

Abridged Audited Financial Statements

For the Year Ended 30 June 2020



	THE GROUP	
	AUDITED	
	Year Ended	Year Ended
	30.06.2020	30.06.2019 Restated*
	Rs000	Rs000
Continuing operations		
Revenue	36,809,312	39,050,468
Profit from operations	452,814	2,211,315
Share of results of associates and joint ventures	568,435	441,306
Impairment of goodwill and investments	(1,049,375)	(171,672)
Other gains and losses	(26,749)	169,900
Net finance costs	(1,212,593)	(889,197)
(Loss)/Profit before taxation	(1,267,468)	1,761,652
Taxation	(136,560)	(427,748)
(Loss)/Profit for the year from continuing operations	(1,404,028)	1,333,904
Discontinued operations		
Loss for the year from discontinued operations	(22,124)	(32,061)
(Loss)/Profit for the year	(1,426,152)	1,301,843
Statement of other comprehensive income (Abridged)		
(Loss)/Profit for the year	(1,426,152)	1,301,843
Other comprehensive income/(loss) for the year	318,455	(472,728)
Total comprehensive (loss)/income for the year	(1,107,697)	829,115
(Loss)/Profit attributable to :-		
Owners of the parent	(1,191,133)	339,784
Non-controlling interests	(235,019)	962,059
	(1,426,152)	1,301,843
Total comprehensive (loss)/income attributable to :-		
Owners of the parent	(1,014,730)	59,463
Non-controlling interests	(92,967)	769,652
	(1,107,697)	829,115
Earnings per share (Rs)		
Number of shares	680,224,040	680,224,040
- From continuing and discontinued operations	(1.75)	0.50
- From continuing operations	(1.72)	0.55
Net assets per share (Rs)	20.67	22.88

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	Year Ended	Year Ended
	30.06.2020	30.06.2019 Restated*
	Rs000	Rs000
Revenue		
Agro & Energy	-	-
Building & Engineering	5,820,741	6,964,657
Commercial & Distribution	23,596,252	23,099,154
Financial Services	2,007,263	1,764,140
Hospitality & Services	4,836,828	6,297,532
Life & Technologies	223,992	231,750
Logistics	1,448,976	1,896,694
Seafood	1,406,599	1,123,400
Property	761,686	837,294
Corporate Services	199,256	171,468
Consolidation Adjustments	(3,492,281)	(3,335,621)
Revenue from continuing operations	36,809,312	39,050,468

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	Year Ended	Year Ended
	30.06.2020	30.06.2019 Restated*
	Rs000	Rs000
Profit from operations		
Agro & Energy	-	-
Building & Engineering	(160,016)	544,862
Commercial & Distribution	590,529	1,079,900
Financial Services	90,776	19,448
Hospitality & Services	192,034	815,369
Life & Technologies	(3,910)	12,506
Logistics	(39,389)	71,428
Seafood	272,116	178,076
Property	20,394	92,139
Corporate Services	(445,661)	(515,615)
Consolidation Adjustments	(64,059)	(86,798)
Profit from operations from continuing operations	452,814	2,211,315

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	30.06.2020	30.06.2019 Restated*
	Rs000	Rs000
Share of results of associates and joint ventures		
Agro & Energy	(28,287)	(227,196)
Building & Engineering	8,986	19,621
Commercial & Distribution	107	(4,428)
Financial Services	481,030	502,826
Hospitality & Services	-	-
Life & Technologies	14,612	14,900
Logistics	-	-
Seafood	35,423	127,157
Property	(1,993)	-
Corporate Services	58,557	8,426
Share of results of associates and joint ventures	568,435	441,306

Covid 19 adversely impacts full year results

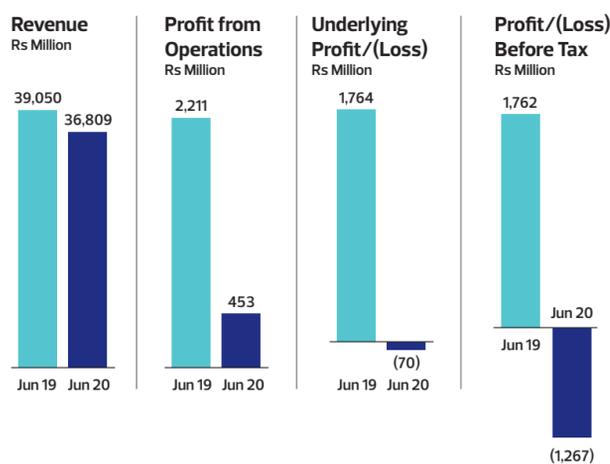
	THE GROUP	
	AUDITED	
	As At	As At
	30.06.2020	30.06.2019 Restated*
	Rs000	Rs000
Assets		
Property, plant and equipment	28,355,603	26,403,597
Investment properties	2,857,422	2,892,786
Intangible assets	2,168,837	3,668,387
Investments	10,318,765	9,625,479
Deferred tax assets	588,737	170,115
Right of use assets	5,108,832	-
Other assets	139,640	272,248
Non-current assets	49,537,836	43,032,612
Current assets	15,824,360	16,001,032
Assets classified as held for sale	921,518	699,384
Total Assets	66,283,714	59,733,028
Equity and Liabilities		
Equity attributable to owners of the parent	14,063,455	15,565,984
Non-controlling interests	11,097,260	11,520,953
Total equity	25,160,715	27,086,937
Non-current liabilities	18,072,189	14,140,432
Lease Liabilities	4,652,050	-
Current liabilities	17,956,904	18,079,811
Liabilities associated with assets classified as held for sale	441,856	425,848
Total Equity and Liabilities	66,283,714	59,733,028

