generated From Investing Activities	45,152	488,211
<b>FINANCING ACTIVITIES</b>		
Finance lease liability	(729)	(728)
Repayment of borrowings	(5,109)	(5,110)
Dividends paid	(465,616)	(422,043)
Cash used in financing activities	(471,454)	(427,881)
Net change in cash resources	(405,063)	94,167
Net cash resources at beginning of year	774,273	680,106
Net cash resources at end of year *	<b>369,210</b>	<b>774,273</b>

\* Cash resources comprise cash and cash equivalents net of bank overdraft and short-term borrowings (**Note 13**).

(The accompanying notes are an integral part of these financial statements)

# Notes to the Consolidated Financial Statements

(Expressed in Trinidad and Tobago dollars)

## 1. Incorporation and Principal Activities:

The Company is incorporated in Trinidad and Tobago and is controlled by the Minister of Finance (Corporation Sole). It 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. Its initial portfolio of investments in NFM, TSTT and 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 14 December 2001, the Company acquired a 20% shareholding in NGC NGL financed by the issue of an additional 50,511,540 shares and on 8 December 2003, the Company acquired a 37.84% shareholding in NGC LNG financed by the issue of an additional 49,489,101 shares. The Company's principal business activity is therefore that of an Investment Holding Company and it has no business operations of its own. The company has a wholly owned subsidiary, NEL Power Holdings Limited. The principal business activities of its investee companies are disclosed in **Note 28**.

The registered office of the Company is Level 15, Tower D, International Waterfront Centre, Wrightson Road, Port of Spain.

## 2. Summary of Significant Accounting Policies:

### (a) Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs), and are stated in Trinidad and Tobago dollars rounded to the nearest thousand. The historical cost basis is used, except for the measurement at fair value of available-for-sale investments and certain other financial instruments.

The accounting policies adopted are consistent with those of the previous financial year.

The Group has elected to present one statement.

### (b) Critical accounting estimates and judgments in applying accounting policies

The preparation of financial statements in conformity with IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. Significant accounting estimates relate to the assessment of inventory and provision for doubtful receivables as well as the estimated useful lives of fixed assets and trademarks.

### (c) New Accounting Standards and Interpretations

- i) The Group has applied the following IFRSs, International Accounting Standards (IASs) and International Financial Reporting Interpretation Committee Interpretations (IFRICs) and amendments that became effective during the current year, as they do apply to the activities of the Group:

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 2. Summary of Significant Accounting Policies (cont'd):

### (c) New accounting standards and interpretations (cont'd)

- |         |  |
|---------|--|
| IAS 1   | Presentation of Financial Statements – Amendments to revise the way other comprehensive income is presented (effective for accounting periods beginning on or after 1 July 2012).  |
| IFRS 7  | Financial Instruments: Disclosure – Amendment on the disclosure of offsetting financial assets and financial liabilities (effective for accounting periods beginning on or after 1 January 2013).  |
| IFRS 10 | Consolidated Financial Statements – Issue and amendment to the transition guidance on consolidated financial statements, joint arrangements and disclosures of interest in other entities (effective for accounting periods beginning on or after 1 January 2013).         |
| IFRS 11 | Joint Arrangements – Issue and Amendment to the transitional guidance (effective for accounting periods beginning on or after 1 January 2013).   |
| IFRS 12 | Disclosure of Interest in Other Entities – Issue and Amendments to the transitional guidance (effective for accounting periods beginning on or after 1 January 2013).  |
| IFRS 13 | Fair Value Measurement (effective for accounting periods beginning on or after 1 January 2013).  |
| IAS 19  | Employee Benefits – Amended standard resulting from the Post-Employment Benefits and Termination Benefits projects (effective for accounting periods beginning on or after 1 January 2013).  |
| IAS 27  | Consolidated and Separate Financial Statements – Reissued as IAS 27 Separate Financial Statements (effective for accounting periods beginning on or after 1 January 2013).   |
| IAS 28  | Investments in Associates – Reissued as IAS 28 Investments in Associates and Joint Ventures (effective for accounting periods beginning on or after 1 January 2013).   |
| IAS 32  | Financial Instruments: Presentation – Amendment re: clarify that the tax effect of a distribution to holders of equity instruments should be accounted for in accordance with IAS 12 Income Taxes (effective for accounting periods beginning on or after 1 January 2014). |
- ii) The Group has not applied the following standards, interpretations and amendments that became effective during the current year, as they do not apply to the activities of the Group:
- |        |  |
|--------|--|
| IFRS 1 | First-time Adoption of International Financial Reporting Standards – Amendment on borrowing costs relating to qualifying assets (effective for accounting periods beginning on or after 1 January 2013). |
| IFRS 1 | First-time Adoption of International Financial Reporting Standards – Government Loans (effective for accounting periods beginning on or after 1 January 2013).   |
| IAS 1  | Presentation of Financial Statements – Amendments re: clarification of the requirement for comparative information (effective for accounting periods beginning on or after 1 January 2013).              |



# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 2. Summary of Significant Accounting Policies (cont'd):

### (c) New accounting standards and interpretations (cont'd)

- |          |   |
|----------|---|
| IAS 16   | Property, Plant and Equipment – Amendment to the classification of servicing equipment (effective for accounting periods beginning on or after 1 January 2014).                             |
| IAS 34   | Interim Financial Reporting – Amendment on the clarification of interim financial reporting on segment information (effective for accounting periods beginning on or after 1 January 2013). |
| IFRIC 20 | Stripping Cost in the Production Phase of a Surface Mine (effective for accounting periods beginning on or after 1 January 2013).   |
- iii) The Group has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective as they either do not apply to the activities of the Group or have no material impact on its financial statements, except for IFRS 9 Financial Instruments:
- |         |   |
|---------|---|
| IFRS 2  | Share-based payment – Amendment to the definition of vesting condition (effective for accounting periods beginning on or after 1 July 2014).  |
| IFRS 3  | Business Combinations – Amendment re: accounting for a contingent consideration in a business combination (effective for accounting periods beginning on or after 1 July 2014).               |
| IFRS 3  | Business Combinations – Amendment on the scope of exception for joint ventures (effective for accounting periods beginning on or after 1 July 2014).  |
| IFRS 7  | Financial Instruments: Disclosure – Amendment to transitional disclosures (effective for accounting periods beginning on or after 1 July 2014).   |
| IFRS 8  | Operating Segments – Amendment re: disclosure of the aggregation of operation segments and the reconciliation of assets (effective for accounting periods beginning on or after 1 July 2014). |
| IFRS 9  | Financial Instruments: Classification, Measurement and transitional disclosures (effective for accounting periods beginning on or after 1 January 2018).                                      |
| IFRS 9  | Financial Instruments: Accounting for Financial Liabilities and Derecognition (effective for accounting periods beginning on or after 1 January 2018).  |
| IFRS 10 | Consolidated Financial Statements – Amendment to measure at fair value eligible investment entities (effective for accounting periods beginning on or after 1 January 2014).                  |
| IFRS 11 | Joint Arrangements – Amendment regarding the accounting for acquisitions of an interest in a joint operation (effective for accounting periods beginning on or after 1 January 2016).         |
| IFRS 12 | Disclosure of Interest in Other Entities – Amendment for investment entities (effective for accounting periods beginning on or after 1 January 2016).   |
| IFRS 13 | Fair Value Measurement – Amendment re: clarification of portfolio exception (effective for periods beginning on or after 1 July 2014).  |

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 2. Summary of Significant Accounting Policies (cont'd):

