

THE UNION SUGAR ESTATES COMPANY LIMITED AND ITS SUBSIDIARIES

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	THE GROUP		
	Period ended		Year Ended
	30 June 2019	30 June 2018	31 December 2018
	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Audited
ASSETS			
Non-current assets	3,914,745	2,456,739	2,963,701
Current assets	193,622	914,096	351,117
Non-current assets classified as held for sale	67,943	38,288	82,297
Total assets	4,176,310	3,409,123	3,397,115
EQUITY AND LIABILITIES			
Owners' interests	1,955,082	1,574,446	1,541,950
Non-controlling interests	34,214	13,409	18,568
Non-current liabilities	1,470,450	1,502,858	1,455,103
Current liabilities	716,564	318,410	381,494
Total equity and liabilities	4,176,310	3,409,123	3,397,115

UNAUDITED CONDENSED STATEMENT OF CASHFLOWS

	THE GROUP		
	Period ended		Year Ended
	30 June 2019	30 June 2018	31 December 2018
	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Audited
Net cash (used in)/generated from operating activities	(8,229)	47,845	(52,609)
Net cash used in investing activities	(178,506)	(107,991)	(681,813)
Net cash (used in)/generated from financing activities	(16,496)	897,801	876,951
(Decrease)/increase in cash and cash equivalents	(203,231)	837,655	142,529
Movement in cash and cash equivalents			
At 1 January,	65,082	(77,447)	(77,447)
(Decrease)/increase	(203,231)	837,655	142,529
At 30 June/31 December,	(138,149)	760,208	65,082

SEGMENTAL INFORMATION - THE GROUP

	AGRO	HOSPITALITY	OTHERS	TOTAL
	Rs'000	Rs'000	Rs'000	Rs'000
Business segments				
Unaudited six months to 30 June 2019				
Revenue	16,340	145,581	9,136	171,057
Operating segment results	3,850	(8,256)	(8,705)	(13,111)
Unaudited six months to 30 June 2018				
Revenue	7,586	221,782	8,798	238,166
Operating segment results	(34,186)	22,195	(7,820)	(19,811)

UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP				
	Period ended		Quarter ended	Year Ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	31 December 2018
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue	171,057	238,166	88,064	68,391	492,129
Operating loss before impairment of bearer plants	(10,886)	(19,811)	(26,594)	(42,590)	(4,564)
Impairment of bearer plants	(2,225)	-	(274)	-	(16,451)
Operating loss	(13,111)	(19,811)	(26,868)	(42,590)	(21,015)
Increase in fair value of investment property	7,963	-	7,963	-	-
Other income	3,471	7,082	1,711	4,056	15,672
	(1,677)	(12,729)	(17,194)	(38,534)	(5,343)
Net finance costs	(37,125)	(20,937)	(28,971)	(13,645)	(29,876)
Share of result of associates	(9)	(299)	(801)	(794)	(1,470)
Loss before exceptional items	(38,811)	(33,965)	(46,966)	(52,973)	(36,689)
Exceptional items	13,163	(52,849)	(4,688)	(70,897)	(49,322)
Closure costs	(64,872)	(24,259)	(19,054)	(24,259)	(92,024)
Loss before taxation	(90,520)	(111,073)	(70,708)	(148,129)	(178,035)
Taxation	15,293	15,715	8,964	21,348	33,631
Loss for the period	(75,227)	(95,358)	(61,744)	(126,781)	(144,404)
Other comprehensive income	504,005	31	503,818	(8)	13,308
Total comprehensive income for the period	428,778	(95,327)	442,074	(126,789)	(131,096)
Loss attributable to:					
Owners of the parent	(58,981)	(83,201)	(51,498)	(109,996)	(125,822)
Non-controlling interests	(16,246)	(12,157)	(10,246)	(16,785)	(18,582)
	(75,227)	(95,358)	(61,744)	(126,781)	(144,404)
Total comprehensive income attributable to:					
Owners of the parent	413,132	(83,170)	420,428	(110,004)	(113,924)
Non-controlling interests	15,646	(12,157)	21,646	(16,785)	(17,172)
	428,778	(95,327)	442,074	(126,789)	(131,096)
Loss per share	Rs. (3.12)	(4.40)	(2.72)	(5.82)	(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	Total	Non-controlling interests	Total equity
	Rs'000	Rs'000	Rs'000	Rs'000	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	-	472,113	(58,981)	413,132	15,646	428,778
Release on disposal of land	-	(5,898)	5,898	-	-	-
Balance at 30 June 2019	18,900	1,890,441	45,741	1,955,082	34,214	1,989,296
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	-	31	(83,201)	(83,170)	(12,157)	(95,327)
Release on disposal of land	-	(964)	964	-	-	-
Balance at 30 June 2018	18,900	1,415,047	140,499	1,574,446	13,409	1,587,855

NOTES

- The interim condensed financial statements for the period ended 30 June 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, except for the adoption of new International Financial Reporting Standards issued which are now effective. 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.
- On 30 June 2019, the group has revalued all its buildings on leasehold land; the valuation was carried out by an Independent Certified Practising Valuer. Valuations were made on the basis of open market value and Rs 504m was credited to equity.
- Performance review:
 - The revenue of the group for the period ended 30 June 2019 decreased by Rs 67m compared to the same period last year, due to Preskil Island Resort's closure until May 2019 following major renovation works.
 - The Group's operating loss for the six months ended 30 June 2019 was reduced by Rs 7m and amounted to Rs 13m. Operating loss in the hospitality segment for the period under review amounted to Rs 8m compared to a profit of Rs 22m for the same period last year, the variance being caused by the closure for renovation of Preskil Island Resort. Solana Beach Mauritius's occupancy rate improved by 7% (73.9% to 81.2%), resulting in an increase of Rs 13m in revenue, in spite of only a slight increase of 0.5% in tourists arrivals over the same period.
 - Exceptional items of Rs 13m for the period ended 30 June 2019 related to profit on disposal of land.
 - Management believes that next quarter's results should improve based on the re-opening of Preskil Island Resort and an expected slight recovery of European sugar prices.

This 13th August 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.