

eNL Commercial Limited

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2016

1. CONDENSED STATEMENTS OF FINANCIAL POSITION

	Dec 31, 2016	June 30, 2016
	Rs'000	Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	732,643	738,224
Investments and others	260,145	286,751
	992,788	1,024,975
Current assets	1,234,346	1,300,552
Total assets	2,227,134	2,325,527
EQUITY AND LIABILITIES		
Equity and reserves		
Equity holders' interests	685,873	695,294
Non-controlling interests	(22)	(31)
Total equity and reserves	685,851	695,263
Non-current liabilities	465,564	468,451
Current liabilities	1,075,719	1,161,813
Total equity and liabilities	2,227,134	2,325,527

3. CONDENSED CASH FLOW STATEMENTS

	Six months ended Dec 31, 2016	Six months ended Dec 31, 2015
	Rs'000	Rs'000
Net cash flows from operating activities	66,077	(64,888)
Net cash flows from investing activities	(7,001)	(57,481)
Net cash flows from financing activities	(140,292)	1,476
Net movement in cash and cash equivalents	(81,216)	(120,893)
Opening cash and cash equivalents	(221,855)	(190,845)
Closing cash and cash equivalents	(303,071)	(311,738)

4. SEGMENTAL INFORMATION

	Quarter ended Dec 31, 2016	Quarter ended Dec 31, 2015	Six months ended Dec 31, 2016	Six months ended Dec 31, 2015
	Rs'000	Rs'000	Rs'000	Rs'000
TURNOVER				
Corporate office	2,273	2,140	4,297	4,115
Automotive	505,450	468,429	959,129	857,480
Trading and services	60,099	68,698	121,656	133,236
Industry and manufacturing	144,910	152,084	247,721	272,760
	712,732	691,351	1,332,803	1,267,591
SEGMENT RESULTS AFTER TAXATION				
Corporate office	(21,980)	(9,934)	(27,122)	(13,644)
Automotive	9,237	(251)	15,873	(5,836)
Trading and services	4,628	(581)	11,988	2,767
Industry and manufacturing	6,150	797	(10,277)	(378)
	(1,965)	(9,969)	(9,538)	(17,091)

5. CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent				Total	Non-controlling interests	Total
	Share capital	Associated companies	Fair value and other reserves	Retained earnings			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2015	177,960	(6,997)	123,308	452,997	747,268	8	747,276
Profit/(Loss) for the period	-	(854)	-	(16,254)	(17,108)	17	(17,091)
Other comprehensive income for the period	-	(1,152)	-	-	(1,152)	-	(1,152)
Dividends	-	-	-	(13,128)	(13,128)	-	(13,128)
At December 31, 2015	177,960	(9,003)	123,308	423,615	715,880	25	715,905
At July 1, 2016	177,960	(10,677)	123,308	404,703	695,294	(31)	695,263
Profit/(loss) for the period	-	10,275	-	(19,822)	(9,547)	9	(9,538)
Other comprehensive income for the period	-	126	-	-	126	-	126
At December 31, 2016	177,960	(276)	123,308	384,881	685,873	(22)	685,851

Notes:

The interim financial statements to 31 December 2016 are unaudited. They have been prepared using the same accounting policies and methods of computation followed per the audited financial statements for the year ended 30 June, 2016.

These condensed financial statements are issued pursuant to Listing Rules 12.20 and 12.21 and section 88 of the Securities Act 2005.

Copies of this report are available free of charge to the public at the registered office of the Company at ENL House, Vivéa Business Park, Moka.

Copies of the statement of direct and indirect interests of the senior officers of the Company pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 are available free of charge to the public upon request to the Company Secretary at the registered office of the Company at ENL House, Vivéa Business Park, Moka.

The Board of Directors of ENL Commercial Limited accepts full responsibility for the accuracy of the information contained in this communiqué.

2. CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter ended Dec 31, 2016	Quarter ended Dec 31, 2015	Six months ended Dec 31, 2016	Six months ended Dec 31, 2015
	Rs'000	Rs'000	Rs'000	Rs'000
Turnover	712,732	691,351	1,332,803	1,267,591
Operating profit	25,652	10,898	32,996	17,262
Fair value gain/(loss) on held for trading securities	125	(527)	138	69
Fair value loss on investment property	(10,000)	-	(10,000)	-
Goodwill impaired	(5,382)	-	(5,382)	-
Share of results of associated companies	6,462	(2,769)	10,275	(854)
Finance costs	(15,905)	(17,341)	(33,984)	(33,302)
Profit/(loss) before taxation	952	(9,739)	(5,957)	(16,825)
Income tax expense	(2,917)	(230)	(3,581)	(266)
Loss for the period	(1,965)	(9,969)	(9,538)	(17,091)
Other comprehensive income				
Share of comprehensive income of associates	598	(807)	126	(1,152)
Other comprehensive income for the period	598	(807)	126	(1,152)
Total comprehensive income for the period	(1,367)	(10,776)	(9,412)	(18,243)
Loss for the period attributable to:				
Equity holders of the company	(2,021)	(9,961)	(9,547)	(17,108)
Non-controlling interests	56	(8)	9	17
	(1,965)	(9,969)	(9,538)	(17,091)
Total comprehensive income for the period attributable to:				
Equity holders of the company	(1,423)	(10,768)	(9,421)	(18,260)
Non-controlling interests	56	(8)	9	17
	(1,367)	(10,776)	(9,412)	(18,243)

Per share data

Loss attributable to equity holders of the company (Rs '000)	(2,021)	(9,961)	(9,547)	(17,108)
Number of shares in issue ('000)	29,173	29,173	29,173	29,173
Loss per share (Rs)	(0.07)	(0.34)	(0.33)	(0.59)
Dividend/share (Rs)	-	0.45	-	0.45
Net asset value per share at Dec 31, 2016 / June 30, 2016 (Rs)	-	-	23.51	23.83

Comments on the financial statements

The group continued on its good operational performance of the first quarter with a 5% turnover growth and a near doubling of operating profits for the six month period compared with last year. This good performance was however impacted negatively by one off costs of some Rs 15.3m which resulted in the group incurring a loss of Rs 9.5m after taxation.

Automotive

The automotive segment continued to perform well and recorded a 12% turnover increase for the semester with improvements noted across all departments. The discontinuation of loss making activities together with cost control initiatives resulted in operating profits increasing from Rs 18m to Rs 39m. Net results were thus impacted positively with segment profit after taxation standing at Rs 16m as against a loss of Rs 6m last year.

Trading and services

The group's trading and services segment also registered a good set of results. Turnover was down 9% following the decision to discontinue the sales of aluminium profiles and accessories and concentrate on this line of activities through our 50% associate JMD. However profit after taxation increased significantly to reach Rs 12m compared with Rs 3m last year, driven by the associated companies which contributed Rs 14m to profits.

Industry and manufacturing

The industry and manufacturing segment performed below expectations for the semester. Nabridas registered an improved performance but the results were dragged down mainly by the companies engaged in the sale of indoor and outdoor furnishings which suffered from a highly competitive environment. Segment turnover decreased by 9% with losses after taxation amounting to Rs 10m. The losses included impaired goodwill of Rs 5m.

Developments

The group successfully raised Rs 560m in January 2017 through a bond issue which was fully subscribed. The senior portion of Rs 400m was rated with an investment grade rating of A-, a first on the local bond market. This issue will enable the group to re-structure its long term debts whilst reducing its costs of funds.

Outlook

We expect the group to continue on its good performance for the coming quarter. The indoor and outdoor furnishings business will continue to suffer but the other business units should improve on their performance. The debt re-structuring should also impact positively on the group's results.

By order of the Board
ENL Limited
Company Secretary

14 February 2017

