

MORNING LIGHT CO LTD

ABRIDGED UNAUDITED FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020

STATEMENT OF FINANCIAL POSITION

	30 September 2020	31 December 2019
	Rs Unaudited	Rs Audited
ASSETS		
Non-current assets	1,695,905,347	1,730,951,398
Current assets	66,649,861	164,422,342
Total assets	1,762,555,208	1,895,373,740
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	459,615,800	459,615,800
Revaluation reserve	598,793,736	605,119,584
(Accumulated losses)/retained earnings	(7,358,080)	61,653,677
Total equity	1,051,051,456	1,126,389,061
Non-current liabilities	536,989,324	540,788,166
Current liabilities	174,514,428	228,196,513
Total equity and liabilities	1,762,555,208	1,895,373,740

STATEMENT OF CASH FLOWS

	Nine Months ended 30 September 2020	Nine Months ended 30 September 2019
	Rs Unaudited	Rs Unaudited
Net cash generated (used in)/ from operating activities	(5,374,701)	86,530,036
Net cash used in investing activities	(7,287,481)	(12,069,057)
Net cash used in financing activities	(8,843,536)	(93,361,942)
Net decrease in cash and cash equivalents	(21,505,718)	(18,900,963)
Net foreign exchange (losses)/ gains	(374,374)	99,707
Cash and cash equivalents at beginning of period	32,531,391	47,294,247
Cash and cash equivalents at end of period	10,651,299	28,492,991

COMMENTS

Principal activity

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

Results

Revenue for the quarter ended 30 September 2020 decreased to Rs15.7M compared to Rs138.9M for the prior corresponding period and revenue for the nine months ended 30 September 2020 decreased to Rs145.0M compared to Rs416.0M for the prior corresponding period.

The loss after taxation for the quarter ended 30 September 2020 increased to Rs33.0M compared to a loss after taxation of Rs1.5M for the prior corresponding period whilst loss after taxation for the nine months ended 30 September 2020 was Rs74.9M compared to a profit after taxation of Rs9.4M for the prior corresponding period. The trade receivables were assessed for recoverability and adequate provision for expected credit losses was made. There is currently an absence of empirical data in the real estate sector to support a quantitative estimate of the property held by the company.

Loss per share

The calculation of loss per share is based on the loss attributable to shareholders of Rs74,895,215 (Sep 2019: profit of Rs9,355,581) and the number of the shares in issue of 45,961,580 (Sep 2019: 45,961,580).

Dividend

No dividend is declared during the nine months ended 30 September 2020.

Outlook

The company which is engaged in the hospitality sector continues to be materially impacted by the Covid-19 pandemic despite the re-opening of the Mauritian borders as from 1 October 2020 under strict sanitary protocols such as required quarantine period of fourteen days in an approved hotel among others. The ongoing Covid-19 situation continues to impact on the behaviour of the global tourism industry. Fixed costs, in the absence of sufficient revenue, gave rise to a loss for the nine months ended 30 September 2020. It is still expected that recovery will be slow and gradual, with the sector not resuming normal operating levels within the foreseeable future. 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. The extension of the moratorium for existing debt repayment beyond 2021 is under review. Even the borders were open, 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 is ongoing.

Others

The abridged financial statements for the quarter and nine months ended 30 September 2020 are unaudited. The accounting policies and standards used in the preparation of these abridged unaudited financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2019, except for relevant amendments to published standards, standards and interpretations issued and which are effective as from 1 January 2020. This interim report complies with IAS 34.

Copies of the above abridged unaudited 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

3 November 2020

These abridged unaudited financial statements are issued pursuant to DEM Rule 17 and Rule 8 of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007.

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter ended 30 September 2020	Quarter ended 30 September 2019	Nine Months ended 30 September 2020	Nine Months ended 30 September 2019
	Rs Unaudited	Rs Unaudited	Rs Unaudited	Rs Unaudited
Revenue	15,683,863	138,883,866	145,002,854	416,036,167
Operating (loss)/profit	(27,323,756)	4,397,955	(68,691,183)	26,868,648
Finance costs	(4,883,113)	(5,513,789)	(15,689,424)	(14,237,067)
(Loss)/profit before taxation	(32,206,869)	(1,115,814)	(84,380,607)	12,631,581
Taxation	(777,301)	(355,000)	9,485,392	(3,276,000)
(Loss)/profit for the period	(32,984,170)	(1,470,814)	(74,895,215)	9,355,581
Other comprehensive loss for the period	-	-	(442,390)	-
Total comprehensive (loss)/income for the period	(32,984,170)	(1,470,814)	(75,337,605)	9,355,581
(Loss)/earnings per share (basic and diluted)	(0.72)	(0.03)	(1.63)	0.20

STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Revaluation Reserve	(Accumulated Losses)/ Retained Earnings	Total
	Rs Unaudited	Rs Unaudited	Rs Unaudited	Rs Unaudited
Balance at 1 January 2019	459,615,800	590,776,575	58,373,627	1,108,766,002
Revaluation surplus realised on depreciation	-	(6,114,951)	6,114,951	-
Total comprehensive income for the period	-	-	9,355,581	9,355,581
Dividend	-	-	(45,961,580)	(45,961,580)
Balance at 30 September 2019	459,615,800	584,661,624	27,882,579	1,072,160,003
Balance at 1 January 2020	459,615,800	605,119,584	61,653,677	1,126,389,061
Revaluation surplus realised on depreciation	-	(6,325,848)	6,325,848	-
Total comprehensive loss for the period	-	-	(75,337,605)	(75,337,605)
Balance at 30 September 2020	459,615,800	598,793,736	(7,358,080)	1,051,051,456