### (c) New accounting standards and interpretations (cont'd)

IFRS 14	Regulatory Deferral – (effective for accounting periods beginning on or after 1 January 2016).
IFRS 15	Revenue from Contracts with Customers – (effective for accounting periods beginning on or after 1 January 2017).
IAS 16	Property, Plant and Equipment – Amendments re: proportionate restatement of accumulated depreciation under the revaluation method (effective for accounting periods beginning on or after 1 July 2014).
IAS 16	Property, Plant and Equipment – Amendment regarding the clarification of acceptable methods of depreciation and amortization and amendments to bring bearer plants into the scope of the IAS (effective for accounting periods beginning on or after 1 January 2016).
IAS 19	Employee Benefits – Amended to clarify how contributions from employees or third parties that are linked to services should be attributed to periods of service (effective for accounting periods beginning on or after 1 July 2014).
IAS 24	Related Party Disclosures – Amendment on disclosures for entities providing key management personnel services (effective for accounting periods beginning on or after 1 July 2014).
IAS 27	Separate Financial Statements – Amendment to measure at fair value eligible investment entities (effective for accounting periods beginning on or after 1 January 2014).
IAS 32	Financial Instruments: Presentation – Amendment re: application guidance on the offsetting of financial assets and financial liabilities (effective for accounting periods beginning on or after 1 January 2014).
IAS 36	Impairment of Assets – Amendment re: disclosure of recoverable amount on non-financial assets (effective for accounting periods beginning on or after 1 January 2014).
IAS 38	Intangible Assets – Amendment re: the proportionate restatement of accumulated amortisation under the revaluation method (effective for accounting periods beginning on or after 1 July 2014).
IAS 38	Intangible Assets – Amendment re: To clarify that the gross amount property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount (effective for accounting periods beginning on or after 1 January 2016).
IAS 39	Financial Instruments: Recognition and Measurement – Amendment re: the novation of derivatives and continuation of hedge accounting (effective for accounting periods beginning on or after 1 January 2014).
IAS 40	Investment Property – Amendment re: clarification of specific transactions that are both business combinations and investment property (effective for accounting periods beginning on or after 1 July 2014).

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 2. Summary of Significant Accounting Policies (cont'd):

### (c) New accounting standards and interpretations (cont'd)

IAS 41 Agriculture – Amendment re: bringing bearer plants into the scope of IAS 16 (effective for accounting periods beginning on or after 1 January 2016).

IFRIC 21 Levies (effective for periods beginning on or after 1 January 2014).

The adoption of IFRS 9 Financial Instruments may result in significant changes in the Group's classification and presentation of financial instruments.

### (d) Consolidation

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. National Flour Mills Limited, in which the Group has a 51% interest, and NEL Power Holdings Limited, in which the Group has a 100% interest, are subsidiaries. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

The Group uses the purchase method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit and loss account. All intercompany transactions and balances are eliminated on consolidation.

### (e) Equity accounted investments

National Enterprises Limited ("the Company" or "NEL") owns 51% of Telecommunication Services of Trinidad and Tobago Limited ("TSTT") and Trinidad Nitrogen Company Limited ("TRINGEN"). Although NEL is the majority shareholder in these entities, shareholder agreements with the minority shareholders of both companies establish joint control by the joint venture partners and in accordance with International Accounting Standard No. 31 – Interests in Joint Ventures, these investments are accounted for using the equity method of accounting. NGC NGL Company Limited ("NGC NGL") and NGC Trinidad and Tobago LNG Limited ("NGC LNG") in which the Company has a 20% and 37.84% interest respectively, are associates and also accounted for using the equity method of accounting in accordance with International Accounting Standard No. 28 – Investments in Associates.

Equity accounting involves recognising in the profit and loss account, the Group's share of the associated company's post-acquisition profits and losses. The Group's share of the associated company's post-acquisition movements in reserves is recognised in reserves. The Group's interest in associated companies is carried in the Consolidated Statement of Financial Position at an amount which reflects its share of net assets including any fair value adjustments at the date of acquisition.

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 2. Summary of Significant Accounting Policies (cont'd):

### (f) Financial assets

Financial assets are classified into the following categories: loans and receivables, available for sale and held to maturity financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this at every reporting date.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets, with fixed or determinable payments that are not quoted in an active market and which the Group does not intend to sell in the short-term or which it has not designated as fair value through profit and loss, available for sale or held to maturity. Loans and receivables are carried at amortised cost using the effective interest method.

#### *Available for sale*

Investments intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or changes in interest rates are classified as available for sale. These investments are carried at fair value with realised gains and losses being taken to the profit and loss account and unrealized gains and losses being shown in equity.

#### *Held to maturity*

Investments with fixed or determinable payments and fixed maturity which the Group has the positive intent and ability to hold to maturity are classified as held to maturity and are stated at amortised costs.

Purchases and sales of investments are recognised on the trade date, which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus, in the case of financial assets not carried at fair value through profit and loss, transaction costs that are directly attributable to their acquisition. Investments are derecognised when the rights to receive cash flows from the investments have expired or where the Group has transferred substantially all risks and rewards of ownership.

The fair value of publicly traded instruments is based on its quoted market price at the reporting date. Where market values are not available the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis.

### (g) Fixed assets

Fixed assets are stated as cost less related depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income during the financial period in which they are incurred. Land is not depreciated. Depreciation on other assets is calculated on the straight-line method to allocate their cost over their estimated useful lives using the following rates:

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 2. Summary of Significant Accounting Policies (cont'd):

### (g) Fixed assets (cont'd):

Buildings	2.5%
Plant and machinery	4.0 – 10.0%
Forklift, trucks and loaders	25.0%
Office equipment and air conditioning	10.0%
Computer equipment	20.0% – 25.0%
Motor vehicles	25.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in the Consolidated Statement of Comprehensive Income.

### (h) Retirement benefit plan

The Subsidiary, National Flour Mills Limited, operates a defined benefit plan covering its permanent employees. The funds of the Plan are administered by trustees. The Company's net obligation in respect of the retirement benefit plan is calculated by estimating the amount of future benefit and that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of the plan assets. The calculation of the defined benefit obligation is performed annually by a qualified independent actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds of Plan or reductions in future contributions to the Plan (after considering any minimum funding requirements).

Remeasurement of the net defined benefit asset, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any), is recognised immediately in other comprehensive income.

Net interest expense (income) or the net defined benefit liability (asset) is determined using the discount rate. Net interest expense and other expenses related to the retirement benefit plan are recognised in profit or loss.

The actuary performs a full actuarial valuation every three years and any surpluses or deficits may be recognised by an adjustment of future contribution rates.

### (i) Trademarks

Trademarks are shown at historical cost less accumulated amortisation. Amortisation is calculated using the straight-line method at 7.1% per annum to allocate the cost of trademarks over their estimated useful lives. The remaining amortization period is approximately 6 years.

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 2. Summary of Significant Accounting Policies (cont'd):

### (j) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of raw materials, packaging materials and maintenance spares is determined on the first-in, first-out basis. Finished products are stated at the lower of average cost of production and net realisable value. Cost of production comprises raw material, direct labour, other direct cost and related production overheads based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

### (k) Accounts receivable and prepayments

Trade and sundry receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that a receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Consolidated Statement of Comprehensive Income.

### (l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, other short-term highly liquid investments less bank overdrafts. Bank overdrafts are shown within current liabilities on the Consolidated Statement of Financial Position.

