

COMPAGNIE DE BEAU VALLON LIMITEE AND ITS SUBSIDIARIES

ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

ABRIDGED STATEMENT OF FINANCIAL POSITION

	THE GROUP	
	2018	2017
	Rs'000	Rs'000
ASSETS		
Non-current assets	9,734,021	7,848,888
Current assets	475,359	490,342
Non-current assets classified as held for sale	82,297	32,630
Total assets	10,291,677	8,371,860
EQUITY AND LIABILITIES		
Owners' interest	4,547,906	3,884,073
Non-controlling interests	863,944	928,162
Non-current liabilities	3,643,826	2,687,799
Current liabilities	1,236,001	871,826
Total equity and liabilities	10,291,677	8,371,860

ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP	
	2018	2017
	Rs'000	Rs'000
Revenue	705,979	992,111
Operating loss before impairment of bearer plants	(230,288)	(224,780)
Impairment of bearer plants	(113,492)	(64,790)
Operating loss	(343,780)	(289,570)
Other income	17,633	29,521
	(326,147)	(260,049)
Net finance costs	(158,709)	(179,525)
Loss from ordinary activities	(484,856)	(439,574)
Share of result of associates	69	2,376
Loss before exceptional items	(484,787)	(437,198)
Exceptional items	63,876	59,804
Closure costs	(93,354)	-
Loss before taxation	(514,265)	(377,394)
Taxation	57,257	(23,085)
Loss for the year	(457,008)	(400,479)
Other comprehensive income for the year	1,125,637	(26,729)
Total comprehensive income for the year	668,629	(427,208)
Results attributable to:		
Owners of the parent	(374,757)	(337,342)
Non-controlling interests	(82,251)	(63,137)
	(457,008)	(400,479)
Total comprehensive income attributable to:		
Owners of the parent	744,790	(355,586)
Non-controlling interests	(76,161)	(71,622)
	668,629	(427,208)
Loss per share	Rs. (7,926.33)	(7,134.98)
Number of ordinary shares	47,280	47,280

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent					
	Share capital	Revaluation and other reserves	(Revenue deficit)/retained earnings	Total	Non-controlling interests	Total equity
THE GROUP						
Balance at 1 January 2018						
- as previously reported	47,280	3,608,031	228,762	3,884,073	928,162	4,812,235
- effect of changes in accounting policies	-	-	(78,176)	(78,176)	-	(78,176)
- as restated	47,280	3,608,031	150,586	3,805,897	928,162	4,734,059
Loss for the year	-	-	(374,757)	(374,757)	(82,251)	(457,008)
Other comprehensive income for the year	-	1,119,547	-	1,119,547	6,090	1,125,637
Total comprehensive income for the year	-	1,119,547	(374,757)	744,790	(76,161)	668,629
Issue of shares	-	-	-	-	8,432	8,432
Consolidation adjustments	-	188	(2,969)	(2,781)	3,511	730
Revaluation surplus released on disposal of land	-	(14,245)	14,245	-	-	-
	-	(14,057)	11,276	(2,781)	11,943	9,162
Balance at 31 December 2018	47,280	4,713,521	(212,895)	4,547,906	863,944	5,411,850
Balance at 1 January 2017	47,280	3,665,728	526,651	4,239,659	999,784	5,239,443
Loss for the year	-	-	(337,342)	(337,342)	(63,137)	(400,479)
Other comprehensive income for the year	-	(18,244)	-	(18,244)	(8,485)	(26,729)
Total comprehensive income for the year	-	(18,244)	(337,342)	(355,586)	(71,622)	(427,208)
Share of movement in reserves in associates	-	(148)	148	-	-	-
Transfer to retained earnings	-	(39,305)	39,305	-	-	-
	-	(39,453)	39,453	-	-	-
Balance at 31 December 2017	47,280	3,608,031	228,762	3,884,073	928,162	4,812,235

