

BLUELIFE LIMITED

Business Registration Number: C07050411

AUDITED ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

AUDITED STATEMENTS OF FINANCIAL POSITION - JUNE 30, 2021

	THE GROUP		THE COMPANY	
	Audited as at June 30, 2021	Audited as at June 30, 2020	Audited as at June 30, 2021	Audited as at June 30, 2020
	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS				
Non-current assets	2,346,292	2,983,279	2,012,406	2,172,100
Current assets	643,765	329,695	811,671	591,767
Non-current assets classified as held for sale	579,955	384,294	-	-
Total assets	3,570,012	3,697,268	2,824,077	2,763,867
EQUITY AND LIABILITIES				
Capital and reserves (attributable to owners of the parent)				
Owners' interest	2,077,142	1,851,028	2,251,783	2,076,894
Non-controlling interests	11,354	(17,965)	-	-
Total equity	2,088,496	1,833,063	2,251,783	2,076,894
Non-current liabilities	325,838	586,688	1,696	3,778
Current liabilities	775,752	1,067,121	570,598	683,195
Liabilities directly associated with assets classified as held-for-sale	379,926	210,396	-	-
Total equity and liabilities	3,570,012	3,697,268	2,824,077	2,763,867

AUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2021

	THE GROUP		THE COMPANY	
	Audited year ended June 30, 2021	Audited year ended June 30, 2020	Audited year ended June 30, 2021	Audited year ended June 30, 2020
	Rs'000	Rs'000	Rs'000	Rs'000
Continuing activities				
Revenue	106,126	303,197	-	6,224
Operating loss before finance costs	(154,693)	(168,717)	(23,151)	(45,080)
Finance costs	(55,304)	(68,249)	(27,263)	(29,002)
Impairment charges	-	-	(74,356)	(119,593)
Net decrease in fair value of investment properties	(1,563)	(10,797)	-	(2,349)
Loss before taxation	(211,560)	(247,763)	(124,770)	(196,023)
Income tax credit/(charge)	3,592	2,433	(276)	1,43
Loss for the year from continuing operations	(207,968)	(245,330)	(125,046)	(195,880)
Profit/(loss) from discontinued operations net of tax	4,887	(28,829)	-	-
Loss for the year	(203,081)	(274,160)	(125,046)	(195,880)
Other comprehensive income for the year, net of tax	160,465	(1,164)	1,884	193
Total comprehensive income for the year	(42,616)	(275,324)	(123,161)	(195,687)
Loss attributable to:				
Owners of the parent	(173,680)	(239,785)	(125,046)	(195,880)
Non-controlling interests	(29,401)	(34,375)	-	-
Total comprehensive income attributable to:				
Owners of the parent	(173,680)	(239,785)	(125,046)	(195,880)
Non-controlling interests	(29,401)	(34,375)	-	-
Loss per share (Rs/cs)				
-From continuing and discontinued operations	(0.150)	(0.366)	(0.108)	(0.299)
-From continuing operations	(0.155)	(0.332)	(0.108)	(0.299)

AUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2021

	THE GROUP		THE COMPANY	
	Audited year ended June 30, 2021	Audited year ended June 30, 2020	Audited year ended June 30, 2021	Audited year ended June 30, 2020
	Rs'000	Rs'000	Rs'000	Rs'000
Continuing operations				
Basic loss per share (Rupees & cents)	(0.150)	(0.366)	(0.108)	(0.299)
Continuing and discontinued operations	(0.155)	(0.332)	(0.108)	(0.299)
Continuing operations	(0.155)	(0.332)	(0.108)	(0.299)
Net Assets per share (Rupees & cents)	1.798	2.826	1.950	3.171
Number of ordinary shares in issue	1,154,942,099	654,942,099	1,154,942,099	654,942,099

AUDITED STATEMENTS OF CASH FLOWS FOR YEAR ENDED JUNE 30, 2021

	THE GROUP		THE COMPANY	
	Audited year ended June 30, 2021	Audited year ended June 30, 2020	Audited year ended June 30, 2021	Audited year ended June 30, 2020
	Rs'000	Rs'000	Rs'000	Rs'000
Operating activities				
Net cash used in operating activities	(152,018)	(55,794)	(132,213)	37,182
Investing activities				
Net cash from/(used in) investing activities	337,586	136,177	73,049	(16,524)
Financing activities				
Net cash (used in)/from financing activities	(186,395)	(116,073)	42,414	(54,254)
Increase/(decrease) in cash and cash equivalents	(87)	(35,690)	(16,750)	(33,597)
Movement in cash and cash equivalents				
At July 1	(275,665)	(241,987)	(205,378)	(171,781)
Effect of foreign exchange difference	714	2,011	-	-
Increase/(decrease)	(87)	(35,690)	(16,750)	(33,597)
At June 30	(275,778)	(275,665)	(222,128)	(205,378)

AUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2021

THE GROUP	Attributable to owners of the parent					Non-controlling interests		Total
	Stated capital	Other reserves	Revaluation reserves	Actuarial reserves	Revenue deficit	Total	Rs'000	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at July 1, 2020	3,472,320	-	-	(4,030)	(1,617,263)	1,851,027	(17,965)	1,833,062
Issue of shares	298,050	-	-	-	-	2,98,050	-	298,050
Loss for the year	-	-	-	-	(173,680)	(173,680)	(29,401)	(203,081)
Other comprehensive income for the year	-	-	95,699	6,045	-	101,744	58,721	160,465
Total comprehensive income for the year	-	-	95,699	6,045	(173,680)	(71,936)	29,319	(42,616)
Balance at June 30, 2021	3,770,370	-	95,699	2,015	(1,790,943)	2,077,142	11,354	2,088,496
Balance at July 1, 2019								
As previously reported	3,472,320	26,080	-	(3,439)	(1,333,152)	2,161,809	(15,553)	2,146,256
Effect of prior year adjustments	-	(26,080)	-	-	(44,326)	(70,406)	32,536	(37,870)
As restated	3,472,320	-	-	(3,439)	(1,377,478)	2,091,403	16,983	2,108,386
Loss for the period	-	-	-	-	(239,785)	(239,785)	(34,375)	(274,160)
Other comprehensive income for the year	-	-	-	(591)	-	(591)	(573)	(1,164)
Total comprehensive income for the year	-	-	-	(591)	(239,785)	(240,376)	(34,948)	(275,324)
Balance at June 30, 2020	3,472,320	-	-	(4,030)	(1,617,263)	1,851,028	(17,965)	1,833,062
THE COMPANY								
Balance at July 1, 2020	3,472,320	272	(1,395,698)					2,076,894
Issue of shares	298,050	-	-					298,050
Loss for the year	-	-	(125,046)					(125,046)
Other comprehensive income for the year	-	1,884	-					1,884
Total comprehensive income for the year	-	1,884	(125,046)					(123,162)
Balance at June 30, 2021	3,770,370	2,156	(1,520,743)					2,251,783
Balance at July 1, 2019	3,472,320	79	(1,199,819)					2,272,581
Loss for the year	-	-	(195,880)					(195,880)
Other comprehensive income for the year	-	193	-					193
Total comprehensive income for the year	-	193	(195,880)					(195,687)
Balance at June 30, 2020	3,472,320	272	(1,395,698)					2,076,894

NOTES TO THE AUDITED ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The above Abridged Financial Statements for the year ended June 30, 2021 have been prepared in accordance with International Financial Reporting Standards and audited by Ernst & Young Ltd.

Market environment

The COVID-19 pandemic continues to disrupt lives and businesses globally. In this challenging context, Management has adapted itself to ensure business continuity in a safe working, living and vacation environment for employees, suppliers, residents, clients and visitors. Management spared no effort to preserve employment and business value.

Tourism was one of the first sectors to be deeply impacted by the pandemic as from March 2020, as measures introduced to contain the virus led to a near-complete cessation of tourism activities around the world. The restart of domestic tourism in July 2020 together with Government's wage assistance support and lenders' moratoriums on loan servicing, helped to mitigate the impact on the Group.

For the property development sector, travel restrictions into Mauritius have delayed sales, as potential buyers could not fly in to get a feel of the Azuri experience. This, in turn, has delayed the start of our current projects and revenue recognition thereon.

Throughout 2020-2021

In the course of this financial year, we disposed of non-core assets - land in Forbach, retail units in the MotorCity and an industrial building in Mon Loisir. Proceeds from these sale transactions have been mainly used to reduce the Group's bank debts and to support the Group's working capital needs. We also signed a Binding Offer for the sale of our shares in PL Resort Ltd (owner of the Radisson Blu Poste Lafayette).