### (m) Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.

### (n) Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Consolidated Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

Borrowing costs incurred for the construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

### (o) Taxation

The Company is subject to Corporation Tax as it does not meet the criteria of an Investment Company as defined by the Corporation Tax Act, Section 6(3). Tax on profit or loss for the year comprises current tax and the change in deferred tax. Current tax comprises tax payable calculated on the basis of the taxable income for the year using the prevailing tax rate and any adjustment to tax payable for previous years.



# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 2. Summary of Significant Accounting Policies (cont'd):

### (o) Taxation (cont'd)

Deferred tax is calculated using the liability method whereby liabilities are recognised for temporary differences arising between the carrying amount of assets and liabilities in the Consolidated Statement of Financial Position and their tax basis, using tax rates that have been enacted or substantially enacted by the year end reporting date, which result in taxable amounts in future periods. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent it is probable that sufficient taxable profits will be available against which the unused tax losses can be utilised.

### (p) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any other item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the Consolidated Statement of Comprehensive Income.

### (q) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of activities. Revenue is shown net of value-added-tax, rebates and discounts and after eliminating intra-group sale. Interest income is recognised on the accruals basis and dividend income is accrued for when the right to receive payment is established.

### (r) Earnings per share

Earnings per share is calculated by dividing profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

### (s) Foreign currency translation

#### *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in thousands of Trinidad and Tobago dollars, which is the Company's functional and presentation currency.

#### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 2. Summary of Significant Accounting Policies (cont'd):

### (s) Foreign currency translation (cont'd)

#### *Group companies*

The results and financial position of Group companies that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of the Statement of Financial Position;
- (ii) Income and expenses for each Statement of Comprehensive Income are translated at average exchange rates; and
- (iii) The resulting exchange differences are recognised as a separate component of equity.

### (t) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

### (u) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

### (v) Leases

Assets obtained under finance leases are capitalised in the Consolidated Statement of Financial Position and are depreciated over their estimated useful economic lives or the lease term, whichever is the shorter. The interest element of these obligations is charged to the Consolidated Statement of Comprehensive Income over the relevant period. The capital element of the future payments is treated as a liability.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the period of the lease.

### (w) Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared by the Company's directors.

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 3. Financial Risk Management:

### Financial risk factors

The Group's activities are primarily related to the use of financial instruments. The Group accepts funds from shareholders and earns interest by investing in equity investments.

The following table summarises the carrying amounts and fair values of the Group's financial assets and liabilities:

	2014	
	Carrying Value (\$'000)	Fair Value (\$'000)
<b>Financial Assets</b>		
Equity accounted investments	2,336,503	2,336,503
Held to maturity	57,517	57,517
Available for sale	218,189	218,189
Retirement benefit asset	15,193	15,193
Accounts receivable and prepayments	146,294	146,294
Cash and cash equivalents	586,250	586,250
<b>Financial Liabilities</b>		
Long-term borrowings	7,662	7,662
Finance lease facility	546	546
Accounts payables and accruals	24,485	24,485
Bank overdraft and short-term borrowings	217,040	217,040
	2013	
<b>Financial Assets</b>		
Equity accounted investments	2,519,474	2,519,474
Held to maturity	59,353	59,353
Available for sale	239	239
Retirement benefit asset	11,338	11,338
Accounts receivables and prepayments	93,145	93,145
Cash and cash equivalents	905,994	905,994
<b>Financial Liabilities</b>		
Long-term borrowings	12,773	12,773
Finance lease facility	1,275	1,275
Accounts payables and accruals	36,885	36,885
Bank overdraft and short-term borrowings	131,721	131,721

The Group is exposed to interest rate risk, credit risk, liquidity risk, currency risk, operational risk, compliance risk and reputation risk arising from the financial instruments that it holds. The risk management policies employed by the Group to manage these risks are discussed as follows:

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 3. Financial Risk Management (cont'd):

### Financial risk factors (cont'd)

#### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including investments in bonds, loans and other funding instruments.

The exposure is managed through the matching of funding products with financial services and monitoring market conditions and yields.

#### Interest rate sensitivity analysis

The Group's exposure to interest rate risk is summarised in the following table, which analyses assets and liabilities at their carrying amounts categorised according to their maturity dates.

2014						
	Effective Rate	Up to 1 year (\$'000)	1 to 5 years (\$'000)	Over 5 years (\$'000)	Non-Interest Bearing (\$'000)	Total (\$'000)
<b>Financial Assets</b>						
Equity accounted investments	0%	—	—	—	2,336,503	2,336,503
Held to maturity	2 - 7%	—	—	57,517	—	57,517
Available for sale	0%	—	—	—	218,189	218,189
Retirement benefit asset		—	—	15,193	—	15,193
Accounts receivables and prepayments	0%	70,191	13,705	62,398	—	146,294
Cash and cash equivalents	0 - 2.25%	513,590	—	—	72,660	586,250
		583,781	13,705	135,108	2,627,352	3,359,946
<b>Financial Liabilities</b>						
Long-term borrowings	6.18%	5,109	2,553	—	—	7,662
Finance lease facility		546	—	—	—	546
Accounts payables and accruals	0%	24,485	—	—	—	24,485
Bank overdraft and short-term borrowings	0 - 1.4%	217,040	—	—	—	217,040
		247,180	2,553	—	—	249,733

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 3. Financial Risk Management (cont'd):

### Financial risk factors (cont'd)

#### a) Interest rate risk (cont'd)

		2013				
	Effective Rate	Up to 1 year (\$'000)	1 to 5 years (\$'000)	Over 5 years (\$'000)	Non-Interest Bearing (\$'000)	Total (\$'000)
<b>Financial Assets</b>						
Equity accounted investments	0%	—	—	—	2,519,474	2,519,474
Held to maturity	2 - 7%	—	—	59,353	—	59,353
Available for sale	0%	—	—	—	239	239
Retirement benefit asset		—	—	11,338	—	11,338
Accounts receivables and prepayments	0%	73,112	20,033	—	—	93,145
Cash and cash equivalents	0 - 2.25%	793,694	—	—	112,300	905,994
		866,806	20,033	70,619	2,632,013	3,589,534
<b>Financial Liabilities</b>						
Long-term borrowings	6.18%	5,109	7,663	—	—	12,772
Finance lease facility		729	546	—	—	1,275
Accounts payables and accruals	0%	36,885	—	—	—	36,885
Bank overdraft and short-term borrowings	0 - 1.4%	131,721	—	—	—	131,721
		174,444	8,209	—	—	182,653

#### b) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has policies in place to ensure that all amounts due are collected within the specified credit period.

Cash balances are held with high credit quality financial intuitions and the Group has policies to limit the amount of exposure to any financial institution.

#### c) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 3. Financial Risk Management (cont'd):

### Financial risk factors (cont'd)

#### c) Liquidity risk (cont'd)

Liquidity gap

The Group's exposures to liquidity risk is summarised in the following table which analyses assets and liabilities based on the remaining period from the reporting date to the contractual maturity date.

