

MORNING LIGHT CO LTD

ABRIDGED UNAUDITED FINANCIAL STATEMENTS

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2020

STATEMENT OF FINANCIAL POSITION

	30 June 2020 Rs Unaudited	31 December 2019 Rs Audited
ASSETS		
Non-current assets	1,708,058,912	1,730,951,398
Current assets	87,937,976	164,422,342
Total assets	<u>1,795,996,888</u>	<u>1,895,373,740</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	459,615,800	459,615,800
Revaluation reserve	600,902,352	605,119,584
Retained earnings	23,517,474	61,653,677
Total equity	1,084,035,626	1,126,389,061
Non-current liabilities	537,804,875	540,788,166
Current liabilities	174,156,387	228,196,513
Total equity and liabilities	<u>1,795,996,888</u>	<u>1,895,373,740</u>

COMMENTS

Principal Activity

The company owns a first class resort hotel of international standard named as the "Hilton Mauritius Resort & Spa". The hotel is managed and operated by Hilton International, the worldwide hotel group.

Results

Revenue for the quarter ended 30 June 2020 decreased to Rs0.2M compared to Rs121.5M for the prior corresponding period whilst revenue for the half year ended 30 June 2020 decreased to Rs129.3M compared to Rs277.2M for the prior corresponding period.

The loss after taxation for the quarter ended 30 June 2020 was Rs43.9M compared to a profit after taxation of Rs1.5M for the prior corresponding period whilst loss after taxation for the half year ended 30 June 2020 was Rs49.7M compared to a profit after taxation of Rs10.8M for the prior corresponding period. The trade receivables were assessed for recoverability and adequate provision for expected credit losses was made. There is currently an absence of empirical data in the real estate sector to support a quantitative estimate of the property held by the company.

Loss per share

The calculation of loss per share is based on the loss attributable to shareholders of Rs43,892,656 (Jun 2019: profit Rs1,453,164) and the number of the shares in issue of 45,961,580 (Jun 2019: 45,961,580).

Dividend

No dividend is declared during the half year ended 30 June 2020.

Outlook

The company which is engaged in the hospitality sector continues to be materially impacted by the Covid-19 pandemic resulting from the shutting down of international travels, with zero tourist arrivals since 20th March 2020. Fixed costs, in the absence of sufficient revenue, gave rise to a loss for the half year ended 30 June 2020. Given the strong dependency on air travel, activities in the sector can only restart when the Government will allow the Mauritian borders to be opened for tourists. Even then, it is expected that recovery will be slow and gradual, with the sector not resuming normal operating levels within the foreseeable future. Management remains in constant discussions with the company's bank. The latter is supportive of the operations and has confirmed its ongoing financial support in the form of working capital facilities. The extension of the moratorium for existing debt repayment beyond 2021 is under review. The Government Wage Assistance Scheme from March 2020 to July 20 gave some relief to the company's working capital and it is likely that the Government will extend this scheme until the borders open.

Others

The abridged financial statements for the quarter and half year ended 30 June 2020 are unaudited. The accounting policies and standards used in the preparation of these abridged unaudited financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2019, except for relevant amendments to published standards, standards and interpretations issued and which are effective as from 1 January 2020. This interim report complies with IAS 34.

Copies of the above abridged unaudited financial statements are available, free of charge, upon request made to the Company Secretary, at the registered office of the company, Royal Road Chapman Hill, Beau Bassin.

The statement of direct and indirect interests of insiders pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available, free of charge, upon request made to the Company Secretary.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter ended 30 June 2020 Rs Unaudited	Quarter ended 30 June 2019 Rs Unaudited	Half Year ended 30 June 2020 Rs Unaudited	Half Year ended 30 June 2019 Rs Unaudited
Revenue	221,827	121,490,184	129,318,991	277,152,301
Operating (loss)/profit	(49,261,953)	6,730,643	(41,367,427)	22,470,693
Finance costs	(5,026,317)	(4,372,479)	(10,806,311)	(8,723,298)
(Loss)/profit before taxation	(54,288,270)	2,358,164	(52,173,738)	13,747,395
Taxation	10,395,614	(905,000)	10,262,693	(2,921,000)
(Loss)/profit for the period	(43,892,656)	1,453,164	(41,911,045)	10,826,395
Other comprehensive loss for the period	(442,390)	-	(442,390)	-
Total comprehensive (loss)/income for the period	<u>(44,335,046)</u>	<u>1,453,164</u>	<u>(42,353,435)</u>	<u>10,826,395</u>
(Loss)/earnings per share (basic and diluted)	<u>(0.95)</u>	<u>0.03</u>	<u>(0.91)</u>	<u>0.24</u>

STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs Unaudited	Revaluation Reserve Rs Unaudited	Retained Earnings Rs Unaudited	Total Rs Unaudited
Balance at 1 January 2019	459,615,800	590,776,575	58,373,627	1,043,791,184
Revaluation surplus realised on depreciation	-	(4,076,634)	4,076,634	-
Total comprehensive income for the period	-	-	10,826,395	10,826,395
Dividend	-	-	(45,961,580)	(45,961,580)
Balance at 30 June 2019	<u>459,615,800</u>	<u>586,699,941</u>	<u>27,315,076</u>	<u>1,073,630,817</u>
Balance at 1 January 2020	459,615,800	605,119,584	58,373,627	1,108,766,002
Revaluation surplus realised on depreciation	-	(4,217,232)	4,217,232	-
Total comprehensive loss for the period	-	-	(42,353,435)	(42,353,435)
Balance at 30 June 2020	<u>459,615,800</u>	<u>600,902,352</u>	<u>23,517,474</u>	<u>1,084,035,626</u>

STATEMENT OF CASH FLOWS

	Half Year ended 30 June 2020 Rs Unaudited	Half Year ended 30 June 2019 Rs Unaudited
Net cash generated from operating activities	13,389,760	33,113,485
Net cash used in investing activities	(5,279,415)	(6,688,165)
Net cash used in financing activities	(8,535,416)	(67,300,121)
Net decrease in cash and cash equivalents	(425,071)	(40,854,801)
Net foreign exchange gains	206,080	609,156
Cash and cash equivalents at beginning of period	32,531,391	47,294,247
Cash and cash equivalents at end of period	<u>32,312,400</u>	<u>7,048,602</u>

By Order of the Board

Gamma Corporate Services Ltd
Company Secretary

3 August 2020

These abridged unaudited financial statements are issued pursuant to DEM Rule 17 and Rule 8 of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007.

The Board of Directors of Morning Light Co Ltd accepts full responsibility for the accuracy of the information contained in these abridged unaudited financial statements.