

THE UNION SUGAR ESTATES 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	1,857,062	4,690,249	4,685,760
Current assets	286,045	207,059	341,494
Non-current assets classified as held for sale	11,811	71,394	75,014
Total assets	2,154,918	4,968,702	5,102,268
EQUITY AND LIABILITIES			
Owners' interests	1,560,480	2,224,446	2,294,609
Non-controlling interests	-	100,177	115,832
Non-current liabilities	419,623	1,970,419	2,161,173
Current liabilities	174,815	673,660	530,654
Total equity and liabilities	2,154,918	4,968,702	5,102,268

UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME THE GROUP

	Period ended		Quarter ended		Year Ended
	30 September 2020	30 September 2019	30 September 2020	30 September 2019	31 December 2019
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Continuing operations					
Revenue	61,992	65,342	27,084	27,262	165,626
Operating loss before impairment of bearer plants	(37,378)	(28,421)	(27,972)	(28,798)	(12,688)
Impairment of bearer plants	(4,916)	(2,410)	(3,493)	(185)	(4,674)
Operating loss	(42,294)	(30,831)	(31,465)	(28,983)	(17,362)
Increase in FV of Investment Property	-	7,963	-	-	7,963
Other income	4,133	3,270	2,421	896	4,363
	(38,161)	(19,598)	(29,044)	(28,087)	(5,036)
Net finance costs	(13,896)	(14,869)	(5,416)	(5,695)	(17,235)
Share of result of associates	64	(463)	(936)	(551)	(6,384)
Loss before exceptional items	(51,993)	(34,930)	(35,396)	(34,333)	(28,656)
Exceptional items	12,900	20,929	(8,763)	7,766	20,643
Loss before taxation	(39,903)	(14,001)	(44,159)	(26,567)	(8,013)
Taxation	(4,911)	109	(4,937)	36	(1,551)
Loss for the period from continuing operations	(44,814)	(13,892)	(49,096)	(26,531)	(9,564)
Discontinued operations					
Profit/(loss) for the period from discontinued operations	22,975	(124,147)	-	(36,281)	(56,919)
Loss for the period	(21,839)	(138,039)	(49,096)	(62,812)	(66,483)
Other comprehensive income	(474)	902,144	(41)	398,139	916,406
Total comprehensive income for the period	(22,313)	764,105	(49,137)	335,327	849,923
Profit/(loss) attributable to:					
Owners of the parent	(26,087)	(115,084)	(49,096)	(56,103)	(54,619)
Non-controlling interests	4,248	(22,955)	-	(6,709)	(11,864)
	(21,839)	(138,039)	(49,096)	(62,812)	(66,483)
Total comprehensive income attributable to:					
Owners of the parent	(26,561)	682,496	(49,137)	269,364	752,659
Non-controlling interests	4,248	81,609	-	65,963	97,264
	(22,313)	764,105	(49,137)	335,327	849,923
Loss per share					
From continuing and discontinued operations Rs/cs	(1.38)	(6.09)	(2.60)	(2.97)	(2.89)
From continuing operations	(2.37)	(0.74)	(2.60)	(1.40)	(0.51)
Number of ordinary shares	(000)	18,900	18,900	18,900	18,900

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

THE GROUP	Attributable to owners of the parent					
	Share capital	Revaluation and other reserves	Retained earnings/(revenue deficit)	Total	Non-controlling interests	Total equity
Balance at 1 January 2020	18,900	2,211,292	64,417	2,294,609	115,832	2,410,441
Total comprehensive income for the period	-	(474)	(26,087)	(26,561)	4,248	(22,313)
Capital reduction	(17,010)	-	17,010	-	-	-
Shares distributed in lieu of dividend	-	-	(437,324)	(437,324)	-	(437,324)
Consolidation adjustment	-	(481,463)	211,219	(270,244)	(120,080)	(390,324)
Release on disposal of land	-	(15,177)	15,177	-	-	-
Balance at 30 September 2020	1,890	1,714,178	(155,588)	1,560,480	-	1,560,480
Balance at 1 January 2019	18,900	1,424,226	98,824	1,541,950	18,568	1,560,518
Total comprehensive income for the period	-	797,580	(115,084)	682,496	81,609	764,105
Release on disposal of land	-	(8,583)	8,583	-	-	-
Balance at 30 September 2019	18,900	2,213,223	(7,677)	2,224,446	100,177	2,324,623

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 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.
- Performance review:
 - On 12 February 2020, USE has distributed all ordinary shares held in Southern Cross Tourist Company Limited to its shareholders and as such, SCT is no longer a subsidiary of USE. All the results of SCT Group have thus been disclosed under discontinued operations and a net profit of Rs 23m has been recognised up to the date of distribution.
 - The revenue of the group for the period ended 30 September 2020 amounted to Rs 62m and was slightly lower than last year.
 - The group has recorded an operating loss of Rs 42m for the period ended 30 September 2020 compared to Rs 31m last year mainly due to an unfavourable variance of Rs 14m arising from the fair value movement in standing cane.
 - Net finance costs of the group for the period under review amounted to Rs 14m and was almost at par with last year.
 - All the above have resulted in a net loss of Rs 22m for the period ended 30 September 2020 compared to Rs 138m last year. Previous year figures include losses in SCT group of Rs 124m disclosed under discontinued operations.
- The sugar industry of Mauritius remains under pressure due to low sugar prices on both European and world markets as well as increased costs of production. The Government of Mauritius has commissioned a study from the World Bank aiming at restructuring the sugar sector in Mauritius with a series of mitigating and support measures that are expected to be finalised before year end 2020. A biomass framework is under consideration by the Authorities and its application should contribute to the sustainability of the sugarcane industry.

This 12th November 2020

By Order of the Board
Navitas Corporate Services Ltd
Company Secretary

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 82(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.

UNAUDITED CONDENSED STATEMENT OF CASHFLOWS THE GROUP

	Period ended	Year Ended	
	30 September 2020	30 September 2019	31 December 2019
	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Audited
Net cash (used in)/generated from operating activities	(113,141)	5,440	(30,933)
Net cash generated from/(used in) investing activities	134,450	(190,260)	(284,379)
Net cash generated from/(used in) financing activities	44,999	(9,031)	180,988
Increase/(decrease) in cash and cash equivalents	66,308	(193,851)	(134,324)
Movement in cash and cash equivalents			
At 1 January,	(69,242)	65,082	65,082
Increase/(decrease)	66,308	(193,851)	(134,324)
At 30 September/31 December,	(2,934)	(128,769)	(69,242)

SEGMENTAL INFORMATION - THE GROUP

Business segments	AGRO	HOSPITALITY	OTHERS	TOTAL
	Rs'000	Rs'000	Rs'000	Rs'000
Unaudited nine months to 30 September 2020				
Revenue from external customers	32,559	5,138	24,295	61,992
Operating loss	(34,725)	(2,329)	(5,240)	(42,294)
Unaudited nine months to 30 September 2019				
Revenue from external customers	33,155	11,012	21,175	65,342
Operating loss	(20,940)	(599)	(9,292)	(30,831)