

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2019



TURNOVER

Rs 8.7BN
9% (HY 2019: Rs 8BN)

SHARE OF PROFIT OF ASSOCIATES

Rs 369M
43% (HY 2019: Rs 258M)

TOTAL ASSETS

Rs 71BN
5% (JUNE 2019: Rs 68BN)

NAV PER SHARE

Rs 67.48
0.3% (June 2019: Rs 67.29)

1. CONDENSED STATEMENTS OF FINANCIAL POSITION

	Dec 31, 2019	June 30, 2019
	Rs'000	Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	21,861,147	21,790,761
Investment properties	23,260,098	22,661,242
Investments in associated companies and jointly controlled entities	10,047,759	9,921,733
Other non-current assets	5,403,859	4,008,743
	60,572,863	58,382,479
Current assets	10,255,891	9,192,831
Assets classified as held-for-sale	112,978	217,115
Total assets	70,941,732	67,792,425
EQUITY AND LIABILITIES		
Equity and reserves		
Equity holders' interests	25,303,979	25,233,642
Non-controlling interests	12,678,864	11,898,256
Total equity and reserves	37,982,843	37,131,898
Non-current liabilities	25,225,949	22,156,081
Current liabilities	7,730,240	8,501,746
Liabilities associated with assets classified as held for sale	2,700	2,700
Total equity and liabilities	70,941,732	67,792,425

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

	Quarter ended Dec 31, 2019	Quarter ended Dec 31, 2018	Six months ended Dec 31, 2019	Six months ended Dec 31, 2018
	Rs'000	Rs'000	Rs'000	Rs'000
Turnover	4,668,256	4,184,409	8,670,148	7,983,590
Operating profit	475,871	438,849	761,514	775,663
Fair value adjustment on revaluation of investment properties	8,661	-	39,937	-
Fair value gain/(loss) on financial assets at fair value through profit or loss	2,119	(4,396)	(680)	(5,594)
(Loss)/profit on sale of land and investments	(1,946)	11,623	9,833	22,244
Profit on disposal of subsidiary and associated companies	672	5,533	672	75,953
Excess of fair value of net assets over consideration price	4,930	-	4,930	-
Share of profits less losses of associated companies and jointly controlled entities	358,790	278,550	369,256	257,780
Finance costs	(328,958)	(290,807)	(653,223)	(576,643)
Profit before taxation	520,139	439,352	532,239	549,403
Income tax expense	(61,711)	(77,979)	(117,678)	(125,876)
Profit for the period	458,428	361,373	414,561	423,527
Other comprehensive income				
Fair value movement on available for sale financial assets	(8,100)	(3,100)	(5,562)	(10,487)
Remeasurement of post employment benefit obligations net of deferred tax	(4,400)	(1,441)	(4,400)	(741)
Exchange difference	7,500	(10,800)	9,000	(15,400)
Share of comprehensive income of associates	(209,912)	280,455	(165,885)	227,347
Other comprehensive income for the period	(214,912)	265,114	(166,847)	200,719
Total comprehensive income for the period	243,516	626,487	247,714	624,246
Profit for the period attributable to:				
Equity holders of the company	245,927	118,998	153,950	129,013
Non-controlling interests	212,501	242,375	260,611	294,514
	458,428	361,373	414,561	423,527
Total comprehensive income attributable to:				
Equity holders of the company	109,359	272,247	26,640	248,489
Non-controlling interests	134,157	354,240	221,074	375,757
	243,516	626,487	247,714	624,246
Per share data				
Earnings attributable to equity holders of the company (Rs'000)	245,927	118,998	153,950	129,013
Basic number of ordinary shares in issue ('000) *	374,996	82,723	374,996	82,723
Basic earnings per share (Rs)	0.66	1.44	0.41	1.56
Dividend per share- pre-amalgamation (Rs) **	-	0.30	-	0.30
Dividend per share- post-amalgamation (Rs)	0.45	-	0.45	-
Net asset value per share (Dec 31, 2019/June 30, 2019) (Rs)			67.48	67.29

* The basic number of shares for December 2018 has been restated to reflect the number of ordinary shares of La Sablonniere Limited post conversion

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

3. CONDENSED CASH FLOW STATEMENTS

	Six months ended Dec 31, 2019	Six months ended Dec 31, 2018
	Rs'000	Rs'000
Net cash flows from operating activities	332,967	(452,086)
Net cash flows from investing activities	(631,827)	(724,148)
Net cash flows from financing activities	1,249,521	254,873
Net movement in cash and cash equivalents	950,661	(921,361)
Opening cash and cash equivalents	449,042	219,576
Effects of exchange rate changes	(4,691)	(9,238)
Closing cash and cash equivalents	1,395,012	(711,023)

