

ABRIDGED UNAUDITED GROUP FINANCIAL STATEMENTS

For the quarter ended 31 December 2020



UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<i>In MUR (000)</i>	<i>Unaudited quarter ended 31-12-2020</i>	<i>Unaudited quarter ended 31-12-2019</i>	<i>Audited year ended 30-09-2020</i>
Rental income and recoveries	51,837	43,231	190,085
Other operating income	1,249	1,291	7,122
Revenue	53,086	44,522	197,207
Direct operating expenses	(13,729)	(10,383)	(46,237)
Net operational income	39,357	34,139	150,970
Administrative expenses	(11,576)	(10,673)	(52,683)
Operating profit	27,781	23,466	98,287
Other gains and losses	-	-	(190,567)
(Loss)/profit on disposal of investment properties	(4,226)	-	3,371
Profit/(loss) before finance costs	23,555	23,466	(88,909)
Interest income	473	-	5,416
Finance costs	(9,055)	(1,891)	(17,706)
Share of results in associates	219	-	(4,626)
Profit/(loss) before tax	15,192	21,575	(105,825)
Income tax (expense)/credit	(3,291)	(4,001)	2,385
Profit/(loss) for the period/year	11,901	17,574	(103,440)
Other comprehensive income	-	-	(275)
Total comprehensive income for the period/year	11,901	17,574	(103,715)
Total comprehensive income attributable to:			
- Ordinary equity holders of the parent	14,589	17,341	(95,940)
- Non-controlling interests	(2,688)	233	(7,775)
	11,901	17,574	(103,715)
Number of ordinary shares in issue			
Class A	680,523,310	680,523,310	680,523,310
Weighted average number of ordinary shares in issue	680,523,310	680,523,310	680,523,310
Basic earnings/(loss) per share (MUR)	0.02	0.03	-0.14
Net asset value per share (MUR)	3.56	3.70	3.56
Interim dividend per share (MUR)	-	-	-
Final dividend per share (MUR)	-	-	0.02

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UNAUDITED STATEMENTS OF FINANCIAL POSITION

<i>In MUR (000)</i>	<i>Unaudited quarter ended 31-12-2020</i>	<i>Unaudited quarter ended 31-12-2019</i>	<i>Audited year ended 30-09-2020</i>
ASSETS			
Non-current assets			
Investment properties	2,786,329	2,545,638	2,835,622
Investment property under development	353,537	403,309	336,221
Plant, property and equipment	7,682	1,334	2,468
Investment in associates	148,583	153,456	148,364
Intangible assets	288	104	72
Total non-current assets	3,296,419	3,103,841	3,322,747
Current assets	176,984	185,309	146,860
Total assets	3,473,403	3,289,150	3,469,607
EQUITY AND LIABILITIES			
Shareholders' Equity			
Stated capital	1,721,081	1,721,081	1,721,081
Capital reserves	131,053	131,053	131,053
Retained earnings	568,305	668,728	567,326
Non-controlling interests	322,236	337,304	324,924
Total equity	2,742,675	2,858,166	2,744,384
Non-current liabilities			
Borrowings	289,593	35,694	91,417
Other liabilities	108,624	51,620	108,321
Total non-current liabilities	398,217	87,314	199,738
Current liabilities			
Borrowings	204,535	-	345,095
Other liabilities	127,976	343,670	180,390
Total current liabilities	332,511	343,670	525,485
Total equity and liabilities	3,473,403	3,289,150	3,469,607

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UNAUDITED STATEMENTS OF CHANGES IN EQUITY

<i>In MUR (000) Group</i>	<i>Stated Capital</i>	<i>Retained Earnings</i>	<i>Capital & Other reserves</i>	<i>Non- Controlling Interests</i>	<i>Total</i>
Balance at 01 October, 2019	1,721,081	664,997	131,053	337,071	2,854,202
Impact of IFRS 16	-	9,534	-	4,110	13,644
Changes in ownership interest in subsidiaries that do not result in a loss of control	-	2,345	-	(8,482)	(6,137)
Dividend paid	-	(13,610)	-	-	(13,610)
Total comprehensive income for the year	-	(95,940)	-	(7,775)	(103,715)
At 30 Sep, 2020	1,721,081	567,326	131,053	324,924	2,744,384
Balance at 01 October, 2020	1,721,081	567,326	131,053	324,924	2,744,384
Dividend payable	-	(13,610)	-	-	(13,610)
Total comprehensive income for the period	-	14,589	-	(2,688)	11,901
At 31 December, 2020	1,721,081	568,305	131,053	322,236	2,742,675