	THE GROUP	
	AUDITED	
	Year Ended	Year Ended
	30.06.2020	30.06.2019 Restated*
	Rs000	Rs000
Net cash generated from operating activities	2,832,874	2,018,517
Net cash used in investing activities	(2,248,838)	(2,060,851)
Net cash (used in)/generated from financing activities	2,173,796	(1,963,542)
Net (decrease)/increase in cash and cash equivalents	2,757,832	(2,005,876)
Net foreign exchange difference	6,781	(2,317)
Cash and cash equivalents at 1 July	(3,166,113)	(1,157,920)
Cash and cash equivalents at 30 June	(401,500)	(3,166,113)

	THE GROUP		
	AUDITED		
	Owners of the parent	Non-controlling interests	Total equity
	Rs000	Rs000	Rs000
Audited			
At 1 July 2018			
- As previously stated	16,962,188	11,452,714	28,414,902
- Prior year adjustments*	(564,431)	(28,863)	(593,294)
- Effect of adopting new accounting standards**	(299,123)	(44,621)	(343,744)
- As restated	16,098,634	11,379,230	27,477,864
Total comprehensive income	59,463	769,652	829,115
Other movements	(68,340)	(46,615)	(114,955)
Dividends paid to non-controlling interests	-	(581,314)	(581,314)
Dividends	(523,773)	-	(523,773)
At 30 June 2019	15,565,984	11,520,953	27,086,937
Audited			
At 1 July 2019			
- As previously stated	15,565,984	11,520,953	27,086,937
- Effect of adopting new accounting standards***	(67,391)	-	(67,391)
- As restated	15,498,593	11,520,953	27,019,546
Total comprehensive (loss)/income	(1,014,730)	(92,967)	(1,107,697)
Other movements	(5,471)	(2,602)	(8,073)
Dividends paid to non-controlling interests	-	(328,124)	(328,124)
Dividends	(414,937)	-	(414,937)
At 30 June 2020	14,063,455	11,097,260	25,160,715

* The Group has booked prior year adjustments and adjusted its comparatives.
 ** The Group has recorded the impact of applying IFRS 9 and IFRS 15 for the first time on its 1 July 2018 financial statements.
 *** The Group has recorded the impact of applying IFRS 16 for the first time on its 1 July 2019 financial statements.
 The abridged audited consolidated financial statements for the year ended 30 June 2020 have been extracted from the annual consolidated financial statements which have been prepared in accordance with the Mauritius Companies Act and the Financial Reporting Act and comply with International Financial Reporting Standards, taking into consideration all revised IAS and new IFRS effective for accounting periods beginning on 1 July 2019. The independent auditors' report to the consolidated financial statements is unqualified.

Year on year performance highlights



Comments

The Board of IBL Ltd hereby presents the Group's audited abridged financial statements for the financial year ended 30 June 2020. The financial highlights have been prepared in accordance with International Financial Reporting Standards (IFRS) and on the same basis as the accounting policies set out in the audited statutory financial statements for the year ended 30 June 2020.

Summary for the Financial year ended 30 June 2020

For IBL Ltd, Mauritius and the world at large, the current financial year has been markedly different from any year in recent memory.

Our markets operated under reasonably normal business circumstances for the first 8½ months of the year until the Covid-19 triggered lockdown in mid-March. There were earlier signs, however, that a global pandemic was on the cards and we reported this concern in our half year profit announcement in February 2020 and started planning for the worst.

Inevitably, the Group's operations and consequently its results have been severely impacted as the pandemic spread across the planet, affecting the markets our clients are in, the markets that our suppliers operate from and everything in between in the supply chain logistics.

Our hardest hit sectors are Hospitality, Building and Engineering, Property and Logistics, which could take longer to recover to pre Covid-19 levels of activity.

Furthermore, the Group's credit loss exposure has increased, due to clients operating in higher risk industries, resulting in increased IFRS 9 provisions compared to pre Covid-19 periods.

We have written down the value of some investments as well as goodwill relating to the hospitality sector on our group balance sheet.

Finally, the adoption of IFRS 16 in the current financial year has led to a recognition of "right of use" on leased assets, thereby increasing total assets and lease liabilities on the balance sheet. IFRS 16 triggers a corresponding higher annual finance cost which affects the Group's results.