4. SEGMENTAL INFORMATION

	Quarter ended Dec 31, 2019	Quarter ended Dec 31, 2018	Six months ended Dec 31, 2019	Six months ended Dec 31, 2018
	Rs'000	Rs'000	Rs'000	Rs'000
TURNOVER				
Agro-industry	314,921	279,955	581,446	589,686
Commerce and industry	1,053,521	960,513	2,165,865	1,833,146
Real estate	897,644	551,450	1,561,337	1,205,502
Land and investment	11,310	7,476	14,703	12,706
Hospitality	1,251,260	1,213,476	2,144,164	2,023,220
Logistics	924,867	917,535	1,786,767	1,851,681
Fintech	208,368	253,919	408,415	466,529
Corporate office	6,365	85	7,451	1,120
	4,668,256	4,184,409	8,670,148	7,983,590
SEGMENT RESULTS AFTER TAXATION				
Agro-industry	39,393	(25,332)	60,312	24,066
Commerce and industry	38,197	42,041	83,995	60,734
Real estate	56,937	62,383	131,348	226,507
Land and investment	(132,746)	(129,743)	(246,373)	(241,673)
Hospitality	387,162	372,182	319,329	251,540
Logistics	34,820	33,939	83,147	78,236
Fintech	43,290	17,340	2,130	35,500
Corporate office	(8,625)	(11,437)	(19,327)	(11,383)
	458,428	361,373	414,561	423,527

5. CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent					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	3,607,987	(250,000)	2,509,336	9,285,495	10,080,824	11,898,256	37,131,898
Issue of shares in subsidiaries to non-controlling shareholders	-	-	-	-	-	698,976	698,976
Effect of change in ownership interest not resulting in loss of control	-	-	90,810	162,000	121,473	5,121	217,566
Transfers	-	-	-	(41,214)	41,214	-	-
Profit for the period	-	-	233,719	-	(79,769)	260,611	414,561
Other comprehensive income for the period	-	-	(126,219)	1,538,000	(2,629)	(39,537)	(166,847)
Dividends	-	-	-	-	(168,748)	-	(168,748)
Dividends paid by subsidiaries and associates to non-controlling shareholders	-	-	-	-	-	(144,563)	(144,563)
At Dec 31, 2019	3,607,987	(250,000)	2,707,646	9,245,981	9,992,365	12,678,864	37,982,843

COMMENTS ON THE SIX MONTHS PERIOD

The Group has adopted IFRS 16 which requires lessees to recognise all leases on the statement of financial position, reflecting the right to use an asset for a period of time and the associated liability. In the statement of profit or loss, the lease rentals have been replaced by the amortisation of the leases and finance charges.

Group turnover increased by 9%, driven by Commerce and industry, Real Estate and Hospitality whilst profits for the period were in line with last year's.

Axess, the main contributor to the Commerce and industry segment, posted improved results on the back of an increased market share. The performance of real estate was in line with last year's when the results were impacted by the profit of Rs 70m on the sale of subsidiary; these results were driven mainly by the continuing good performance of the shopping malls and sales of apartments. Hospitality benefited from the better results of NMH whilst the Veranda Group continued to fare well.

Associated companies posted an increase of some 40% in share of profit accruing to the Group. The main contributor was NMH, which recorded a significant increase in profits.

The Group has now secured outside equity financing of some Rs 3.5bn for the development of Moka City and the office fund, Officea. The transfer of the 534 arpents earmarked for the second phase of Moka City is in the process of being completed. The funds will enable the development of an array of amenities and accelerate the implementation of several projects which will transform the Moka region into a vibrant place.

The World Bank is presently undertaking an in-depth review of the sugar industry. We are confident that timely measures will follow setting the industry on a viable long-term path.

Group operations should continue on the same trend for the second semester. Improved profits are expected for the full year.

By order of the Board
ENL Secretarial Services Limited
Company Secretary

14 February 2020

Notes:

The interim financial statements to 31 December 2019 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 June 30, 2019 except for the adoption of new IFRS issued which are now effective.

These condensed financial statements are issued pursuant to Listing Rules 12.20 and 12.21 and section 88 of the Securities Act 2005.

Copies of this report are available free of charge to the public 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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