

# THE UNION SUGAR ESTATES COMPANY LIMITED AND ITS SUBSIDIARIES

## UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

### UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	THE GROUP		
	Period ended		Year Ended
	30 September 2019	30 September 2018	31 December 2018
	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Audited
<b>ASSETS</b>			
Non-current assets	4,690,249	2,667,201	2,963,701
Current assets	207,059	682,216	351,117
Non-current assets classified as held for sale	71,394	69,753	82,297
<b>Total assets</b>	<b>4,968,702</b>	<b>3,419,170</b>	<b>3,397,115</b>
<b>EQUITY AND LIABILITIES</b>			
Owners' interests	2,224,446	1,530,887	1,541,950
Non-controlling interests	100,177	16,895	18,568
Non-current liabilities (*)	1,970,419	1,495,100	1,455,103
Current liabilities (*)	673,660	376,288	381,494
<b>Total equity and liabilities</b>	<b>4,968,702</b>	<b>3,419,170</b>	<b>3,397,115</b>

\* Following the implementation of IFRS 16, an amount of Rs 412m has been accounted as right of use assets and lease liabilities.

### UNAUDITED CONDENSED STATEMENT OF CASHFLOWS

	THE GROUP		
	Period ended		Year Ended
	30 September 2019	30 September 2018	31 December 2018
	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Audited
Net cash generated from/(used in) operating activities	5,440	(8,944)	(52,609)
Net cash used in investing activities	(190,260)	(360,339)	(681,813)
Net cash (used in)/generated from financing activities	(9,031)	907,679	876,951
(Decrease)/increase in cash and cash equivalents	(193,851)	538,396	142,529
<b>Movement in cash and cash equivalents</b>			
At 1 January,	65,082	(77,447)	(77,447)
(Decrease)/increase	(193,851)	538,396	142,529
At 30 September/31 December,	(128,769)	460,949	65,082

### SEGMENTAL INFORMATION - THE GROUP

Business segments	AGRO	HOSPITALITY	OTHERS	TOTAL
	Rs'000	Rs'000	Rs'000	Rs'000
<b>Unaudited nine months to 30 September 2019</b>				
Revenue	33,155	291,206	13,705	338,066
Operating segment results	(20,940)	(15,582)	(15,519)	(52,041)
<b>Unaudited nine months to 30 September 2018</b>				
Revenue	32,470	267,632	13,197	313,299
Operating segment results	(43,210)	19,706	(11,674)	(35,178)

### UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP				
	Period ended		Quarter ended		Year Ended
	30 September 2019	30 September 2018	30 September 2019	30 September 2018	31 December 2018
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue	338,066	313,299	167,008	75,133	492,129
Operating loss before impairment of bearer plants	(49,631)	(20,652)	(38,746)	(842)	(4,564)
Impairment of bearer plants	(2,410)	(14,526)	(185)	(14,526)	(16,451)
Operating loss	(52,041)	(35,178)	(38,931)	(15,368)	(21,015)
Increase in fair value of investment property	7,963	-	-	-	-
Other income	5,556	16,042	2,085	8,960	15,672
	(38,522)	(19,136)	(36,846)	(6,408)	(5,343)
Net finance costs	(75,559)	(26,093)	(38,434)	(5,156)	(29,876)
Share of result of associates	(386)	(598)	(376)	(299)	(1,470)
Loss before exceptional items	(114,467)	(45,827)	(75,656)	(11,863)	(36,689)
Exceptional items	20,929	(52,162)	7,766	687	(49,322)
Closure costs	(61,703)	(60,018)	3,169	(35,759)	(92,024)
Loss before taxation	(155,241)	(158,007)	(64,721)	(46,935)	(178,035)
Taxation	17,202	14,104	1,909	(1,611)	33,631
Loss for the period	(138,039)	(143,903)	(62,812)	(48,546)	(144,404)
Other comprehensive income	902,144	71	398,139	40	13,308
Total comprehensive income for the period	764,105	(143,832)	335,327	(48,506)	(131,096)
<b>Loss attributable to:</b>					
Owners of the parent	(115,084)	(125,058)	(56,103)	(41,857)	(125,822)
Non-controlling interests	(22,955)	(18,845)	(6,709)	(6,689)	(18,582)
	(138,039)	(143,903)	(62,812)	(48,546)	(144,404)
<b>Total comprehensive income attributable to:</b>					
Owners of the parent	682,496	(124,987)	269,364	(41,817)	(113,924)
Non-controlling interests	81,609	(18,845)	65,963	(6,689)	(17,172)
	764,105	(143,832)	335,327	(48,506)	(131,096)
Loss per share	Rs. (6.09)	(6.62)	(2.97)	(2.21)	(6.66)
Number of ordinary shares	(000) 18,900	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
		Rs'000	Rs'000			
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	-	-	-
<b>Balance at 30 September 2019</b>	<b>18,900</b>	<b>2,213,223</b>	<b>(7,677)</b>	<b>2,224,446</b>	<b>100,177</b>	<b>2,324,623</b>
Balance at 1 January 2018	18,900	1,415,980	222,736	1,657,616	25,566	1,683,182
Total comprehensive income for the period	-	71	(125,058)	(124,987)	(18,845)	(143,832)
Release on disposal of land	-	(964)	964	-	-	-
Consolidation adjustment	-	98	(1,840)	(1,742)	1,742	-
Issue of shares to non-controlling interests	-	-	-	-	8,432	8,432
<b>Balance at 30 September 2018</b>	<b>18,900</b>	<b>1,415,185</b>	<b>96,802</b>	<b>1,530,887</b>	<b>16,895</b>	<b>1,547,782</b>

### NOTES

- The interim condensed financial statements for the period ended 30 September 2019 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 2018. 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 mainly generated during harvest season, that is between July and December. The subsidiaries are engaged mainly in hospitality segment.
- The group has revalued all its land, buildings and leasehold rights; the valuation was carried out by an Independent Certified Practising Valuer. Valuations were made on the basis of open market value and Rs 902m was credited to equity.
- Performance review:
  - The revenue of the group for the period ended 30 September 2019 increased by Rs 25m compared to the same period last year, mainly due to the successful re-opening of Preskil Island Resort and also to the improvement in occupancy rate at Solana Beach Mauritius by 6.7% (74.5% to 81.2%), resulting in an increase of Rs 16m in revenue, despite a drop of 0.1% in tourists arrivals over the same period.
  - Exceptional items of Rs 21m for the period ended 30 September 2019 related to profit on disposal of land.
  - Despite the closure of Preskil Island Resort, the group showed slightly improved results after accounting for exceptional items above.
  - Management is confident that the group's next quarter's results should improve based on the re-opening of Preskil Island Resort as regards to the hospitality segment and an improved sugarcane harvest coupled with an expected slight recovery of European sugar prices for the agro segment.

This 13<sup>th</sup> November 2019

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 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.*