As a result of the above, the Group's revenues declined by 6% to Rs 36.8 Billion for the full financial year (FY2019: Rs 39.1 Billion). This drop compares unfavourably to an upward trend of 5% we were experiencing in the first half of the financial year, implying that the lock-down imposed during the fourth quarter has adversely affected our annual top-line by approximately 10%.

Profit from operations amounted to Rs 453 Million (FY2019: Rs 2,211 Million) but the Group reported a loss before tax of Rs 1,267 Million (FY2019: profit before tax of Rs 1,762 Million). The Group's underlying loss (defined as profit/loss before tax adjusted for impairment of goodwill and investments, other gains and losses and the impact of IFRS 16, a new accounting standard this year) was Rs 70 Million (FY2019: underlying profit of Rs 1,764 Million).

Sectorial review

Building & Engineering: The main companies operating within the sector are CNOI, UBP and Manser Saxon Group. They all reported lower turnover and profitability due to the nature of their activities under prevailing conditions during the lockdown. Most ship-building and ship-repair activities came to a halt due to the travel ban preventing shipping crew from being able to fly home and back. The lengthy closure of all major real estate construction sites heavily affected results of UBP and the Contracting businesses. Official statistics estimate that the construction industry will contract by 20% in 2020.

Commercial & Distribution: The Group's Commercial and Distribution sector has been very active during the crisis with many businesses classified as "front-liners", mainly our retail supermarkets, Winner's, MedActiv pharmacies and our wholesale businesses BrandActiv and HealthActiv. This sector posted an increase in turnover but reported a lower operating profit compared to last year due in part to higher costs of operation and a shift in buying behaviour during the lockdown. PhoenixBev was adversely affected by production, sale and distribution constraints during the lockdown months, exacerbated by the fact that most "HORECA" clients (Hotels, Restaurants and Cafes) remained closed for the rest of the financial year.

Financial Services: Eagle Insurance generated higher revenue and has reduced its losses resulting from improvements in its "claims ratios". DTOS benefitted from a favourable USD and kept results at par. The Bee, the private equity arm of the Group, suffered from a decrease in its portfolio valuation which affected its profit and loss. AfrAsia Bank reported slightly lower results than last year due to higher provisioning under IFRS 9.

Hospitality & Services: Our hospitality activities were on track to register excellent results. However, they felt the impact of booking cancellations as soon as Italy and subsequently France came into the limelight with high Covid-19 infection rates. Most of our major markets then went into lockdown by March 2020 and our own borders were closed leading to hotel closures for the rest of the financial year. They are still largely closed as at date. Reunion and Maldives operations have reopened in July and August respectively and recently 3 hotels partially reopened in Mauritius for local residents only.

Turnover for the cluster is down 23% and operating profit is down 76%. Goodwill impairments for properties in Maldives and a significant increase in provisions against debtors have compounded the impact of this sector on the Group's results.

Life & Technologies: Testing at CIDP's laboratories had to temporarily stop in Mauritius and abroad due to the various lockdowns and ensuing social distancing requirements. The company triggered cost reduction initiatives to mitigate the impact of reduced testing activity.

Logistics: The aviation business within this sector has been the most affected by border closures and a stalled tourism industry. Inland transport and international freight volumes fell significantly during the lockdown. Shipping nonetheless posted better results overall with the addition of a new vessel to the fleet during the year.

Seafood: Results for Seafood companies were relatively stable year on year despite the closure of factories during the lockdown period. Many of our products are considered basic commodities and exporters have benefitted from favourable exchange rates. This sector has proven to be resilient and bounced back quickly post lockdown.

Property: Results for Bloomage reflect the growth in its property portfolio. The company has not been directly impacted by Covid-19 but rent deferrals or discounts have been granted to some of our tenants.

BlueLife's hotel and property development activities have slowed down in the last quarter of the financial year with the lack of foreign visitors to Mauritius.

Agro & Energy: The Sugar cluster of Alteo reported better results with a slightly higher price of sugar in both Mauritius and Tanzania and reduced costs in Mauritius. Lower tariff and offtake for the energy segment adversely impacted profitability while sales of property and hospitality businesses within the group have been directly hit by Covid-19. Results for this financial year show a marked improvement over last year which had seen significant levels of impairment in the Sugar and Energy businesses.

Outlook

The Board is of the view that the goodwill impairments and increased provisioning levels are fair given the economic context. The lingering uncertainties however, over the re-opening of borders in Mauritius as well as our main markets will continue to affect our tourism and real estate industries in the foreseeable future. We expect some level of contraction in local and global consumption in FY2021. This said, we are confident that the Group will remain resilient and we shall continue to invest for the future.

By Order of the Board

IBL Management Ltd
 Company Secretary
 03 December 2020

Copies of the abridged audited financial statements (which can also be viewed on the website www.iblgroup.com) and the statement of direct and indirect interests of officers of the Company are available free of charge, upon request made to the Company Secretary, 4th Floor, IBL House, Caudan, Port Louis, Mauritius.

The above abridged audited financial statements are issued pursuant to Listing Rule 12.14 and Securities Act 2005. The Board of Directors of IBL Ltd accepts full responsibility for the accuracy of the information contained in these abridged audited financial statements.