

ENL Limited

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2018

NAV PER SHARE

Rs 77.59
(June 2017: Rs 80.38)

TURNOVER FROM CONTINUING OPERATIONS

Rs 10.93bn
(2017: Rs 9.89bn)

PROFIT FROM CONTINUING OPERATIONS

Rs 199M
(2017: Rs 298M)

1. CONDENSED STATEMENTS OF FINANCIAL POSITION

	Mar 31, 2018	June 30, 2017
	Rs'000	Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	21,536,727	21,402,593
Investment properties	20,153,537	19,965,015
Investments in associated companies and jointly controlled entities	9,254,404	8,622,738
Other non-current assets	2,516,644	3,067,073
	53,461,312	53,057,419
Current assets	7,539,613	6,908,841
Assets classified as held-for-sale	376,257	76,224
Total assets	61,377,182	60,042,484
EQUITY AND LIABILITIES		
Equity and reserves		
Equity holders' interests	16,590,823	17,187,949
Non-controlling interests	18,737,665	18,945,636
Total equity and reserves	35,328,488	36,133,585
Non-current liabilities	18,684,064	14,991,953
Current liabilities	7,075,367	8,916,946
Liabilities associated with assets classified as held for sale	289,263	-
Total equity and liabilities	61,377,182	60,042,484

3. CONDENSED CASH FLOW STATEMENTS

	Nine months ended Mar 31, 2018	Nine months ended Mar 31, 2017
	Rs'000	Rs'000
Net cash flows from operating activities	433,756	1,287,191
Net cash flows from investing activities	(1,008,489)	(1,486,949)
Net cash flows from financing activities	662,705	(848,621)
Net movement in cash and cash equivalents	87,972	(1,048,379)
Opening cash and cash equivalents	(344,490)	194,985
Effects of exchange rate changes	(1,891)	(15,409)
Closing cash and cash equivalents	(258,409)	(868,803)

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

	Quarter ended Mar 31, 2018	Quarter ended Mar 31, 2017	Nine months ended Mar 31, 2018	Nine months ended Mar 31, 2017
	Rs'000	Rs'000	Rs'000	Rs'000
Continuing operations				
Turnover	3,373,615	3,080,865	10,934,455	9,894,701
Operating profit	186,310	204,085	734,711	952,345
(Loss)/profit on sale of land and investments	(540)	(5,384)	12,788	16,417
Excess of fair value of the share of net assets over acquisition price	31,790	124,085	31,790	124,085
Loss on disposal of subsidiary company	(39,428)	-	(39,428)	-
Investment property impaired	-	-	-	(4,681)
Fair value gain on held for trading securities	3,913	2,510	1,103	4,171
Goodwill impaired	-	-	(14,437)	(5,382)
Share of profits less losses of associated companies and jointly controlled entities	171,241	115,802	429,572	136,625
Finance costs	(269,973)	(249,177)	(811,895)	(766,810)
Profit before taxation	83,313	191,921	344,204	456,770
Income tax expense	(76,473)	(49,969)	(144,858)	(158,542)
Profit for the period from continuing operations	6,840	141,952	199,346	298,228
Discontinuing operations				
Post tax loss from discontinuing operations	(30,817)	(4,648)	(101,968)	(13,876)
(Loss)/profit for the period	(23,977)	137,304	97,378	284,352
Other comprehensive income				
Fair value movement on available for sale financial assets	22,191	64,365	30,788	89,693
Release to income on disposal of investments	(89,288)	6,586	(89,288)	5,189
Exchange difference	7,183	5,780	(20,510)	6,748
Actuarial losses	1,500	-	600	-
Deferred tax movement on revaluation	501	-	501	-
Surplus on revaluation of land and buildings	-	-	6,100	-
Share of comprehensive income of associates	8,714	(22,688)	(328,095)	(198,695)
Other comprehensive income for the period	(49,199)	54,043	(399,904)	(97,065)
Total comprehensive income for the period	(73,176)	191,347	(302,526)	187,287
(Loss)/profit for the period attributable to:				
Equity holders of the Company	(93,603)	40,988	(110,451)	15,149
Non-controlling interests	69,626	96,316	207,829	269,203
	(23,977)	137,304	97,378	284,352
Total comprehensive income attributable to:				
Equity holders of the Company	(124,289)	66,903	(316,516)	(39,063)
Non-controlling interests	51,113	124,444	13,990	226,350
	(73,176)	191,347	(302,526)	187,287
Per share data				
(Loss)/profit attributable to equity holders of the Company from continuing operations (Rs'000)	(72,316)	44,038	(40,018)	24,253
Loss attributable to equity holders of the Company from discontinuing operations (Rs'000)	(21,287)	(3,050)	(70,433)	(9,104)
Number of shares in issue ('000)	213,840	213,840	213,840	213,840
Basic (loss)/earnings per share from continuing operations (Rs)	(0.34)	0.21	(0.19)	0.11
Basic loss per share from discontinuing operations (Rs)	(0.10)	(0.01)	(0.33)	(0.04)
Dividend per share (Rs)	-	-	0.35	0.39
Net asset value per share (Mar 31, 2018 June 30, 2017) (Rs)			77.59	80.38

