

Vivo Energy Mauritius Limited - Abridged Financial Statements

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

	(Restated)	
	2018	2017
	Rs'000	Rs'000
Revenue from contract with customers	12,849,184	10,467,842
Cost of sales	(11,943,911)	(9,660,792)
Gross profit	905,273	807,050
Other income	68,716	67,152
Other gains/(losses) on exchange - net	4,999	(6,811)
Distribution costs	(39,200)	(44,722)
Administrative expenses	(541,944)	(465,776)
Operating profit	397,844	356,893
Finance income	4,830	4,002
Finance costs	(39,559)	(38,752)
Finance costs - net	(34,729)	(34,750)
Share of profit of joint ventures	7,517	6,756
Profit before income tax	370,632	328,899
Income tax expense	(60,812)	(53,152)
Profit for the year	309,820	275,747
Basic and diluted earnings per share	Rs 10.57	9.40
Number of shares used in the calculation	(000's) 29,322	29,322

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	(Restated)	
	2018	2017
	Rs'000	Rs'000
Profit for the year	309,820	275,747
Other comprehensive income :		
Items that will not be reclassified to profit or loss :		
Remeasurements of retirement benefit obligations	(19,492)	2,096
Effect of deferred tax on remeasurements of retirement benefit obligations	3,314	(356)
Other comprehensive income for the year, net of tax	(16,178)	1,740
Total comprehensive income for the year	293,642	277,487

STATEMENT OF FINANCIAL POSITION - 31 DECEMBER 2018

	(Restated)		(Restated)
	31 Dec 2018	31 Dec 2017	01 Jan 2017
	Rs'000	Rs'000	Rs'000
ASSETS			
Non-current assets			
Property, plant and equipment	1,178,431	1,122,963	1,127,168
Intangible assets	1,006	2,363	2,237
Right-of-use assets	292,985	326,255	371,398
Prepaid leases	8,627	9,205	9,784
Financial assets at amortised cost	3,540	2,919	5,990
Investment in joint ventures	37,811	37,794	39,538
	1,522,400	1,501,499	1,556,115
Current assets			
Inventories	844,513	792,709	416,363
Trade and other receivables	965,035	890,930	776,162
Cash and cash equivalents	447,804	269,800	397,785
	2,257,352	1,953,439	1,590,310
Total assets	3,779,752	3,454,938	3,146,425
EQUITY & LIABILITIES			
Equity			
Share capital	293,223	293,223	293,223
Retained earnings	764,014	708,175	590,549
Total equity	1,057,237	1,001,398	883,772
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities	76,624	74,039	73,311
Retirement benefit obligations	74,528	68,815	80,326
Lease liability	288,624	330,772	367,636
	439,776	473,626	521,273
Current liabilities			
Bank overdrafts	206,975	-	-
Trade and other payables	1,607,063	1,552,311	1,339,267
Deposits on LPG cylinders	393,674	374,260	344,043
Current income tax liabilities	22,016	16,513	21,274
Lease liability	53,011	36,830	36,796
	2,282,739	1,979,914	1,741,380
Total liabilities	2,722,515	2,453,540	2,262,653
Total equity and liabilities	3,779,752	3,454,938	3,146,425

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital	Retained earnings	Total equity
	Rs'000	Rs'000	Rs'000
At 01 January 2017	293,223	555,872	849,095
Adjustment on depreciation (net of tax)	-	34,677	34,677
At 01 January 2017 (as restated)	293,223	590,549	883,772
Comprehensive income			
Profit for the year	-	270,431	270,431
Adjustment on depreciation (net of tax)	-	5,316	5,316
Profit for the year (as restated)	-	275,747	275,747
Other comprehensive income	-	1,740	1,740
Total comprehensive income (as restated)	-	277,487	277,487
Transactions with owners			
Dividends declared	-	(159,806)	(159,806)
Payment of forfeited dividends	-	(55)	(55)
Total transactions with owners	-	(159,861)	(159,861)
At 31 December 2017 (as restated)	293,223	708,175	1,001,398
At 01 January 2018 (as restated)	293,223	708,175	1,001,398
Comprehensive income			
Profit for the year	-	309,820	309,820
Other comprehensive income	-	(16,178)	(16,178)
Total comprehensive income	-	293,642	293,642
Transactions with owners			
Dividends declared	-	(237,803)	(237,803)
Total transactions with owners	-	(237,803)	(237,803)
At 31 December 2018	293,223	764,014	1,057,237

