

THE UNION SUGAR ESTATES COMPANY LIMITED AND ITS SUBSIDIARIES

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2020

UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP		
	Quarter ended		Year Ended
	31 March 2020	31 March 2019	31 December 2019
	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Audited
Continuing operations			
Revenue	15,378	13,591	165,626
Operating (loss)/profit before impairment of bearer plants	(10,550)	3,893	(12,688)
Impairment of bearer plants	(774)	(1,951)	(4,674)
Operating (loss)/profit	(11,324)	1,942	(17,362)
Increase in FV of Investment Property	-	-	7,963
Other income	708	670	4,363
	(10,616)	2,612	(5,036)
Net finance costs	(4,216)	(4,069)	(17,235)
Share of result of associates	1,088	794	(6,384)
Loss before exceptional items	(13,743)	(662)	(28,656)
Exceptional items	6,010	17,851	20,643
Closure costs	(298)	-	-
(Loss)/profit before taxation	(8,033)	17,189	(8,013)
Taxation	83	36	(1,551)
(Loss)/profit for the period from continuing operations	(7,950)	17,225	(9,564)
Discontinued operations			
Profit/(loss) for the period from discontinued operations	23,914	(30,708)	(56,919)
Profit/(loss) for the period	15,963	(13,483)	(66,483)
Other comprehensive income	(190)	187	916,406
Total comprehensive income for the period	15,773	(13,296)	849,923
Profit/(loss) attributable to:			
Owners of the parent	11,715	(7,483)	(54,619)
Non-controlling interests	4,248	(6,000)	(11,864)
	15,963	(13,483)	(66,483)
Total comprehensive income attributable to:			
Owners of the parent	11,525	(7,296)	752,659
Non-controlling interests	4,248	(6,000)	97,264
	15,773	(13,296)	849,923
Earnings/(loss) per share			
From continuing and discontinued operations	Re/cs 0.62	(0.40)	(2.89)
From continuing operations	Re/cs (0.42)	0.91	(0.51)
Number of ordinary shares	('000) 18,900	18,900	18,900

UNAUDITED CONDENSED STATEMENT OF CASHFLOWS

	THE GROUP		
	Quarter ended		Year Ended
	31 March 2020	31 March 2019	31 December 2019
	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Audited
Net cash (used in)/generated from operating activities	(49,206)	23,292	(30,933)
Net cash generated from/(used in) investing activities	15,851	(119,442)	(284,379)
Net cash generated/(used in) from financing activities	41,607	(7,389)	180,988
Increase/(decrease) in cash and cash equivalents	8,252	(103,539)	(134,324)
Movement in cash and cash equivalents			
At 1 January,	(69,242)	65,082	65,082
Increase/(decrease)	8,252	(103,539)	(134,324)
At 31 March /31 December,	(60,990)	(38,457)	(69,242)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	THE GROUP			
	Quarter ended		Year Ended	
	31 March 2020	31 March 2019	31 December 2019	
	Rs'000	Rs'000	Rs'000	
	Unaudited	Unaudited	Audited	
ASSETS				
Non-current assets	1,930,808	3,106,759	4,685,760	
Current assets	105,382	237,870	341,494	
Non-current assets classified as held for sale	66,135	72,927	75,014	
Total assets	2,102,325	3,417,556	5,102,268	
EQUITY AND LIABILITIES				
Owners' interests	1,598,561	1,534,654	2,294,609	
Non-controlling interests	-	12,568	115,832	
Non-current liabilities	208,980	1,451,532	2,161,173	
Current liabilities	294,784	418,802	530,654	
Total equity and liabilities	2,102,325	3,417,556	5,102,268	
SEGMENTAL INFORMATION - THE GROUP				
Business segments	AGRO	HOSPITALITY	OTHERS	TOTAL
	Rs'000	Rs'000	Rs'000	Rs'000
Unaudited quarter to 31 March 2020				
Revenue from external customers	4,194	3,304	7,880	15,378
Operating loss	(10,719)	(163)	(442)	(11,324)
Unaudited quarter to 31 March 2019				
Revenue from external customers	5,225	3,798	4,568	13,591
Operating profit/(loss)	6,336	(380)	(4,014)	1,942

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent					
	Share capital	Revaluation and other reserves	Retained earnings/ (revenue deficit)	Total	Non-controlling interests	Total equity
THE GROUP						
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	-	(190)	11,715	11,525	4,248	15,773
Capital reduction	(17,010)	-	17,010	-	-	-
Shares distributed in lieu of dividend	-	-	(437,324)	(437,324)	-	(437,324)
Consolidation adjustment	-	(481,468)	211,219	(270,249)	(120,080)	(390,329)
Release 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
Attributable to owners of the parent						
	Share capital	Revaluation and other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE GROUP						
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	-	187	(7,483)	(7,296)	(6,000)	(13,296)
Revaluation surplus released on disposal of land	-	(980)	980	-	-	-
Balance at 31 March 2019	18,900	1,423,433	92,321	1,534,654	12,568	1,547,222

NOTES

- The interim condensed financial statements for the quarter ended 31 March 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 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 24m has been recognised up to the date of distribution.
 - The revenue of the group for the quarter ended 31 March 2020 amounted to Rs 15m and was almost at par with last year.
 - The group has recorded an operating loss of Rs 11m for the quarter ended 31 March 2020 compared to a profit of Rs 2m last year mainly due to an unfavourable variance of Rs 15m arising from the fair value movement in standing cane.
 - Net finance costs of the group for the quarter under review amounted to Rs 4m and was same as last year.
 - Exceptional items of Rs 6m for the first quarter of year 2020 related to a profit on sale of land.
 - All the above have resulted in a net profit of Rs 16m for the quarter ended 31 March 2020 compared to a loss of Rs 13m last year.
 - 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 13th July 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 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.*