

# COMPAGNIE DE BEAU VALLON LIMITEE AND ITS SUBSIDIARIES

ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2019

## ABRIDGED STATEMENT OF FINANCIAL POSITION

	THE GROUP	
	2019	2018
	Rs'000	Rs'000
<b>ASSETS</b>		
Non-current assets (*)	11,192,144	9,734,021
Current assets	575,699	475,359
Non-current assets classified as held for sale	75,014	82,297
<b>Total assets</b>	<b>11,842,857</b>	<b>10,291,677</b>
<b>EQUITY AND LIABILITIES</b>		
Owners' interest	5,500,653	4,547,906
Non-controlling interests	961,688	863,944
Non-current liabilities (*)	3,106,612	3,643,826
Current liabilities (*)	2,273,904	1,236,001
<b>Total equity and liabilities</b>	<b>11,842,857</b>	<b>10,291,677</b>

\* Following the implementation of IFRS 16 on 1 January 2019, a net amount of Rs 293m has been accounted as right-of-use assets and Rs 283m as lease liabilities.

## ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP	
	2019	2018
	Rs'000	Rs'000
<b>Revenue</b>	<b>920,211</b>	<b>705,979</b>
Operating loss before impairment of bearer plants and intangible assets	(71,992)	(230,288)
Impairment of bearer plants	(23,111)	(113,492)
Impairment of intangible assets	(32,764)	-
Operating loss	(127,867)	(343,780)
Increase in fair value of investment property	37,791	-
Other income	19,199	17,633
Net finance costs	(70,877)	(326,147)
Loss from ordinary activities	(307,137)	(484,856)
Share of result of associates	(5,388)	69
Loss before exceptional items	(312,525)	(484,787)
Exceptional items	353,431	63,876
Closure costs	(59,775)	(93,354)
Loss before taxation	(18,869)	(514,265)
Taxation	25,267	57,257
Profit/(loss) for the year	6,398	(457,008)
Other comprehensive income for the year	1,044,093	1,125,637
<b>Total comprehensive income for the year</b>	<b>1,050,491</b>	<b>668,629</b>
<b>Results attributable to:</b>		
Owners of the parent	52,103	(374,757)
Non-controlling interests	(45,705)	(82,251)
	6,398	(457,008)
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	952,747	744,790
Non-controlling interests	97,744	(76,161)
	1,050,491	668,629
Earnings/(loss) per share	Rs. 1,102.01	(7,926.33)
Number of ordinary shares	47,280	47,280

## ABRIDGED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent					
	Share capital	Revaluation and other reserves	Revenue deficit	Total	Non-controlling interests	Total equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>THE GROUP</b>						
Balance at 1 January 2019	47,280	4,713,521	(212,895)	4,547,906	863,944	5,411,850
Profit for the year	-	-	52,103	52,103	(45,705)	6,398
Other comprehensive income for the year	-	900,644	-	900,644	143,449	1,044,093
Total comprehensive income for the year	-	900,644	52,103	952,747	97,744	1,050,491
Revaluation surplus released on disposal of land	-	(82,612)	82,612	-	-	-
Revaluation surplus released on disposal of financial assets through FVOCI	-	(55)	55	-	-	-
	-	(82,667)	82,667	-	-	-
<b>Balance at 31 December 2019</b>	<b>47,280</b>	<b>5,531,498</b>	<b>(78,125)</b>	<b>5,500,653</b>	<b>961,688</b>	<b>6,462,341</b>

	Attributable to owners of the parent					
	Share capital	Revaluation and other reserves	(Revenue deficit)/retained earnings	Total	Non-controlling interests	Total equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at 1 January 2018	47,280	3,608,031	150,586	3,805,897	928,162	4,734,059
Loss for the year	-	-	(374,757)	(374,757)	(82,251)	(457,008)
Other comprehensive income for the year	-	1,119,547	-	1,119,547	6,090	1,125,637
Total comprehensive income for the year	-	1,119,547	(374,757)	744,790	(76,161)	668,629
Issue of shares	-	-	-	-	8,432	8,432
Consolidation adjustments	-	188	(2,969)	(2,781)	3,511	730
Revaluation surplus released on disposal of land	-	(14,245)	14,245	-	-	-
	-	(14,057)	11,276	(2,781)	11,943	9,162
<b>Balance at 31 December 2018</b>	<b>47,280</b>	<b>4,713,521</b>	<b>(212,895)</b>	<b>4,547,906</b>	<b>863,944</b>	<b>5,411,850</b>