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	(Restated)	
	2018	2017
	Rs'000	Rs'000
Cash flows from operating activities		
Profit before income tax	370,632	328,899
Adjustments for:		
Depreciation on property, plant and equipment	116,126	116,885
Depreciation on right-of-use assets	47,405	45,143
Loss allowance for receivables	(7,682)	2,357
Bad debts written off	967	1,458
Amortisation of intangible assets	1,357	1,118
Amortisation of prepaid leases	578	579
Interest expense	36,251	34,411
Loss/(Profit) on disposal of property, plant and equipment	1,874	(261)
Interest income	(4,830)	(4,002)
Unrealised loss on exchange	391	10,890
Share of profit of joint venture	(7,517)	(6,756)
Charge for retirement benefit obligations	4,898	5,879
Cash generated before working capital changes	560,450	536,600
Increase in inventories	(51,804)	(376,346)
Increase in receivables and prepayments	(64,206)	(112,461)
Increase in trade and other payables	52,926	214,199
Increase in deposits on LPG cylinders	19,414	30,217
Cash generated from operations	516,780	292,209
Interest paid	(36,251)	(34,411)
Income tax paid	(49,410)	(57,541)
Retirement benefit contributions paid	(18,677)	(15,294)
Net cash generated from operating activities	412,442	184,963
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	436	270
Interest received	4,830	4,002
Loan to dealers	(4,000)	(4,000)
Dividends received from joint venture	7,500	10,000
Payments for purchase of property, plant and equipment and intangible assets	(173,904)	(113,933)
Investment in joint venture	-	(1,500)
Net cash used in investing activities	(165,138)	(105,161)
Cash flows from financing activities		
Dividends paid to company's shareholders	(237,803)	(159,861)
Repayment of lease liability	(40,102)	(36,830)
Net cash used in financing activities	(277,905)	(196,691)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(30,601)	(116,889)
Cash, cash equivalents and bank overdrafts at beginning of year	269,800	397,785
Effect of exchange rate changes on cash, cash equivalents and bank overdrafts	1,630	(11,096)
Cash, cash equivalents and bank overdrafts at end of year	240,829	269,800

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

1. GENERAL INFORMATION

Vivo Energy Mauritius Limited (the "Company") is a limited liability company listed on the Stock Exchange of Mauritius and is incorporated and domiciled in Mauritius.

The Company's principal activity is the marketing and distribution of petroleum products. Its joint venture, Energy Storage Company Limited, is involved in the provision of LPG terminal usage facilities. The other joint venture, Mer Rouge Oil Storage Terminal Co. Ltd, is involved in the storage of petroleum products.

These summarised financial statements were authorised for issue by the Board of Directors on 22 March 2019.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These summarised financial statements are issued pursuant to Listing Rule 12.20 and have been derived from the full set of financial statements for the year ended 31 December 2018 which have been audited by PricewaterhouseCoopers.

The audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to companies reporting under IFRS and under the historical cost convention.

The principal accounting policies applied in the preparation of the audited financial statements are the same as those applied for the preparation of the previous year's audited financial statements.

3. SEGMENT INFORMATION

Year ended 31 December 2018

	Regulated	Non-regulated	Total
	Rs'000	Rs'000	Rs'000
Revenue from contract with customers	7,658,973	5,190,211	12,849,184
Segment results	235,097	286,279	521,376
Unallocated costs			(123,532)
Operating profit			397,844

Year ended 31 December 2017 (Restated)

	Regulated	Non-regulated	Total
	Rs'000	Rs'000	Rs'000
Revenue from contract with customers	6,818,101	3,649,741	10,467,842
Segment results	229,346	261,210	490,556
Unallocated costs			(133,663)
Operating profit			356,893

31 December 2018

	Regulated	Non-regulated	Total
	Rs'000	Rs'000	Rs'000
Segment assets	1,573,422	1,130,581	2,704,003
Joint venture	19,125	18,686	37,811
Unallocated assets			1,037,938
Total assets			3,779,752
Segment liabilities	680,308	572,514	1,252,822
Unallocated liabilities			1,469,693
Total liabilities			2,722,515

31 December 2017 (Restated)

	Regulated	Non-regulated	Total
	Rs'000	Rs'000	Rs'000
Segment assets	1,554,394	1,062,992	2,617,386
Joint venture	17,421	20,373	37,794
Unallocated assets			799,758
Total assets			3,454,938
Segment liabilities	813,219	620,246	1,433,465
Unallocated liabilities			1,020,075
Total liabilities			2,453,540

4. DIVIDENDS

The Company declared dividends of Rs 8.11 per share in 2018 (Rs 1.61 as final dividend in respect of the financial year ended 31 December 2017 and Rs 6.50 as interim dividend in respect of the financial year ended 31 December 2018).

5. REVIEW OF RESULTS

Sales proceeds have gone up by Rs 2.38bn (23%) between 2017 and 2018, whilst gross profit increased by Rs. 98m (12%). This is

largely due to the increase of the oil price on the international market and a good performance of the Commercial business. Operating expenditure has increased by 14% as compared to 2017. Contrary to the previous year, the Company was positively impacted by difference in exchange this year. Overall, the operating profit and the net profit for 2018 have increased by 11% and 12% respectively as compared to 2017.

Total comprehensive income for the year has increased by 6% as compared to 2017,

adversely impacted by the re-measurements of retirement benefit obligations.

6. FUTURE DEVELOPMENTS

The joint industry depot of Mer Rouge Oil Storage Terminal Co. Ltd. (MOST) is now functional.

BY ORDER OF THE BOARD
22 MARCH 2019