BALANCE AND VALUE

NATIONAL ENTERPRISES LIMITED

Annual Report 2021

COMPANY OVERVIEW

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

NEL has invested in industries that drive the economy of Trinidad and Tobago: natural gas and energy-based manufacturing, telecommunications, power generation, and the marketing and manufacturing of basic foods.

NEL holds significant shareholding in the following companies:

- National Flour Mills (NFM);
- NGC NGL Company Limited (NGC NGL) ;
- NGC Trinidad and Tobago LNG Limited (NGC LNG);
- Telecommunications Services of Trinidad and Tobago Limited (TSTT);
- Trinidad Nitrogen Co. Limited (Tringen);
- NEL Power Holdings Limited (NPHL); and
- Pan West Engineers and Constructors, LLC (Pan West).

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 5,000 citizens who will continue to benefit from our consistent dividend payments own 100 million of the 600 million issued shares in NEL.

MISSION

NEL's **Mission** is to be the premier investment holding company for the Government of Trinidad and Tobago. We will assist the Government of Trinidad and Tobago to unlock value across the State Enterprise Sector.

VISION

NEL's **Vision** is to contribute to the sustainable development of the economy of Trinidad and Tobago by a focused and proactive investment approach geared towards the continuous enhancement of shareholder value.

NATIONAL ENTERPRISES LIMITED

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The Chairman's STATEMENT



Ingrid L-A Lashley
Chairman

Like the rest of the world, Trinidad and Tobago has endured trying times and challenging conditions that have cut across all sectors and every aspect of life. We have all had to reorganise work and personal lifestyles around the health protocols, lockdowns and curfews needed to maintain some degree of control of the biggest public health crisis of our generation. The country has been and continues to be stress-tested, but to date. the resilience displayed in our systems and institutions is a direct reflection of the resilience we have as a people. National Enterprises Limited's (NEL) performance over this past fiscal year is an ongoing demonstration of the resilience of the people and systems present in the entire group of companies, including our portfolio of investee companies. Our collective focus has been to protect and preserve shareholder value amidst the general economic and market conditions associated with the extended COVID-19 pandemic and prevailing conditions of the global energy industry.

As we navigate toward global market recovery, rebounding commodity prices and the positive prospect of a vaccinated nation, we consider the local, regional and global macroeconomic conditions relevant to our performance.

Local and Regional Economy

According to the Central Bank's Quarterly Index of Real Economic Activity, domestic economic activity contracted by 7.9% in 2020, led by the 13.8% decline in energy sector output. Headline inflation averaged 0.6% in 2020, down from 1.0% in 2019. The Central Government also registered a larger deficit of 11.2% of GDP in FY2019/20, compared with a deficit of 2.6% in FY2018/19.

Owing to the extended national stay-at-home, lockdowns, curfew and other public health measures implemented, the labour market faced several challenges over the period with 36% of full-time employees, and 55% of part-time or contractual employees estimated to have become unemployed. Regional labour markets have also shared these severe consequences from external shocks and domestic lockdowns. Estimates from the Inter-American Development Bank (IDB) reveal that 26 million jobs were lost between February and October 2020 in twelve countries of the region. By February 2021, this number had increased by an additional 15 million.

Between October 2019 and September 2020, sales of foreign exchange by authorised dealers to the public fell by 20.7 percent to US$4,823.3 Million, down from the previous year's reported US$6,084 million sold in the comparative period. At the end of December 2020, gross official reserves amounted to US$7.0 Billion, representing 8.5 months of import cover.

Trinidad and Tobago has maintained its investment-grade credit ratings of BBB-/A-3 from Standard & Poor's Global Ratings (S&P), (CariCRIS) CariAA+ and ttAAA from Caribbean Information and Credit Rating Services Limited, and ratings of Baa3, Ba2 and Ba1 from Moody's Investors Service (Moody's).

The domestic stock market has posted a recovery in 2021 from the declines registered in 2020 when there was a fall in all indices. The total value of shares traded, including First Tier, Second Tier, Mutual Fund and SME, declined by approximately 4.3% from $1.313 Billion in 2019 to $1.256 Billion, while the trade volume fell by 19.48% from 86.137 Million to 69.357 Million. The T&T Composite Index (TTCI) appreciated by 6% by the end of the half year ended June 30, 2021 compared to the 10.7% decline in the same period of 2020. The All Trinidad and Tobago Index (ALL TT) also registered a gain of 9.2% at the end of same period of 2021.

Local Energy Sector

The energy sector experienced further declines in 2020 with average overall contraction of 5.9% in the first half of 2020. Exploration and extraction of natural gas experienced extended production disruptions for maintenance activity and delays to scheduled development work as a result of COVID-19 restrictions. The performance of the sub-sector was constrained by lower output of Liquefied Natural Gas (LNG) and Natural Gas Liquids (NGLs) due to a reduction in the availability of natural gas for liquefaction and processing. Natural gas production was also 15% lower in 2020 than the average of 3.05 bcf per day in 2019.

Crude oil production levels in 2021 currently average 57,000 barrels per day with a targeted goal of an average of 92,000 barrels of oil per day forecasted for 2025. The local energy industry continues to undergo rapid transformational change with key players and stakeholders actively tackling the goal of zero net carbon emissions, including the development of a renewable green hydrogen and petrochemicals industry.

Global Economy

Global growth contracted in 2020 by 3.5% compared with growth of 2.9% in 2019. The International Monetary Fund (IMF) forecasts that 2021 global GDP would be 5.4 percent in a gradual recovery. In Latin America and the Caribbean, the IDB projects regional growth of 4.1 percent in 2021 after the 7.4 percent loss in 2020, which was the worst decline recorded in a single year since 1821. Growth is predicted to revert to 2.5% in 2022 onward, assuming a healthy global economy, with effective vaccine rollout programmes and re-opening of local economies.

Global energy market trends indicate positive directions in prices, demand and production The International Energy Agency (IEA) forecasts solid demand for natural gas globally that is expected to continue growing. While global natural gas demand fell to its biggest drop on record, by an estimated 2.5% in 2020 due to the COVID-19 pandemic, it still fell less than the demand for other fuels. In the near term, gas consumption is predicted to grow by 2.8% year over year, recouping all the losses from 2020, and returning to pre-pandemic levels.

Liquified Natural Gas (LNG) trade is expected to increase by 6% in 2021, up from the 363 Million in 2020, and expected to double to 736 Million metric tons by 2040 - driven principally by demand in Asia. Natural gas prices are currently averaging US$3.69 after being under US$2.00 for most of 2020. With the contraction in demand of almost 9.8 million barrels of oil per day, the price of oil was US$37 per barrel in April 2020 versus $75 in July 2021. Global oil demand will rise to an estimated 100 million bpd by 2024, hitting 105 Million bpd by 2030. Methanol and ammonia prices have recovered from their COVID-19 lows and are also displaying upward positive trends.

Going Forward

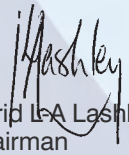
The Government of the Republic of Trinidad and Tobago's (GORTT) Roadmap to Recovery emphasises taking a proactive approach for a transformation to the digital economy, many elements of which, resemble the traits of resilience and strategies employed to date - restructured business processes, digital capabilities/training, technology, and innovation/experimentation. The roadmap to recovery is *the roadmap through resilience*.

There is still a great degree of uncertainty in the global economy and markets, with rising concerns about the spread of the Delta as well as other new variants, as we tackle the impact of the P1 variant. The pathway to growth means a sustained focus on productivity, embrace of the digital economy, connection to global value chains, and job and wealth creation, that is inclusive and resilient.

As we diligently engage in re-engineering the composition and efficiency of our portfolio of investee companies, the Board of Directors has agreed to a change of the company's fiscal year currently ending at March 31st, to September 30th. This change in fiscal year will allow NEL to effectively file our statutory financial reports in a timely and consistent manner as we allow for full information from investee companies in determining the fair market value of our investment prior to reporting. Financial reporting after the fiscal year-end dates of our investee companies will better allow for a sound platform for improved forecasting and risk management.

Going forward in fiscal year 2022, NEL is committed to the restructuring of its portfolio of investee companies while preserving and protecting our shareholders' valuable investments. During this period of rebuilding, we will continue taking the decisive actions to balance and increase value in our portfolio of investee companies. Our goal is to consistently add value with the built-in resilience needed to successfully and profitably chart the way forward, delivering transformative value to our shareholders.

I thank the entire NEL team for their determined efforts during this past year. As we move forward to building on the foundation established for wider participation of citizens in the stock market particularly as it relates to the energy sector, I am encouraged that the resilience exhibited along with the intrepid actions will yield sustainable and equitable returns for years to come.



Ingrid L-A Lashley
Chairman


NATIONAL ENTERPRISES LIMITED

CORPORATE INFORMATION

Board of Directors

Ingrid L-A Lashley – Chairman
Ross Alexander
Vishnu Dhanpaul
Conrad Enill
Ferri Hosein
Annalean Inniss
Janet Parks
Navin Rajkumar
David Robinson

Corporate Secretary

Aegis Business Solutions Limited
18 Scott Bushe Street
Port of Spain

Registered Office

Level 15, Tower D
International Waterfront Centre
Wrightson Road
Port of Spain
Trinidad and Tobago
(868) 612-1705

Bankers

First Citizens Bank Limited
50 St. Vincent Street
Port of Spain
(868) 624-3178

Auditors

PKF Chartered Accountants and
Business Advisors
111 Eleventh Street
Barataria
(868) 235-5063

Attorneys

LEX Caribbean
P.O. Box 1165
First Floor
5-7 Sweet Briar Road
St. Clair
(868) 628-9255

Registrar

Trinidad and Tobago
Central Depository
10th Floor
Nicholas Towers
63-65 Independence Square
Port of Spain
(868) 625-7288

CHAIRMAN

AND GENERAL MANAGER



Ingrid L-A Lashley
Chairman



Charles Maynard
General Manager

BOARD
OF DIRECTORS


Janet Parks


Annalean Inniss


Vishnu Dhanpaul


Navin Rajkumar


Ferri Hosein


Ross Alexander


David Robinson


Conrad Enill

DIRECTORS' REPORT

The Directors confirm that, to the best of their knowledge and belief, the Audited Financial Statements for the year ended March 31, 2021 comply with the applicable financial reporting standards and present a true and fair view of the financial affairs of the company.

2021 Financial Highlights for the year	**TT$ Million**
Net Loss for the year	270.4
Total dividend paid for the year	0
Retained earnings as at March 31, 2021	407.2

Disclosure of Interest of Directors and Officers in any Material Contract:

(pursuant to section 93(1) of the Company Act Ch 81:01)

At no time during the current financial year has any Director or Officer been a party to a material contract or a proposed material contract with the company, or been a Director or Officer of any body, or had material interest in any body that was a party to a material contract or a proposed material contract with the company.

