

COMPAGNIE DE BEAU VALLON LIMITEE AND ITS SUBSIDIARIES

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	THE GROUP		
	30 June 2020	30 June 2019	31 December 2019
	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Audited
ASSETS			
Non-current assets	10,972,649	11,088,957	11,192,144
Current assets	518,541	343,462	575,699
Non-current assets classified as held for sale	34,397	67,943	75,014
Total assets	11,525,587	11,500,362	11,842,857
EQUITY AND LIABILITIES			
Owners' interests	5,419,460	5,224,235	5,500,653
Non-controlling interests	926,555	873,562	961,688
Non-current liabilities	3,569,454	3,658,085	3,106,612
Current liabilities	1,610,118	1,744,480	2,273,904
Total equity and liabilities	11,525,587	11,500,362	11,842,857

UNAUDITED CONDENSED STATEMENT OF CASHFLOWS

	THE GROUP		
	Period ended 30 June 2020	Year ended 30 June 2019	31 December 2019
	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Audited
Net cash used in operating activities	(133,303)	(67,781)	(449,140)
Net cash generated from/(used in) investing activities	191,203	(248,295)	381,875
Net cash generated from/(used in) financing activities	212,623	(16,305)	155,272
Increase/(decrease) in cash and cash equivalents	270,523	(332,381)	88,007
Movement in cash and cash equivalents	(312,183)	(400,190)	(400,190)
At 1 January, Increase/(decrease)	270,523	(332,381)	88,007
At 30 June/31 December,	(41,660)	(732,571)	(312,183)

SEGMENTAL INFORMATION - THE GROUP

Business segments	AGRO	HOSPITALITY	OTHERS	TOTAL
	Rs'000	Rs'000	Rs'000	Rs'000
Unaudited six months to 30 June 2020	37,588	197,909	6,027	241,524
Revenue				
Operating segment results before impairment	(72,684)	43,257	(11,281)	(40,708)
Impairment losses on bearer plants	(9,999)	-	-	(9,999)
Operating segment results	(82,683)	43,257	(11,281)	(50,707)
Unaudited six months to 30 June 2019	44,668	158,786	6,240	209,694
Revenue				
Operating segment results before impairment and additional depreciation	(10,060)	(7,807)	(10,205)	(28,072)
Impairment losses on bearer plants	(13,633)	-	-	(13,633)
Consolidation adjustment:				
- Additional depreciation on fair value of assets arising on restructuring of the Group	-	(29,683)	-	(29,683)
Operating segment results	(23,693)	(37,490)	(10,205)	(71,388)

UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP				
	Period ended		Quarter ended		Year Ended
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	31 December 2019
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue	241,524	209,694	37,279	114,110	920,211
Operating loss before impairment of bearer plants	(40,708)	(57,755)	(12,503)	(44,404)	(71,992)
Impairment of bearer plants	(9,999)	(13,633)	(7,400)	(9,736)	(23,111)
Impairment of intangible assets	-	-	-	-	(32,764)
Operating loss	(50,707)	(71,388)	(19,903)	(54,140)	(127,867)
Increase in fair value of investment property	-	37,792	-	37,792	37,791
Other income	10,342	3,918	5,835	1,745	19,199
	(40,365)	(29,678)	(14,068)	(14,603)	(70,877)
Finance costs - Borrowings	(130,396)	(104,508)	(61,041)	(63,506)	(212,948)
Finance costs - Right-of-use assets	(11,295)	-	(5,568)	-	(23,312)
Share of result of associates	2,020	9	(291)	(1,538)	(5,388)
Loss before exceptional items	(180,036)	(134,177)	(80,968)	(79,647)	(312,525)
Exceptional items	126,772	13,163	45,106	(4,688)	353,431
Closure costs	(68,068)	(64,872)	(60,848)	(19,054)	(59,775)
Loss before taxation	(121,332)	(185,886)	(96,710)	(103,389)	(18,869)
Taxation	9,531	15,293	14,554	8,964	25,267
Loss for the period	(111,801)	(170,593)	(82,156)	(94,425)	6,398
Other comprehensive income	(4,525)	856,540	(451)	857,413	1,044,093
Total comprehensive income for the period	(116,326)	685,947	(82,607)	762,988	1,050,491
Loss attributable to:	(76,838)	(127,650)	(54,135)	(63,308)	52,103
Owners of the parent	(34,963)	(42,943)	(28,021)	(31,117)	(45,705)
Non-controlling interests	(41,875)	(84,707)	(26,114)	(32,191)	(2,398)
Total comprehensive income attributable to:	(81,193)	676,329	(54,491)	741,617	952,747
Owners of the parent	(35,133)	9,618	(28,116)	21,371	97,744
Non-controlling interests	(46,060)	666,711	(26,375)	720,246	855,003
Loss per share	Rs. (1,625)	(2,700)	(1,145)	(1,339)	1,102
Number of ordinary shares	47,280	47,280	47,280	47,280	47,280

