

THE UNION SUGAR ESTATES COMPANY LIMITED AND ITS SUBSIDIARIES

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP		
	Quarter ended		Year Ended
	31 March 2021	31 March 2020	31 December 2020
	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Audited
Revenue	12,844	12,074	135,883
Operating loss before impairment of bearer plants	(3,671)	(10,387)	(42,621)
Impairment of bearer plants	(2,058)	(774)	(6,560)
Operating loss	(5,729)	(11,161)	(49,181)
Other income	3,259	74	6,051
Share of result of associates	764	1,088	898
Profit on disposal of land	20,320	6,010	45,727
Other expenses	-	-	(135)
Profit/(loss) before finance costs	18,614	(3,989)	3,360
Finance costs	(5,093)	(4,217)	(19,405)
Profit/(loss) before taxation	13,521	(8,206)	(16,045)
Taxation	313	83	8,185
Profit/(loss) from continuing operations	13,834	(8,123)	(7,860)
(Loss)/profit from discontinued operations	(527)	24,087	25,845
Profit for the period/year	13,307	15,963	17,985
Other comprehensive loss for the period/year	(4,101)	(190)	(31,239)
Total comprehensive income/(loss) for the period/year	9,206	15,773	(13,254)
Results attributable to:			
Owners of the parent	13,307	11,715	13,239
Non-controlling interests	-	4,248	4,746
	13,307	15,963	17,985
Total comprehensive income attributable to:			
Owners of the parent	9,206	11,525	(18,000)
Non-controlling interests	-	4,248	4,746
	9,206	15,773	(13,254)
Earnings/(loss) per share			
- Continuing operations	Rs. 0.73	(0.43)	(0.42)
- Continuing and discontinued operations	Rs. 0.70	0.62	0.70
Number of ordinary shares ('000)	18,900	18,900	18,900

UNAUDITED CONDENSED STATEMENT OF CASHFLOWS

	THE GROUP		
	Quarter ended		Year Ended
	31 March 2021	31 March 2020	31 December 2020
	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Audited
Net cash used in operating activities	(32,137)	(49,206)	(120,869)
Net cash generated from/(used in) investing activities	39,023	15,851	(79,609)
Net cash (used in)/generated from financing activities	(2,660)	41,607	250,819
Increase in cash and cash equivalents	4,226	8,252	50,341
Movement in cash and cash equivalents			
At 1 January,	(18,901)	(69,242)	(69,242)
Increase	4,226	8,252	50,341
At 31 March /31 December,	(14,675)	(60,990)	(18,901)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	THE GROUP			
	Quarter ended		Year Ended	
	31 March 2021	31 March 2020	31 December 2020	
	Rs'000	Rs'000	Rs'000	
	Unaudited	Unaudited	Audited	
ASSETS				
Non-current assets	1,981,447	1,902,164	1,982,266	
Current assets	238,965	200,161	250,267	
Total assets	2,220,412	2,102,325	2,232,533	
EQUITY AND LIABILITIES				
Owners' interests	1,571,722	1,598,561	1,562,516	
Non-current liabilities	452,117	206,292	451,801	
Current liabilities	196,573	297,472	218,216	
Total equity and liabilities	2,220,412	2,102,325	2,232,533	
SEGMENTAL INFORMATION - THE GROUP				
Business segments	AGRO	HOSPITALITY	OTHERS	TOTAL
	Rs'000	Rs'000	Rs'000	Rs'000
Unaudited quarter to 31 March 2021				
Revenue from external customers	5,088	-	7,756	12,844
Operating loss	(1,916)	-	(3,813)	(5,729)
Unaudited quarter to 31 March 2020				
Revenue from external customers	4,194	-	7,880	12,074
Operating loss	(10,719)	-	(442)	(11,161)

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent					
	Share capital	Revaluation and other reserves	Retained earnings/ (accumulated losses)	Total	Non-controlling interests	Total equity
THE GROUP						
Balance at 1 January 2021	1,890	1,684,557	(123,931)	1,562,516	-	1,562,516
Profit for the year	-	-	13,307	13,307	-	13,307
Other comprehensive loss for the year	-	(4,101)	-	(4,101)	-	(4,101)
Total comprehensive income for the year	-	(4,101)	13,307	9,206	-	9,206
Revaluation surplus released on disposal of land	-	(15,955)	15,955	-	-	-
Revaluation surplus released on depreciation of property, plant and equipment	-	(211)	211	-	-	-
Balance at 31 March 2021	1,890	1,664,290	(94,458)	1,571,722	-	1,571,722
Attributable to owners of the parent						
THE GROUP						
Balance at 1 January 2020	18,900	2,211,292	64,417	2,294,609	115,832	2,410,441
Profit for the year	-	-	11,715	11,715	4,248	15,963
Other comprehensive loss for the year	-	(190)	-	(190)	-	(190)
Total comprehensive income for the year	-	(190)	11,715	11,525	4,248	15,773
Capital reduction	(17,010)	-	17,010	-	-	-
Shares distributed in lieu of dividends	-	-	(757,573)	(757,573)	-	(757,573)
Deconsolidation adjustments	-	(481,468)	531,468	50,000	(120,080)	(70,080)
Revaluation surplus released on disposal of land	-	(1,820)	1,820	-	-	-
Balance at 31 March 2020	1,890	1,727,814	(131,143)	1,598,561	-	1,598,561

NOTES

- The interim condensed financial statements for the period ended 31 March 2021 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 2020, 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 activities of the company consist of growing and cultivation of sugar cane and other agricultural products. Due to the seasonal nature of the business in which the company operates, turnover is generated during harvest season, that is between July and December. The operating subsidiary is engaged in management services.
- Performance review:
 - The revenue of the group for the quarter under review amounted to Rs 13m which was at par with last year.
 - The operating loss of the group has been reduced from Rs 11m last year to Rs 6m for the quarter ended 31 March 2021.
 - Profit on disposal of land for the quarter under review amounted to Rs 20m.
 - All the above resulted in a profit from continuing operations of Rs 14m for the quarter ended 31 March 2021 compared to a loss of Rs 8m for the same quarter last year.
- On 29 December 2020, the Group entered into a bilateral agreement to dispose of its wholly owned subsidiary, Les Lodges d'Union Ltée and a net loss of Rs 527k has been recognised for the first quarter of year 2021 under discontinued operations. The disposal is expected to be completed during the year 2021. Figures for last year included 1.5 months' of operation for Southern Cross Tourist Company Limited which is no longer a subsidiary of USE since 12 February 2020.
- In the national budget speech, the Government announced a National Biomass Framework which caters for a better remuneration of sugarcane bagasse in its effort to support green electricity production in the country. As such, the Group will benefit from an additional remuneration of Rs 3,300 per tonne of sugar with regards to electricity production from bagasse.

By Order of the Board
Navitas Corporate Services Ltd
Company Secretary

This 25th June 2021

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