4. SEGMENTAL INFORMATION ON CONTINUING OPERATIONS

	Quarter ended Mar 31, 2018	Quarter ended Mar 31, 2017	Nine months ended Mar 31, 2018	Nine months ended Mar 31, 2017
	Rs'000	Rs'000	Rs'000	Rs'000
TURNOVER				
Agro-industry	39,194	115,820	673,452	814,557
Commerce and industry	718,804	655,886	2,332,779	1,975,547
Real estate	614,679	468,921	1,893,048	1,519,942
Land and investment	12,822	13,629	51,723	54,151
Hospitality	982,920	819,043	2,693,375	2,386,142
Logistics	823,730	863,103	2,760,431	2,666,894
Fintech	180,395	143,875	526,614	476,125
Corporate office	1,071	588	3,033	1,343
	3,373,615	3,080,865	10,934,455	9,894,701
SEGMENT RESULTS AFTER TAXATION				
Agro-industry	(77,944)	10,856	42,589	193,208
Commerce and industry	(5,823)	(11,063)	22,044	(5,992)
Real estate	6,427	11,076	90,308	58,947
Land and investment	(110,416)	22,606	(330,608)	(146,349)
Hospitality	200,498	117,269	260,125	91,580
Logistics	(7,312)	(11,960)	70,068	68,598
Fintech	80	(1,050)	48,890	50,110
Corporate office	1,330	4,218	(4,070)	(11,874)
	6,840	141,952	199,346	298,228

5. CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent				Total	Non-controlling interests	Total
	Share capital	Associated companies	Fair value and other reserves	Retained earnings			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2016	2,138,400	1,568,937	6,535,317	6,229,295	16,471,949	17,528,561	34,000,510
Issue of shares in subsidiaries to non-controlling shareholders	-	-	-	-	-	86,600	86,600
Capital reduction in subsidiary company	-	-	-	-	-	(4,589)	(4,589)
Acquisition and deconsolidation of group companies	-	-	1,531	9,889	11,420	17,613	29,033
Effect of change in ownership interest not resulting in loss of control	-	7,110	15,365	(54,513)	(32,038)	2,791	(29,247)
Transfers	-	-	(17,366)	17,366	-	-	-
Profit/(loss) for the period	-	59,872	-	(44,723)	15,149	269,203	284,352
Other comprehensive income for the period	-	(107,518)	53,306	-	(54,212)	(42,853)	(97,065)
Dividends	-	-	-	(83,398)	(83,398)	-	(83,398)
Dividends paid by subsidiaries and associates to non-controlling shareholders	-	-	-	-	-	(169,353)	(169,353)
At Mar 31, 2017	2,138,400	1,528,401	6,588,153	6,073,916	16,328,870	17,687,973	34,016,843
At July 1, 2017	2,138,400	1,497,401	7,097,047	6,455,101	17,187,949	18,945,636	36,133,585
Issue of shares in subsidiaries to non-controlling shareholders	-	-	-	-	-	31,100	31,100
Acquisition and disposal of subsidiaries	-	-	-	-	-	(52,132)	(52,132)
Effect of change in ownership interest not resulting in loss of control	-	(603)	(210,395)	13,177	(197,821)	37,956	(159,865)
Movement in reserves	-	(7,945)	-	-	(7,945)	(11,255)	(19,200)
Transfers	-	17,679	(10,708)	(6,971)	-	-	-
Profit/(loss) for the period	-	211,178	-	(321,629)	(110,451)	207,829	97,378
Other comprehensive income for the period	-	(170,701)	(40,504)	5,140	(206,065)	(193,839)	(399,904)
Dividends	-	-	-	(74,844)	(74,844)	-	(74,844)
Dividends paid by subsidiaries and associates to non-controlling shareholders	-	-	-	-	-	(227,630)	(227,630)
At Mar 31, 2018	2,138,400	1,547,009	6,835,440	6,069,974	16,590,823	18,737,665	35,328,488

COMMENTS ON THE FINANCIAL STATEMENTS

CORPORATE DEVELOPMENT

The Group has converted all its preference shares of New Mauritius Hotels (NMH) into ordinary shares and now holds 38.1% of its issued ordinary share capital. The conversion gave rise to a profit of Rs 32m on consolidation.

COMMENTS ON RESULTS

Group turnover for the nine months advanced by 11% with increases noted across all the operational segments save agro-industry. The increase was driven mainly by the good performance of:

- hospitality, which benefitted from a higher occupancy and better exchange rates,
- real estate, following the re-opening of the Phoenix mall and
- commerce and industry, buoyed by higher sales of new vehicles

Operating profits however decreased by 23% essentially due to the losses incurred by our sugar activities. The results were affected by the combination of reduced sugar tonnage and price coupled with a decrease in value of standing cane.

The Group's associated companies and jointly controlled entities continued to post strong results with share of profit amounting to Rs 430m compared with Rs 137m last year. This increase arises mainly from the improved results of Ecolisa and NMH.

Profit after taxation from continuing operations was however lower than last year's when results were impacted positively by the exceptional profit on the acquisition of an additional stake in NMH.

OUTLOOK ON CONTINUING ACTIVITIES

We expect the Group's operational segments, save agro-industry, to continue performing well for the remainder of the year.

The launch of Moka Smart City has been well received and strong interest was noted for all the products on offer. However, we have yet to materialise sales due to delays in securing the final permits which are expected shortly.

The dire situation of the sugar sector is a serious cause for concern. A joint committee has been set up at national level to thoroughly assess the situation and propose remedies to see the sector through these difficult times.

By order of the Board
Preety Gopaul, ACIS
Company Secretary

15 May 2018

Notes:

The interim financial statements to 31 March 2018 are unaudited. They have been prepared using the same accounting policies and methods of computation followed per the audited financial statements for the year ended 30 June 2017.

These condensed financial statements are issued pursuant to DEM Rule 18 and Section 88 of the Securities Act 2005.

Copies of this reports 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.

Visit our website: www.enl.mu/investors/enl-limited

Contact us on investors@enl.mu

