

Consolidated Statement of Financial Position

	Unaudited 30-Sep-20 Rs'000	Unaudited 30-Sep-19 (Restated) Rs'000	Audited 30-Jun-20 Rs'000
ASSETS EMPLOYED			
NON-CURRENT ASSETS			
Intangible assets	20,286	23,698	21,294
Plant and equipment ¹	658,281	690,655	674,034
Investments in associates	5,105,248	5,608,507	5,193,719
Investment securities	811,315	532,074	726,954
Loan receivable	355,618	303,648	342,937
Finance lease receivables ²	1,968,758	2,224,983	2,230,566
Deposits with financial institutions	-	56,519	-
	8,919,506	9,440,084	9,189,504
CURRENT ASSETS	1,951,053	1,708,761	1,796,107
CURRENT LIABILITIES	(2,715,812)	(1,852,368)	(2,744,889)
NET CURRENT LIABILITIES	(764,759)	(143,607)	(948,782)
	8,154,747	9,296,477	8,240,722
FINANCED BY			
Share capital	103,355	103,355	103,355
Retained earnings	2,012,342	2,094,935	1,993,687
Other components of equity	3,478,153	3,816,961	3,579,782
SHAREHOLDERS' INTERESTS	5,593,850	6,015,251	5,676,824
NON-CURRENT LIABILITIES			
Deposits from customers	2,181,559	2,944,144	2,192,914
Borrowings	365,256	321,373	353,934
Deferred tax liabilities	14,082	15,709	17,050
	2,560,897	3,281,226	2,563,898
	8,154,747	9,296,477	8,240,722

Consolidated Statement of Profit or Loss

	Unaudited Quarter to 30-Sep-20 Rs'000	Unaudited Quarter to 30-Sep-19 Rs'000	Audited Year to 30-Jun-20 Rs'000
Revenue	119,728	125,908	487,742
Other income	60,041	55,692	224,253
(Loss)/Profit on exchange	(176)	117	(540)
Finance income	62,138	69,919	269,060
Finance costs	(48,937)	(55,178)	(218,106)
Operating expenses ³	(55,118)	(57,772)	(238,791)
Operating profit before impairment	17,948	12,778	35,876
Net impairment of financial assets	(7,543)	271	(9,718)
Operating profit	10,405	13,049	26,158
Share of profits/(loss) of associates	5,054	39,156	(76,608)
Profit/(Loss) before tax	15,459	52,205	(50,450)
Income tax credit/(expense)	2,968	(1,835)	(965)
Profit/(Loss) attributable to equity holders of the parent	18,427	50,370	(51,415)
Earnings/(Loss) per share (Re.) ⁵	0.18	0.49	(0.50)
Number of shares in issue (thousands)	103,355	103,355	103,355

Consolidated Statement of Comprehensive Income

	Unaudited Quarter to 30-Sep-20 Rs'000	Unaudited Quarter to 30-Sep-19 Rs'000	Audited Year to 30-Jun-20 Rs'000
Profit/(Loss) attributable to equity holders of the parent	18,427	50,370	(51,415)
Other comprehensive (expense)/income:			
Items that will not be reclassified to profit or loss:			
Net fair value (loss)/gain on equity investments	(7,875)	11,700	50,625
Share of other comprehensive (expense)/income of associates	(93,533)	19,201	(254,711)
	(101,408)	30,901	(204,086)
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income/(expense) of associates	7	(232)	(26)
	7	(232)	(26)
Other comprehensive (expense)/income for the period	(101,401)	30,669	(204,112)
Total comprehensive (expense)/income attributable to equity holders of the parent	(82,974)	81,039	(255,527)

RESULTS

Fincorp posted a consolidated profit after tax of Rs 18.4 million for the quarter ended September 30, 2020 compared to Rs 50.4 million for the corresponding period last year.

Operating profit before taking into consideration the share of profits of associates declined from Rs 13.0 million to Rs 10.4 million, reflecting the drop in the net profit of MCB Leasing Limited to Rs 17.1 million for the quarter under review (2019: Rs20.6 million). MCB Leasing Limited was impacted by additional expected credit losses amounting to Rs7.5 million reflecting continued uncertainties in the local economy as a result of the pandemic.

The share of profits of associates also dropped, contributing to a profit of Rs 5.0 million to group results compared to Rs 39.2 million last year. Whilst the results of Caudan improved on the back of a better performance of the Security Services cluster as well as a drop in finance charges in line with the declining interest rate environment, Medine's performance was adversely impacted by a drop in the profit from the sale of land.

PROSPECTS

The operating context remains particularly challenging as a result of the pandemic, with low visibility on the evolution of the situation going forward. Against this backdrop, we will continue to monitor the situation closely with regular assessment of potential scenarios in order to preserve the financial soundness of the group.