Auditors:

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

AEGIS
BUSINESS SOLUTIONS LIMITED

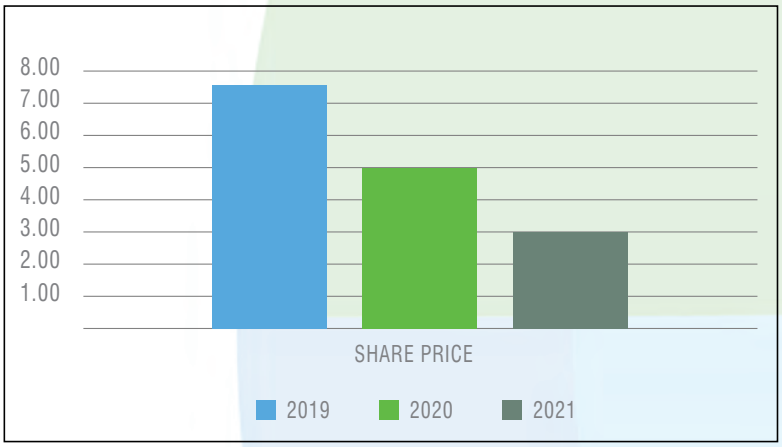
Secretary

Aegis Business Solutions Limited
Corporate Secretary
Port of Spain
29th July, 2021

GENERAL MANAGER'S STATEMENT

For the fiscal year ended March 31, 2021, National Enterprises Limited (NEL) embarked on the process of re-engineering and re-energising its portfolio of investee companies, given the impact on results from the fair market value assessments. Based on IFRS 10, the fair market value of NEL's equity investments in subsidiaries, joint ventures and associates as of March 31, 2021 was TT$1.78 Million, and TT$248 Million for other long-term investments. The movement in fair market value has been reflected in NEL's share price over the last three (3) reporting periods.

Share Price



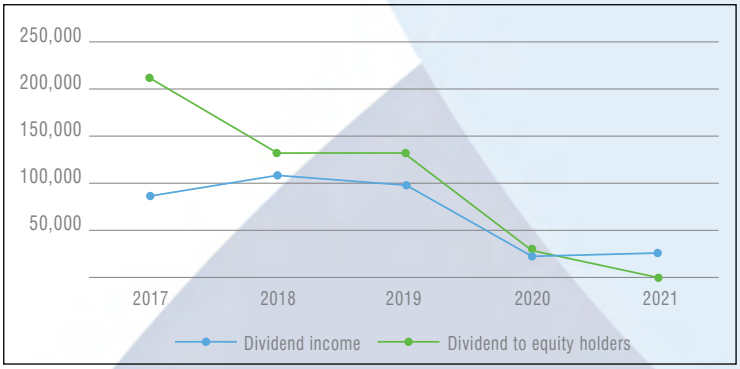
Financial Performance

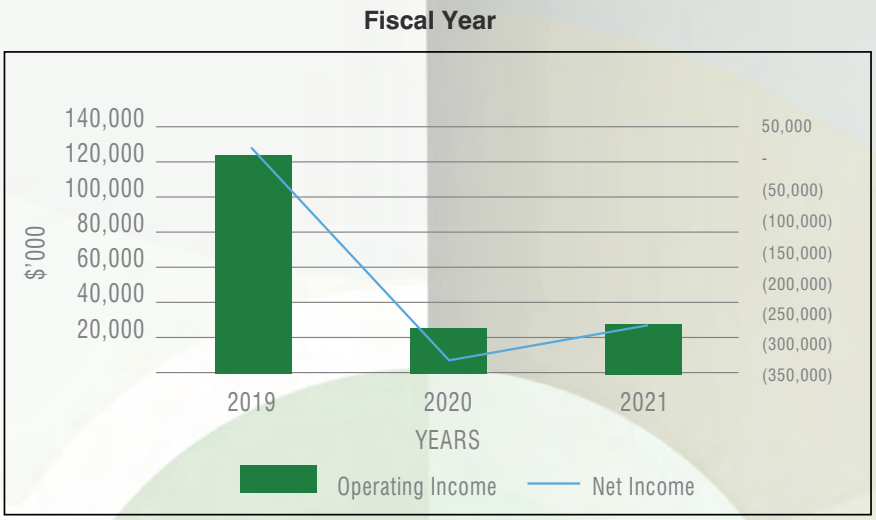
In fiscal year 2021, NEL registered an operating profit of TT$28.2 Million, an increase of TT$2.4 Million or 9.3% above that of the previous fiscal year. After adjusting for fair market value that resulted in an unrealised net loss, NEL recorded a loss of TT$270 Million. This represents an 18% improvement over the loss of TT$327.5 Million recorded in fiscal year 2020. Dividend income in FY2021 amounted to TT$26 Million, an 8% increase from the TT$24 Million received in FY2020.

NEL's operating profits over the past three years reflect the general economic conditions over the same 3-year period that the company's financial results have been reported on the basis of fair market value. Net income includes the unrealised loss/gain of fair market value adjustments during the period.

Prudent cost management practices resulted in a decrease in operational expenses by 9%, moving from TT$5.5 Million in 2020 to TT$16 Million in FY2021. The increase of 181% in cash at hand of TT$45M in FY2021 when compared to the TT$16 Million in FY2020 reflects the static position at year-end prior to investment of funds soon thereafter, but is also indicative of the company's healthy cashflow position.

Dividend





NEL's Portfolio Performance Summary

Increases in the fair market value of portfolio companies National Flour Mills (99%), NEL Power Holdings Limited (34%) and Trinidad Nitrogen Company Limited (50%) were offset by decline in Telecommunications Services of Trinidad and Tobago (35%), NGC NGL Company Limited (29%), Pan West Engineers and Constructors LLC (21%) and NGC LNG Trinidad and Tobago Limited (87.2%). NEL's other long-term investments have shown continued stability over the past fiscal year.

Energy Portfolio

NEL's energy portfolio companies were impacted by a combination of the reduction in commodity prices and the global COVID-19 Pandemic. The end of FY2021, saw a rebound in commodity prices to pre-COVID levels, relative market recoveries and increased availability of vaccines. Global forecasts indicate continued stabilisation of prices amidst a gradual economic recovery and improved growth prospects.

Rising global demand for fertilizer together with the upward positive trend of ammonia prices have created the platform for a strong rebound by Trinidad Nitrogen Company Limited (TRINGEN) from the gas supply issues and depressed ammonia prices experienced in 2020.

NEL's holding companies - NGC NGL, and Pan West, combined with its investment stake in Trinidad and Tobago NGL Limited (listed on the Trinidad and Tobago Stock Exchange as NGL), provides approximately 14% indirect ownership in Phoenix Park Gas Processors Limited (PPGPL). PPGPL's February 2020 acquisition of Twin Eagle Liquids Marketing LLC of Houston, Texas, USA – a company engaged in the business of marketing, trading and transportation of natural gas liquids in Canada, USA and Mexico via rail, has provided a source of inorganic growth in earnings.

The full impairment of the Train 1 plant at Atlantic LNG resulted in a write-down in value to the net asset value of the plant of TT43.9 Million from TT$192.5 Million in FY2020. The contract for the supply of gas to Atlantic LNG expired in May 2018 and to date no long-term agreement has been secured. The shareholders of ALNG Train 1, are in continuous discussions with the Government of the Republic of Trinidad and Tobago (GORTT) about the future of Train 1. For this, the outlook for the related companies is temporarily uncertain and we continue to monitor closely.

Non-Energy Portfolio

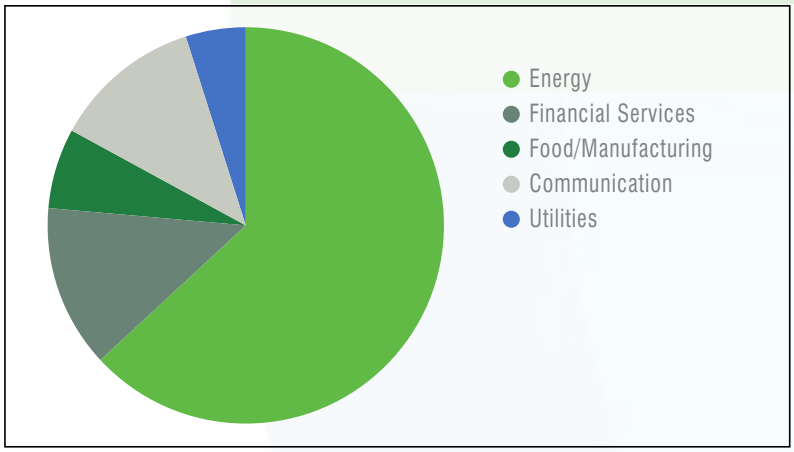
As an essential service, PowerGen experienced minimal to no operational disruptions associated with the implemented COVID-19 restrictions. TSTT has seen reductions in revenues as a result of changes in patterns

of consumption particularly as it relates to mobile service, as well as cost saving measures implemented by corporate customers. TSTT has since undertaken a review of its operating expenses and processes, and instituted various efficiency programmes including costs savings and cash management initiatives.

As the only 'quad play' telecom service provider of fixed, mobile, broadband and IPTV telecommunications services to residential and corporate customers, TSTT remains the market leader in the fixed line market. Services have also been expanded to include security monitoring, data warehousing, and procurement management and administration.

NFM was particularly affected by the disruptions to its supply chain. This resulted in steep increases in the price of grain and severe logistical challenges impacting the timely receipt of raw materials. Notwithstanding, NFM was able to keep the market adequately supplied, absorbing some of the cost increases generated in feed grain price in the last quarter of 2020. NFM also had one of the best performing stocks on the Trinidad and Tobago Stock Exchange in 2020 with a 59% increase year over year.

Investment Portfolio by Industry



Restructuring of NEL's Portfolio

NEL is engaged in consideration of options for the restructuring of its investee companies' portfolio in the interest of preserving shareholder value, as we emerge from this prolonged period of fighting this pandemic. The aim is to create more balance for income and value in NEL's investee portfolio in the short and mid-term. This is designed to build the platform for diversification and long-term share appreciation. The restructuring process will involve deepening our engagement with shareholders, investors and other key stakeholders. It also means identifying and selecting the growth markets and assets in the post-COVID and digital economy that will deliver transformative value to our shareholders.