	2014			
	Up to 1 year (\$'000)	1 to 5 years (\$'000)	Over 5 Years (\$'000)	Total (\$'000)
<b>Financial Assets</b>				
Equity accounted investments	—	—	2,336,503	2,336,503
Held to maturity	—	—	57,517	57,517
Available for sale	—	—	218,189	218,189
Retirement benefit asset	—	—	15,193	15,193
Accounts receivables and prepayments	70,191	13,705	62,398	146,294
Cash and cash equivalents	586,250	—	—	586,250
	656,441	13,705	2,689,800	3,359,946
<b>Financial Liabilities</b>				
Long-term borrowings	5,109	2,553	—	7,662
Finance lease facility	546	—	—	546
Accounts payables and accruals	24,485	—	—	24,485
Bank overdraft and short-term borrowings	217,040	—	—	217,040
	247,180	2,553	—	249,733
<b>2013</b>				
<b>Financial Assets</b>				
Equity accounted investments	—	—	2,519,474	2,519,474
Held to maturity	—	—	59,353	59,353
Available for sale	—	—	239	239
Retirement benefit asset	—	—	11,338	11,338
Accounts receivables and prepayments	73,112	20,033	—	93,145
Cash and cash equivalents	905,994	—	—	905,994
	979,106	20,033	2,590,404	3,589,543



# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 3. Financial Risk Management (cont'd):

### Financial risk factors (cont'd)

#### c) Liquidity risk (cont'd)

	2013			
	Up to 1 year (\$'000)	1 to 5 years (\$'000)	Over 5 Years (\$'000)	Total (\$'000)
<b>Financial Liabilities</b>				
Long-term borrowings	5,109	7,664	—	12,773
Finance lease facility	729	546	—	1,275
Accounts payables and accruals	36,885	—	—	36,885
Bank overdraft and short-term borrowings	131,721	—	—	131,721
	174,444	8,210	—	182,654

#### (d) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollar. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

#### (e) Operational risk

Operational risk is the risk derived from deficiencies relating to the Group's information technology and control systems, as well as the risk of human error and natural disasters. The Group's systems are evaluated, maintained and upgraded continuously. Supervisory controls are installed to minimise human error. Additionally, staff is often rotated and trained on an on-going basis.

#### (f) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent, due to the supervision applied by the Securities and Exchange Commission of Trinidad and Tobago, as well as by the monitoring controls applied by the Group.

#### (g) Reputation risk

The risk of loss of reputation arising from the negative publicity relating to the Group's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Group. The Group engages in public social endeavours to engender trust and minimise this risk.

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 4. Critical Accounting Estimates and Judgments:

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make judgments, estimates and assumptions in the process of applying the Group's accounting policies.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. However, actual results could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Changes in accounting estimates are recognised in the Consolidated Statement of Comprehensive Income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

The critical judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements, are as follows:

- i) Whether investments are classified as held to maturity investments, available for sale or loans and receivables;
- ii) Whether leases are classified as operating leases or finance leases;
- iii) Which depreciation method for plant and equipment is used.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date (requiring management's most difficult, subjective or complex judgments) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- i) Impairment of assets

Management assesses at each reporting date whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

- ii) Plant and equipment

Management exercises judgment in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of these assets.

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 5. Equity Accounted Investments:

	<b>TSTT (\$'000)</b>	<b>TRINGEN (\$'000)</b>	<b>NGC NGL (\$'000)</b>	<b>NGC LNG (\$'000)</b>	<b>Total (\$'000)</b>
Balance as at 1 April 2013	1,501,349	233,686	495,038	289,401	2,519,474
Share of profit after taxation	(226,091)	192,369	133,374	58,676	158,328
Dividends paid	(12,591)	(115,055)	(123,031)	(54,337)	(305,014)
Share of translation reserve	—	3,748	2,604	696	7,048
Share of actuarial loss net of deferred tax	(31,938)	(11,395)	—	—	(43,333)
Balance as at 31 March 2014	<u>1,230,729</u>	<u>303,353</u>	<u>507,985</u>	<u>294,436</u>	<u><b>2,336,503</b></u>
Balance as at 1 April 2012	1,545,788	173,818	559,202	301,087	2,579,895
Share of profit after taxation	11,450	304,719	139,149	40,808	496,126
Dividends paid	(23,376)	(213,338)	(201,459)	(51,964)	(490,137)
Share of translation reserve	—	(4,020)	(1,854)	(530)	(6,404)
Share of actuarial loss net of deferred tax	(32,513)	(27,493)	—	—	(60,006)
Balance as at 31 March 2013	<u>1,501,349</u>	<u>233,686</u>	<u>495,038</u>	<u>289,401</u>	<u><b>2,519,474</b></u>

As a result of the financial year ends of TRINGEN, NFM, NGC NGL and NGC LNG not being co-terminus with that of NEL, the book value under the equity method is based on the audited net asset positions as at 31 December 2013.

The Group's share of the results of associates and its share of the assets and liabilities are as follows:

	<b>Assets (\$'000)</b>	<b>Liabilities (\$'000)</b>	<b>Income (\$'000)</b>	<b>Profit after taxation (\$'000)</b>
<b>2014</b>				
NGC NGL Company Limited	367,309	12,618	133,087	133,374
NGC Trinidad and Tobago LNG Limited	107,847	208	58,318	58,676
	<u>475,156</u>	<u>12,826</u>	<u>191,405</u>	<u>192,050</u>
<b>2013</b>				
NGC NGL Company Limited	341,818	74	139,766	139,149
NGC Trinidad and Tobago LNG Limited	102,672	68	42,463	40,808
	<u>444,490</u>	<u>142</u>	<u>182,229</u>	<u>179,957</u>

There are no contingent liabilities relating to the associated companies.

The Group's share of the results of joint ventures and its share of the assets, liabilities, contingent liabilities and capital commitments are as follows:

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 5. Equity Accounted Investments (cont'd):

	TSTT		TRINGEN	
	2014 (\$'000)	2013 (\$'000)	2014 (\$'000)	2013 (\$'000)
<b>Assets</b>				
Non-current assets	2,030,815	2,086,984	377,046	222,562
Current assets	600,996	503,685	304,054	340,651
	<u>2,631,811</u>	<u>2,290,669</u>	<u>681,100</u>	<u>563,213</u>
<b>Liabilities</b>				
Non-current liabilities	387,474	474,694	141,589	112,740
Current liabilities	1,013,558	614,575	229,020	210,277
	<u>1,401,032</u>	<u>1,089,269</u>	<u>370,609</u>	<u>323,017</u>
Net assets	<u>1,230,779</u>	<u>1,201,400</u>	<u>310,491</u>	<u>240,196</u>
Income	1,541,840	1,501,761	1,198,073	1,492,291
Expenses	<u>(1,767,931)</u>	<u>(1,490,311)</u>	<u>(1,005,704)</u>	<u>(1,187,572)</u>
Profit/(loss) after taxation	<u>(226,091)</u>	<u>11,450</u>	<u>192,369</u>	<u>304,719</u>
Capital commitments	70,227	79,356	115,121	93,239

	No. of Shares	Book Value Under Equity Method (\$'000)
<b>31 March 2014</b>		
Telecommunications Services of Trinidad and Tobago Limited ("A" shares)	144,238,384	1,230,729
Trinidad Nitrogen Company Limited ("A" shares)	306,000	303,353
NGC NGL Company Limited	9,406,950	507,985
NGC Trinidad and Tobago LNG Limited	9,226	294,436
		<u>2,336,503</u>

<b>31 March 2013</b>		
Telecommunications Services of Trinidad and Tobago Limited ("A" shares)	144,238,384	1,501,349
Trinidad Nitrogen Company Limited ("A" shares)	306,000	233,686
NGC NGL Company Limited	9,406,950	495,038
NGC Trinidad and Tobago LNG Limited	9,226	289,401
		<u>2,519,474</u>

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 6. Financial Assets:

	2014 (\$'000)	2013 (\$'000)
Held to Maturity:		
National Housing Authority TT\$40M 7% FXRB due 2025	39,406	39,353
Home Mortgage Bank TT\$20M series B 2% FXRB due 2022	18,111	20,000
Available for sale investments:		
CLICO Investment Fund	21,850	—
First Citizens Bank Limited	44,784	—
Metal Industries Limited	12	12
Power Generation Company of Trinidad and Tobago Limited	151,316	—
Trinidad and Tobago Stock Exchange	227	227
	<b>275,706</b>	<b>59,592</b>