By order of the Board
12 November 2020

Consolidated Statement of Changes in Equity

	Share Capital Rs'000	Capital Contribution Rs'000	Retained Earnings Rs'000	Capital Reserve Rs'000	Revaluation & Other Reserve Rs'000	Statutory Reserve Rs'000	Total Rs'000
At 01 July 2019, as restated	103,355	200,000	2,110,286	610,428	2,873,941	109,177	6,007,187
Profit for the period	-	-	50,370	-	-	-	50,370
Other comprehensive (expense)/income for the period	-	-	(282)	50	30,901	-	30,669
Total comprehensive income for the period	-	-	50,088	50	30,901	-	81,039
Share of transfer by associate	-	-	7,588	-	(7,588)	-	-
Share of other movements in reserves of associate	-	-	(14)	-	52	-	38
Dividends	-	-	(62,013)	-	-	-	(62,013)
Dividends to non-cumulative preference shareholders	-	-	(11,000)	-	-	-	(11,000)
At 30 September 2019	103,355	200,000	2,094,935	610,478	2,897,306	109,177	6,015,251

At 01 July 2019, as restated	103,355	200,000	2,110,286	610,428	2,873,941	109,177	6,007,187
Loss for the year	-	-	(51,415)	-	-	-	(51,415)
Other comprehensive expense for the year	-	-	(329)	-	(203,783)	-	(204,112)
Total comprehensive expense for the year	-	-	(51,744)	-	(203,783)	-	(255,527)
Share of transfer by associate	-	-	10,836	-	(10,836)	-	-
Effect of employee share options exercised in associate	-	-	(3,011)	-	-	-	(3,011)
Share of other movements in reserves of associate	-	-	-	-	(7,195)	-	(7,195)
Share of impact of change in shareholding in associates	-	-	8,383	-	-	-	8,383
Dividends	-	-	(73,013)	-	-	-	(73,013)
Transfer to statutory reserve	-	-	(8,050)	-	-	8,050	-
At 30 June 2020	103,355	200,000	1,993,687	610,428	2,652,127	117,227	5,676,824
Profit for the period	-	-	18,427	-	-	-	18,427
Other comprehensive income/(expense) for the period	-	-	-	1,849	(103,250)	-	(101,401)
Total comprehensive income/(expense) for the period	-	-	18,427	1,849	(103,250)	-	(82,974)
Share of transfer by associate	-	-	228	-	(228)	-	-
At 30 September 2020	103,355	200,000	2,012,342	612,277	2,548,649	117,227	5,593,850

Consolidated Statement of Cash Flows

	Unaudited 3 Months to 30-Sep-20 Rs'000	Unaudited 3 Months to 30-Sep-19 Rs'000	Audited Year to 30-Jun-20 Rs'000
Net cash flows (used in)/from operating activities	(110,272)	392,475	885,491
Income tax paid	(1,589)	-	(3,264)
Investing activities	(11,513)	(28,680)	(374,384)
Net cash flows before financing activities	(123,374)	363,795	507,843
Financing activities			
Net decrease in borrowings	(7,278)	(55,717)	(113,680)
Dividends paid	-	(73,013)	(73,013)
Net cash flows used in financing activities	(7,278)	(128,730)	(186,693)
(Decrease)/Increase in cash and cash equivalents	(130,652)	235,065	321,150
Net cash and cash equivalents brought forward	(249,606)	(570,756)	(570,756)
Net cash and cash equivalents carried forward	(380,258)	(335,691)	(249,606)

Notes

	Unaudited 30-Sep-20 Rs'000	Unaudited 30-Sep-19 Rs'000	Audited 30-Jun-20 Rs'000	
1. Plant and equipment				
Assets under operating leases included under the above caption	655,376	689,358	670,862	
2. Finance lease receivables				
Receivable within one year and included in current assets	1,379,474	1,181,178	1,063,906	
Receivable after one year	1,968,758	2,224,983	2,230,566	
	3,348,232	3,406,161	3,294,472	
3. Operating expenses				
Depreciation of assets under operating leases included in operating expenses	36,878	37,273	155,501	
4. Operating segments				
<i>3 months to 30 Sept 2020</i>				
Segment revenue	119,728	116,664	3,064	-
Operating profit/(loss)	10,405	14,106	(3,701)	-
<i>3 months to 30 Sept 2019</i>				
Segment revenue	125,908	123,816	65,550	(63,458)
Operating profit	13,049	22,267	54,240	(63,458)
<i>Year ended 30 June 2020</i>				
Segment revenue	487,742	479,215	71,985	(63,458)
Operating profit	26,158	54,480	35,136	(63,458)
5. Earnings/(loss) per share				
Earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the parent by the number of equity shares in issue and ranking for dividend.				

The abridged unaudited interim consolidated financial statements comply with IAS 34 and have been prepared using the same accounting policies as those adopted in the financial statements for the year ended 30 June 2020.

Where necessary, comparative figures have been amended to conform with changes in presentation or in accounting policies. Copies of the abridged unaudited interim consolidated financial statements are available to the public and can be obtained free of charge from the Company Secretary at the registered office of the Company, 9-15, Sir William Newton Street, Port-Louis and can be viewed on our website: www.fincorp.mu

The statement of direct and indirect 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, free of charge, at the registered office of the Company.

This communiqué is issued pursuant to Listing Rule 12.20 and Securities Act 2005.

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