Change in Fiscal Year

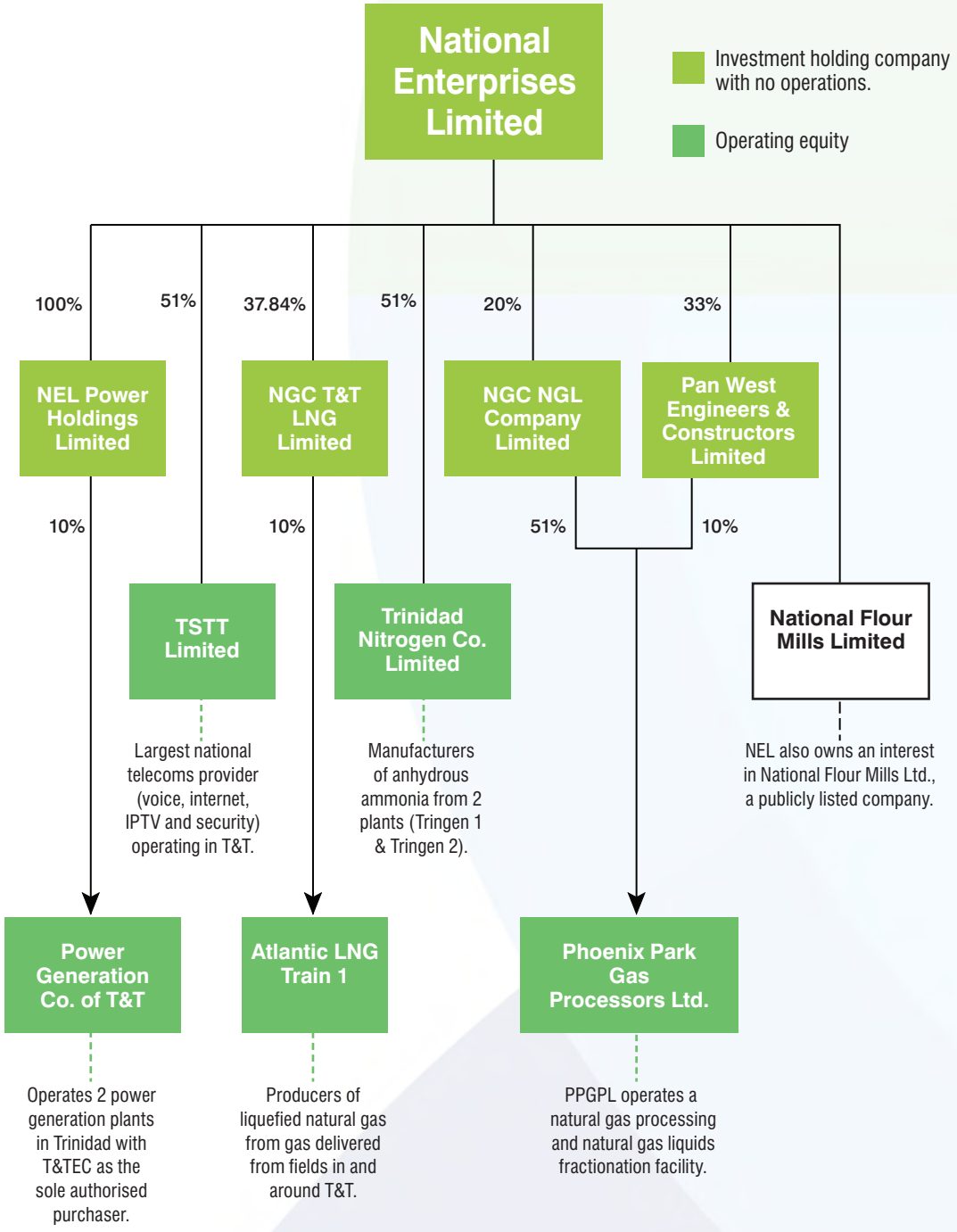
The fiscal period 2022 will cover the period April 1, 2021 to September 30, 2022. Thereafter, NEL's fiscal year will cover October 1st to September 30th. This change ensures timely and consistent filing of financial reports while improving our risk management and forecasting ability as we move forward with restructuring. It will also allow for prompt completion of the assessment of fair market value of our investee companies as their financial year would end prior to that of NEL's.

Charles Maynard
General Manager


NATIONAL ENTERPRISES LIMITED

NEL'S GROUP STRUCTURE

NEL is an investment holding company that holds a number of direct and indirect investments in companies considered to be key contributors to the T&T economy





INVESTEE COMPANIES

- National Flour Mills Limited (NFM)
- NEL Power Holdings Limited (NPHL)
- NGC NGL Company Limited (NGC NGL)
- NGC Trinidad and Tobago LNG Limited (NGC LNG)
- Pan West Engineers and Constructors LLC (Pan West)
- Telecommunications Services of Trinidad and Tobago Limited (TSTT)
- Trinidad Nitrogen Company Limited (TRINGEN)

INVESTEE COMPANIES

National Flour Mills Limited (NFM)

National Flour Mills Limited (NFM) was incorporated in 1972 and over the years has been recognised as the leader in flour milling, feed milling and dry mix operations throughout Trinidad and Tobago.

In 2020, NFM's operating profit increased by 170% due to the continued focus on improving operational efficiency while strategically managing grain purchases. NFM was particularly affected by the disruptions to the supply chain, which resulted in steep increases in the price of grain and severe logistical challenges impacting the timely receipt of raw materials. The NFM team rose to the challenge and kept the market adequately supplied, absorbing some of the cost increases generated in feed grain price in the last fiscal quarter of 2020.

NFM is set to modernise and improve its business processes through the creation of a more agile workforce, and the improved use of automation and technology to optimise operations and internal processes. NFM also plans to build out its e-commerce capability, and use technology more effectively.

NFM made a net profit of $23.4 Million in fiscal year 2020 - a 285% increase from 2019, and was one of the best performing stocks on the Trinidad and Tobago Stock Exchange for that year.

As of March 30, 2021, the fair value of NEL's 51% shareholding of National Flour Mills was TT$134.3 Million. This is a 99% increase in value from the $67.4 Million in FY2020.





INVESTEE COMPANIES

NGC NGL Company Limited (NGC NGL)

NGC NGL is part of the National Gas Company of Trinidad and Tobago Limited (NGC) Group of companies. NGC's fundamental business is the aggregation, purchase, sale, transmission and distribution of gas.

NGC NGL owns 51% of the shareholding of Phoenix Park Gas Processors Limited (PPGPL). PPGPL's plant facility is designed to process raw natural gas received via the existing natural gas pipeline system, and to extract the natural gas liquids (NGLs) contained in the gas stream. Consequently, PPGPL is able to deliver natural gas which is free of heavy hydrocarbons. Its cryogenic gas processing plants are located on the Point Lisas Industrial Estate, Trinidad, and is considered the largest and most ingenious gas processing facility in the Americas.

PPGPL has expanded its global reach by offering its expertise internationally in areas that include project development and implementation; product trading; and partnership with companies. In February 2020, PPGPL, through its wholly-owned US subsidiary, Phoenix Park Energy Marketing LLC, acquired the NGL marketing assets of Twin Eagle Liquids Marketing LLC of Houston, Texas, USA – a company engaged in the business of marketing, trading and transportation of NGLs in Canada, USA and Mexico via rail. These growth measures help mitigate the uncertainties and fluctuations in global commodity prices that have impacted PPGPL's past forecasted revenues.

NGC NGL is an investment holding company that is completely reliant on dividend distribution from PPGPL for earnings. As of March 30, 2021, the fair value of NEL's 51% shareholding of NGC NGL was TT$677.8 Million - a 29% decrease in value from TT$861.4 Million in FY2020.

INVESTEE COMPANIES

NEL Power Holdings Limited (NPHL)

NEL Power Holdings Limited (NPHL) is a wholly-owned subsidiary of NEL that holds 10% of the shareholding of the Power Generation Company of Trinidad and Tobago Limited (PowerGen). PowerGen produces electricity for distribution in bulk form to the Trinidad and Tobago Electricity Commission.

There has been no material change in demand from the Trinidad and Tobago Electricity Commission (T&TEC) throughout all of the stay-at-home restrictions for COVID-19, so revenues at PowerGen have remained consistent to date. The company has retained experienced and qualified personnel and continues to focus on improving maintenance and reliability to ensure safe and efficient operations.

As of March 30, 2021, the fair value of NPHL was TT$107.9 Million. This is a 34% increase in value from TT$80.3 Million in FY2020.





INVESTEE COMPANIES

NGC Trinidad and Tobago Limited (NGC LNG)

NGC LNG is a subsidiary of the National Gas Company of Trinidad and Tobago Limited (NGC) that has a 10% shareholding in Train 1 and 11.1% in Train 4 of Atlantic LNG (ALNG), the LNG processing facility located at Point Fortin, Trinidad. The value of NGC LNG is primarily derived from the value of the investment held in ALNG -1 that is indirectly held in Atlantic 1 Holdings Limited - a non-operating investment holding company. NEL effectively holds a 37.84% shareholding in NGC LNG.

There are no current material operations at Train 1 with no agreement in place regarding the long-term supply of gas. NGC, with the other shareholders of ALNG Train 1, are in ongoing discussions with the Government of the Republic of Trinidad and Tobago (GORTT) about the future of Train 1.

As of March 30, 2021, the fair value of NEL's 51% shareholding of NGC LNG was written down from its value of TT$192.5 Million in FY2020 to TT$43.9 Million.

INVESTEE COMPANIES

Pan West Engineers and Constructors LLC (Pan West)

Pan West Engineers and Constructors LLC (Pan West) own a 10% shareholding in Phoenix Park Gas Processors Limited (PPGPL). NEL is a member of the joint venture that includes the Trinidad and Tobago Unit Trust Corporation (TTUTC) and National Insurance Board of Trinidad and Tobago (NIBTT) that acquired Pan West in December 2014.

Despite the negative impact of the COVID-19 pandemic, PPGPL maintained a strong operating performance in 2020, highlighted by the strong 11-month performance of its North American subsidiary, Phoenix Park Energy Marketing LLC (now called Phoenix Park Trinidad and Tobago Energy Holdings). Notwithstanding this, the company recorded a decline of 49.5% in profitability over 2019.

The value of Pan West is derived primarily from the value of NEL's investment in PPGPL. As of March 30, 2021, the fair value of NEL's 33.3% shareholding of Pan West was TT$203.8 Million - a 21% decrease in value from $257.2 Million in FY2020.





