

ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020



1. CONDENSED STATEMENTS OF FINANCIAL POSITION

	June 30, 2020	June 30, 2019 restated	June 30, 2018 restated
	Rs'000	Rs'000	Rs'000
ASSETS			
Non-current assets			
Property, plant and equipment	31,162,858	26,428,881	24,832,995
Investment properties	19,795,178	18,339,039	18,152,166
Investments in associated companies and jointly controlled entities	8,657,320	9,976,617	9,480,804
Other non-current assets	3,930,741	3,495,292	2,875,083
	63,546,097	58,239,829	55,341,048
Current assets	10,745,026	9,120,091	7,881,666
Non-current assets classified as held-for-sale	40,790	119,121	311,866
Total assets	74,331,913	67,479,041	63,534,580
EQUITY AND LIABILITIES			
Equity and reserves			
Equity holders' interests	26,250,158	25,299,866	6,363,815
Non-controlling interests	13,786,513	11,619,456	29,950,243
Total equity and reserves	40,036,671	36,919,322	36,314,058
Non-current liabilities	24,290,137	21,859,394	18,800,461
Current liabilities	10,002,605	8,697,625	8,168,003
Liabilities associated with assets classified as held for sale	2,500	2,700	252,058
Total equity and liabilities	74,331,913	67,479,041	63,534,580

3. CONDENSED CASH FLOW STATEMENTS

	Year ended June 30, 2020	Year ended June 30, 2019 restated
	Rs'000	Rs'000
Net cash flows from operating activities	631,595	477,986
Net cash flows from investing activities	(1,108,429)	(1,759,891)
Net cash flows from financing activities	2,362,432	1,442,900
Net movement in cash and cash equivalents	1,885,598	160,995
Opening cash and cash equivalents	381,442	219,576
Effects of exchange rate changes	(47,504)	871
Closing cash and cash equivalents	2,219,536	381,442

4. SEGMENTAL INFORMATION

	Year ended June 30, 2020	Year ended June 30, 2019 restated
	Rs'000	Rs'000
REVENUE		
Agro-industry	789,991	797,646
Commerce and industry	3,614,661	3,927,489
Real estate	2,774,115	3,086,646
Land and investment	36,482	26,966
Hospitality	3,057,683	3,843,808
Logistics	3,190,585	3,500,340
Fintech	884,275	839,060
Corporate office	4,977	4,669
	14,352,769	16,026,624
RESULTS AFTER TAXATION		
Agro-industry	(16,983)	16,612
Commerce and industry	50,774	145,100
Real estate	42,623	1,021,503
Land and investment	(392,064)	(512,289)
Hospitality	(672,838)	189,313
Logistics	85,527	100,571
Fintech	(24,621)	146,044
Corporate office	(29,762)	(45,427)
	(957,344)	1,061,427

5. CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent					Total	Non-controlling interests	Total
	Share capital	Treasury shares	Associated companies	Fair value and other reserves	Retained earnings			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000			
At July 1, 2019- as previously reported	3,607,987	(250,000)	2,509,336	9,285,495	10,080,824	25,233,642	11,898,256	37,131,898
Effect of prior year adjustments	-	-	63,592	2,214,336	(2,211,704)	66,224	(278,800)	(212,576)
As restated	3,607,987	(250,000)	2,572,928	11,499,831	7,869,120	25,299,866	11,619,456	36,919,322
Issue of shares to non controlling shareholders	-	-	-	-	-	-	1,480,877	1,480,877
Effect of change in ownership interest not resulting in loss of control	-	-	-	(7,322)	(60,513)	(67,835)	568,700	500,865
Acquisition and deconsolidation of group companies	-	-	-	1,194	-	1,194	805	1,999
Transfers	-	-	-	(39,361)	39,361	-	-	-
Loss for the year	-	-	(393,876)	-	(390,589)	(784,465)	(172,879)	(957,344)
Other comprehensive income for the year	-	-	(576,185)	2,689,296	(142,965)	1,970,146	478,768	2,448,914
Dividends	-	-	-	-	(168,748)	(168,748)	-	(168,748)
Dividends paid by subsidiaries and associated companies to non-controlling shareholders	-	-	-	-	-	-	(189,214)	(189,214)
At June 30, 2020	3,607,987	(250,000)	1,602,867	14,143,638	7,145,666	26,250,158	13,786,513	40,036,671
At July 1, 2018- as previously reported	8,349	-	600,214	3,228,594	2,430,305	6,267,462	30,133,446	36,400,908
Effect of prior year adjustments	-	-	1,396	1,894,913	(1,799,956)	96,353	(183,203)	(86,850)
As restated	8,349	-	601,610	5,123,507	630,349	6,363,815	29,950,243	36,314,058
Changes in accounting policies	-	-	-	-	(65,396)	(65,396)	(217,275)	(282,671)
Issue of shares	3,599,638	-	-	-	-	3,599,638	-	3,599,638
Treasury shares acquired	-	(250,000)	-	-	-	(250,000)	-	(250,000)
Issue of shares in subsidiaries to non-controlling shareholders	-	-	-	-	-	-	153,222	153,222
Effect of change in ownership interest not resulting in loss of control following amalgamation restated	-	-	1,893,886	6,108,273	7,158,769	15,160,928	(18,669,316)	(3,508,388)
Transfers	-	-	(384)	(14,016)	14,285	(115)	-	(115)
Profit for the year restated	-	-	37,799	-	323,510	361,309	700,118	1,061,427
Movement in reserves restated	-	-	(110,851)	-	-	(110,851)	(76,784)	(187,635)
Other comprehensive income for the year restated	-	-	150,868	282,067	2,573	435,508	215,831	651,339
Dividends	-	-	-	-	(194,970)	(194,970)	-	(194,970)
Dividends paid by subsidiaries and associated companies to non-controlling shareholders	-	-	-	-	-	-	(436,583)	(436,583)
At June 30, 2019	3,607,987	(250,000)	2,572,928	11,499,831	7,869,120	25,299,866	11,619,456	36,919,322

2. CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended June 30, 2020	Year ended June 30, 2019 restated
	Rs'000	Rs'000
Revenue	14,352,769	16,026,624
Operating profit	302,897	1,347,775
Fair value loss on financial assets at fair value through profit or loss	(4,701)	(12,000)
Fair value gain on revaluation of investment properties	403,700	696,098
Land conversion right	117,400	-
Profit on sale of land and investments	1,130	42,116
Excess of fair value of the share of net assets over acquisition price	4,930	5,533
(Loss)/profit on disposal of subsidiary company	(3,223)	70,274
Impairment of goodwill, investments and others	(60,125)	(93,263)
Share of profits less losses of associated companies and jointly controlled entities	(349,457)	416,416
Finance costs	(1,255,565)	(1,168,500)
(Loss)/profit before taxation	(843,014)	1,304,449
Taxation	(114,330)	(243,022)
(Loss)/profit after taxation	(957,344)	1,061,427
Other comprehensive income		
Fair value movement on equity instruments at fair value through other comprehensive income	(138,236)	(22,938)
Exchange difference	(11,300)	(17,800)
Remeasurement of post employment benefit obligations net of tax	(195,161)	(2,469)
Revaluation surplus on property, plant and equipment net of tax	3,547,988	304,037
Share of comprehensive income of associates	(754,377)	390,509
Other comprehensive income for the year	2,448,914	651,339
Total comprehensive income for the year	1,491,570	1,712,766
(Loss)/profit for the year attributable to:		
Equity holders of the company	(784,465)	361,309
Non-controlling interests	(172,879)	700,118
	(957,344)	1,061,427
Total comprehensive income attributable to:		
Equity holders of the company	1,185,681	796,817
Non-controlling interests	305,889	915,949
	1,491,570	1,712,766
Per share data		
(Loss)/profit attributable to equity holders of the company (Rs '000)	(784,465)	361,309
Basic number of ordinary shares in issue ('000)	374,996	374,996
Weighted number of ordinary shares in issue ('000)	-	229,063
Basic (loss)/earnings per share (Rs)	(2.09)	1.58
Dividend per share (Rs) - pre-amalgamation*	-	0.30
Dividend per share (Rs) - post-amalgamation	0.45	0.45
Net asset value per share (Rs)	70.00	67.47

* The dividend per share pre-amalgamation has been computed on the basis of 82,723,121 ordinary shares

COMMENTS ON THE FINANCIAL STATEMENTS

The year under review saw the advent of the COVID-19 pandemic which resulted in the suspension of international flights and closure of borders around the world. Mauritius was no exception and was confined from 20 March 2020 to mid-June 2020. The negative effect of the pandemic, which is still on going, is wide ranging and resulted in a worldwide recession. In addition, Mauritius was placed by the FATF on its grey list, which also led to inclusion on the EU list of high-risk countries.

These events and the associated uncertainties they bring, the change in auditors and the lower materiality levels applied in the audit exercise have resulted in delays in the finalisation of the accounts of some of the Group's major components, affecting the timely release of the Group's audited accounts.

