

MORNING LIGHT CO. LTD

ABRIDGED AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF FINANCIAL POSITION

	2021	2020
	Rs	Rs
	Audited	Audited
ASSETS		
Non-current assets	1,698,244,588	1,711,636,974
Current assets	106,336,942	41,232,031
Total assets	1,804,581,530	1,752,869,005
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	459,615,800	459,615,800
Revaluation reserve	624,768,325	616,590,708
Accumulated losses	(117,934,321)	(33,991,454)
Total equity	966,449,804	1,042,215,054
Non-current liabilities	630,036,962	562,294,997
Current liabilities	208,094,764	148,358,954
Total equity and liabilities	1,804,581,530	1,752,869,005

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2021	2020
	Rs	Rs
	Audited	Audited
Revenue	146,033,969	179,576,096
Operating loss	(82,351,540)	(88,366,282)
Finance costs	(22,445,049)	(20,596,722)
Loss before taxation	(104,796,589)	(108,963,004)
Taxation	9,448,038	11,024,579
Loss for the year	(95,348,551)	(97,938,425)
Other comprehensive income for the year	19,583,301	13,764,418
Total comprehensive loss for the year	(75,765,250)	(84,174,007)
Loss per share (basic and diluted)	(2.07)	(2.13)

STATEMENT OF CHANGES IN EQUITY

	Stated capital	Revaluation reserve	(Accumulated losses)/Retained earnings	Total
	Rs	Rs	Rs	Rs
	Audited	Audited	Audited	Audited
Balance at 1 January 2021	459,615,800	616,590,708	(33,991,454)	1,042,215,054
Revaluation surplus realised on depreciation	-	(8,683,284)	8,683,284	-
Loss for the year	-	-	(95,348,551)	(95,348,551)
Other comprehensive income for the year	-	16,860,901	2,722,400	19,583,301
Total comprehensive income/(loss) for the year	-	16,860,901	(92,626,151)	(75,765,250)
Balance at 31 December 2021	459,615,800	624,768,325	(117,934,321)	966,449,804
Balance at 1 January 2020	459,615,800	605,119,584	61,653,677	1,126,389,061
Revaluation surplus realised on depreciation	-	(8,434,464)	8,434,464	-
Loss for the year	-	-	(97,938,425)	(97,938,425)
Other comprehensive income/(loss) for the year	-	19,905,588	(6,141,670)	13,764,418
Total comprehensive income/(loss) for the year	-	19,905,588	(104,079,595)	(84,174,007)
Balance at 31 December 2020	459,615,800	616,590,708	(33,991,454)	1,042,215,054

STATEMENT OF CASH FLOWS

	2021	2020
	Rs	Rs
	Audited	Audited
Net cash used in operating activities	(54,530,355)	(4,022,005)
Net cash used in investing activities	(17,742,619)	(12,600,589)
Net cash generated from/ (used in) financing activities	42,360,580	(1,843,536)
Net decrease in cash and cash equivalents	(29,912,394)	(18,466,130)
Net foreign exchange gains/(losses)	1,055,777	(19,751)
Cash and cash equivalents at beginning of year	14,045,510	32,531,391
Cash and cash equivalents at end of year	(14,811,107)	14,045,510

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 LLC until 28 February 2022 and thereafter by Hilton Worldwide Manage Limited.

Results

Revenue for the year ended 31 December 2021 amounted to Rs146.0M representing a decrease of 19% when compared to the prior corresponding period (Rs179.6M).

The loss after taxation for the year ended 31 December 2021 was Rs95.3M compared to a loss after taxation of Rs97.9M for the year ended 31 December 2020.

The results for the year continue to reflect the impact of the Covid-19 pandemic on the hospitality sector resulting in a second national lockdown on 10 March 2021 for a period of 7 weeks. The phased opening of the borders as from 15 July 2021 but with a 14-day mandatory quarantine saw a tepid response from international travellers, with bookings being below anticipated levels.

Based on the cash flow forecast for the next 12 months, the funding secured so far and waiver of financial covenants by the bank, the company will be able to meet its financial obligations in the next financial year. Consequently, the financial statements have been prepared on a going concern basis.

Loss per share

The calculation of loss per share is based on the loss attributable to shareholders of Rs95,348,551 (2020: Rs97,938,425) and the number of the shares in issue of 45,961,580 (2020: 45,961,580).

Dividend

No dividend (2020: RsNil per share) was declared during the financial year ended 31 December 2021.

Outlook

Operators in the hospitality industry have started the year 2022 with a strong sense of optimism as the country faced the latest Omicron variant without any major business disruption. The easing of sanitary protocols, increased flights and a high vaccination rate for the local population are expected to boost business as the destination is lobbied internationally by the authorities.

It is anticipated that demand from the leisure market will drive the hotel occupancy for the coming months whilst business travel will have a slower pick up similar to the Meetings, Incentives, Conferences and Events ("MICE") market. The revival of the hospitality industry may be influenced by the Russia-Ukraine conflict.

Management is undertaking 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 further working capital facilities during the year as well as progressing their approval for the financing of the hotel renovation. The moratorium on capital repayments for the existing debts has been extended.

At the expiry of the management agreement with Hilton International LLC on 28 February 2022, the company signed a new Branding and Management Agreement ("BAMA") with Hilton Worldwide Manage Limited for a period of eleven years.

Others

The abridged audited financial statements for the year ended 31 December 2021 have been extracted from the annual financial statements of the company which have been prepared in accordance with the Companies Act 2001 and the Financial Reporting Act 2004 and comply with International Financial Reporting Standards ("IFRS"), taking into consideration all revised International Accounting Standards and new IFRS effective for accounting periods beginning on 1 January 2021. The independent auditor's report to financial statements is unqualified.

Copies of the above abridged audited 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.

By Order of the Board

Gamma Corporate Services Ltd
Company Secretary

25 March 2022

These abridged audited financial statements are issued pursuant to DEM Rule 18.

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