Despite the challenging environment, we started the construction of 'The Nine', a Par 3 - 9 holes golf course. This course of international standard which has been designed by IMG is due to open at the end of Q2 2022. We are confident that the golf course will contribute significantly to the promotion of Azuri.

Rights and Bond Issues: The Company has, on 18 December 2020, announced a capital raising plan consisting of a Rights Issue of Rs.300M and a multi-tranche Bond Issue of Rs.500M with a view to strengthening its Balance Sheet. On 25 June 2021, the Rights Issue of Rs.300M was completed. The Company received Rs.28M in cash and the subscription for the remaining Rs.272M were in the form of a conversion of shareholder loans to ordinary shares by our three major shareholders.

The First Tranche (Rs.300M) of the Bond Programme was completed just after year end, on 5 July 2021. Shareholders subscribed to Rs.31.1M, and the remaining Rs.268.9M were issued following a private placement to a 'sophisticated investor'.

Performance of the Group and the Company

Our hotels derived revenue only from the local market and remained closed during the second lockdown from 10 March to 30 April 2021. Occupancy for this financial year stood at 19% compared to 62% for the previous year. As such, our two hotels posted a revenue of Rs.125.5M compared to Rs.406.4M a year ago, representing a 69% drop. Despite the Government Wage Assistance Scheme and Management's cost control efforts, the hotel segment losses post consolidation adjustments for the year stood at Rs.68.7M.

With the delays to complete projects, our property development sector did not contribute positively to Group results. The recognition of revenue from the sale of inventory properties will only start when we break ground on construction, which is expected in the next financial year.

The Group results were impacted by the fair value decrease of investment properties of only Rs.1.5M (Rs.10.8M in 2020). For the Company, we reported expected credit losses of Rs.7.7M and impairment of Rs.74.4M including Rs.62.7M following the sale of a property with a counterpart of Rs.62.1M accounted for as Other Income.

The strategy to sell non-core assets to reduce the Group's indebtedness resulted in a marked reduction in finance costs, which fell to Rs.74.3M for the year ended June 30, 2021 (Rs.55M reported in finance costs and Rs.19M under discontinued activities) as compared to Rs.102.5M a year ago (Rs.68.2M & Rs.34.3M respectively).

All the above contributed to Group losses of Rs.203.1M for the year ended June 30, 2021 as compared to Rs.274.2M for last financial year.

To align with accounting policies of our holding company, we reassessed the value of land and building of our Property, Plant and Equipment on their fair market value by external valuers. This resulted in Rs.152.1M revaluation surplus posted to Other Comprehensive Income.

At year end, the Group total assets and net assets stood at Rs.3.57Bn and Rs.2.08Bn respectively (2020: Rs.3.70Bn and Rs.1.85Bn).

Future Prospects

We will continue to favour cash generation with the sale of non-core assets. Sale of the last few remaining units at Circle Square MotorCity is nearly completed. We signed a Sales and Purchase Agreement (SPA) on 13 July 2021 for the sale of 100% of our stake in PL Resort Ltd. We expect the sale to be concluded before the end of 2021 upon fulfilment of some remaining conditions precedent.

The re-opening of our borders for tourists will certainly stimulate the rebound of the tourism sector. However, at the time of reporting, the pace and intensity of the rebound is yet to be ascertained. We do not foresee regaining 2019 occupancy levels of the hotels before the 2023 financial year. The withdrawal of government subsidies and moratoriums from banks will also put serious pressure on our cash-flow.

COVID-19 has changed the way we live, work, play and interact in ways that will alter our behaviour long after the pandemic ends. In 2020/2021 we focused on shaping the future of Azuri and prepared a masterplan for the 10-15 years ahead within the Smart City Scheme. We received in August 2021 the Letter of Intent for the Azuri Smart City, allowing the signature of reservation agreements for projects that have already been commercially launched. We are expecting final accreditation in the next few months.

The focus for the financial year 2022 is on the implementation of property development projects in the Azuri Smart City as booster for future profits.

By Order of the Board

IBL Management Ltd
Company Secretary

September 30, 2021

Copies of these audited abridged financial statements and the statement of direct and indirect interests of officers of the Company are available free of charge, upon request made to the Company Secretary, 4th Floor, IBL House, Caudan Waterfront, Port Louis.

The above audited abridged financial statements are issued pursuant to Listing Rule 12.14 and Securities Act 2005. The Board of Directors of BlueLife Limited accepts full responsibility for the accuracy of the information contained in these audited abridged financial statements.