

SOUTHERN CROSS TOURIST COMPANY LIMITED AND ITS SUBSIDIARIES

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2020

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	THE GROUP		
	30 September 2020	30 September 2019	31 December 2019
	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Audited
ASSETS			
Non-current assets	2,701,343	2,784,272	2,775,333
Current assets	232,772	156,152	272,581
Total assets	2,934,115	2,940,424	3,047,914
EQUITY AND LIABILITIES			
Capital and reserves	675,181	770,004	854,691
Non-current liabilities	2,100,801	1,733,853	1,924,348
Current liabilities	158,133	436,567	268,875
Total equity and liabilities	2,934,115	2,940,424	3,047,914

UNAUDITED CONDENSED STATEMENT OF CASHFLOWS

	THE GROUP		
	Period ended 30 September 2020	Year Ended 30 September 2019	Year Ended 31 December 2019
	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Audited
Net cash generated from operating activities	78,353	25,002	8,131
Net cash used in investing activities	(64,047)	(227,875)	(343,275)
Net cash generated from financing activities	23,754	26,720	219,064
Net increase/(decrease) in cash and cash equivalents	38,060	(176,153)	(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	51,915	(46,218)	13,855

UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP				
	Period ended 30 September 2020	Quarter ended 30 September 2019	Year Ended 30 September 2020	Quarter ended 30 September 2019	Year Ended 31 December 2019
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue	223,992	278,579	35,262	141,613	523,128
Operating (loss)/profit	(47,113)	(14,274)	(27,872)	(7,981)	62,334
Interest expense - borrowings	(64,913)	(38,116)	(21,640)	(19,449)	(54,357)
Foreign exchange (losses)/gains	(74,564)	(4,723)	(47,403)	5,515	(9,295)
Interest expense - leases	(14,589)	(19,709)	(4,891)	(19,582)	(19,587)
Share of result of associate	(208)	77	(152)	173	414
Loss before closure costs	(201,387)	(76,745)	(101,958)	(41,324)	(20,491)
Closure costs	-	(64,495)	-	3,168	(62,566)
Loss before taxation	(201,387)	(141,240)	(101,958)	(38,156)	(83,057)
Taxation	21,877	17,093	12,373	1,872	18,889
Loss for the period	(179,510)	(124,147)	(89,585)	(36,284)	(64,168)
Other comprehensive income	-	565,513	-	393,023	590,221
Total comprehensive income for the period	(179,510)	441,366	(89,585)	356,739	526,053
Loss attributable to:					
Owners of the parent	(179,510)	(124,147)	(89,585)	(36,284)	(64,168)
Non-controlling interests	-	-	-	-	-
	(179,510)	(124,147)	(89,585)	(36,284)	(64,168)
Total comprehensive income attributable to:					
Owners of the parent	(179,510)	441,366	(89,585)	356,739	526,053
Non-controlling interests	-	-	-	-	-
	(179,510)	441,366	(89,585)	356,739	526,053
Loss per share	Rs/cs (1.43)	(0.99)	(0.71)	(0.29)	(0.51)

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

	THE GROUP		
	Period ended 30 September 2020	Year Ended 30 September 2019	Year Ended 31 December 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	(179,510)	441,366	526,053
Capital contribution	-	30,000	30,000
Balance at the end of the period	675,181	770,004	854,691

NOTES:

- The interim condensed financial statements for the period ended 30 September 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 subsequently 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 Astroea Beach, a boutique hotel situated at Pte d'Esny.
- The Group's turnover and operating results for the quarter and period ended 30 September 2020 have been drastically impacted by the outbreak of Covid-19 pandemic and worldwide travel restrictions. Both resorts had to cease operations since end of March 2020 following the closure of the Mauritian borders and the suspension of commercial flights.
- It is to be noted that Preskil Island Resort was opened for Wakashio-related guests in August 2020 and since then, the resort is operating as a quarantine centre. As for Solana Beach Mauritius, the resort is being used as a quarantine centre since the lockdown period in Mauritius.
- Net finance costs for the period ended 30 September 2020 amounted to Rs 154m and related mostly to interest expense on further drawdown of debt taken to finance the renovation of Preskil Island Resort (Rs 65m) and foreign exchange losses due to the depreciation of the MUR relative to the EUR (Rs 75m) as well as lease liabilities following implementation of IFRS 16 (Rs 14m).

SPECIAL NOTE:

With the uncertainty regarding the full re-opening of the Mauritian borders and the second wave of Covid-19 in our main markets (Europe and 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 senior 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.

By Order of the Board

Navitas Corporate Services Ltd
Company Secretary

This 12th November 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, Floral.

This statement is issued pursuant to DEM RULE 17 and Securities Act 2005.