INVESTEE COMPANIES

Telecommunications Services of Trinidad and Tobago Limited (TSTT)

The Telecommunications Services of Trinidad and Tobago Limited (TSTT) is jointly owned by NEL (51%) and 49% by Cable and Wireless West Indies Limited (C&W) now Liberty Group Latin America. In March 2015, after acquiring Columbus Communications (FLOW) in the Caribbean (including Trinidad and Tobago), C&W agreed to the suspension of some part of its shareholder rights under the Shareholders' Agreement and initiated a sale jointly with NEL. No firm offer has been received to date.

TSTT's negative financial results during the pandemic is driven in part by changes in its customers' pattern of consumption, which has reduced prepaid mobile revenue for voice and data as customers switch to broadband/ Wi-Fi protocols. For FY2022, TSTT expects to undertake various initiatives that include cash management, cost savings and other efficiency-related strategies, which are expected to yield significant increases in profitability from FY2022 and onward, when successfully implemented.

As of March 30, 2021, the fair value of NEL's 51% shareholding of TSTT was TT$248.6 Million. This is a 35% decrease in value from TT$382.5 Million in FY2020.

INVESTEE COMPANIES

Trinidad Nitrogen Company Limited (TRINGEN)

Trinidad Nitrogen Company Limited (TRINGEN) is a manufacturer of anhydrous ammonia that is a joint venture between NEL as representative of the Government of the Republic of Trinidad and Tobago (GORTT) holding 51% and YARA Caribbean. TRINGEN exports more than 95% of its annual production, making Trinidad and Tobago the world's leading exporter of ammonia.

The upward positive trends in ammonia prices that have recovered from their COVID-19 lows, plus a long-term gas supply contract with the National Gas Company of Trinidad and Tobago Limited (NGC), promise strong future performances for TRINGEN.

As of March 30, 2021, the fair value of NEL's 51% shareholding of TRINGEN was TT$361.5 Million. This is a 50% increase in value over TT$241 Million in FY2020.



SUBSTANTIAL AND DIRECTORS' INTERESTS

NATIONAL ENTERPRISES LIMITED
As at March 31 2021

SHAREHOLDERS BY SHAREHOLDINGS IN DESCENDING ORDER
10 largest blocks of shares

Issued Share Capital: ***600,000,641***

RANK	SHAREHOLDER'S NAMES	Shares Held	Percentage %
1	MINISTER OF FINANCE - CORPORATION SOLE	396,324,698	66.05%
2	THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED	100,000,641	16.67%
3	NATIONAL INSURANCE BOARD	25,000,000	4.17%
4	REPUBLIC BANK LIMITED A/C 1162 01	7,502,000	1.25%
5	TRINTRUST LIMITED A/C 1088	5,342,086	0.89%
6	REPUBLIC BANK LIMITED A/C 778	3,829,261	0.64%
7	FIRST CITIZENS ASSET MANAGEMENT LTD PT7	3,282,450	0.55%
8	FIRST CITIZENS ASSET MANAGEMENT LTD PT36	2,752,522	0.46%
9	RBC TRUST (TRINIDAD & TOBAGO) LIMITED - T585	2,257,565	0.38%
10	GUARDIAN LIFE OF THE CARIBBEAN LIMITED	2,192,867	0.37%

DIRECTOR'S SHAREHOLDING
as at March 31 2020

DIRECTOR'S NAMES	SHAREHOLDING	CONNECTED PERSONS	RELATIONSHIP
Ingrid L-A Lashley	Nil	Nil	
Vishnu Dhanpaul	1	Nil	
Navin Rajkumar	Nil	Nil	
Annalean Inniss	Nil	Nil	
Ferri Hosein	Nil	Nil	
Janet Parks	Nil	Nil	
Ross Alexander	2,000	3,000	Wife
David Robinson	1,000	Nil	
Conrad Enill	Nil	Nil	

FINANCIAL STATEMENTS

31 MARCH 2021



STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

June 28, 2021

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of National Enterprises Limited, which comprise the statement of financial position as at 31 March 2021, 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;
- Ensuring that the company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the company's assets, detection/prevention of fraud, and the achievement of the company's operational efficiencies;
- Ensuring that the system of internal control operating effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the company will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

Charles Maynard
General Manager

June 28, 2021

Navin Rajkumar
Director / Chairman - Audit Committee

INDEPENDENT AUDITORS' REPORT

PKF

The Shareholders
National Enterprises Limited

Opinion

We have audited the financial statements of National Enterprises Limited, which comprise the statement of financial position as at 31 March 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of National Enterprises Limited as at 31 March 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of National Enterprises Limited in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement were of most significance in our audit of the financial statements of the current period. Those matters were addressed in the context of our audit of financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters.

Valuation of investments in equity interests

As an investment company under IFRS 10, National Enterprises Limited is required to carry its significant investments in subsidiaries, associates and joint ventures at fair value. As at 31 March 2021, these investments totalled **$1.78 Billion**. See **Notes 6 and 7** to the financial statements.

The risk is that the investments may not be appropriately priced in the Statement of Financial Position.

Of the equity interests that are carried at fair value in the Statement of Financial Position, 8% qualified as Level 1 valuations as at 31 March 2021. Level 1 valuations are those based on quoted prices in active markets. As these investments are valued using prices that were observable in the market, the valuation risk is low.

Our procedures in relation to the valuation of these investments included verification of the market prices actively traded on the Trinidad and Tobago Stock Exchange.

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Address: 111 Eleventh Street, Barataria, Trinidad, West Indies
Mailing Address: PO Box 10205, Eastern Main Road, San Juan

Partners: Renée-Lisa Philip Mark K. Superville

Key Audit Matters (continued)

Valuation of investments in equity interests (continued)

The remaining 92 per cent **($1.64 Billion)** are classed as Level 2 or Level 3. Level 2 valuations are based values that are observable either directly or indirectly. Level 3 valuations are based on unobservable inputs for the investment. The determination of these prices is considerably more subjective since these are valued using inputs other than quoted prices in an active market. Because the amount is significant to the financial statements, and the fair value exercise involves the use of estimates and judgements, we consider the valuation of these investments to be a significant key audit matter.

Our procedures in relation to the valuation of these investments included the following:

- Evaluating the independent professional valuer's competence, capabilities and objectivity.
- Assessing the accuracy of key inputs used in the valuation and checking that they were externally sourced and correctly inserted into pricing models.
- Evaluating the reasonableness of the assumptions used and the appropriateness of the valuation models.
- Assessing the sensitivities of key inputs by considering the potential impact of reasonably possible upside or downside changes in key assumptions.
- Testing the appropriateness of the comparable entities used in the valuation models.
- Testing the mathematical accuracy of the valuation computation.
- Determining the completeness and accuracy of disclosures relating to investments.

Based on the audit procedures performed, the auditors determined the valuation methodologies to be sound and the resulting valuations, reasonable.

Measurement of other long-term investments

IFRS 9 introduced a new measurement and classification approach for financial assets, reflecting both the business model in which financial assets are managed and the underlying cash flow characteristics. The three (3) principal classifications of financial assets, required by IFRS 9 are:

- measured at amortised cost;
- at fair value through other comprehensive income; and
- at fair value through profit and loss.

The measurement and classification of financial assets under IFRS 9 is considered a key audit matter because its application requires significant judgement, particularly in the determination of:

- whether financial assets should be subsequently measured at amortised cost or at fair value; and
- the impact of forward-looking estimates of macro-economic factors.

As at 31 March 2021, the company's Other Long-Term Investments included four (4) bond instruments and five (5) equity instruments. See **Note 8** to the financial statements.

IFRS 9 requires equity investments to be measured at fair value with gains/losses recognised in profit or loss, except for those equity investments for which the company has elected to present gains/losses through Other Comprehensive Income (OCI).

IFRS 9 requires bond investments are to be measured at amortised cost. IFRS 9 introduced an Expected Credit Loss (ECL) impairment model exclusively for the determination of impairment of financial assets measured at amortised cost. This model results in the early recognition of impairment. ECL is:

- an unbiased;
- probability-weighted amount;
- that reflects a range of possible outcomes;
- and the time value of money;

Key Audit Matters (continued)

Measurement of other long-term investments (continued)

- based on reasonable and supportable information;
- about past events, current conditions and forecasts of future conditions; and
- that is available without undue cost or effort.

In the audit of the company's application of IFRS 9 to its financial assets, our procedures focussed on the following:

- an assessment of the company's business model, as well as the classification and valuation of financial assets; and
- a review of management's assessment of impairment of financial assets and determination of ECL.

Based on the procedures outlined above, the auditors noted no material exceptions in the company's application of IFRS 9 to the measurement and classification of its other long-term investments.

Other Information Included in the Company's Annual Report

Management is responsible for the other information. Other information consists of the information included in the Annual Report, other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we concluded that there is a material misstatement of this other information, we are required to communicate the matter to the Board of Directors.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Key Audit Matters (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit 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 company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so, would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Mark K. Superville.

PKF

Barataria
TRINIDAD
28 June 2021

STATEMENT OF FINANCIAL POSITION

31 March 2021

ASSETS

	Notes	For the year ended 31 March 2021 ($'000)	2020 ($'000)
Non-Current Assets:			
Fixed assets	5	682	439
Investment in subsidiaries	6	490,815	530,240
Investment in joint ventures and associated companies	7	1,287,060	1,552,048
Other long-term investments	8	289,148	283,098
Due from related parties	9	112,606	111,993
Total Non-Current Assets		2,180,311	2,477,818
Current Assets:			
Accounts receivables and prepayments	10	2,105	2,635
Short-term investments	11	15,446	15,153
Cash in hand and at bank	12	29,878	1,134
Taxation recoverable		372	799
Total Current Assets		47,801	19,721
Total Assets		**2,228,112**	**2,497,539**
Equity:			
Stated capital	13	1,736,632	1,736,632
Translation reserve	14	63,866	63,866
Investment Remeasurement Reserve	15	16,422	16,422
Retained earnings		407,267	677,698
Total Equity		2,224,187	2,494,618
Current Liabilities:			
Accounts payable and accruals	16	3,925	2,921
Total Current Liabilities		3,925	2,921
Total Liabilities		3,925	2,921
Total Equity and Liabilities		**2,228,112**	**2,497,539**

These financial statements were approved by the Board of Directors and authorised for issue on 28 June 2021 and signed on their behalf by:

