



Performance of the Share Price

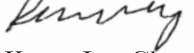
At the close of the financial year the price of the NEL share stood at **\$15.40** representing an increase of **\$0.62** or **4.2%** above the previous financial year’s closing price of **\$14.78**. In the 12 months to **March 31, 2013** the comparative increase in the Composite Stock Price Index **was 8.3%** compared to an increase of **15.9%** for the 12 months to **March 31, 2012**. Within this framework, NEL’s share is still seen as one that can provide superior returns in the medium and long-term and consequently its share price has continued to appreciate and stood at **\$16.00** as at **August 26, 2013**.

Future Prospects

Despite developments in the global gas markets have seen a surge in unconventional gas supply in North America which can impact energy markets, the NGC LNG and NGC NGL prospects are promising as these companies continue to obtain good product prices. Tringen will complete its plant’s upgrades and with ammonia prices continuing to be good, dividend receipts from Tringen are expected to improve. TSTT will seek to maintain and stabilise its market position and address the challenges it faces in light of continued competitive market. Recent decreases in grain prices and better performance from NFM is expected.

We expect the management of our investee companies to continue to strive for the highest standards in operational and financial performance and to maintain profitability.

The Board is committed to ensuring NEL portfolio continues to perform and provide strong returns and we seek new opportunities which will deliver increased value to our shareholders now and into the future.

  
Kenny Lue Chee Lip  
Chairman

The Shareholders  
National Enterprises Limited

We have audited the accompanying consolidated financial statements of National Enterprises Limited, which comprise the consolidated statement of financial position as at 31 March 2013, the consolidated 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 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 financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the 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 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 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 2013, 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  
23 August 2013

# Summary of Audited Consolidated Financial Statements

Year ended March 31st 2013

## Chairman’s Statement

These Audited Consolidated Financial Statements for National Enterprises Limited (NEL) were unavoidably delayed due to late receipt of audited financial statements from one of our investee companies. However we did previously publish our Unaudited Unconsolidated Financial Statements prior to these.

NEL delivered strong results for the financial year ended **March 31, 2013** which generally surpassed returns from other investment opportunities in the current local market. NEL dividend receipts have increased and thus we are able to pay-out to more shareholders and these have been reflected in the positive appreciation of its share price.

Investee Companies’ Performance

The contribution from NGC NGL Company Limited increased significantly for this financial year and this was major reason dividend receipts improved. Trinidad Nitrogen Company Limited’s (Tringen) performance was handicapped by continuing curtailment of gas supplies and their dividend pay-outs were affected by investments in plant upgrades. Therefore we received reduced dividends from Tringen than from the previous year. TSTT continues to be profitable amidst many challenges and National Flour Mills Limited (NFM) was marginally profitable.

Financial Results and Dividends

NEL’s after-tax profits attributable to its shareholders in its Consolidated Statements fell to **\$529.9 million** from **\$603.2 million**, a decrease of **12%** over the previous financial year and earnings per share dropped from \$1.00 to \$0.87 per share. Notwithstanding these reductions, dividends received from its investee companies increased to **\$490.1 million** from **\$469.3 million** in the previous year.

Accordingly, the Directors of NEL are pleased to declare a final dividend of **\$318 million** or **53 cents** a share in keeping with the policy of distributing to shareholders at least **90%** of dividends received net of expenses. When account is taken of the interim dividend of **20 cents** a share paid in **December 2012**, the total dividend for the financial year amounts to **73 cents** a share compared with **70 cents** a share in respect of the previous financial year.

## Independent Auditors’ Report

# Summary of Audited Consolidated Financial Statements

Year ended March 31st 2013



### Consolidated Statement of Financial Position (Expressed in Thousands of Trinidad and Tobago Dollars)

	ASSETS	
	31 March 2013 (\$'000)	2012 (\$'000)
<b>Non-Current Assets:</b>		
Equity accounted investments	2,655,405	2,669,581
Financial Assets	59,592	59,540
Fixed Assets	147,689	155,972
Retirement benefits assets	59,884	60,611
Trademarks	4,229	5,462
Total Non-Current Assets	2,926,799	2,951,166
<b>Current Assets:</b>		
Inventories	77,243	69,146
Accounts receivable and prepayments	93,145	103,802
Cash and cash equivalents	908,004	808,572
Total Current Assets	1,078,392	981,520
<b>Total Assets</b>	<b>4,005,191</b>	<b>3,932,686</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Equity:</b>		
Stated capital	1,736,632	1,736,632
Translation reserve	24,931	31,335
Retained earnings	1,934,344	1,860,505
Capital and reserves attributable to equity holder	3,695,907	3,628,472
Non-controlling interest	104,899	98,359
Total Equity	3,800,806	3,726,831
<b>Non-Current Liabilities:</b>		
Non-current portion of long-term borrowings	7,663	12,771
Non-current portion of finance lease liability	546	1,275
Deferred taxation	20,834	16,380
Total Non-Current Liabilities:	29,043	30,426
<b>Current Liabilities:</b>		
Bank overdraft and short-term borrowings	131,721	128,466
Current portion of long-term borrowings	5,109	5,110
Current portion of finance lease liability	729	728
Taxation payable	898	1,531
Accounts Payable and accruals	36,885	39,594
Total Current Liabilities	175,342	175,429
Total Liabilities	204,385	205,855
<b>Total Liabilities and Equity</b>	<b>4,005,191</b>	<b>3,932,686</b>