SEGMENTAL INFORMATION - THE GROUP

Business segments	AGRO	LEISURE	OTHERS	TOTAL
	Rs'000	Rs'000	Rs'000	Rs'000
Year ended 31 December 2018				
Revenue	323,014	371,376	11,589	705,979
Operating segment results before impairment and additional depreciation	(195,350)	43,419	(18,992)	(170,923)
Impairment losses on bearer plants	(113,492)	-	-	(113,492)
Consolidation adjustment:				
- Additional depreciation on fair value of assets arising on restructuring of the Group	-	(59,365)	-	(59,365)
Operating segment results	(308,842)	(15,946)	(18,992)	(343,780)
Year ended 31 December 2017				
Revenue	382,728	598,891	10,492	992,111
Operating segment results before additional depreciation	(197,538)	55,162	(23,039)	(165,415)
Impairment losses on bearer plants	(64,790)	-	-	(64,790)
Consolidation adjustment:				
- Additional depreciation on fair value of assets arising on restructuring of the Group	-	(59,365)	-	(59,365)
Operating segment results	(262,328)	(4,203)	(23,039)	(289,570)

ABRIDGED STATEMENT OF CASHFLOW

	THE GROUP	
	2018	2017
	Rs'000	Rs'000
Net cash used in operating activities	(160,338)	(91,537)
Net cash (used in)/from investing activities	(912,456)	65,454
Net cash from financing activities	961,065	201,485
(Decrease)/increase in cash and cash equivalents	(111,729)	175,402
Movement in cash and cash equivalents		
At 1 January,	(288,461)	(463,863)
(Decrease)/increase	(111,729)	175,402
At 31 December,	(400,190)	(288,461)

NOTES

- 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.
 - The activities of the company consist of growing and cultivation of sugar cane and other agricultural products. The subsidiaries are engaged mainly in agricultural, hotel keeping and catering activities.
 - Performance review:
 - The revenue of the group for the year ended 31 December 2018 amounted to Rs 706m compared to Rs 992m last year and a loss after tax of Rs 457m compared to Rs 400m last year.
 - The Agro segment has recorded a decrease of Rs 60m in revenue due to drop in net sugar proceeds derived from current year's crop which has been negatively impacted by a decrease in cane tonnage arising mostly from unfavourable climatic conditions and a drastic fall in sugar price accrued for the year ended 31 December 2018 compared to last year.
 - Revenue in the leisure segment has decreased by Rs 227m due to the closure of Preskil Island Resort for renovation works since the last week of April 2018. It is however worth noting that Solana Beach has recorded 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.
 - The group has recorded an operating loss of Rs 344m for the year ended 31 December 2018 compared to Rs 290m last year, hence an unfavourable variance of Rs 54m. This is mainly explained by a reduction in the operating results of Rs 47m in the agro segment and Rs 12m recorded in the leisure segment. Thus, following the drastic fall in sugar prices, the Group's results have been severely impacted by the impairment of bearer plants and standing canes to the tune of Rs 167m. As far as the leisure segment is concerned, operating results are not fully comparable to last year's figure due to closure of both Preskil Island Resort and Astrore Beach, and to the reclassification of part of their operating expenses under closure costs for an amount of Rs 93.4m. However, it is to be noted that Group's 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.
 - Net finance costs for the year 2018 has decreased by Rs 21m mainly due to a positive variance of Rs 17m on net foreign exchange differences arising mainly from the retranslation of its borrowings in foreign currency as at 31 December 2018.
 - Profit on exceptional items for an amount of Rs 137m arising mainly from sale of land, has been lowered to Rs 64m following a loss of Rs 74m on assets scrapped in respect of the renovation of Preskil Island Resort.
 - Following the implementation of new accounting standards (IFRS 15), no profit on disposal of morcellment land could be recognised in year 2018, hence deferred to year 2019 and estimated to Rs 392m for the Group.
 - 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 27th 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, Floréal. This statement is issued pursuant to Listing Rule 12.14 and Section 88 of the Securities Act 2005.*