

# Abridged Unaudited Financial Statements

For the first quarter ended 30 September 2020



Statement of profit or loss (Abridged)	THE GROUP	
	Unaudited	
	Quarter Ended	Quarter Ended
	30.09.2020	30.09.2019 (Restated)
	Rs000	Rs000
<b>Continuing operations</b>		
<b>Revenue</b>	<b>8,705,776</b>	<b>9,543,727</b>
Profit from operations	35,815	354,598
Share of results of associates and joint ventures	266,345	210,223
Impairment of goodwill and investments	-	(31,040)
Other gains and losses	13,215	(3,348)
Net finance costs	(293,338)	(318,154)
Profit before taxation	22,037	212,279
Taxation	(72,423)	(59,116)
<b>(Loss)/Profit for the period from continuing operations</b>	<b>(50,386)</b>	<b>153,163</b>
<b>Discontinued operations</b>		
(Loss)/Gain for the period from discontinued operations	(1,919)	13,133
<b>(Loss)/Profit for the period</b>	<b>(52,305)</b>	<b>166,296</b>
<b>Statement of other comprehensive income (Abridged)</b>		
(Loss)/Profit for the period	(52,305)	166,296
Other comprehensive income / (loss) for the period	180,475	(45,808)
<b>Total comprehensive income for the period</b>	<b>128,170</b>	<b>120,488</b>
Profit attributable to :-		
Owners of the parent	(7,699)	97,939
Non-controlling interests	(44,606)	68,357
	(52,305)	166,296
Total comprehensive income attributable to :-		
Owners of the parent	109,897	70,377
Non-controlling interests	18,273	50,111
	128,170	120,488
Earnings per share (Rs)		
Number of shares	680,224,040	680,224,040
- From continuing and discontinued operations	(0.01)	0.14
- From continuing operations	(0.01)	0.12
Net assets per share (Rs)	20.84	22.89

Segmental Information	THE GROUP	
	Unaudited	
	Quarter Ended	Quarter Ended
	30.09.2020	30.09.2019 (Restated)
	Rs000	Rs000
<b>Revenue</b>		
Agro & Energy	-	-
Building & Engineering	1,949,150	1,883,232
Commercial & Distribution	5,782,786	5,688,945
Financial Services	635,238	456,761
Hospitality & Services	227,662	1,258,489
Life & Technologies	47,016	60,069
Logistics	304,358	430,274
Seafood	402,355	320,534
Property	124,545	205,587
Corporate services	38,421	46,641
Consolidation adjustment	(805,755)	(806,805)
<b>Revenue from continuing operations</b>	<b>8,705,776</b>	<b>9,543,727</b>

	THE GROUP	
	Unaudited	
	Quarter Ended	Quarter Ended
	30.09.2020	30.09.2019 (Restated)
	Rs000	Rs000
<b>Profit from operations</b>		
Agro & Energy	-	-
Building & Engineering	227,495	175,694
Commercial & Distribution	244,119	182,609
Financial Services	43,219	22,690
Hospitality & Services	(371,116)	(37,137)
Life & Technologies	(17,255)	9,410
Logistics	(26,478)	26,571
Seafood	68,257	61,080
Property	(26,990)	31,835
Corporate services	(103,257)	(109,132)
Consolidation adjustment	(2,179)	(9,022)
<b>Profit from operations from continuing operations</b>	<b>35,815</b>	<b>354,598</b>

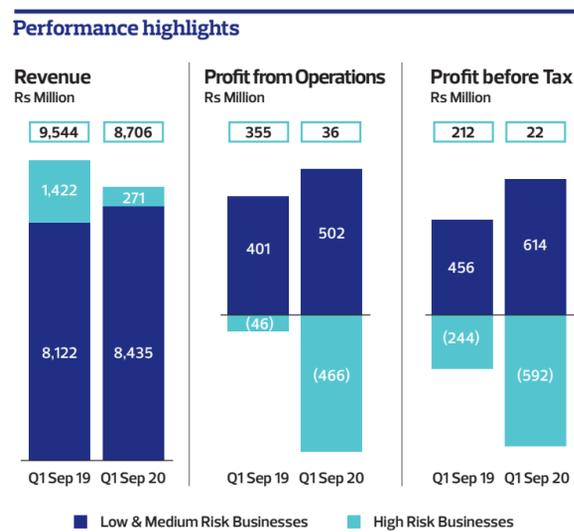
Share of results of associates and joint ventures	THE GROUP	
	Unaudited	
	Quarter Ended	Quarter Ended
	30.09.2020	30.09.2019 (Restated)
	Rs000	Rs000
Agro & Energy	85,374	(15,122)
Building & Engineering	6,302	10,150
Commercial & Distribution	2	58
Financial services	119,681	191,930
Hospitality & Services	-	-
Life & Technologies	5,779	2,361
Logistics	-	-
Seafood	49,207	20,846
Property	-	-
Corporate services	-	-
<b>Share of results of associates and joint ventures</b>	<b>266,345</b>	<b>210,223</b>

