

MORNING LIGHT CO. LTD

ABRIDGED AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF FINANCIAL POSITION

	2020	2019
	Rs	Rs
	Audited	Audited
ASSETS		
Non-current assets	1,711,636,974	1,730,951,398
Current assets	41,232,031	164,422,342
Total assets	1,752,869,005	1,895,373,740
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	459,615,800	459,615,800
Revaluation reserve	616,590,708	605,119,584
(Accumulated losses)/Retained earnings	(33,991,454)	61,653,677
Total equity	1,042,215,054	1,126,389,061
Non-current liabilities	562,294,997	540,788,166
Current liabilities	148,358,954	228,196,516
Total equity and liabilities	1,752,869,005	1,895,373,743

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2020	2019
	Rs	Rs
	Audited	Audited
Revenue	179,576,096	600,913,002
Operating (loss)/profit	(88,366,282)	69,599,904
Finance costs	(20,596,722)	(20,976,322)
(Loss)/profit before taxation	(108,963,004)	48,623,582
Taxation	11,024,579	(10,036,840)
(Loss)/profit for the year	(97,938,425)	38,586,742
Other comprehensive income for the year	13,764,418	24,997,897
Total comprehensive (loss)/income for the year	(84,174,007)	63,584,639
(Loss)/earnings per share (basic and diluted)	(2.13)	0.84

STATEMENT OF CHANGES IN EQUITY

	Stated capital	Revaluation reserve	(Accumulated losses)/retained earnings	Total
	Rs	Rs	Rs	Rs
	Audited	Audited	Audited	Audited
At 1 January 2020	459,615,800	605,119,584	61,653,677	1,126,389,061
Revaluation surplus realised on depreciation	-	(8,434,464)	8,434,464	-
Loss for the year	-	-	(97,938,425)	(97,938,425)
Other comprehensive income/(loss) for the year	-	19,905,588	(6,141,670)	13,764,418
Total comprehensive income/(loss) for the year	-	19,905,588	(104,079,595)	(84,174,007)
At 31 December 2020	459,615,800	616,590,708	(33,991,454)	1,042,215,054
At 1 January 2019	459,615,800	590,776,575	58,373,627	1,108,766,002
Revaluation surplus realised on depreciation	-	(8,153,268)	8,153,268	-
Profit for the year	-	-	38,586,742	38,586,742
Other comprehensive income for the year	-	22,496,277	2,501,620	24,997,897
Total comprehensive income for the year	-	22,496,277	41,088,362	63,584,639
Dividend	-	-	(45,961,580)	(45,961,580)
Balance at 31 December 2019	459,615,800	605,119,584	61,653,677	1,126,389,061

STATEMENT OF CASH FLOWS

	2020	2019
	Rs	Rs
	Audited	Audited
Net cash (used in)/generated from operating activities	(4,022,005)	103,688,434
Net cash used in investing activities	(12,600,589)	(13,339,471)
Net cash used in financing activities	(1,843,536)	(106,165,067)
Net decrease in cash and cash equivalents	(18,466,130)	(15,816,104)
Net foreign exchange (losses)/gains	(19,751)	1,053,248
Cash and cash equivalents at beginning of year	32,531,391	(47,294,247)
Cash and cash equivalents at end of year	14,045,510	32,531,391

COMMENTS

Principal activity

The company owns a first class resort hotel of international standard named "Hilton Mauritius Resort & Spa". The hotel is managed and operated by Hilton International, the worldwide hotel group.

Results

Revenue for the year ended 31 December 2020 amounted to Rs179.6M representing a decrease of 70% when compared to the prior corresponding period (Rs600.9M).

The loss after taxation for the year ended 31 December 2020 was Rs97.9M compared to the profit after taxation of Rs38.6M for the year ended 31 December 2019.

The results for the year reflect the impact of the Covid-19 pandemic on the hospitality sector resulting in a national lockdown between March 2020 to June 2020, general restrictions in international travel resulting in limited tourist arrival in Mauritius during and post the lockdown.

Based on the cash flow forecast for the next 12 months, the funding secured so far and waiver of financial covenants by the bank, the company will be able to meet its financial obligations and fund operational losses that may result from the Covid-19 impact on the company's operations in the next financial year. Consequently, the financial statements have been prepared on a going concern basis.

Loss per share

The calculation of loss per share is based on the loss attributable to shareholders of Rs97,938,425 (2019: profit Rs38,586,742) and the number of shares in issue of 45,961,580 (2019: 45,961,580).

Dividend

No dividend (2019: Rs1.00 per share) was declared during the financial year ended 31 December 2020.

Outlook

Despite the re-opening of the Mauritian borders as from 1 October 2020 under strict sanitary protocols such as mandatory quarantine period of fourteen days in an approved hotel for incoming overseas travellers, and the launch of the vaccination programme, Mauritius entered a 15-day national lockdown on Wednesday, 10 March 2021, after the discovery of Covid-19 local cases. Borders are now temporarily closed for incoming travellers. The ongoing Covid-19 situation continues to impact on the behaviour of the global tourism industry. It is expected that recovery will be slow and gradual, with the sector not resuming normal operating levels within the foreseeable future. The company will therefore continue to rely on the local market until international travel picks up.

Management remains in constant discussions with the company's bank. The latter is supportive of the operations and has confirmed its ongoing financial support in the form of working capital facilities as well as providing an expression of interest for a potential renovation of the Hotel. The extension of the moratorium for existing debt repayment beyond 2021 is under review. The Government has extended the Wage Assistance Scheme to the hospitality sector which continues to give some relief to the company's working capital. Discussions for financial assistance with the Mauritius Investment Corporation Ltd are ongoing.

Others

The abridged audited financial statements for the year ended 31 December 2020 have been extracted from the annual financial statements of the company which have been prepared in accordance with the Companies Act 2001 and the Financial Reporting Act 2004 and comply with International Financial Reporting Standards ("IFRS"), taking into consideration all revised International Accounting Standards and new IFRS effective for accounting periods beginning on 1 January 2020. The independent auditor's report to financial statements is unqualified.

Copies of the above abridged audited financial statements are available, free of charge, upon request made to the Company Secretary, at the registered office of the company, Royal Road Chapman Hill, Beau-Bassin.

The statement of direct and indirect interests of insiders pursuant to rule 8(2) (m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available, free of charge, upon request made to the Company Secretary.

By Order of the Board

Gamma Corporate Services Ltd
Company Secretary

22 March 2021

These abridged audited financial statements are issued pursuant to DEM Rule 18.

The Board of Directors of Morning Light Co. Ltd accepts full responsibility for the accuracy of the information contained in these abridged audited financial statements.

BRN: C07013540