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent					
	Share capital	Revaluation and other reserves	Revenue deficit	Total	Non-controlling interests	Total equity
THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at 1 January 2020	47,280	5,531,498	(78,125)	5,500,653	961,688	6,462,341
Loss for the period	-	-	(76,838)	(76,838)	(34,963)	(111,801)
Other comprehensive income for the period	-	(4,355)	-	(4,355)	(170)	(4,525)
Total comprehensive income for the period	-	(4,355)	(76,838)	(81,193)	(35,133)	(116,326)
Release on disposal of land	-	(6,708)	6,708	-	-	-
Balance at 30 June 2020	47,280	5,520,435	(148,255)	5,419,460	926,555	6,346,015
Balance at 1 January 2019	47,280	4,713,521	(212,895)	4,547,906	863,944	5,411,850
Loss for the period	-	-	(127,650)	(127,650)	(42,943)	(170,593)
Other comprehensive income for the period	-	803,979	-	803,979	52,561	856,540
Total comprehensive income for the period	-	803,979	(127,650)	676,329	9,618	685,947
Balance at 30 June 2019	47,280	5,517,500	(340,545)	5,224,235	873,562	6,097,797

NOTES

- The interim condensed financial statements for the period ended 30 June 2020 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 2019, except for the adoption of relevant amendments to published Standards and Interpretations issued now effective. This interim report complies with IAS 34 "Interim Financial Reporting".
- The activities of the company consist of investment holding, growing and cultivation of sugar cane and other agricultural products. The subsidiaries are engaged mainly in agricultural, hotel keeping and catering activities. Due to the seasonal nature of the business in which the company operates, sugar revenue is mainly generated during harvest season, that is between July and December.
- Performance review:
 - The revenue of the group for the period ended 30 June 2020 amounted to Rs 242m compared to Rs 210m last year. This is mainly due to the re-opening of Preskil Island Resort coupled with improved yield in terms of higher room rates at Solana Beach. However, with the outbreak of Covid-19 pandemic and worldwide travel restrictions, the Group's revenue has been negatively impacted since the month of March 2020. The group's resorts had to cease operations since end of March 2020 following the closure of the Mauritian borders and the suspension of commercial flights.
 - For the period under review, operating loss amounted to Rs 51m compared to Rs 71m last year. Operating results for the Agro segment have been negatively impacted by an unfavourable variance of Rs 38m arising from the fair value movement in standing cane coupled with an increase in depreciation and amortisation charge.
 - Regarding the hospitality segment, operating results for the period under review improved from a loss of Rs 37m last year to a profit of Rs 43m this semester.
 - Net finance costs for the first semester 2020 amounted to Rs 142m and related mostly to interest expense on further drawdown of debt taken to finance the renovation of Preskil Island Resort and lease liabilities following implementation of IFRS 16 as well as foreign exchange losses due to the depreciation of the MUR relative to the EUR.
 - Exceptional items of Rs 127m for the first semester of year 2020 related to a profit on sale of land.
 - Following the closure of the Group's resorts on 20 March 2020 due to Covid-19 pandemic, an amount of Rs 68m has been recognised as closure costs.
 - All the above factors have resulted in a loss after tax of Rs 112m for the period ended 30 June 2020 compared to Rs 171m last year.
- The sugar industry of Mauritius remains under pressure due to low sugar prices on both European and world markets as well as increased costs of production. The Government of Mauritius has commissioned a study from the World Bank aiming at restructuring the sugar sector in Mauritius with a series of mitigating and support measures that are expected to be finalised before year end 2020. A biomass framework is under consideration by the Authorities and its application should contribute to the sustainability of the sugarcane industry.
- SPECIAL NOTE:**
With the uncertainty regarding the re-opening of the Mauritian borders and the pandemic still active in our main markets (Europe and South Africa), the Group's revenues and cash flows are being and will continue to be severely affected. The Group has taken various measures to reduce costs by putting on hold most of its contracts with suppliers and freezing any new recruitment and capital expenditure. The Group has obtained financial support from its lenders by way of deferral in interest and capital repayments as well as new working capital facilities. The Group has also received wage assistance support from the Government since March 2020 and the management team and staff have voluntarily participated in a salary reduction scheme. A number of hospitality industry support measures have been announced by the Government which will alleviate the stress on the Group's cashflow. Management considers that the group's hospitality segment will return to profitability once the tourism sector recovers. Regarding the Wakashio disaster, protective measures have been taken to safeguard the beaches of Preskil Island Resort and Astrea Beach.

This 13th August 2020

By Order of the Board
Navitas Corporate Services Ltd
Company Secretary

The Board of Directors of Compagnie de Beau Vallon Limitee accepts full responsibility for the accuracy of the information contained in these condensed unaudited financial statements.
Copies of the above condensed unaudited financial statements are available to the public, free of charge, at the registered office address of the Company, Riche-en-Eau, St Hubert. The statement of direct and indirect interests of officers of the Company required under Rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available, free of charge, upon request to the Company Secretary at Navitas Corporate Services Ltd, Navitas House, Robinson Road, Florida.
The above condensed unaudited financial statements are issued pursuant to Listing Rule 12.20 and Section 88 of the Securities Act 2005.