## SEGMENTAL INFORMATION - THE GROUP

	AGRO	HOSPITALITY	OTHERS	TOTAL
	Rs'000	Rs'000	Rs'000	Rs'000
<b>Business segments</b>				
<b>Year ended 31 December 2019</b>				
Revenue	337,593	569,393	13,225	920,211
Operating segment results before impairment and additional depreciation	(86,971)	65,074	(20,412)	(42,309)
Impairment losses on bearer plants	(23,111)	-	-	(23,111)
Impairment losses on intangible assets	-	-	(32,764)	(32,764)
Consolidation adjustment:				
- Additional depreciation on fair value of assets arising on restructuration of the Group	-	(29,683)	-	(29,683)
Operating segment results	(110,082)	35,391	(53,176)	(127,867)
<b>Year ended 31 December 2018</b>				
Revenue	323,014	371,376	11,589	705,979
Operating segment results before impairment and additional depreciation	(195,350)	43,419	(18,992)	(170,923)
Impairment losses on bearer plants	(113,492)	-	-	(113,492)
Consolidation adjustment:				
- Additional depreciation on fair value of assets arising on restructuration of the Group	-	(59,365)	-	(59,365)
Operating segment results	(308,842)	(15,946)	(18,992)	(343,780)

## ABRIDGED STATEMENT OF CASHFLOW

	THE GROUP	
	2019	2018
	Rs'000	Rs'000
Net cash used in operating activities	(449,140)	(187,273)
Net cash from/(used in) investing activities	381,875	(885,521)
Net cash from financing activities	155,272	961,065
Increase/(decrease) in cash and cash equivalents	<b>88,007</b>	<b>(111,729)</b>
<b>Movement in cash and cash equivalents</b>		
At 1 January,	(400,190)	(288,461)
Increase/(decrease)	88,007	(111,729)
At 31 December,	<b>(312,183)</b>	<b>(400,190)</b>

## NOTES

- The abridged consolidated financial statements have been prepared based on the financial statements which have been audited by BDO & Co and prepared in accordance with International Financial Reporting Standards and on the basis of the accounting policies set out in the audited financial statements of the group for the year ended 31 December 2019.
- The activities of the company consist of investment holding, growing and cultivation of sugar cane and other agricultural products. The subsidiaries are engaged mainly in agricultural, hotel keeping and catering activities.
- The group has revalued all its land, buildings and leasehold rights; the valuation was carried out by an independent Certified Practising Valuer. Valuations were made on the basis of open market value and a net amount of Rs 915m was credited to revaluation surplus.
- Performance review:
  - The revenue of the group increased by Rs 214m mainly due to the significant improvement in the hospitality segment. The re-opening of Preskil Island Resort as a 4\*\* family resort since mid-May 2019 has been a success, with an average occupancy rate of 78.4% over 7.5 months. Despite a year-on-year decrease of 1.1% in tourist arrivals, Solana Beach has registered an improved occupancy rate of 83.8% (2018: 79.1%). The combined occupancy rate in both resorts stood at 81% compared to the industry average of 73% for year 2019.
  - The group recorded an operating loss of Rs 128m for the year ended 31 December 2019 compared to Rs 344m last year. The results in the Agro segment improved by Rs 199m mainly due to a favourable variance of Rs 94m arising from the fair value movement in standing cane coupled with a decrease in impairment of bearer plants. Regarding the hospitality segment, operating profit for the year ended 31 December 2019 amounted to Rs 35m compared to a loss of Rs 16m last year. This is due to the re-opening of Preskil Island Resort coupled with improved yield in terms of higher room rates and room occupancy at Solana Beach.
- Finance costs amounted to Rs 236m and related mostly to additional debt taken to finance the renovation of Preskil Island Resort and interest expense on lease following implementation of IFRS 16.
- Exceptional items of Rs 353m for the year 2019 related mostly to profit on sale of land.
- As explained above, the Group has generated a profit after tax of Rs 6m for the year ended 31 December 2019 compared to a loss of Rs 457m last year.
- The sugar industry of Mauritius remains under pressure due to low sugar prices on both European and world markets as well as increased costs of production. The Government of Mauritius has commissioned a study from the World Bank aiming at restructuring the sugar sector in Mauritius with a series of mitigating and support measures that are expected to be finalised before year end 2020. A biomass framework is under consideration by the Authorities and its application should contribute to the sustainability of the sugarcane industry.

### SPECIAL NOTE:

With the outbreak of COVID-19 pandemic and worldwide travel restrictions, the tourism industry is facing major and evolving challenges. The Group's results will be negatively impacted with cancelled bookings and uncertainty regarding future bookings. Management has set up a Crisis Committee to devise strategies to reduce costs and is working in close collaboration with AHRIM and the Authorities. A number of hospitality industry support measures are being finalised to that effect.

The Group's agro segment is less impacted by Covid-19 and a special effort has been undertaken to maintain food production at Riche-en-Eau and Les Serres d'Union during the lockdown period. The current sugar cane year's crop is expected to be in line with the budget for year 2020 whilst next year's crop might be impacted due to suspended land preparation and plantation activities during the lockdown period.

This 29<sup>th</sup> of June 2020

By order of the Board  
**Navitas Corporate Services Ltd**  
**Company Secretary**

The Board of Directors accepts full responsibility for the accuracy of the information contained in the above audited financial statements. Copies of the abridged audited financial statements are available to the public, free of charge, at Union Corporate Limited, Riche-en-Eau, St Hubert. The Statement of interests of officers of the company required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request to the Secretary, free of charge, at C/O Navitas Corporate Services Ltd, Navitas House, Robinson Road, Floréal. This statement is issued pursuant to Listing Rule 12.14 and Section 88 of the Securities Act 2005.