## 7. Fixed Assets:

	Industrial and Office Buildings (\$'000)	Plant, Machinery and Equipment (\$'000)	Office Furniture, Equipment and Motor Vehicles (\$'000)	Total (\$'000)
<b>Year ended 31 March 2014</b>				
Opening net book amount	111,758	34,360	1,571	147,689
Additions	122	1,446	548	2,116
Depreciation	(1,651)	(5,821)	(1,256)	(8,728)
Closing net book amount	110,229	29,985	863	<b>141,077</b>
At 31 March 2014				
Cost	160,349	328,330	29,545	518,224
Accumulated depreciation	(50,120)	(298,345)	(28,682)	(377,147)
Closing net book amount	110,229	29,985	863	<b>141,077</b>
<b>Year ended 31 March 2013</b>				
Opening net book amount	112,299	41,434	2,239	155,972
Additions	549	444	889	1,882
Disposals	—	—	(9)	(9)
Depreciation	(1,090)	(7,518)	(1,548)	(10,156)
Closing net book amount	111,758	34,360	1,571	<b>147,689</b>
At 31 March 2013				
Cost	160,227	326,884	28,997	516,108
Accumulated depreciation	(48,469)	(292,524)	(27,426)	(368,419)
Closing net book amount	111,758	34,360	1,571	<b>147,689</b>

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 8. Retirement Benefit Asset:

	2014 (\$'000)	2013 (\$'000) (Restated)
<b>a) Change in Defined Benefit Obligations</b>		
Defined benefit obligations at start	(139,207)	(121,533)
Service cost	(5,065)	(4,447)
Interest cost	(6,863)	(6,531)
Members' contributions	(1,842)	(1,344)
Benefits paid	3,926	5,660
Remeasurement:		
Experience adjustments	(1,131)	(797)
Actuarial loss from changes in financial assumptions	—	(10,215)
<b>Defined Benefit Obligation At End</b>	<b>(150,182)</b>	<b>139,207</b>
<b>b) Amount Recognised in the Statement of Financial Position</b>		
Present value of defined benefit obligation	(150,182)	(139,207)
Fair value of plan assets	165,375	150,545
<b>Net IAS #19 Defined Benefit Asset</b>	<b>15,193</b>	<b>11,338</b>
<b>c) Change in Plan Assets</b>		
Plan assets at start of year	150,545	137,620
Expected return on plan assets	4,233	6,178
Interest income	7,601	7,547
Company contributions	5,430	3,843
Members' contributions	1,842	1,344
Benefits paid	(3,926)	(5,660)
Expense allowance	(350)	(327)
<b>Plan Assets at End of Year</b>	<b>165,375</b>	<b>150,545</b>
<b>Actual Return on Plan Assets</b>	<b>11,834</b>	<b>13,725</b>
<b>d) Amounts Recognised in the Statement of Comprehensive Income</b>		
Current service cost	5,065	4,447
Interest on defined benefit obligation	(738)	(1,016)
Administrative expenses	350	327
<b>Net Pension Cost</b>	<b>4,677</b>	<b>3,758</b>



# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 8. Retirement Benefit Asset (cont'd):

	2014 (\$'000)	2013 (\$'000) (Restated)
<b>e) Reconciliation of Opening and Closing Statement of Financial Position Entries</b>		
Opening defined benefit asset	11,338	16,087
Net pension cost	(4,677)	(3,758)
Remeasurement recognised in other comprehensive income	3,102	(4,834)
Company contributions paid	5,430	3,843
<b>Closing Defined Benefit Asset</b>	<b>15,193</b>	<b>11,338</b>
<b>f) Remeasurement Reorganised In Other Comprehensive Income</b>		
Experience (gains)/losses	(3,102)	4,834
<b>g) Experience History</b>		
Defined benefit obligation	(150,182)	(139,207)
Fair value of plan assets	165,375	150,545
Surplus	15,193	11,338
Experience adjustment of plan liabilities	1,131	(797)
Actuarial losses from changes in financial assumptions	—	(10,215)
<b>h) The Company expects to contribute \$4.503 million to its defined benefit pension plan in 2014.</b>		
<b>i) Summary of principal assumptions</b>		
Discount rate	5.00%	5.00%
Salary increases	4.75%	4.75%
Pension increases	0.00%	0.00%
Expected rate of return on assets are set by reference to estimated long-term returns on the Plan's strategic asset allocation. Allowance is made for some excess performance from the Plan's equity portfolio.		
<b>j) Asset allocation</b>		
Locally listed equities ties	42,865	29,940
Overseas equities	10,235	8,425
TT\$-denominated bonds	76,792	59,918
Non-TT\$-denominated bonds (mainly US\$)	14,330	14,589
Mutual funds (short-term securities)	1,679	6,884
Cash and cash equivalents	7,171	18,299
Other (immediate annuity policies)	12,303	12,490
Fair value of plan assets at end of year	165,375	150,545

The plan does not directly hold any assets of the Company.

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 9. Trademarks:

	2014 (\$'000)	2013 (\$'000)
Cost	17,312	17,312
Accumulated amortisation	(14,315)	(13,083)
Net book value	2,997	4,229
Net book value at beginning of year	4,229	5,462
Charge for the year	(1,232)	(1,233)
Net book value at end of year	<b>2,997</b>	<b>4,229</b>

## 10. Inventories:

Raw materials	61,919	55,505
Packaging materials	3,791	3,676
Finished products	8,788	8,268
Maintenance spares	12,850	9,794
	<b>87,348</b>	<b>77,243</b>

## 11. Accounts Receivable and Prepayments:

Loans and receivables	53,413	—
Trade receivables	67,386	65,838
Prepayments	2,805	7,274
Sundry receivables	13,708	20,033
Debenture	8,982	—
	<b>146,294</b>	<b>93,145</b>

Included in accounts receivable and prepayments is **\$3.6 million** due from the Government of the Republic of Trinidad and Tobago (GORTT). This amount is as a result of the Company offering discounts to customers to pass on to the public on specific products in December 2013 at the request of the GORTT.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The credit risk exposure for trade receivables at the reporting date by type of counterparty was:

Wholesalers	14,070	16,041
Industrial	12,569	13,154
Export	3,989	4,520
Feed	12,181	11,819
Retailers	17,656	18,150
Other	6,921	2,154
	<b>67,386</b>	<b>65,838</b>

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 11. Accounts Receivable and Prepayments (cont'd):

The aging analysis of trade receivables at the reporting date was:

	<b>Gross 2014 (\$'000)</b>	<b>Impairment 2014 (\$'000)</b>	<b>Gross 2013 (\$'000)</b>	<b>Impairment 2013 (\$'000)</b>
Note past due	38,616	—	34,408	—
Past due:				
1-2 months	16,977	—	16,711	—
2-3 months	5,261	—	5,276	—
3-6 months	2,955	—	3,554	—
Over 6 months	24,706	21,129	26,241	20,352
	<b>88,515</b>	<b>21,129</b>	<b>86,190</b>	<b>20,352</b>

The movement in the impairment allowance during the year was as follows:

	<b>2014 (\$'000)</b>	<b>2013 (\$'000)</b>
Balance at 1 April	20,352	14,920
Allowance charged to profit for the year	777	5,432
Balance at 31 March	<b>21,129</b>	<b>20,352</b>

## 12. Cash and Cash Equivalents:

Cash at bank	72,660	112,300
Short-term investments	513,590	793,694
	<b>586,250</b>	<b>905,994</b>

## 13. Cash Resources:

Cash and cash equivalents	586,250	905,994
Bank overdraft and short-term borrowings (Note 18)	(217,040)	(131,721)
	<b>369,210</b>	<b>774,273</b>

## 14. Stated Capital:

### Authorised

Unlimited number of shares of no par value

### Issued and fully paid

600,000,641 ordinary shares of no par value

<b>1,736,632</b>	<b>1,736,632</b>
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# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 15. Investment Remeasurement Reserve:

In accordance with IAS #39, an investment re-measurement reserve has been created to capture unrealised gains/losses on available-for-sale investments.