Director _____
Ingrid L-A Lashley

Director _____
Navin Rajkumar

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

STATEMENT OF COMPREHENSIVE INCOME

31 MARCH 2021

	Notes	For the year ended 31 March 2021 ($'000)	2020 ($'000)
Revenue			
Interest income		6,621	7,263
Dividend income	17	25,969	23,834
Other income		663	171
Reversal of expected credit loss		24	-
		33,277	31,268
Operating Expenses			
Accounting and audit fees		1,146	1,749
Administrative services		837	934
Bank charges		7	11
Consulting fees		1,078	847
Depository fees		175	28
Depreciation		137	102
Directors' fees		540	526
Expected credit loss		-	15
Publication fees		371	443
Staff salaries and benefits		577	669
T&T Securities and Exchange Commission		125	125
		4,993	5,449
Operating profit		28,284	25,819
Loss on fair value revaluation on investments		(296,934)	(351,232)
Net loss before interest and tax		(268,650)	(325,413)
Finance costs		-	(96)
Net loss before taxation		(268,650)	(325,509)
Taxation	18	(1,781)	(2,031)
Net loss for the year		(270,431)	(327,540)
Total Comprehensive Loss		**(270,431)**	**(327,540)**

Director _____
Ingrid L-A Lashley

Director _____
Navin Rajkumar

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

STATEMENT OF CHANGES IN EQUITY

31 MARCH 2021

	Stated Capital ($'000)	Translation Reserve ($'000)	Investment Remeasurement Reserve ($'000)	Retained Earnings ($'000)	Total Equity ($'000)
Year ended 31 March 2021					
Balance as at 1 April 2020	1,736,632	63,866	16,422	677,698	2,494,618
Total comprehensive loss for the year	-	-	-	(270,431)	(270,431)
Dividend paid **(Note 19)**	-	-	-	-	-
Balance as at 31 March 2021	**1,736,632**	**63,866**	**16,422**	**407,267**	**2,224,187**
Year ended 31 March 2020					
Balance as at 1 April 2019	1,736,632	63,866	16,422	1,101,238	2,918,158
Total comprehensive loss for the year	-	-	-	(327,540)	(327,540)
Dividend paid **(Note 19)**	-	-	-	(96,000)	(96,000)
Balance as at 31 March 2020	**1,736,632**	**63,866**	**16,422**	**677,698**	**2,494,618**

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

STATEMENT OF CASH FLOWS

31 MARCH 2021

	For the year ended 31st March	
	2021 ($'000)	**2020 ($'000)**
OPERATING ACTIVITIES		
Net (loss)/profit before taxation	(268,650)	(325,509)
Adjustment to reconcile net profit before taxation to cash provided by operating activities:		
Loss on fair value revaluation on investments	296,934	351,232
(Reversal)/expected credit loss	(24)	15
Depreciation	137	102
Net change in accounts receivable and prepayments	530	14,371
Net change in accounts payable and accruals	1,004	(348)
Net change in due from related parties	(613)	(13,738)
Operation profit before working capital	29,318	26,125
Taxes paid (net)	(1,354)	(3,300)
Cash provided by Operating Activities	27,964	22,825
INVESTING ACTIVITIES		
Net change in fixed assets	(380)	-
Net change in other long-term investments	1,453	2,200
Cash provided by Investing Activities	1,073	2,200
FINANCING ACTIVITIES		
Dividends paid	-	(96,000)
Repayment of short-term loan facility	-	(10,807)
Cash used in Financing Activities	-	(106,807)
Net change in cash and cash equivalents	29,037	(81,782)
Cash and cash equivalents, beginning of year	16,287	98,069
Cash and cash equivalents, end of year	**45,324**	**16,287**
Represented by:		
Short term investments	15,446	15,153
Cash in hand and at bank	29,878	1,134
	45,324	**16,287**

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

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 National Flour Mills Limited (NFM), Telecommunications Services of Trinidad and Tobago (TSTT) and Trinidad Nitrogen Company Limited (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 December 14, 2001, the Company acquired a 20% shareholding in NGC NGL Company Limited (NGCNGL) financed by the issue of an additional 50,511,540 shares and on December 8, 2003, the Company acquired a 37.84% shareholding in NGC Trinidad and Tobago LNG Limited (NGCLNG) financed by the issue of an additional 49,489,101 shares.

The Company's principal business activity is to purchase investments, primarily for long-term capital growth and investments.

The Company has a wholly owned subsidiary, NEL Power Holdings Limited (NPHL). In December 2014, the Company entered into a joint venture arrangement, acquiring 33.33% of Pan West Engineers and Constructors LLC.

The principal business activities of the Company's subsidiaries, joint ventures and associated companies are disclosed in **Note 21**.

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 Financial Statements Preparation -

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are stated in thousands of Trinidad and Tobago dollars. The historical cost basis is used, except for the measurement at fair value of certain financial instruments.

(b) New Accounting Standards and Interpretations -

(i) The Company has applied the following standards, revised standards and interpretations for the first time in its accounting period.

a. Definition of Materiality – amendments to IAS 1 and IAS 8. The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity".

The concept of 'obscuring' material information with immaterial information is now included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

2. **Summary of Significant Accounting Policies (continued):**

(b) New Accounting Standards and Interpretations (continued)

b. Conceptual framework for financial reporting – The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions. Key changes include:

- Increasing the prominence of stewardship in the objective of financial reporting
- Reinstating prudence as a component of neutrality
- Defining a reporting entity, which may be a legal entity, or a portion of an entity
- Revising the definitions of an asset and a liability
- Removing the probability threshold for recognition and adding guidance on derecognition
- Adding guidance on different measurement basis, and
- Stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

The amendments listed above did not have a material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) The Company has not applied the following new or revised standards and interpretations that were issued because they are not yet effective, are not applicable to the Company or are not expected to have a material impact on its financial statements:

a. Amendment to IFRS 3 definition of a business - The amendments to IFRS 3 aim at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. They clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

An optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business was introduced. Under this test, the acquired set of activities and assets is not a business, if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

2. Summary of Significant Accounting Policies (continued):

(b) New Accounting Standards and Interpretations (continued)

b. Amendment to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform "IBOR" Phase 1 - modify specific hedge accounting requirement to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms. The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

c. Amendment to IFRS 16 – COVID-19 related rent concessions - The IASB issued COVID-19 – Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16 (effective for accounting periods beginning on or after 1st June 2020).

d. IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (amendments) – Interest Rate Benchmark Reform "IBOR" Phase 2 (effective for accounting periods beginning on or after 1st January 2021).

e. Reference to Conceptual Framework – Amendments to IFRS 3 (effective for accounting periods beginning on or after 1st January 2022).

f. Amendment to IAS 16 Property, plant and equipment – proceeds before intended use (effective for accounting periods beginning on or after 1st January 2022).

g. Onerous Contracts – Amendment to IAS 37 (effective for accounting periods beginning on or after 1st January 2022).

h. Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (effective for accounting periods beginning on or after 1st January 2023).

i. IFRS 17 Insurance Contracts New Standard on accounting for insurance contracts, replacing IFRS 4 Insurance Contracts (effective for accounting periods beginning on or after 1st January 2023).

(c) Fixed assets and depreciation -

(i) Fixed assets are stated at historical cost or valuation less related accumulated depreciation.

(ii) Depreciation is calculated on the straight-line basis at varying rates, which are estimated to be sufficient to write down the cost of the assets to residual value by the expiration of their useful lives.

Depreciation is charged on a pro-rata basis for assets purchased or sold during the year, except in cases of complete plants where depreciation is charged from the commissioning of operations.

The rates used are as follows:-	% per annum
Office furniture and fittings	10.0
Computer equipment	25.0
Leasehold improvements	10.0
Office equipment	25.0
Computer software	25.0
Motor vehicles	25.0

2. Summary of Significant Accounting Policies (continued):

(c) Fixed assets and depreciation (continued)

Increases in the carrying amount arising on revaluation of land and buildings are credited to Capital Revaluation Reserve in Equity. Decreases that offset previous increases of the same asset are charged against reserves directly in equity; all other decreases are charged to the Statement of Comprehensive Income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the Statement of Comprehensive Income and depreciation based on the asset's original cost is transferred from Capital Revaluation Reserve to Retained Earnings. When revalued assets are sold, the amounts included in reserves are transferred to Retained Earnings.

The assets' residual values and useful lives are reviewed at each year-end date, and adjusted as appropriate. 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 disposals are determined by comparing the proceeds with the carrying amount and are recognised within the "Gain/Loss on Disposal" account in the Statement of Comprehensive Income.

(d) Financial instruments

Financial Assets

Financial assets are classified and subsequently measured by determining the entity's business model for managing financial assets and the contractual terms of the cashflows. These categories are:

1. Hold to collect or Amortised cost
2. Hold to collect and sell or Fair Value through other comprehensive income (FVOCI)
3. Fair Value through profit and loss (FVTPL)

The Company determines the classification of its financial assets on initial recognition and where allowed and appropriate, re-evaluates this designation at each financial year-end. Reclassifications occur only when the business model for managing the asset changes. The entity is not permitted, however, to reclassify equity investments that have been irrevocably elected by Management to be presented as FVOCI.

Financial Liabilities

All financial liabilities are classified and subsequently measured at amortised cost, except for:

1. At Fair Value through profit or loss.
2. Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.
3. Financial liabilities that are financial guarantee contracts.
4. Loans provided below-market interest rates.
5. Contingent consideration recognised in a business combination to which IFRS 3 applies.

Fair Value measurement

The fair value of investments that are traded in active markets is determined by reference to quoted market prices at the close of business on the reporting date. Where there is no active market, Fair Values are determined using valuation techniques such as recent arm's length market transactions or reference to current market values of another instrument which is substantially the same; discounted cash flow analysis or other valuation practices.

2. Summary of Significant Accounting Policies (continued):

(d) Financial instruments (continued)

Fair Value measurement (continued)

Purchases and sales of investments are recognised on the date the Company commits to purchase or sell the asset (trade date). Investments are initially recognised at Fair Value plus or minus, in the case of financial assets not carried at fair value through profit and loss, transaction costs that are directly attributable to its acquisition.

Changes in the fair value of financial assets are recognised in profit and loss unless the financial asset is measured at FVOCI.

Impairment of financial assets

Impairment of financial assets is assessed at each reporting date.

Impairment of financial assets carried at amortised cost are recognised using the expected credit loss model. The impairment methodology used depends on the Company's analysis of whether there has been a significant increase in the investment's credit risk. The amount of the loss shall be recognised in the statement of profit or loss.

Derecognition of financial assets and liabilities

Financial Assets

A financial asset is derecognised when:

1. The contractual rights to the cash flows from the financial assets have expired;
2. The Company retains the right to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement;
3. The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset or (b) has neither transferred nor retained substantially all the risks and rewards of ownership, but has transferred control of the asset.

Financial Liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(e) Investment in Subsidiary -

National Enterprises Limited owns 100% of NEL Power Holding Limited and 51% in National Flour Mills (NFM) and Telecommunications Services of Trinidad and Tobago Limited (TSTT).

