

SOUTHERN CROSS TOURIST COMPANY LIMITED AND ITS SUBSIDIARIES

ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

ABRIDGED STATEMENT OF FINANCIAL POSITION

	THE GROUP	
	2020 Rs'000	2019 Rs'000
ASSETS		
Non-current assets	2,576,950	2,690,463
Current assets	242,774	272,581
Total assets	2,819,724	2,963,044
EQUITY AND LIABILITIES		
Capital and reserves	586,111	854,691
Non-current liabilities	2,066,386	1,839,478
Current liabilities	167,227	268,875
Total equity and liabilities	2,819,724	2,963,044

ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP	
	2020 Rs'000	2019 Rs'000
Revenue	257,803	523,128
Gross profit	159,378	304,741
Other income	29,083	9,977
	188,461	314,718
Administrative and other expenses	(271,448)	(244,696)
	(82,987)	70,022
Net foreign exchange loss	(60,816)	(9,295)
Impairment losses on financial assets	(15,200)	(7,688)
Finance costs	(106,961)	(73,944)
Share of (loss)/profit of associate	(450)	414
Closure costs	-	(62,566)
Loss before taxation	(266,414)	(83,057)
Taxation	43,225	18,889
Loss for the year	(223,189)	(64,168)
Other comprehensive (loss)/income for the year	(47,526)	590,221
Total comprehensive (loss)/income for the year	(270,715)	526,053
Loss attributable to:		
Owners of the parent	(223,189)	(64,168)
Non-controlling interests	-	-
	(223,189)	(64,168)
Total comprehensive (loss)/income attributable to:		
Owners of the parent	(270,715)	526,053
Non-controlling interests	-	-
	(270,715)	526,053
Loss per share	(Rs/cs) (1.78)	(0.51)

ABRIDGED STATEMENT OF CHANGES IN EQUITY

THE GROUP	Stated capital Rs'000	Capital contribution Rs'000	Financial assets at FVOCI reserve Rs'000	Actuarial (losses)/gains Rs'000	Revaluation surplus			Total equity Rs'000
					Property, plant and equipment Rs'000	Right-of-use assets Rs'000	(Accumulated losses) Rs'000	
Balance at 1 January 2020	253,186	50,000	48	(7,346)	137,004	460,973	(39,174)	854,691
Loss for the year	-	-	-	-	-	-	(223,189)	(223,189)
Other comprehensive loss	-	-	(29)	(47,497)	-	-	-	(47,526)
Total comprehensive loss for the year	-	-	(29)	(47,497)	-	-	(223,189)	(270,715)
Revaluation surplus released on excess depreciation	-	-	-	-	(1,053)	(9,369)	12,557	2,135
Balance at 31 December 2020	253,186	50,000	19	(54,843)	135,951	451,604	(249,806)	586,111
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
Balance at 31 December 2019	253,186	50,000	48	(7,346)	137,004	460,973	(39,174)	854,691

ABRIDGED STATEMENT OF CASH FLOWS

	THE GROUP	
	2020 Rs'000	2019 Rs'000
Net cash generated from operating activities	96,238	8,044
Net cash used in investing activities	(131,998)	(343,275)
Net cash from financing activities	84,796	219,064
Increase/(decrease) in cash and cash equivalents	49,036	(116,167)
Movement in cash and cash equivalents		
At 1 January,	13,855	129,935
Increase/(decrease)	49,036	(116,167)
Effect of foreign exchange rate changes	6,532	87
At 31 December ,	69,423	13,855

NOTES:

- The abridged consolidated financial statements have been prepared based on the financial statements which have been audited by Deloitte 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 2020.
- The company owns and manages Preskil Island Resort situated at Pointe Jerome, Mahebourg and Solana Beach at Belle Mare. The company also manages Astroe Beach, a boutique hotel situated at Pte D'Esny.
- Since the outbreak of the COVID-19 pandemic and the Wakashio oil spill in Pte d'Esny, the Group has been severely affected by the impact of the prolonged crisis which resulted in loss of revenue and disruptions in its supply chain. With travel restrictions imposed both locally and overseas, tourists' arrivals came to a screeching halt since mid-March 2020, with entry being eased with a partial re-opening of the Mauritian borders through a compulsory quarantine of 14 days since October 2020. Management has taken actions to mitigate the impact of Covid-19 on the Group's revenue and net results by offering Solana Beach Mauritius and Preskil Island Resort as accommodations for quarantine since March and September 2020, respectively. Both resorts will continue to operate as quarantine centres as long as there is demand for the same.

4. Management has focused on cost containment to preserve cash and employment and several measures have been taken to alleviate the stress on the group's cash flow, including internal cost cutting initiatives coupled with agreement with debt providers to defer interests and capital repayments, and government support to the industry through Wage Assistance Scheme.

5. Furthermore, SCT has sought financing from the Mauritius Investment Corporation Ltd (MIC) and signed a term sheet for subscription of redeemable and convertible secured bonds for an amount of Rs 350m at a fixed interest rate. The legal and security documents are being finalised and are expected to be completed by Q2-2021.

6. Net finance costs for the year ended 31 December 2020 amounted to Rs 107m and related mostly to interest expense on further drawdown of debt taken to finance the renovation of Preskil Island Resort. It is to be noted that last year Rs 22m of interests for the period up to 15 May 2019 were capitalised in property, plant and equipment prior to the re-opening of Preskil Island Resort compared to a full year's interest charged to the income statement in 2020.

7. All the above resulted in a net loss for the year ended 31st December 2020 of Rs 223m.

SPECIAL NOTE:

With the second wave of Covid-19 locally resulting in a two-months lockdown up to 30 April 2021 and a third wave in the Group's main markets as well as the uncertainty regarding the full re-opening of the Mauritian borders, the Group's performance and cashflows will continue to be affected.

By Order of the Board
Navitas Corporate Services Ltd
Company Secretary

This 23rd April 2021

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.