UNAUDITED STATEMENTS OF CASH FLOWS

<i>In MUR (000)</i>	<i>Unaudited quarter ended 31-12-2020</i>	<i>Unaudited quarter ended 31-12-2019</i>	<i>Audited year ended 30-09-2020</i>
Net cash generated from operating activities	16,362	41,175	242,852
Net cash (used in)/from investing activities	(29,299)	(248,125)	(558,623)
Net cash from financing activities	149,678	-	38,762
Net increase/(decrease) in cash and cash equivalents	136,741	(206,950)	(277,009)
Cash and cash equivalents - opening	(316,214)	(39,205)	(39,205)
Cash and cash equivalents - closing	(179,473)	(246,155)	(316,214)

COMMENTS ON THE QUARTER ENDED 31 DECEMBER 2020**Operational review**

Revenue and operating profit increased by approximately 19.2% and 18.4% respectively due to the operations of 246 Edith Cavell Court and the yearly rental escalations. The increase in direct operating expenses is due to the impact of a full quarter of trading at 246 Edith Cavell Court compared to two weeks of trading in the prior financial year and the effect of the remuneration order on cleaning and security expenses.

As part of its strategy to convert or dispose of non-yielding /low yielding properties, the 4th floor of Labourdonnais Court which was vacant for the last nine months and a non-yielding plot of land at Case Noyale, have been disposed and this has positively impacted on the Group's cash flow.

Occupancy stood at 95.6% across the portfolio due to vacant office space still available at 246 Edith Cavell Court as at 31 December 2020.

Financial review

The Secured Notes Programme as approved by the shareholders in July 2020 has been finalised. This Notes Programme will be primarily used to reimburse Lavastone Ltd's overdraft and also finance earmarked development projects as and when they materialise. It will reduce the weighted average cost of borrowing of the Group and provide liquidity for acquisitive opportunities.

Outlook

Works on our projects under development are progressing as planned.

Management continues with the development plans for its land at Case Noyale. The next phase of the development will include both a residential and a commercial component.

Infrastructure works for the two morcellement projects at Case Noyale have been completed. The contractor and consulting team are busy completing remedial works requested by the authorities to issue their final clearance. This will culminate in the issuance of the morcellement permits for the two projects in the current year.

The start of vaccination across the world and in Mauritius is bringing optimism that there will be an easing of restrictions to international travellers during the later part of the year. Management and the Board are closely monitoring the evolution of the pandemic and its effects on the local economy and on the businesses of our tenants.

By order of the Board

9th February 2021

KEY FIGURES FOR THE QUARTER ENDED**NET OPERATING
INCOME**

MUR 39.4 m
+ 15%

**TOTAL
ASSETS**

MUR 3.5 bn
5.6%

**NET ASSET VALUE
PER SHARE**

MUR 3.6
-4.0%

OCCUPANCY

95.6%
(Dec 2019: 98.3%)

The board of directors of Lavastone Ltd accepts full responsibility for the accuracy of the information contained in this report. The abridged group financial statements are unaudited and have been prepared using same accounting policies as the audited financial statements for the year ended 30 September 2020 except for the adoption of new International Financial Reporting Standards issued which are now effective. Copies of this report are available free of charge and upon request from the Company Secretary at the registered office of Lavastone Ltd. The abridged audited financial statements are issued pursuant to DEM Rule 17. The statement of direct and indirect interests of Officers pursuant to rule corner Edith Cavell Street & Mere Barthelemy Street, Port Louis, 11324