

# SOUTHERN CROSS TOURIST COMPANY LIMITED AND ITS SUBSIDIARIES

ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## ABRIDGED STATEMENT OF FINANCIAL POSITION

	THE GROUP	
	2018 Rs'000	2017 Rs'000
<b>ASSETS</b>		
Non-current assets	1,397,320	837,180
Current assets	325,204	153,230
<b>Total assets</b>	<u>1,722,524</u>	<u>990,410</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>	298,638	377,807
Non-current liabilities	1,345,415	459,874
Current liabilities	78,471	152,729
<b>Total equity and liabilities</b>	<u>1,722,524</u>	<u>990,410</u>

## ABRIDGED STATEMENT OF CASH FLOWS

	THE GROUP	
	2018 Rs'000	2017 Rs'000
Net cash (used in)/generated from operating activities	(84,156)	45,784
Net cash used in investing activities	(645,940)	(19,047)
Net cash generated from/(used in) financing activities	898,599	(40,323)
Increase/(decrease) in cash and cash equivalents	<u>168,503</u>	<u>(13,586)</u>
<b>Movement in cash and cash equivalents</b>		
At 1 January,	(38,568)	(24,982)
Increase/(decrease)	168,503	(13,586)
At 31 December,	<u>129,935</u>	<u>(38,568)</u>

## ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP	
	2018 Rs'000	2017 Rs'000
Revenue	328,434	555,186
Gross profit	193,552	319,105
Other income	7,370	9,359
	<u>200,922</u>	<u>328,464</u>
Administrative and other expenses	(159,327)	(275,743)
	41,595	52,721
Net finance costs	(15,455)	(33,874)
Share of profit of associate	194	409
Profit before exceptional item	26,334	19,256
Exceptional item	(73,936)	(13,066)
Closure costs	(92,024)	-
(Loss)/profit before taxation	(139,626)	6,190
Taxation	32,789	(5,489)
(Loss)/profit for the year	(106,837)	701
Other comprehensive income for the year	7,668	(4,818)
Total comprehensive income for the year	<u>(99,169)</u>	<u>(4,117)</u>
<b>(Loss)/profit attributable to:</b>		
Owners of the parent	(106,837)	701
Non-controlling interests	-	-
	<u>(106,837)</u>	<u>701</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	(99,169)	(4,117)
Non-controlling interests	-	-
	<u>(99,169)</u>	<u>(4,117)</u>
(Loss)/earnings per share (Re/cs)	<u>(0.85)</u>	<u>0.01</u>

## ABRIDGED STATEMENT OF CHANGES IN EQUITY

	Stated capital Rs'000	Capital contribution Rs'000	Financial Available- assets for-sale at FVOCI		Actuarial (losses)/ gains Rs'000	Retained earnings Rs'000	Total Rs'000
			reserve Rs'000	reserve Rs'000			
<b>THE GROUP</b>							
Balance at 1 January 2018							
- as previously reported	253,186	-	-	58	(7,268)	131,831	377,807
- effect of changes in accounting policies	-	-	58	(58)	-	-	-
- as restated	<u>253,186</u>	<u>-</u>	<u>58</u>	<u>-</u>	<u>(7,268)</u>	<u>131,831</u>	<u>377,807</u>
Loss for the year	-	-	-	-	-	(106,837)	(106,837)
Other comprehensive income	-	-	(15)	-	7,683	-	7,668
Total comprehensive income for the year	-	-	(15)	-	7,683	(106,837)	(99,169)
Capital contribution	-	20,000	-	-	-	-	20,000
<b>Balance at 31 December 2018</b>	<u>253,186</u>	<u>20,000</u>	<u>43</u>	<u>-</u>	<u>415</u>	<u>24,994</u>	<u>298,638</u>
Balance at 1 January 2017	253,186	-	-	49	(2,441)	131,130	381,924
Profit for the year	-	-	-	-	-	701	701
Other comprehensive income	-	-	-	9	(4,827)	-	(4,818)
Total comprehensive income for the year	-	-	-	9	(4,827)	701	(4,117)
<b>Balance at 31 December 2017</b>	<u>253,186</u>	<u>-</u>	<u>-</u>	<u>58</u>	<u>(7,268)</u>	<u>131,831</u>	<u>377,807</u>

### NOTES:

1. The abridged consolidated financial statements have been prepared based on the financial statements which have been audited by BDO & Co and prepared in accordance with International Financial Reporting Standards and on the basis of the accounting policies set out in the audited financial statements of the group for the year ended 31 December 2018.

2. The company owns and manages Preskil Island Resort situated at Pointe Jerome, Mahebourg and Solana Beach at Belle Mare. The company also manages Astroea Beach, a boutique hotel situated at Pte D'Esny.

3. It is to be noted that Preskil Island Resort has closed down during the last week of April 2018 for renovation works, thus explaining the significant fall in revenue of Rs 227m for the year under review. It is however worth noting that Solana Beach has recorded on the other hand an increase in revenue of Rs 15m to reach Rs 206m this year and a profit after tax of Rs 13m compared to loss of Rs 25m last year. Solana Beach has also recorded an occupancy rate of 79% for the year under review while the industry average stood at 75%.

4. Operating profit for the year ended 31 December 2018 amounted to Rs 42m compared to Rs 53m last year. The results are not fully comparable to last year's figure due to closure of Preskil Island Resort and to the reclassification of part of its operating expenses under closure costs. However, it is to be noted that both resorts have registered an improved yield in terms of higher room rates and reduction in expenses due to better costs containment and lower maintenance costs compared to last year.

5. The results for the year ended 31 December 2018 have been significantly impacted by a loss on assets scrapped of Rs 74m recorded in exceptional item and closure costs of Rs 92m which both arose as a result of the renovation of Preskil Island Resort.

6. Net finance costs for the year 2018 has decreased by Rs 18m due to a positive variance on net foreign exchange differences arising mainly from the retranslation of its borrowings in foreign currency as at 31 December 2018.

7. Consequently, the group's net results after tax amounted to a loss of Rs 107m for the year ended 31 December 2018 compared to a profit of Rs 0.7m last year.

8. Occupancy rate and results for the first quarter 2019 for Solana Beach have exceeded forecasts and look promising for the next quarter.

9. The opening of Preskil Island Resort is scheduled for mid May 2019. The renovation, with a new concept and architecture, will substantially enhance the quality of the hotel and reposition it in the luxury segment.

By Order of the Board  
**Navitas Corporate Services Ltd**  
Company Secretary  
This 25<sup>th</sup> of March 2019

*The Board of Directors accepts full responsibility for the accuracy of the information contained in the above audited financial statements. Copies of the abridged audited 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, Florida. This statement is issued pursuant to DEM RULE 18 and Securities Act 2005.*