

# SOUTHERN CROSS TOURIST COMPANY LIMITED AND ITS SUBSIDIARIES

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2020

## UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

|                                     | THE GROUP        |                  |                     |
|-------------------------------------|------------------|------------------|---------------------|
|                                     | Quarter ended    |                  | Year Ended          |
|                                     | 31 March<br>2020 | 31 March<br>2019 | 31 December<br>2019 |
|                                     | Rs'000           | Rs'000           | Rs'000              |
|                                     | Unaudited        | Unaudited        | Audited             |
| <b>ASSETS</b>                       |                  |                  |                     |
| Non-current assets                  | 2,740,076        | 1,542,085        | 2,775,333           |
| Current assets                      | 317,251          | 195,729          | 272,581             |
| <b>Total assets</b>                 | <b>3,057,327</b> | <b>1,737,814</b> | <b>3,047,914</b>    |
| <b>EQUITY AND LIABILITIES</b>       |                  |                  |                     |
| Capital and reserves                | 845,317          | 296,186          | 854,691             |
| Non-current liabilities             | 2,002,953        | 1,343,634        | 1,924,348           |
| Current liabilities                 | 209,057          | 97,994           | 268,875             |
| <b>Total equity and liabilities</b> | <b>3,057,327</b> | <b>1,737,814</b> | <b>3,047,914</b>    |

## UNAUDITED CONDENSED STATEMENT OF CASHFLOWS

|  | THE GROUP        |                  |                     |
|--|------------------|------------------|---------------------|
|  | Quarter ended    |                  | Year Ended          |
|  | 31 March<br>2020 | 31 March<br>2019 | 31 December<br>2019 |
|  | Rs'000           | Rs'000           | Rs'000              |
|  | Unaudited        | Unaudited        | Audited             |
| Net cash (used in)/generated from operating activities   | (19,789)         | 24,770           | 8,131               |
| Net cash used in investing activities                    | (28,209)         | (145,560)        | (343,275)           |
| Net cash generated from financing activities             | 36,257           | 28,991           | 219,064             |
| Net decrease in cash and cash equivalents                | (11,741)         | (91,799)         | (116,080)           |
| Cash and cash equivalents at the beginning of the period | 13,855           | 129,935          | 129,935             |
| Cash and cash equivalents at the end of the period       | 2,114            | 38,136           | 13,855              |

## UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

|  | THE GROUP        |                  |                     |
|--|------------------|------------------|---------------------|
|  | Quarter ended    |                  | Year Ended          |
|  | 31 March<br>2020 | 31 March<br>2019 | 31 December<br>2019 |
|  | Rs'000           | Rs'000           | Rs'000              |
|  | Unaudited        | Unaudited        | Audited             |
| Revenue  | 185,643          | 68,841           | 523,128             |
| Operating profit                                   | 41,665           | 12,905           | 62,334              |
| Finance costs - Borrowings                         | (34,754)         | (4,086)          | (63,652)            |
| Finance costs - Right-of-use assets                | (4,905)          | -                | (19,587)            |
| Share of result of associate                       | 115              | (2)              | 414                 |
| Profit/(loss) before closure costs                 | 2,121            | 8,817            | (20,491)            |
| Closure costs                                      | (6,389)          | (47,562)         | (62,566)            |
| Loss before taxation                               | (4,268)          | (38,745)         | (83,057)            |
| Taxation   | (5,106)          | 6,293            | 18,889              |
| Loss for the period                                | (9,374)          | (32,452)         | (64,168)            |
| Other comprehensive income                         | -                | -                | 590,221             |
| Total comprehensive income for the period          | (9,374)          | (32,452)         | 526,053             |
| <b>Loss attributable to:</b>                       |                  |                  |                     |
| Owners of the parent                               | (9,374)          | (32,452)         | (64,168)            |
| Non-controlling interests                          | -                | -                | -                   |
|  | (9,374)          | (32,452)         | (64,168)            |
| <b>Total comprehensive income attributable to:</b> |                  |                  |                     |
| Owners of the parent                               | (9,374)          | (32,452)         | 526,053             |
| Non-controlling interests                          | -                | -                | -                   |
|  | (9,374)          | (32,452)         | 526,053             |
| Loss per share                                     | Re/cs (0.07)     | (0.26)           | (0.51)              |

## UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

|   | THE GROUP        |                  |                     |
|---|------------------|------------------|---------------------|
|   | Quarter ended    |                  | Year Ended          |
|   | 31 March<br>2020 | 31 March<br>2019 | 31 December<br>2019 |
|   | Rs'000           | Rs'000           | Rs'000              |
|   | Unaudited        | Unaudited        | Audited             |
| Balance at the beginning of the period    | 854,691          | 298,638          | 298,638             |
| Total comprehensive income for the period | (9,374)          | (32,452)         | 526,053             |
| Capital contribution                      | -                | 30,000           | 30,000              |
| Balance at the end of the period          | 845,317          | 296,186          | 854,691             |

## NOTES:

- The interim condensed financial statements for the quarter ended 31 March 2020 are unaudited. The accounting policies and standards used in the preparation of these interim condensed financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2019, except for the adoption of relevant amendments to published Standards and Interpretations issued now effective. This interim report complies with IAS 34 "Interim Financial Reporting".
- The company owns and manages Preskil Island Resort situated at Pointe Jerome, Mahebourg and Solana Beach Mauritius at Belle Mare. The company also manages Astroe Beach, a boutique hotel situated at Pte d'Esny.
- The Group's turnover improved by Rs 117m from Rs 69m to Rs 186m and operating results from Rs 13m to Rs 42m, following the re-opening of Preskil Island Resort coupled with improved yield in terms of higher room rates at Solana Beach. However, with the outbreak of Covid-19 pandemic and worldwide travel restrictions, the Group's revenue has been negatively impacted since the month of March 2020. Both resorts had to cease operations since end of March 2020 following the closure of the Mauritian borders and the suspension of commercial flights.
- Net finance costs for the first quarter 2020 amounted to Rs 40m 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.
- Following the closure of Solana Beach on 20 March 2020 due to Covid-19 pandemic, an amount of Rs 6m has been recognised as closure costs.
- As a result of the improved performance of both resorts for the first quarter of year 2020, loss before tax for quarter ended 31 March 2020 has been mitigated in spite of the impact of Covid-19 pandemic and amounted to Rs 4m compared to Rs 39m last year.

## SPECIAL NOTE:

With the uncertainty regarding the re-opening of the Mauritian borders and the pandemic still active in our main markets (Europe, South Africa), the Group's revenues and cash flows are being and will continue to be severely affected. The Group has taken various measures to reduce costs by putting on hold most of its contracts with suppliers and freezing any new recruitment and capital expenditure. The Group has obtained financial support from its lenders by way of deferment in interest and capital repayments as well as new working capital facilities. The Group has also received wage assistance support from the Government since March 2020 and the management team and staff have voluntarily participated in a salary reduction scheme. A number of hospitality industry support measures have been announced by the Government which will alleviate the stress on the Group's cashflow. Management considers that the group will return to profitability once the tourism sector recovers and the pandemic subsides.

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

This 13<sup>th</sup> July 2020

*The Board of Directors accepts full responsibility for the accuracy of the information contained in the above unaudited condensed financial statements. Copies of the unaudited condensed 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 Company Secretary, free of charge, at C/O Navitas Corporate Services Ltd, Navitas House, Robinson Road, Floréal.*  
*This statement is issued pursuant to DEM RULE 17 and Securities Act 2005.*