

# SOUTHERN CROSS TOURIST COMPANY LIMITED AND ITS SUBSIDIARIES

ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

## ABRIDGED STATEMENT OF FINANCIAL POSITION

	THE GROUP	
	2019	2018
	Rs'000	Rs'000
<b>ASSETS</b>		
Non-current assets	2,775,333	1,397,320
Current assets	272,581	325,204
<b>Total assets</b>	<b>3,047,914</b>	<b>1,722,524</b>
<b>EQUITY AND LIABILITIES</b>		
Capital and reserves	854,691	298,638
Non-current liabilities (*)	1,924,348	1,345,415
Current liabilities (*)	268,875	78,471
<b>Total equity and liabilities</b>	<b>3,047,914</b>	<b>1,722,524</b>

\* Following the implementation of IFRS 16 on 1 January 2019, a net amount of Rs 240m has been accounted as right-of-use assets and Rs 224m as lease liabilities.

## ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP	
	2019	2018
	Rs'000	Rs'000
Revenue	523,128	328,434
Gross profit	304,741	193,552
Other income	9,830	7,370
	314,571	200,922
Administrative and other expenses	(252,237)	(159,327)
	62,334	41,595
Net finance costs	(83,239)	(15,455)
Share of profit of associate	414	194
(Loss)/ profit before exceptional item	(20,491)	26,334
Exceptional item	-	(73,936)
Closure costs	(62,566)	(92,024)
Loss before taxation	(83,057)	(139,626)
Taxation	18,889	32,789
Loss for the year	(64,168)	(106,837)
Other comprehensive income for the year	590,221	7,668
Total comprehensive income for the year	526,053	(99,169)
<b>Loss attributable to:</b>		
Owners of the parent	(64,168)	(106,837)
Non-controlling interests	-	-
	(64,168)	(106,837)
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	526,053	(99,169)
Non-controlling interests	-	-
	526,053	(99,169)
Loss per share	(Re/cs) (0.51)	(0.85)

## ABRIDGED STATEMENT OF CHANGES IN EQUITY

THE GROUP	Stated capital Rs'000	Capital contribution Rs'000	Financial assets at FVOC reserve Rs'000	Actuarial (losses)/ gains Rs'000	Revaluation surplus		(Revenue deficit)/ retained earnings Rs'000	Total equity Rs'000
					Property, plant and equipment Rs'000	Right-of-use assets Rs'000		
Balance at 1 January 2019	253,186	20,000	43	415	-	-	24,994	298,638
Loss for the year	-	-	-	-	-	-	(64,168)	(64,168)
Other comprehensive income	-	-	5	(7,761)	137,004	460,973	-	590,221
Total comprehensive income for the year	-	-	5	(7,761)	137,004	460,973	(64,168)	526,053
Capital contribution	-	30,000	-	-	-	-	-	30,000
<b>Balance at 31 December 2019</b>	<b>253,186</b>	<b>50,000</b>	<b>48</b>	<b>(7,346)</b>	<b>137,004</b>	<b>460,973</b>	<b>(39,174)</b>	<b>854,691</b>
Balance at 1 January 2018	253,186	-	58	(7,268)	-	-	131,831	377,807
Loss for the year	-	-	-	-	-	-	(106,837)	(106,837)
Other comprehensive income	-	-	(15)	7,683	-	-	-	7,668
Total comprehensive income for the year	-	-	(15)	7,683	-	-	(106,837)	(99,169)
Capital contribution	-	20,000	-	-	-	-	-	20,000
<b>Balance at 31 December 2018</b>	<b>253,186</b>	<b>20,000</b>	<b>43</b>	<b>415</b>	<b>-</b>	<b>-</b>	<b>24,994</b>	<b>298,638</b>

## ABRIDGED STATEMENT OF CASH FLOWS

	THE GROUP	
	2019	2018
	Rs'000	Rs'000
Net cash generated from/(used in) operating activities	8,131	(111,091)
Net cash used in investing activities	(343,275)	(619,005)
Net cash from financing activities	219,064	898,599
(Decrease)/increase in cash and cash equivalents	(116,080)	168,503
<b>Movement in cash and cash equivalents</b>		
At 1 January,	129,935	(38,568)
(Decrease)/increase	(116,080)	168,503
At 31 December,	13,855	129,935

### NOTES:

- The abridged consolidated financial statements have been prepared based on the financial statements which have been audited by BDO & Co and prepared in accordance with International Financial Reporting Standards and on the basis of the accounting policies set out in the audited financial statements of the group for the year ended 31 December 2019.
- The company owns and manages Preskil Island Resort situated at Pointe Jerome, Mahebourg and Solana Beach at Belle Mare. The company also manages Astroea Beach, a boutique hotel situated at Pte D'Esny.
- The group has revalued all its buildings and leasehold rights; the valuation was carried out by an Independent Certified Practising Valuer. Valuations were made on the basis of open market value and a net amount of Rs 598m was credited to revaluation surplus.
- The re-opening of Preskil Island Resort as a 4+\* family resort since mid-May 2019 has been a success, with an average occupancy rate of 78.4% over 7.5 months. Despite a year-on-year decrease of 1.1% in tourist arrivals, Solana Beach has registered an improved occupancy rate of 83.8% (2018: 79.1%). The combined occupancy rate in both resorts stood at 81% compared to the industry average of 73% for year 2019.

5. The Group's turnover improved by 59% from Rs 328m to Rs 523m as well as operating results by 50% from Rs 42m to Rs 62m following the re-opening of Preskil Island Resort coupled with improved yield in terms of higher room rates and room occupancy at Solana Beach.

6. The Group's net results have been negatively impacted by Rs 4.5m following the adoption of IFRS 16 and Rs 5.7m with regards to additional depreciation charge on revaluation of the Group's buildings and right-of-use assets.

7. Finance costs amounted to Rs 83m 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.

### SPECIAL NOTE:

With the outbreak of COVID-19 pandemic and worldwide travel restrictions, the tourism industry is facing major and evolving challenges. The Group's results will be negatively impacted with cancelled bookings and uncertainty regarding future bookings. Management has set up a Crisis Committee to devise strategies to reduce costs and is working in close collaboration with AHRIM and the Authorities. A number of hospitality industry support measures are being finalised to that effect.

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

This 12<sup>th</sup> May 2020

*The Board of Directors accepts full responsibility for the accuracy of the information contained in the above audited financial statements. Copies of the abridged audited 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 Secretary, free of charge, at C/O Navitas Corporate Services Ltd, Navitas House, Robinson Road, Floréal.*

*This statement is issued pursuant to DEM RULE 18 and Securities Act 2005.*