## 16. Borrowings:

	Interest Rate	Maturity Date	2014 (\$'000)	2013 (\$'000)
<b>First Citizens Bank Limited</b>				
Tranche B	6.18%	January 2015	7,662	12,772
Current portion of long-term borrowings			<b>(5,109)</b>	<b>(5,109)</b>
Non-current portion of long-term borrowings			<b>2,553</b>	<b>7,663</b>

The First Citizens Bank Limited loan is secured by a debenture and collateral mortgage, stamped to cover **\$90 million** ranking *pari passu* with the security for the bank overdraft facilities (see **Note 13**). The tranches are each repayable in semi-annual instalments ending in January 2015.

The RBTT Bank Limited facility is repayable by quarterly instalments of \$1.5 million.

## 17. Deferred Taxation:

Tax losses carried forward	(17,890)	(24,705)
Excess of net book value over written-down tax value	30,001	30,631
General provision against receivables	—	(63)
Re-measurement of retirement benefit asset	775	(1,209)
Retirement benefit asset	3,025	4,042
	<b>15,911</b>	<b>8,696</b>

The movement in deferred tax for the year is as follows:

Balance at beginning of year	8,696	5,249
Charge to the Income Statement	6,440	4,656
Recognition in other comprehensive income	775	(1,209)
Balance at end of year	<b>15,911</b>	<b>8,696</b>

## 18. Bank Overdraft and Short-Term Borrowing:

Bank overdrafts	28,711	57,085
Revolving grain	82,926	74,636
Short-term loan facility	105,403	—
Balance at end of year	<b>217,040</b>	<b>131,721</b>



# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 18. Bank Overdraft and Short-Term Borrowing (cont'd):

- i) Bank overdraft facilities are provided by Scotiabank Trinidad and Tobago Limited and Citibank (Trinidad and Tobago) Limited. These facilities are secured by a debenture and collateral mortgage, stamped to cover **TT\$90 million** each, comprising of a fixed charge over goodwill, land and buildings located at Wrightson Road, Port of Spain and a floating charge over all other assets of the Company. This security ranks *pari passu* with the security for the loans from First Citizens Bank Limited (see **Note 13**). An assignment of industrial all risks insurance with coverage of **US\$57.7 million** has also been executed in favour of the banks.
- ii) Revolving grain purchase loans have been provided by the following to finance the importation of grain.

	<b>2014 (\$'000)</b>	<b>2013 (\$'000)</b>
Export Import Bank of Trinidad and Tobago (Eximbank ) Limited	5,893	2,676
Gavilon LLC	3,284	2,986
Citibank (Trinidad and Tobago) Limited	3,780	6,000
	<hr/> 12,957	<hr/> 11,662
TTD equivalent	<hr/> 82,926	<hr/> 74,636

- iii) This represents a short-term loan facility from Republic Bank Limited for the amount of **US\$16,300,000** to assist with share acquisition in the Power Generation Company of Trinidad and Tobago Limited at a rate of 1.4% per annum fixed, payable as at 31 March 2014. The short-term loan facility is secured by lien over cash **TTD\$106,055,302** is held on an Investment Note Certificate held with the Bank.

## 19. Accounts Payable and Accruals:

Trade payables	6,912	15,423
Accruals	17,573	21,462
	<hr/> <b>24,485</b>	<hr/> <b>36,885</b>

## 20. Profit Before Taxation:

Profit before taxation is arrived at after charging:

Finance charges	10,032	13,425
Depreciation and amortisation	9,960	11,389
Directors' fees	1,346	1,180
	<hr/>	<hr/>

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 21. Taxation (cont'd):

	2014 (\$'000)	2013 (\$'000)
Current year	(1,690)	(3,070)
Deferred tax	(6,440)	(4,656)
	<b>(8,130)</b>	<b>(7,726)</b>

Reconciliation of the effective tax rate to the statutory rate is as follows:

Profit before taxation	189,993	522,509
Tax at statutory rate	(47,498)	(130,627)
Tax effect of expenses/income not deductible for tax purposes	40,850	124,429
Business levy	(921)	(894)
Green fund levy	(771)	(948)
Deferred taxation adjustment	210	314
	<b>(8,130)</b>	<b>(7,726)</b>

## 22. Earnings Per Share:

Profit attributable to equity holders of the Company	190,569	507,080
Weighted average number of ordinary shares in issue ('000)	600,001	600,001
Earnings per share	<b>\$ 0.32</b>	<b>\$ 0.85</b>

## 23. Dividends Received from Joint Ventures and Associates:

Telecommunications Services of Trinidad and Tobago Limited	12,591	23,376
Trinidad Nitrogen Company Limited	115,055	213,338
NGC NGL Company Limited	123,031	201,459
NGC Trinidad and Tobago LNG Limited	54,337	51,964
	<b>305,014</b>	<b>490,137</b>

## 24. Dividends Paid:

2013 final dividend - <b>\$0.53</b> per share (2012 - <b>\$0.50</b> per share)	318,000	300,000
2014 Interim dividend <b>\$0.23</b> per share (2013 - <b>\$0.20</b> per share)	138,000	120,000
	<b>456,000</b>	<b>420,000</b>

A final dividend in respect of the year ended 31 March 2014 - **\$0.23** (2013 - **\$0.53**) has been approved. These financial statements do not reflect this dividend payable.

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 25. Contingent Liabilities:

As at 31st March 2014, the subsidiary National Flour Mills (NFM) had a contingent liability in respect of pending litigation. Based on legal advice, the directors of this subsidiary believe that NFM will be successful in these litigations. However, if defense against the actions is unsuccessful the potential liability for damages and costs amounts to approximately **\$330,000** (2013 - **NIL**).

## 26. Capital and Lease Commitments:

During the year 2010, National Flour Mills Limited entered into a finance lease agreement to acquire an automatic silo scale with a lease term of four years. National Flour Mills Limited has the option to purchase the equipment for a nominal amount at the conclusion of the lease agreement.

Finance leases liabilities are payable as follows:

	Future Minimum Lease Payments 2014 (\$'000)	Interest 2014 (\$'000)	Present Value of Minimum Lease Payments 2014 (\$'000)	Future Minimum Lease Payments 2013 (\$'000)	Interest 2013 (\$'000)	Present Value of Minimum Lease Payments 2013 (\$'000)
Less than one year	598	51	547	800	72	728
Between one and five years	—	—	—	598	51	547
	598	51	547	1,398	123	1,275

Minimum lease payments under non-cancellable operating leases are as follows:

	2014 (\$'000)	2013 (\$'000)
Less than one year	1,064	3,662
Between one and five years	1,660	450

### Finance Lease:

- (a) The Company entered into a leasing facility with the Caribbean Leasing Company Limited for the financing of one (1) automatic Silo Scale Granex MSDT -1400 and two (2) Hyundai H100 Pick-up trucks in 2nd September 2009. The finance lease is secured by all risks insurance on the equipment and the trucks which are assigned to the Caribbean Leasing Company Limited. The original amount of the lease was **\$3,098,525** at 6% per annum over forty eight (48) months, with a monthly instalment of **\$72,906**.
- (b) A leasing facility was granted by Caribbean Leasing Company Limited for the financing of a Scale Tower on 30 September 2010. The finance lease is secured by all risks insurance on the equipment which is assigned to the Caribbean Leasing Company Limited. The lease period is for forty eight (48) months, at 5% per annum, with a monthly instalment of **\$57,927 (\$66,616 VAT inclusive)**.