Although these companies are subsidiaries of NEL, its financial statements were not consolidated with those of the Company in accordance with the requirements of IFRS 10 - Consolidated Financial Statements. IFRS 10 states that a company classified as an investment entity shall not consolidate a subsidiary company and would measure the investment at Fair Value through the profit and loss.

An investment entity refers to an entity whose business purpose is to invest funds obtained from investors solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a Fair Value basis.

NEL meets the definition of an investment entity under IFRS 10 and therefore has modified its reporting as at 31 March 2019.

2. **Summary of Significant Accounting Policies (continued):**

(f) Investment in Associates and Joint Arrangements -

National Enterprises Limited ("the Company" or "NEL") owns 51% of Trinidad Nitrogen Co. Limited ("TRINGEN"). Although NEL is the majority shareholder in this entity, shareholder agreements with the minority shareholders establish joint control by the joint venture partners. Additionally, NEL owns 33.33% – Pan West Engineers Constructors, LLC. Both investments are accounted for in accordance with International Accounting Standard No. 31 – Interests in Joint Ventures.

NGC NGL Company Limited ("NGCNGL") and NGC Trinidad and Tobago LNG Limited ("NGCLNG") in which the Company has a 20% and 37.84% interest respectively, are associates and are accounted for in accordance with International Accounting Standard No. 28 – Investments in Associates.

In both instances the method of accounting for these investments have been modified from the equity accounting method under International Accounting Standard No. 31 – Interests in Joint Ventures and 28 – Investments in Associates to Fair Value measurement in line with NEL's presentation as an Investment Entity per **Note 2(d)**.

(g) IFRS 16 Leases -

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 supersedes the current lease accounting and guidance under IAS 17 Leases and any other related interpretations.

IFRS 16 uses a single lease accounting model that recognises and measures assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Under IFRS 16 leased assets are recognised as right-of-use assets representing its right to use and control the underlying leased asset and a lease liability representing its obligation to make lease payments.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability.

The lease liability is initially measured at the present value of lease payments to be made over the remaining lease term. Lease payments are discounted using the interest rate implicit in the lease or the incremental borrowing rate if the former is not readily determinable.

Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications e.g. changes in lease term or in the assessment of an option to purchase the underlying asset. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

The Company applies recognition and measurement exemptions of low-value assets and short-term leases. Lease payments on leases of low value and short-term leases are recognised as an expense on a straight-line basis over the lease term.

(h) Stated Capital -

Stated Capital is 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.

2. Summary of Significant Accounting Policies: (continued):

(i) 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.

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 Statement of Financial Position and their tax basis, using tax rates that have been enacted or substantially enacted by the year-end 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.

(j) 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 Statement of Comprehensive Income.

(k) Revenue recognition -

Revenue comprises the Fair Value of the consideration received or receivable for the sale of goods or services in the ordinary course of activities. Interest income is recognised on the accruals basis and dividend income is accrued for when the right to receive payment is established.

(l) Dividends -

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

(m) Comparative information -

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year. Adjustments to previously reported results were made in accordance with International Accounting Standards No. 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

3. Financial Risk Management:

Financial risk factors

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

3. **Financial Risk Management (continued):**

Financial risk factors (continued)

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

	2021 ($'000)	
	Carrying Value	Fair Value
Financial Assets		
Investments in subsidiaries	490,815	490,815
Investments in joint ventures and associates	1,287,060	1,287,060
Other long-term investments	289,148	289,148
Due from related parties	112,606	112,606
Accounts receivable and prepayments	2,105	2,105
Short-term investments	15,446	15,446
Cash in hand and at bank	29,878	29,878
Financial Liabilities		
Accounts payables and accruals	3,925	3,925

	2020 ($'000)	
	Carrying Value	Fair Value
Financial Assets		
Investments in subsidiaries	530,240	530,240
Investments in joint ventures and associates	1,552,048	1,552,048
Other long-term investments	283,098	283,098
Due from related parties	111,993	111,993
Accounts receivable and prepayments	2,635	2,635
Short-term investments	15,153	15,153
Cash in hand and at bank	1,134	1,134
Financial Liabilities		
Accounts payables and accruals	2,921	2,921

The Company 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 Company to manage these risks are discussed below:

(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 Company 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.

3. Financial Risk Management (continued):

(a) Interest rate risk (continued)

Interest rate sensitivity analysis

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

		2021 ($'000)				
	Effective Rate	Up to 1 year	1 to 5 years	Over 5 years	Non-Interest Bearing	Total
Financial Assets						
Investments in subsidiaries	0%	-	-	-	490,815	490,815
Investments in joint ventures and associates	0%	-	-	-	1,287,060	1,287,060
Other investments	2 - 7%	-	92,692	39,768	156,688	289,148
Due from related parties	0%	-	-	-	112,606	112,606
Accounts receivable and prepayments	0%	-	-	-	2,105	2,105
Short-term investments	0.8-2.9%	15,446	-	-	-	15,446
Cash in hand and at bank	0%	-	-	-	29,878	29,878
		15,446	92,692	39,768	2,079,152	2,227,058
Financial Liabilities						
Accounts payables and accruals	0%	-	-	-	3,925	3,925
		-	-	-	3,925	3,925

		2020 ($'000)				
	Effective Rate	Up to 1 year	1 to 5 years	Over 5 years	Non-Interest Bearing	Total
Financial Assets						
Investments in subsidiaries	0%	-	-	-	530,240	530,240
Investments in joint ventures and associates	0%	-	-	-	1,552,048	1,552,048
Other investments	2 - 7%	-	94,138	39,754	149,206	283,098
Due from related parties	0%	-	-	-	111,993	111,993
Accounts receivable and prepayments	0%	-	-	-	2,635	2,635
Short-term investments	0.05-1.59%	15,153	-	-	-	15,153
Cash in hand and at bank	0%	-	-	-	1,134	1,134
		15,153	94,138	39,754	2,347,256	2,496,301
Financial Liabilities						
Accounts payables and accruals	0%	-	-	-	2,921	2,921
		-	-	-	2,921	2,921

3. Financial Risk Management (continued):

(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 Company 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 institutions and the Company has policies to limit the amount of exposure to any financial institution.

Expected credit loss (ECL) model

IFRS 9 outlines a "three stage" forward-looking approach for impairment of financial assets based on changes in credit risk from initial recognition to the reporting date. The three-stage approach is as follows:

i) Stage 1: The ECL of these financial instruments are measured at an amount equal to the portion of lifetime ECLs within the next 12 months.
ii) Stage 2: These financial assets are considered to be underperforming and have been assessed as having a significant increase in credit risk. Impairment is based on lifetime ECL.
iii) Stage 3: This stage refers to financial instruments that are credit impaired (non-performing assets) and are currently in default. Impairment is based on lifetime ECL.

ECL is valued at the probability of default (PD) by exposure at default (EAD) applied to the loss given default (LGD) of the instrument.

Measuring ECL – Bond impairment

The following are the key considerations in the ECL methodology for NEL's investment in bonds:

- PDs are calculated using the cumulative number of defaults by instrument rating over the total number of bonds in issue. These are further adjusted to arrive at independent / unconditional probabilities.
- Forward looking PDs are determined using three independent macroeconomic variables. The scenarios are weighted using a normal distribution curve and linear regression is applied against predicted values to arrive at a forward multiple.
- The EADs are the future monthly balances on the bond until maturity, which essentially remains the same for non-amortising bonds. For amortising bonds, the future balances are net of future principal repayments.
- ECLs are calculated for each month over the remaining life of the bond and discounted using the effective interest rate on the bond.

The forward-looking approach requires a discount to be applied to the remaining cash flows to the net book value of the bond.

Measuring ECL – Intercompany impairment

The liquidation method evaluates the ability of the intercompany NPHL to repay its debt in the instance of an immediate recall by NEL.

The following are the key considerations in this ECL methodology for the impairment of NEL's intercompany asset.

NPHL's ability to repay its debt is dependent on the Company's ability to receive sustainable dividend income from PowerGen, its Investment Company. An analysis of the Company's cashflows sees dividends received being materially consumed by principal and interest payments due to its secured debtholders. The PD is therefore 100%.

3. Financial Risk Management (continued):

(b) Credit risk

Measuring ECL – Intercompany impairment (continued)

To settle this debt NPHL would have to sell its 10% investment in PowerGen and in the liquidation hierarchy settle its obligations. Any residual funds after this process will be used to pay NEL. This difference represents the LGD of this financial asset.

Financial Assets – Bonds

Bonds issued by Home Mortgage Bank, First Citizens Bank and Ansa Merchant Bank have been categorised in stage 1 on the basis of evaluating the financial performance of the institutions and their credit ratings where available over the past five years.

The National Housing Authority's bond has been assessed as having low risk of default (Stage 1) on the basis the bond is fully guaranteed by the Government of the Republic of Trinidad and Tobago.

2021	Stage 1 ($'000)	Stage 2 ($'000)	Stage 3 ($'000)
Financial assets			
National Housing Authority TT40M 7% FXRB due 2025	39,768	-	-
Home Mortgage Bank TT20M series B 2% FXRB due 2022	4,885	-	-
First Citizens Bank Loan Note	54,064	-	-
ANSA Merchant Bank Limited USD Loan Note	33,743	-	-
Due from related parties	112,606	-	-
	245,066	-	-

2020	Stage 1 ($'000)	Stage 2 ($'000)	Stage 3 ($'000)
Financial assets			
National Housing Authority TT40M 7% FXRB due 2025	39,754	-	-
Home Mortgage Bank TT20M series B 2% FXRB due 2022	6,775	-	-
First Citizens Bank Loan Note	53,760	-	-
ANSA Merchant Bank Limited USD Loan Note	33,600	-	-
Due from related parties	111,993	-	-
	245,882	-	-

(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 Company has procedures with the object of minimising losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

3. **Financial Risk Management (continued):**

(c) Liquidity Risk (continued)

Liquidity gap

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

	2021 ($'000)			
	Up to 1 year	1 to 5 years	Over 5 years	Total
Financial Assets				
Investments in subsidiaries	-	-	490,815	490,815
Investments in associates and joint ventures	-	-	1,287,060	1,287,060
Other investments through profit and loss	-	92,692	196,456	289,148
Due from related parties	-	-	112,606	112,606
Accounts receivable and prepayments	2,105	-	-	2,105
Short-term investments	15,446	-	-	15,446
Cash in hand and at bank	29,878	-	-	29,878
	47,429	92,692	2,086,937	2,227,058
Financial Liabilities				
Accounts payables and accruals	3,925	-	-	3,925
	3,925	-	-	3,925

	2020 ($'000)			
	Up to 1 year	1 to 5 years	Over 5 years	Total
Financial Assets				
Investments in subsidiaries	-	-	530,240	530,240
Investments in associates and joint ventures	-	-	1,552,048	1,552,048
Other investments through profit and loss	-	94,138	188,960	283,098
Due from related parties	-	-	111,993	111,993
Accounts receivable and prepayments	2,635	-	-	2,635
Short-term investments	15,153	-	-	15,153
Cash in hand and at bank	1,134	-	-	1,134
	18,922	94,138	2,383,241	2,496,301
Financial Liabilities				
Accounts payables and accruals	2,921	-	-	2,921
	2,921	-	-	2,921

3. Financial Risk Management (continued):

(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 Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollar. The Company'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 Company's information technology and control systems, as well as the risk of human error and natural disasters. The Company's systems are evaluated, maintained and upgraded continuously.

