THE UNION SUGAR ESTATES COMPANY LIMITED AND ITS SUBSIDIARIES

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	THE GROUP			
		30 September		
	2021	2020	2020	
	Rs'000	Rs'000	Rs'000	
ASSETS	Unaudited	Unaudited	Audited	
Non-current assets	1,957,520	1,828,668	1,982,266	
Current assets	266,585	326,249	250,267	
Total assets	2,224,105	2,154,917	2,232,533	
EQUITY AND LIABILITIES				
Capital and reserves	1,614,123	1,560,475	1,562,516	
Non-current liabilities				
- Borrowings and Lease liabilities	308,733	342,673	338,682	
- Deferred tax liabilities	76	391		
- Retirement benefit obligations	116,100	73,763	113,119	
	424,909	416,827	451,801	
Current liabilities				
- Trade and other payables	133,886	158,755	176,241	
- Current tax liabilities	-	-	83	
- Borrowings and Lease liabilities	51,187	12,630	34,774	
 Liabilities directly associated wit 	h			
assets classified as held for sale		6,230	7,118	
	185,073	177,615	218,216	
Total equity and liabilities	2,224,105	2,154,917	2,232,533	

UNAUDITED CONDENSED STATEMENT OF CASHFLOWS

66,308

(2.934)

AGRO OTHERS

_	THE GROUP					
	Period e	Year Ended				
	30 September	30 September	31 December			
	2021	2020	2020			
•	Rs'000	Rs'000	Rs'000			
	Unaudited	Unaudited	Audited			
Net cash used in operating activities Net cash generated from/(used in)	es (48,253)	(113,141)	(120,869)			
investing activities Net cash (used in)/generated from	56,758	(72,850)	(79,609)			
financing activities	(7,895)	252,299	250,819			
Increase in cash and cash equivalents	610	66,308	50,341			
Movement in cash and cash equivalents						
At 1 January,	(18,901)	(69,242)	(69,242)			

SEGMENTAL INFORMATION - THE GROUP

610

(18,291)

Increase

Operating loss

At 30 September/31 December,

Business segments	Rs'000	Rs'000	Rs'000
Unaudited nine months to 30 September 2021 Revenue from external customers Operating profit/(loss)	48,106	24,063 (10,291)	72,169 (8,214)
Unaudited nine months to 30 September 2020 Revenue from external customers	32,559	24,295	56,854

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

	Period	ended	Quarte	Year Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020	31 December 2020
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Continuing operations	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue	72,169	56,854	41,012	25,726	135,883
Operating loss before	72,103	30,034	41,012	23,720	133,003
impairment of bearer plants	(8,214)	(55,428)	(12,582)	(46,425)	(42,621)
Impairment of bearer plants	(0,214)	(4,916)		(3,493)	. , ,
Operating loss	(8,214)				
Other income	13,587	2,969	6,403	2,050	6,051
Share of result of associates	264	64	(545)		,
Profit/(loss) on disposal of land	68,154	32,470	(1,891)		45,727
Loss on disposal of subsidiary	(4,677)	,	(4,677)		13,727
Other expenses	(1,077)	_	(1,077)	_	(135)
Profit/(loss) before finance costs	69,114	(24,841)	(13,292)	(37,308)	
Finance costs	(15,634)				,
Profit/(loss) before taxation	53,480	(38,737)			
Taxation	2,203	(4,911)		(4,938)	
Profit/(loss) from continuing					
operations	55,683	(43,648)	(16,949)	(47,662)	(7,860)
(Loss)/profit from discontinued	,	(10,010)	(12,212,	(,,	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
operations	(2,258)	21,809	(384)	(1,434)	25,845
Profit/(loss) for the period/year	53,425	(21,839)			
Other comprehensive (loss)/	,	(=:,===,	(11,000)	(11,110)	,
income for the period/year	(4,002)	(474)	78	(41)	(31,239)
Total comprehensive income/					
(loss) for the period/year	49,423	(22,313)	(17,255)	(49,137)	(13,254)
Results attributable to:					
Owners of the parent	53,425	(26,087)	(17,333)	(49,096)	
Non-controlling interests		4,248			4,746
	53,425	(21,839)	<u>(17,333</u>)	<u>(49,096</u>)	17,985
Total comprehensive					
income/(loss) attributable to:					
Owners of the parent	49,423	(26,561)	(17,255)	(49,137)	
Non-controlling interests		4,248			4,746
	49,423	(22,313)	(17,255)	(49,137)	(13,254)
Earnings/(loss) per share					
- Continuing operations R	s <u>2.95</u>	(2.31)	(0.90)	(2.52)	(0.42)
- Continuing and discontinued				,	
operations R	s <u>2.83</u>	(1.38)	(0.92)	(2.60)	0.70
Number of ordinary shares (000	0) 18,900	18,900	18,900	18,900	18,900
• • • •					