ENL was on track to realise a good year based on its first six months' results but the COVID-19 outbreak affected performance significantly, causing the Group to incur a loss for the full year. The Group's segments were affected at various levels. Most of them have shown resilience and have largely recovered since the lockdown was lifted except hospitality, which is still suffering from the closure of borders, and the consumer finance and leasing businesses which are affected by the slowdown in consumer spending.

Group turnover decreased by 10% to Rs 14 billion, and operating profit registered a sharp decline to Rs 303 million. Associated companies suffered significant losses with our share amounting to Rs 349 million. The Group reported a loss after tax of Rs 957 million for the year under review.

Total assets grew from Rs 67.5 billion to Rs 74.3 billion mainly as a result of the revaluation of the Group's immovable assets and equity injection in subsidiary companies by non-group shareholders. Shareholders' funds increased by some Rs 3 billion and indebtedness by Rs 1.5 billion; gearing ratio stood at 37%, unchanged from last year.

The financial year 2021 is proving challenging. Although the effect of the pandemic is expected to be long-lasting, and its potential impact can hardly be quantified at this stage, the Group has taken all the necessary measures to see the crisis through. Except for hospitality which is affected from the closure of borders, the results of the other operating segments were above expectations; however the country has just been confined for the second time, casting fresh uncertainty on economic outlook thereby impacting negatively the Group's performance. Nevertheless, the Group intends to continue its development and has the necessary financial resources to carry out the plan laid out in Cap 23.

NON-GAAP (GAAP-GENERALLY ACCEPTED ACCOUNTING PRINCIPLES) STATEMENT

Real estate is one of the key drivers of the Group's development strategy and one of the principal components for this strategy is converted land and land situated in Smart Cities, which will be developed over the next few years. The plantations carried out on these lands are now incidental to the main activity which is real estate development. The value of these lands has increased regularly and is reflective of our ability to obtain value through our business model.

Notwithstanding the above, International Financial Reporting Standards require that these lands be reported under property, plant and equipment unless sugar cane is removed from the lands. The increase in value is thus recorded as revaluation surplus in equity instead of fair value gains in the statement of profit or loss.

We have included a non-GAAP statement to provide our stakeholders with a more comprehensive understanding of the Group's business model.

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

	IFRS accounts	Re-classification	Non-GAAP
	Rs'000	Rs'000	Rs'000
ASSETS			
Non-current assets			
Property, plant and equipment	31,162,858	(6,686,951)	24,475,907
Investment properties	19,795,178	6,686,951	26,482,129
Other assets	23,373,877	-	23,373,877
Total assets	74,331,913	-	74,331,913
EQUITY AND LIABILITIES			
Equity and reserves			
Equity holders' interests	26,250,158	-	26,250,158
Non-controlling interests	13,786,513	-	13,786,513
Total equity and reserves	40,036,671	-	40,036,671
liabilities	34,295,242	-	34,295,242
Total equity and liabilities	74,331,913	-	74,331,913

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2020

	IFRS accounts	Re-classification	Non-GAAP
	Rs'000	Rs'000	Rs'000
Revenue	14,352,769	-	14,352,769
Loss before fair value gain on investment properties	(1,246,714)	-	(1,246,714)
Fair value gain on revaluation of investment properties	403,700	1,060,311	1,464,011
(Loss)/Profit before taxation	(843,014)	-	217,297
Taxation	(114,330)	-	(114,330)
(Loss)/Profit after taxation	(957,344)	-	102,967
Other comprehensive income	2,448,914	(1,060,311)	1,388,603
Total comprehensive income	1,491,570	-	1,491,570

We invite you to consult the full annual report of ENL Limited which is available on our website at <http://www.enl.mu/investors/enl-limited> for a more comprehensive review of the Group's performance.

By order of the Board
ENL Secretarial Services Limited
Company Secretary
30 March 2021

Notes:

The audited abridged financial statements for the year ended 30 June 2020 have been prepared in compliance with International Financial Reporting Standards and have been audited by KPMG.

These condensed financial statements are issued pursuant to Listing Rules 12.14 and section 88 of the Securities Act 2005.

Copies of the full audited financial statements are available to the public, free of charge, at the Registered Office of the Company at ENL House, Vivéa Business Park, Moka.

Copies of the statement of direct and indirect interests of the senior officers of the Company pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 are available free of charge to the public upon request to the Company Secretary at the registered office of the Company at ENL House, Vivéa Business Park, Moka.

The Board of Directors of ENL Limited accepts full responsibility for the accuracy of the information contained in this communiqué.

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