(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 Trinidad and Tobago Securities and Exchange Commission, as well as by the monitoring of controls applied by the Company.

(g) Reputation Risk

The risk of loss of reputation arising from the negative publicity relating to the Company's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Company. The Company applies procedures to minimise this risk.

4. Critical Accounting Estimates and Judgements:

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

Estimates and judgements 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 Company 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 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 judgements, 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 Fair Value Through Profit and Loss (FVTPL), Fair Value Through Other Comprehensive Income (FVOCI) or Amortised Cost;
(ii) Whether financial liabilities are measured at Fair Value Through Profit and Loss (FVTPL) or Amortised Cost;
(iii) Whether NEL is considered an investment entity in accordance with IFRS 10 Consolidated Financial Statements. This is required for the classification and measurement of the investments in NPHL, NFM and TSTT; and
(iv) Which depreciation method for plant and equipment is used.

4. Critical Accounting Estimates and Judgements (continued):

All equity financial assets are measured at FVTPL (see Note 6-8) and the Company considers itself an investment entity in accordance with IFRS 10- Consolidated Financial Statements on the following basis:

- Funds are obtained from one or more investors for the purpose of providing those investors with investment management services;
- It commits to invest solely for returns from capital appreciation, investment income or both; and
- All of its investments are measured at Fair Value through the profit and loss.

The key assumptions concerning the future and other key sources of estimation uncertainty at the year-end date (requiring management's most difficult, subjective or complex judgements) 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 year-end 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 judgement 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.

(iii) Fair Values

The Fair Value of financial instruments that are not traded in an active market is determined by using valuation techniques. Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each statement of financial position date. Management uses discounted cash flow analyses for an investment in subsidiary that is not traded in active markets. The assumptions and amounts subject to Fair Value measurements are shown in **Note 22**.

5. Fixed Assets:

	Office Furniture and Fittings ($'000)	Computer Equipment ($'000)	Leasehold Improvements ($'000)	Office Equipment ($'000)	Computer Software ($'000)	Motor Vehicle ($'000)	Total ($'000)
31 March 2021							
Opening net book value	211	16	209	-	3	-	439
Additions	-	35	-	-	-	345	380
Depreciation	(42)	(18)	(40)	-	(1)	(36)	(137)
Closing net book value	169	33	169	-	2	309	**682**
Cost	414	177	405	44	25	345	1,410
Accumulated depreciation	(245)	(144)	(236)	(44)	(23)	(36)	(728)
Closing net book value	169	33	169	-	2	309	**682**

5. Fixed Assets (continued):

	Office Furniture and Fittings ($'000)	Computer Equipment ($'000)	Leasehold Improvements ($'000)	Office Equipment ($'000)	Computer Software ($'000)	Motor Vehicle ($'000)	Total ($'000)
31 March 2020							
Opening net book value	252	33	250	1	5	-	541
Depreciation	(41)	(17)	(41)	(1)	(2)	-	(102)
Closing net book value	211	16	209	-	3	-	**439**
Cost	414	142	405	44	25	-	1,030
Accumulated depreciation	(203)	(126)	(196)	(44)	(22)	-	(591)
Closing net book value	211	16	209	-	3	-	**439**

6. Investments in Subsidiaries:

	2021 ($'000)	2020 ($'000)
Subsidiaries		
National Flour Mills Limited	134,251	67,432
NEL Power Holdings Limited	107,939	80,308
Telecommunications Services of Trinidad and Tobago (TSTT)	248,625	382,500
	490,815	**530,240**

	No. of Shares	Fair Value 1 April 2020 ($'000)	Fair Value Gain/(Loss) ($'000)	Fair Value 31 March 2021 ($'000)
31 March 2021				
Telecommunications Services of Trinidad and Tobago Limited ("A" shares)	144,238,384	382,500	(133,875)	248,625
National Flour Mills	61,301,998	67,432	66,819	134,251
NEL Power Holdings Ltd	1	80,308	27,631	107,939
		530,240	**(39,425)**	**490,815**

	No. of Shares	Fair Value 1 April 2019 ($'000)	Fair Value Gain/(Loss) ($'000)	Fair Value 31 March 2020 ($'000)
31 March 2020				
Telecommunications Services of Trinidad and Tobago Limited ("A" shares)	144,238,384	510,000	(127,500)	382,500
National Flour Mills	61,301,998	101,148	(33,716)	67,432
NEL Power Holdings Ltd	1	52,638	27,670	80,308
		663,786	**(133,546)**	**530,240**

7. Investments in Associates and Joint Ventures:

	2021 ($'000)	2020 ($'000)
Joint Ventures		
Tringen	361,463	240,975
Pan West	203,814	257,234
Associated Companies		
NGCLNG	43,984	192,458
NGCNGL	677,799	861,381
	1,287,060	**1,552,048**

	No. of Shares	Fair Value 1 April 2020 ($'000)	Fair Value Gain/(Loss) ($'000)	Fair Value 31 March 2021 ($'000)
31 March 2021				
Pan West Engineers and Constructors LLC		257,234	(53,420)	203,814
Trinidad Nitrogen Company Limited ("A" shares)	306,000	240,975	120,488	361,463
Associated Companies				
NGC NGL Company Limited	9,406,950	861,381	(183,582)	677,799
NGC Trinidad and Tobago LNG	9,226	192,458	(148,474)	43,984
		1,552,048	**(264,988)**	**1,287,060**

	No. of Shares	Fair Value 1 April 2019 ($'000)	Fair Value Gain/(Loss) ($'000)	Fair Value 31 March 2020 ($'000)
31 March 2020				
Pan West Engineers and Constructors LLC		304,798	(47,564)	257,234
Trinidad Nitrogen Company Limited ("A" shares)	306,000	232,369	8,606	240,975
Associated Companies				
NGC NGL Company Limited	9,406,950	1,036,709	(175,328)	861,381
NGC Trinidad and Tobago LNG	9,226	178,188	14,270	192,458
		1,752,064	**(200,016)**	**1,552,048**

8. Other Long-Term Investments

	2021 ($'000)	2020 ($'000)
Investments are amortised costs:		
National Housing Authority TT40M 7% FXRB due 2025	39,768	39,754
Home Mortgage Bank TT20M Series B 2% FXRB due 2022	4,885	6,775
First Citizens Bank Loan Note	54,064	53,760
ANSA Merchant Bank Limited USD Loan Note	33,743	33,600
Investments at Fair Value through profit and loss:		
CLICO Investment Fund	25,020	21,560
First Citizens Bank Limited	74,444	60,973
Trinidad and Tobago Stock Exchange	224	224
Trinidad and Tobago National Gas Limited	28,680	38,452
UTC Calypso Index Fund	28,320	28,000
	289,148	**283,098**

	Fair Value April 2020 ($'000)	Net Movement for the year ($'000)	Expected Credit Loss IFRS 9 ($'000)	Fair Value Gain/(Loss) ($'000)	Fair Value 31 March 2021 ($'000)
Investments at amortised cost - Bonds					
National Housing Authority	39,754	42	(28)	-	39,768
Home Mortgage Bank	6,775	(1,888)	(2)	-	4,885
First Citizens Bank Limited Loan Note	53,760	242	62	-	54,064
ANSA Merchant Bank Limited Loan Note	33,600	151	(8)	-	33,743
	133,889	(1,453)	24	-	132,460
Other investments at Fair Value through profit and loss					
CLICO Investment Fund	21,560	-	-	3,460	25,020
First Citizens Bank Limited	60,973	-	-	13,471	74,444
Trinidad and Tobago Stock Exchange	224	-	-	-	224
Trinidad and Tobago National Gas Limited	38,452	-	-	(9,772)	28,680
UTC Calypso Index Fund	28,000	-	-	320	28,320
	149,209	-	-	7,479	156,688
	283,098	**(1,453)**	**24**	**(7,479)**	**289,148**

8. Other Long-Term Investments (continued)

	Fair Value April 2019 ($'000)	Net Movement for the year ($'000)	Expected Credit Loss IFRS 9 ($'000)	Fair Value Gain/(Loss) ($'000)	Fair Value 31 March 2020 ($'000)
Investments at amortised cost - Bonds					
National Housing Authority	39,700	41	13	-	39,754
Home Mortgage Bank	8,662	(1,889)	2	-	6,775
First Citizens Bank Limited Loan Note	53,988	(216)	(12)	-	53,760
ANSA Merchant Bank Limited Loan Note	33,754	(136)	(18)	-	33,600
	136,104	(2,200)	(15)	-	133,889
Other investments at Fair Value through profit and loss					
CLICO Investment Fund	22,140	-	-	(580)	21,560
First Citizens Bank Limited	57,215	-	-	3,758	60,973
Trinidad and Tobago Stock Exchange	224	-	-	-	224
Trinidad and Tobago National Gas Limited	58,382	-	-	(19,930)	38,452
UTC Calypso Index Fund	28,920	-	-	(920)	28,000
	166,881	-	-	(17,672)	149,209
	302,985	**(2,200)**	**(15)**	**(17,672)**	**283,098**

9. Due from Related Parties

This represents amounts advanced to NPHL to facilitate the acquisition of the Powergen Shareholding, Debenture and Loan stock.