NOTES

50,341

(18,901)

TOTAL

(60,344)

- 1. The interim condensed financial statements for the period ended 30 September 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".
- 2. 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.
- 3. Performance review:
- (i) The revenue of the group for the nine months ended 30 September 2021 increased by Rs 15m to reach Rs 72m. The Group has received a compensation of Rs 7.8m from SIFB for crop 2020 which was declared event year on account of drought. Furthermore, the Group has recorded an increase in sugar revenue following a rise in sugar price for both crop 2020 and 2021 coupled with better return from its diversification activities. The group will also benefit from a remuneration of Rs 3,300 per tonne of sugar accrued as from crop 2021 with regards to electricity production from bagasse. This measure is essential to contribute to the sustainability of the cane industry in the future.

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

		Attributable to owners of the parent						
				(Accumulated				
			Revaluation	losses)/		Non-		
		Share	and other	retained		controlling	Total	
		capital	reserves	<u>earnings</u>	Total	interests	equity	
	THE GROUP	Rs′000	Rs′000	Rs′000	Rs′000	Rs′000	Rs'000	
	Balance at 1 January 2021	1,890	1,684,557	(123,931)	1,562,516		1,562,516	
	Profit for the period	-	-	53,425	53,425	-	53,425	
	Other comprehensive loss for the period		(4,002)		(4,002)		(4,002)	
	Total comprehensive income for the period		(4,002)	53,425	49,423		49,423	
	Revaluation surplus released on							
	disposal of land Revaluation surplus released on	-	(102,419)	102,419	-	-	-	
	ROU assets, net of deferred tax	-	(7,835)	9,440	1,605	-	1,605	
	Revaluation surplus released on depreciation of property, plant							
	and equipment, net of deferred tax	_	(4,258)	5,012	754		754	
	Deconsolidation adjustments	_	(7,308)		(175)	_	(175)	
	Balance at 30 September 2021	1,890	1,558,735	53,498	1,614,123		1,614,123	
	balance at 30 September 2021	1,030	1,330,733	33,490	1,017,123		1,014,123	
		Attributable to owners of the parent						
		Retained						
			Revaluation	earnings/		Non-		
		Share	and other	(accumulated		controlling	Total	
		capital	reserves	losses)	Total	interests	equity	
	THE GROUP	Rs′000	Rs′000	Rs'000	Rs'000	Rs'000	Rs'000	
	Balance at 1 January 2020	18,900	2,211,292	64,417	2,294,609	115,832	2,410,441	
	Loss for the period	-	-	(26,087)	(26,087)	4,248	(21,839)	
	Other comprehensive loss for the period		(474)		(474)		(474)	
	Total comprehensive loss for the period		(474)	(26,087)	(26,561)	4,248	(22,313)	
	Capital reduction	(17,010)	-	17,010	-	-	-	
	Shares distributed in lieu of dividends	-	-	(757,573)	(757,573)	-	(757,573)	
-1							(70.000)	
IJ	Deconsolidation adjustments	-	(481,468)	531,468	50,000	(120,080)	(70,080)	
	Revaluation surplus released on	-			50,000	(120,080)	(70,080)	
		1,890	(481,468) (15,177) 1,714,173	15,177	- 1,560,475		- 1,560,475	

- (ii) The Group's operating results improved from a loss of Rs 60m last year to Rs 8m for the period under review mainly due to an increase of Rs 15m in revenue coupled with costs containment of Rs 39m in the Agro segment. In 2020, the Group recorded a non-cash land compensation of Rs 21m which was offered as part of a voluntary termination package to its
- (iii) Profit on disposal of land for the period ended 30 September 2021 amounted to Rs 68m.
- (iv) All the above resulted in a profit of Rs 53m for the nine months ended 30 September 2021 compared to a loss of Rs 22m for the same period last year.

By Order of the Board

Navitas Corporate Services Ltd Company Secretary

This 15th November 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, Floréal. This statement is issued pursuant to DEM RULE 17 and Securities Act 2005.