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 27. Related Party Transactions:

	2014 (\$'000)	2013 (\$'000)
Key management compensation:		
Salaries and other short-term benefits	4,695	4,556
Termination benefits	467	448
	<b>5,162</b>	<b>5,004</b>

## 28. Principal Business Activities:

The principal business activities of the subsidiary and other investee companies are:

Investment	Incorporated	Activity	% Interest
<b>Subsidiary</b>			
National Flour Mills Limited	Trinidad and Tobago	Food processing	51.00%
NEL Power Holdings Limited	Delaware, USA	Investment	100.00%
<b>Joint Ventures</b>			
Telecommunications Services of Trinidad and Tobago Limited	Trinidad and Tobago	Telecommunications provider	51.00%
Trinidad Nitrogen Company Limited	Trinidad and Tobago	Manufacturer of ammonia	51.00%
<b>Associates</b>			
NGC NGL Company Limited	Trinidad and Tobago	Investment holding company	20.00%
NGC Trinidad and Tobago LNG Limited	Trinidad and Tobago	Investment holding company	37.84%

## 29. Operating Segments:

National Flour Mills Limited has two reportable segments, as described below, which are the subsidiary's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the subsidiary's Chief Executive Officer (CEO) reviews internal management reports monthly. The following summary describes the operations in each of the subsidiary's reportable segments:

- Foodstuff. Includes manufacturing and distributing flour, flour by-products and rice.
- Animal feed. Includes manufacturing and distribution of feed products for animals

Other operations include the purchase and sale of imported dry goods, as well as imported corn and soya bean meal.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment gross profit, as included in the internal management reports that are reviewed by the

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 29. Operating Segments (cont'd):

National Flour Mills Limited's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Financial information regarding assets and liabilities by operating segment is not reported on a regular basis to National Flour Mills Limited's CEO.

	<b>Food stuff</b>		<b>Animal Feeds</b>		<b>Other</b>		<b>Total</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>
External revenue	312,223	312,423	118,178	103,068	27,496	30,772	457,897	446,263
Depreciation and amortisation	7,311	7,261	2,086	3,305	552	813	9,949	11,379
Gross profit	59,496	66,268	26,056	18,368	497	5,588	86,049	90,224

## 30. Maturity of Financial Liabilities:

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	<b>Carrying Amount</b>	<b>Contractual Cash Flow</b>	<b>6 Months or less</b>	<b>6-12 Months</b>	<b>1-2 Years</b>	<b>2-5 Years</b>
	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>
<b>31 March 2014</b>						
Secured bank loans	7,663	8,138	2,793	2,711	2,634	—
Other secured advances	188,329	188,754	188,754	—	—	—
Finance lease liability	546	597	400	197	—	—
Trade and other payables	24,485	24,485	24,485	—	—	—
Bank overdraft	28,711	28,711	28,711	—	—	—
		250,685	245,143	2,908	2,634	—
<b>31 March 2013</b>						
Secured bank loans	12,771	13,957	2,952	2,867	8,138	—
Other secured advances	74,636	75,268	75,268	—	—	—
Finance lease liability	1,275	1,405	400	400	605	—
Trade and other payables	36,885	36,885	36,885	—	—	—
Bank overdraft	57,085	57,085	57,085	—	—	—
		184,600	172,590	3,267	8,743	—



# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 31. Restatement:

The Consolidated Financial Statements have been restated for the effects of the following:

### 1. IAS 19 effect

Under the previous policy, as allowed under the prior version of IAS 19, the Group had utilised the 'corridor approach' to the recognition of periodic actuarial gains and losses. The IAS now recognises all actuarial gains or losses through other comprehensive income. The net annual interest expense or income is now determined by applying the discount rate to the net retirement benefit obligation or asset and not through the use of an expected rate of return to the plan assets, as was allowed under the previous IAS 19.

In accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', this change in accounting policy for the correct application of IAS 19 (2011) has been applied retrospectively through the restatement of Retained Earnings as at 1 April 2012 and the Consolidated Statement of Comprehensive Income. These adjustments had an effect on the accounts of the subsidiary National Flour Mills Limited (NFM) and the joint venture Telecommunications Services of Trinidad and Tobago Limited (TSTT).

### 2. Exchange loss effect

During the year, an error was identified in the Statement of Comprehensive Income for 2012 of the subsidiary NFM as a result of the omission of recording an exchange loss on a foreign currency bank account. In accordance with IAS 8, the Consolidated Statement of Comprehensive Income for 2012 was restated to correct the omission.

### 3. Back pay accrual effect

In September 2013, the Industrial Court ruled that the TSTT was using the incorrect basis for the computation of the back pay accrual. In accordance with the IAS 8, the change in the computation was applied retrospectively.

The tables below illustrate the impact of the above mentioned restatements for the years ended 31 March 2012 and 2013.

#### Statement of Financial Position:

	As previously reported (\$'000)	IAS 19 effect (\$'000)	Exchange loss effect (\$'000)	Back pay effect (\$'000)	As currently restated (\$'000)
<b>31 March 2012</b>					
Equity accounted investment	2,669,581	(75,353)	—	(14,333)	2,579,895
Retirement benefit asset	60,611	(44,524)	—	—	16,087
Retained earnings	(1,860,505)	90,440	—	14,333	(1,755,732)
Non-controlling interest	(98,359)	18,306	—	—	(80,053)
Deferred taxation	(16,380)	11,131	—	—	(5,249)

# Notes to the Consolidated Financial Statements (cont'd)

(Expressed in Trinidad and Tobago dollars)

## 31. Restatement (cont'd):

### 3. Back pay accrual effect (cont'd)

#### Statement of Financial Position (cont'd):

	As previously reported (\$'000)	IAS 19 effect (\$'000)	Exchange loss effect (\$'000)	Back pay effect (\$'000)	As currently restated (\$'000)
<b>31 March 2013</b>					
Equity accounted investment	2,655,405	(119,379)	—	(16,552)	2,519,474
Retirement benefit asset	59,884	(48,546)	—	—	11,338
Cash and cash equivalents	908,004	—	(2,010)	—	905,994
Deferred taxation	(20,834)	12,138	—	—	(8,696)
Retained earnings	(1,934,344)	134,018	2,010	16,552	(1,781,764)
Non-controlling interest	(104,899)	21,769	—	—	(83,130)

#### Statement of Comprehensive Income:

Cost of sales	(356,851)	812	—	—	(356,039)
Administration expenses	(27,020)	—	(2,010)	—	(29,030)
Taxation	(7,524)	(202)	—	—	(7,726)
Profit for the year	529,915	(10,903)	(2,010)	(2,219)	514,783
Share of profit of equity accounted investment net tax	(509,858)	11,513	—	2,219	(496,126)

# Supplementary Information Unconsolidated Statement of Financial Position

(Expressed in Trinidad and Tobago dollars)