	Fair Value 1 April 2020 ($'000)	Movement for the year ($'000)	Expected Credit Loss IFRS 9 ($'000)	Fair Value 31 March 2021 ($'000)
Financial asset – Other debt				
Due from NPHL	111,825	368	-	112,193
Due from Pan West	168	245	-	413
	111,993	**613**	**-**	**112,606**

	Fair Value 1 April 2019 ($'000)	Movement for the year ($'000)	Expected Credit Loss IFRS 9 ($'000)	Fair Value 31 March 2020 ($'000)
Financial asset – Other debt				
Due from NPHL	98,254	13,571	-	111,825
Due from Pan West	1	167	-	168
	98,255	**13,738**	**-**	**111,993**

10. Accounts Receivable and Prepayments:

	2021 ($'000)	2020 ($'000)
Dividends declared but not received	517	1,041
Sundry receivables	1,588	1,594
	2,105	**2,635**

11. Short-Term Investments:

	2021 ($'000)	2020 ($'000)
Republic Bank Limited – Money Market Fund	23	23
Guardian Asset Management	14,430	14,151
Trinidad and Tobago Unit Trust Corporation	6	6
CLICO Investment Bank - Investment note	3,038	3,038
Home Mortgage Bank – Money Mutual Fund	736	725
First Citizens Bank Limited - Paria Income Fund	251	248
	18,484	18,191
Less: Provision for uncollectible investment	(3,038)	(3,038)
	15,446	**15,153**

12. Cash in Hand and at Bank:

	2021 ($'000)	2020 ($'000)
Republic Bank Limited	164	166
First Citizens Bank Limited	29,713	967
Petty cash	1	1
	29,878	**1,134**

13. Stated Capital:

	2021 ($'000)	2020 ($'000)
Authorised		
Unlimited number of shares of no par value		
Issued and fully paid		
600,000,641 ordinary shares of no par value		
	1,736,632	**1,736,632**

14. Translation Reserve:

This reserve is used to record exchange differences arising from the translation of the functional currency (USD) from Investments in joint ventures and associated companies TRINGEN, NGCLNG and NGCNGL to the presentation currency (TTD).

15. Investment Re-measurement Reserve:

In accordance with IAS 39, an investment re-measurement reserve was created to capture unrealised gains/losses on available-for-sale investments. However, IFRS 9 no longer utilises the available-for-sale classification.

16. Accounts Payable and Accruals:

	2021 ($'000)	2020 ($'000)
Dividends payable	2,224	1,881
Accruals	1,701	1,040
	3,925	**2,921**

17. Dividend Income:

	2021 ($'000)	2020 ($'000)
National Flour Mills Limited	1,839	-
NGC NGL	20,020	13,059
PanWest Constructors LLC	-	4,067
Trinidad and Tobago Stock Exchange	-	59
First Citizens Bank Limited	2,054	2,803
Clico Investment Fund	680	1,020
Trinidad and Tobago National Gas Limited	96	1,446
UTC Calypso Index Fund	1,280	1,380
	25,969	**23,834**

18. Taxation:

	2021 ($'000)	2020 ($'000)
Corporation Tax	(1,683)	(1,938)
Green Fund Levy	(98)	(93)
	(1,781)	**(2,031)**

18. Taxation (continued):

	2021 ($'000)	2020 ($'000)
Reconciliation of the effective tax rate to the statutory rate is as follows:		
Net loss before taxation	(268,650)	(325,509)
Tax at statutory rate	80,595	97,653
Exempt Income	7,791	7,150
Net items deductible/(not deductible) for tax purposes	(90,069)	(106,649)
Prior period adjustment - Business Levy	-	(92)
Green Fund Levy	(98)	(93)
	(1,781)	**(2,031)**

19. Dividends Paid:

	2021 ($'000)	2020 ($'000)
2019 2nd interim dividend - **$0.11** per share	-	66,000
2020 dividend - **$0.05** per share (2019 - **$0.11** per share)	-	30,000
	-	**96,000**

A second interim dividend in respect of the year ended 31 March 2019 of $0.11 per share was paid on 11 November 2019. A dividend for the year ended 31 March 2020 of $0.05 per share (2019 - $0.11) was declared and paid on 11 March 2020. No dividends have been declared in respect to financial year ended 31 March 2021.

20. Related Party Transactions:

	2021 ($'000)	2020 ($'000)
Due from NPHL	112,193	111,825
Due from PANWEST	413	168
Key management compensation:		
Salaries and other short-term benefits	330	944

21. Principal Business Activities:

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

Investment	Incorporated	Activity	% Interest
Unconsolidated Subsidiaries			
National Flour Mills Limited	Trinidad and Tobago	Food processing	51.00%
NEL Power Holdings Limited	Trinidad and Tobago	Investment holding company	100.00%
Telecommunications Services of Trinidad and Tobago Limited	Trinidad and Tobago	Telecommunications Provider	51.00%
Joint Ventures			
Trinidad Nitrogen Co. Limited	Trinidad and Tobago	Manufacturer of ammonia	51.00%
Pan West Engineers and Contractors, LLC	Trinidad and Tobago	Investment holding company	33.33%
Associates Companies			
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%

22. Fair Value of Financial Instruments:

The fair value of financial assets and liabilities that are traded in active markets are based on quoted market prices or dealer quotations. For all other financial instruments, the Company determines fair values using other valuation techniques.

(a) Valuation models

The Company measures Fair Value using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements

Level 1: Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date. The types of assets carried at level 1 Fair Value are equity and debt securities listed in active markets. The Fair Value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Company is the current close price.

Level 2: Inputs, other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation

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22. Fair Value of Financial Instruments (continued):

(a) Valuation models (continued)

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include inputs used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity index prices and expected price volatilities and correlations.

Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining Fair Values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

	2021			
	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Financial Assets				
Investments in subsidiaries	134,251	-	356,564	490,815
Investments on joint ventures and associated companies	-	-	1,287,060	1,287,060
Other long-term investments	156,688	-	132,460	289,148
Due from related parties	-	-	112,606	112,606
Accounts receivable and prepayments	-	-	2,105	2,105
Short-term investments	-	-	15,446	15,446
Cash in hand and at bank	-	-	29,878	29,878
	290,939	-	1,936,119	2,227,058

	2020			
	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Financial Assets				
Investments in subsidiaries	67,432	-	462,808	530,240
Investments on joint ventures and associated companies	-	-	1,552,048	1,552,048
Other long-term investments	149,209	-	133,889	283,098
Due from related parties	-	-	111,993	111,993
Accounts receivable and prepayments	-	-	2,635	2,635
Short-term investments	-	-	15,153	15,153
Cash in hand and at bank	-	-	1,134	1,134
	216,641	-	2,279,660	2,496,301

2. Fair Value of Financial Instruments (continued):

(b) Valuation technique

The Company's investments are valued using an assessment of the outputs derived from the capitalised maintainable earning, market approach and where appropriate, the discounted cashflow models.

Capitalised maintainable earnings approach uses the following factors to estimate the equity value of the investee companies:

(a) Maintainable Earnings: The maintainable earnings being the normalised level below which, in the normal course of business and all other things being equal, the after-tax profits of the business are not expected to fall in the foreseeable future;

(b) Capitalisation rate; and

(c) Surplus assets, liabilities and/or net debt which is added or deducted on the basis that these items do not form part of the Companies' core operations and do not contribute to the generation of maintainable earnings.

Market approach involves the use of comparable publicly traded companies to determine multiples or other financial ratios. Market multiples are ideally derived from trading prices of shares of companies that are (1) engaged in similar lines of business and (2) are actively traded in a free and open market.

Adjustments were made to market multiples for company specific risks with consideration for:

- Relative size of the target operations in relation to the peers;
- The companies are not a publicly listed entity;
- The difference in cost of funding and capital structures;
- The companies' comparatively limited product offering;
- Local market leader position; and
- Receipt of dividends in US dollars.

Discounted cashflow approach is represented by the present value of the Company's forecasted free cash flow over the next five years.

(c) Fair value sensitivity

Fair value sensitivity is evaluated on changes to unobservable inputs.

Discounted Cash Flow Sensitivity:

TT$'000	Financial statements	Fair Value per method	Sensitivity +1%	%	Sensitivity -1%	%
Telecommunications Services of Trinidad and Tobago	248,625	268,718	93,567	↓ 62.37%	479,317	↑ 92.79%
PanWest	203,814	176,912	157,307	↓ 22.82%	202,177	↑ 0.80%
NGCNGL	677,799	592,253	532,261	↓ 21.47%	669,562	↑ 1.22%

2. Fair Value of Financial Instruments (continued):

(c) Fair Value sensitivity (continued)

Capitalised Maintainable Earnings Sensitivity:

TT$'000	Financial statements	Fair Value per method	Sensitivity +1%	%	Sensitivity -1%	%
TRINGEN	361,463	410,250	326,447	↓ 9.69%	521,530	↑ 44.28%
NPHL	107,939	117,143	85,460	↓ 20.83%	159,564	↑ 47.83%
PanWest	203,814	141,591	125,512	↓ 38.42%	162,774	↑ 20.14%
NGCNGL	677,799	484,169	434,967	↓ 35.83%	548,990	↑ 19.00%


NATIONAL ENTERPRISES LIMITED

NATIONAL ENTERPRISES LIMITED

CHANGE OF ADDRESS FORM

Please complete all information requested in this form.

When completed in its entirety and signed, please return this form along with a copy of a utility bill and two forms of valid national identification to:

Private and Confidential

The Registrar Department
The Trinidad and Tobago Central Depository
10th Floor Nicholas Tower
63-65 Independence Square
Port of Spain

Section 1 – Shareholder's Current Information

Current Name:

Current Address:

Contact Number:

Section 2 - Shareholder's New Information (if any changes)

Changed Name: _____

Changed Address: _____

_____

Contact Number: _____

Email Address: _____

NATIONAL ENTERPRISES LIMITED

Section 3 - Dividend Payment Instructions

Dividends are paid semi-annually, through the Trinidad and Tobago Central Depository, via cheque or direct deposit via ACH to a commercial bank of your choice. If you do not provide a dividend address, the dividend cheques will be mailed to the Shareholder's current address on record on the payment date each year. **Payment via direct deposit to a commercial bank is preferred.**

Shareholder Address _____

Contact Information (telephone and email address) _____

_____

Direct Deposit (via ACH)

Bank and Branch of Choice_____

Account Number _____

Savings or Chequing _____

Signature of Shareholder: _____ _____

Date: _____

National Enterprises Limited,

Level 15, Tower D,

International Waterfront Centre,

Wrightson Road,

Port of Spain, Trinidad & Tobago.

T: 1(868) 625-0015; 612-1705

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W: www.nel.co.tt

THE NATIONAL GAS COMPANY OF TRINIDAD & TOBAGO LIMITED

NATIONAL FLOUR MILLS LIMITED

NGC LNG

Telecommunications Services of Trinidad and Tobago Limited

TSTT

NPHL Pan West

TRINGEN

TRINIDAD NITROGEN CO., LIMITED