These financial statements were approved by the Board of Directors and authorised for issue on 23 August 2013 and signed on their behalf by:

Director:  Director: 

### Consolidated Statement of Changes in Equity (Expressed in Thousands of Trinidad and Tobago Dollars)

	Stated Capital (\$'000)	Translation Reserve (\$'000)	Retained Earnings (\$'000)	Non- Controlling Interest (\$'000)	Total Equity (\$'000)
<b>Year ended 31 March 2013</b>					
Balance as at 1 April 2013	1,736,632	31,335	1,860,505	98,359	3,726,831
Net profit for the year	-	-	523,375	6,540	529,915
Share of deferred tax on actuarial gain	-	-	(27,493)	-	(27,493)
Share of translation reserve	-	(6,404)	-	-	(6,404)
Subsidiary dividend	-	-	(2,043)	-	(2,043)
Dividends paid	-	-	(420,000)	-	(420,000)
Balance as at 31 March 2012	<b>1,736,632</b>	<b>24,931</b>	<b>1,934,344</b>	<b>104,899</b>	<b>3,800,806</b>
<b>Year ended 31 March 2012</b>					
Balance as at 1 April 2011	1,736,632	26,786	1,609,654	98,046	3,471,118
Net profit for the year	-	-	602,924	313	603,237
Share of deferred tax on actuarial gain	-	-	(6,106)	-	(6,106)
Share of translation reserve	-	4,549	-	-	4,549
Subsidiary dividend	-	-	(3,967)	-	(3,967)
Dividend paid	-	-	(342,000)	-	(342,000)
Balance as at 31 March 2012	<b>1,736,632</b>	<b>31,335</b>	<b>1,860,505</b>	<b>98,359</b>	<b>3,726,831</b>

### Consolidated Statement of Comprehensive Income (Expressed in Thousands of Trinidad and Tobago Dollars)

	For the year ended 31 March	
	2013 (\$'000)	2012 (\$'000)
Turnover	446,263	440,945
Cost of sales	(356,851)	(375,330)
Gross Profit	89,412	65,615
Less:		
Selling and distribution expenses	41,425	34,971
Administrative expenses	27,020	27,380
Finance charges	13,425	12,921
	81,870	75,272
Operating profit/(loss)	7,542	(9,657)
Dividend income	8	3,073
Interest income	11,357	12,246
Other income	8,674	10,630
Share of profit of equity accounted investments net of tax	509,858	592,366
Profit before taxation	537,439	608,658
Taxation	(7,524)	(5,421)
Net profit for the year	<b>529,915</b>	<b>603,237</b>
<b>Net profit attributable to:</b>		
Equity holders of the Company	523,375	602,924
Non-controlling interest	6,540	313
Net profit for the year	<b>529,915</b>	<b>603,237</b>
Earnings per share	<b>0.87</b>	<b>1.00</b>

### Consolidated Statement of Cash Flows (Expressed in Thousands of Trinidad and Tobago Dollars)

	For the year ended 31 March	
	2013 (\$'000)	2012 (\$'000)
<b>OPERATING ACTIVITIES</b>		
Net profit before interest and taxation	539,507	609,333
Interest received	11,357	12,246
Interest expense	(13,425)	(12,921)
Profit before taxation	537,439	608,658
Adjustment for non-cash items:		
Share of profit of equity accounted investments net of tax	(509,858)	(592,366)
Depreciation	10,156	11,151
Amortisation	1,233	1,236
Interest expense	13,425	12,921
Loss on disposal of fixed assets	9	-
Retirement benefit	727	1,345
	53,131	42,945
Net change in operating assets and liabilities	(1,229)	19,864
Interest paid	(11,923)	(12,372)
Dividends received	(8)	(3,073)
Taxation paid	(4,124)	(2,045)
Cash Generated From Operating Activities	35,847	45,319
<b>INVESTING ACTIVITIES</b>		
Dividends received from joint ventures and associates	490,137	469,271
Change in long-term investments	(52)	(20,052)
Other investing income	8	3,073
Purchase of fixed assets	(1,882)	(1,573)
Cash generated From Investing Activities	488,211	450,719
<b>FINANCING ACTIVITIES</b>		
Finance lease liability paid	(728)	(728)
Repayment of borrowings	(5,110)	(20,386)
Dividends paid	(422,043)	(345,967)
Cash used in Financing Activities	(427,881)	(367,081)
Net Change in Cash Resources	96,177	128,957
Net Cash Resources at beginning of year	680,106	551,149
Net Cash Resources at end of year *	<b>776,283</b>	<b>680,106</b>

\*Cash Resources comprise cash and cash equivalents net of bank overdraft and short-term borrowings.