## ASSETS

		31 March	
	Notes	2014 (\$'000)	2013 (\$'000)
<b>Non-Current Assets:</b>			
Fixed assets	5	71	23
Investments in subsidiaries, joint ventures and associated companies	6	1,950,027	1,736,632
Other long-term investments	7	124,374	59,578
Total Non-Current Assets		2,074,472	1,796,233
<b>Current Assets:</b>			
Accounts receivable and prepayments	8	4,825	6,151
Short-term investments	9	513,353	792,647
Cash in hand and at bank	10	57,904	80,310
Total Current Assets		576,082	879,108
<b>Total Assets</b>		<b>2,650,554</b>	<b>2,675,341</b>

## EQUITY AND LIABILITIES

<b>Equity:</b>			
Stated capital	11	1,736,632	1,736,632
Investment remeasurement reserve	12	16,766	—
Retained earnings		790,694	937,331
Total Equity		2,544,092	2,673,963
<b>Current Liabilities:</b>			
Short-term loan facility	13	105,403	—
Accounts payable and accruals	14	848	480
Taxation payable		211	898
Total Current Liabilities		106,462	1,378
<b>Total Equity and Liabilities</b>		<b>2,650,554</b>	<b>2,675,341</b>

These unconsolidated financial statements were approved by the Board of Directors and authorised for issue on 18 July 2014 and signed on their behalf by:

Director:   
Kenny Lue Chee Lip

Director:   
Ross Alexander

# Supplementary Information

## Unconsolidated Statement of Comprehensive Income

(Expressed in Trinidad and Tobago dollars)

		For the year ended 31 March	
	Notes	2014 (\$'000)	2013 (\$'000)
<b>Revenue</b>			
Interest income		7,568	11,357
Dividend income	15	308,693	490,146
Other income		65	52
		<u>316,326</u>	<u>501,555</u>
<b>Operating Expenses</b>			
Accounting and audit fees		521	513
Administrative services		895	477
Bank charges		230	1
Consulting fees		2,534	325
Depository fees		142	147
Depreciation		12	9
Directors' fees		496	374
Loan interest		425	—
Loss on disposal of fixed assets		—	9
Management fees		132	248
Penalty charges		7	4
Publication fees		1,129	761
T & T Securities and Exchange Commission		113	111
		<u>6,636</u>	<u>2,979</u>
Net profit before taxation		309,690	498,576
Taxation	16	<u>(327)</u>	<u>(1,729)</u>
Net profit for the year		309,363	496,847
<b>Other Comprehensive Income</b>			
Unrealised gains		<u>16,766</u>	<u>—</u>
<b>Total Comprehensive Income</b>		<u><b>326,129</b></u>	<u><b>496,847</b></u>

# Notes



# Notes

# Notes



THE REPUBLIC OF TRINIDAD & TOBAGO

THE COMPANIES ACT, CHAPTER 81:01  
(Section 144)

## MANAGEMENT PROXY CIRCULAR

**1. Name of Company:**

National Enterprises Limited

Company No.: N-735 (95)

**2. Particulars of Meeting:**

Meeting to be held at Grand Ballroom, Radisson Hotel Trinidad, Wrightson Road, Port of Spain on September 18, 2014 at 10am.

**3. Solicitation:**

The management of the Company is required by the Companies Act, Chapter 81:01 of the laws of Trinidad and Tobago ("the Act") to send together with the notice convening the meeting, forms of proxy. By complying with the Act, management is deemed to be soliciting proxies within the meaning of the Act. This Management Proxy Circular accompanies the Notice of Annual Meeting of the Company and is furnished in connection with the solicitation by the management of the Company of proxies for use at the meeting or any adjournment thereof.

**4. Any Director's statement submitted pursuant to section 76 (2):**


No statement has been received from any director pursuant to section 76(2) of the Companies Act, Chapter 81:01

**5. Any Auditor's statement submitted pursuant to section 171(1):**

Not applicable

**6. Any shareholder's proposal and/or statement submitted pursuant to sections 166(a) and 117(2):**

No proposals have been submitted.

DATE	NAME AND TITLE	SIGNATURE
August 24, 2014	Aegis Business Solutions Limited Corporate Secretary	



# INSTRUCTIONS

- Item 1:** Set out the full legal name of the company and, except where a number has not been assigned, state the company number.
- Item 2:** State full particulars of the meeting including the date, place and time.
- Item 3:** Set out the solicitation being made by management of the company.
- Item 4:** Any Director's statement submitted pursuant to section 76(2) shall, unless it is included in or attached to a Management Proxy Circular, be sent to every shareholder entitled to receive notice of the meeting and to the registrar; section 76(3).
- Item 5:** Any Auditor's statement submitted pursuant to section 171(1) shall, unless it is included in or attached to a Management Proxy Circular, be sent to every shareholder entitled to receive notice of the meeting and to the Registrar; section 171(2).
- Item 6:** Any proposal submitted by a Shareholder pursuant to section 116(a) and any statement pursuant to section 117(2) must be set out in the Management Proxy Circular or attached thereto.
- Signature:** A Director or authorized officer of the company shall sign the circular.



THE COMPANIES ACT, CHAPTER 81:01  
(Section 143 (1))

## FORM OF PROXY

1. Name of Company: National Enterprises Limited Company No.: N-735 (95)
2. Particulars of Meeting: Fifteenth Annual Meeting of Shareholders to be held at the Radisson Hotel Trinidad, Wrightson Road, Port of Spain on September 18, 2014 at 10am.

I/We (block letters please) \_\_\_\_\_

of \_\_\_\_\_

Shareholders(s) in the above Company, appoint(s) \_\_\_\_\_

of \_\_\_\_\_

or failing him \_\_\_\_\_

of \_\_\_\_\_

to be my/our proxy to vote for me/us and on my/our behalf at the above meeting and any adjournment thereof in the same manner, to the same extent and with the same powers as if I/we were present at the said meeting or such adjournment or adjournments thereof.

Please indicate, with an "X" in the spaces below, how you wish your proxy to vote on the Resolutions referred to. If no such indication is given, the proxy will exercise his discretion as to how he votes or whether he abstains from voting.

		<b>For</b>	<b>Against</b>
Resolution 1	That the financial statements of the company for the year ended March 31, 2014 and the reports of the Directors and Auditors be received and adopted.		
Resolution 2	That the following person be appointed as Director to the Board of National of Enterprises Limited for a period of two years with effect from the date of appointment.  Mr. Utam Maharaj		





		<b>For</b>	<b>Against</b>
Resolution 3	That the following person be appointed as Director to the Board of National of Enterprises Limited for a period of two years with effect from the date of appointment.  A representative from the National Insurance Board		
Resolution 4	That PKF Chartered Accountants and Business Advisors be re-appointed as the Auditors and the Directors be empowered to determine the Auditors' remuneration in respect of the period ending at the conclusion of the Sixteenth Annual Meeting of the Company.		

Signature(s) \_\_\_\_\_ Witness(es) \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

**NOTES:**

1. In the case of a joint holding, the signature of any holder is sufficient, but the names of all joint holders should be stated.
2. If the appointer is a Corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorized in that behalf.
3. To be valid, this form must be completed and deposited at the Registered Office of the Company at the address below not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.

THE CORPORATE SECRETARY  
NATIONAL ENTERPRISES LIMITED  
LEVEL 15, TOWER D  
INTERNATIONAL WATERFRONT CENTRE  
WRIGHTSON ROAD  
PORT OF SPAIN





National Enterprises Limited  
Level 15, Tower D  
International Waterfront Centre  
Wrightson Road  
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