**Most companies within IBL's portfolio have performed fairly well and partially recovered after the end of the lockdown. The Group's Hospitality, Property Development and Aviation activities, however, continue to endure the impact of Covid-19 and border closures.**

Statement of financial position (Abridged)	THE GROUP		
	Unaudited	Audited	Unaudited
	As At	As At	As At
	30.09.2020	30.06.2020	30.09.2019 (Restated)
	Rs000	Rs000	Rs000
<b>Assets</b>			
Property, plant and equipment	28,540,537	28,355,603	26,248,792
Investment properties	2,841,913	2,857,422	3,076,164
Intangible assets	2,134,459	2,168,837	2,886,186
Investments	10,547,604	10,318,765	9,802,122
Deferred tax assets	511,604	588,737	140,852
Right of use assets	5,058,133	5,108,832	4,915,542
Other assets	138,678	139,640	217,546
Non-current assets	49,772,928	49,537,836	47,287,204
Current assets	16,685,458	15,824,360	16,259,737
Assets classified as held for sale	384,295	921,518	420,237
<b>Total Assets</b>	<b>66,842,681</b>	<b>66,283,714</b>	<b>63,967,178</b>
<b>Equity and Liabilities</b>			
Equity attributable to owners of the parent	14,173,352	14,063,455	15,568,970
Non-controlling interests	11,115,533	11,097,260	11,564,348
Total equity	25,288,885	25,160,715	27,133,318
Non-current liabilities	18,377,890	18,072,189	13,749,065
Lease liabilities	4,685,720	4,652,050	4,054,535
Current liabilities	18,277,451	17,956,904	18,813,825
Liabilities associated with assets classified as held for sale	212,735	441,856	216,435
<b>Total Equity and Liabilities</b>	<b>66,842,681</b>	<b>66,283,714</b>	<b>63,967,178</b>

Statement of cash flows (Abridged)	THE GROUP		
	Unaudited	Audited	Unaudited
	As At	As At	As At
	30.09.2020	30.06.2020	30.09.2019
	Rs000	Rs000	Rs000
Net cash generated from operating activities	59,525	3,071,666	316,068
Net cash used in investing activities	(664,086)	(2,487,630)	(514,761)
Net cash (used in) / generated from financing activities	203,920	2,173,796	(1,157,256)
Net (decrease) / increase in cash and cash equivalents	(400,641)	2,757,832	(1,355,949)
Net foreign exchange difference	6,786	6,781	(4,050)
Cash and cash equivalents at 1 July	(401,500)	(3,166,113)	(3,166,111)
<b>Cash and cash equivalents at end of period / Year</b>	<b>(795,355)</b>	<b>(401,500)</b>	<b>(4,526,110)</b>

Statement of Changes in Equity (Abridged)	THE GROUP		
	Owners of the parent	Non-controlling interests	Total Equity
	Rs000	Rs000	Rs000
<b>Unaudited</b>			
At 1 July 2019	15,565,984	11,520,953	27,086,937
- As previously stated	(67,391)	-	(67,391)
- Effect of adopting new accounting standards	15,498,593	11,520,953	27,019,546
- As restated	70,377	50,111	120,488
Other movements	-	(6,716)	(6,716)
<b>At 30 September 2019</b>	<b>15,568,970</b>	<b>11,564,348</b>	<b>27,133,318</b>
<b>Restated</b>			
At 1 July 2019	15,565,984	11,520,953	27,086,937
- As previously stated	(67,391)	-	(67,391)
- Effect of adopting new accounting standards	15,498,593	11,520,953	27,019,546
Total comprehensive 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)
<b>At 30 June 2020</b>	<b>14,063,455</b>	<b>11,097,260</b>	<b>25,160,715</b>
<b>Unaudited</b>			
At 1 July 2020	14,063,455	11,097,260	25,160,715
Total comprehensive income	109,897	18,273	128,170
<b>At 30 September 2020</b>	<b>14,173,352</b>	<b>11,115,533</b>	<b>25,288,885</b>



The low, medium and high risk businesses are defined by the likely adverse financial impact resulting from Covid-19.

## Comments

The Board of IBL Ltd is pleased to present the Group's unaudited abridged financial statements for the first quarter of the financial year (1Q2021), i.e. the three months ended 30 September 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 (FY2020). Due to the ongoing Covid-19 pandemic the financial highlights for 1Q2021 have been done using approaches that are consistent with FY2020 and will be subject to continuous re-assessment.

## Highlights for three months ended 30 September 2020

Group revenues fell by 9% to Rs 8,706 million for the three months period (1Q2020: Rs 9,544 Million).

Reported profit before tax decreased by 90% compared to the previous year.

IBL's diversified portfolio will be a source of its resilience to see this crisis through. An analysis of the revenue and profit year on year for "higher risk businesses", i.e. those severely affected by Covid-19 (namely Hospitality, Property Development and Aviation) versus "Low - Medium risk" shows that the latter has generated growth in revenue of 4% and an increase in operating profit of 25%. We have shown these in the charts below. So, whilst profitability has dropped, IBL is in a good position to weather the crisis until we get to a "new normal".

This three-month period (1Q2021) immediately followed the end of confinement period in Mauritius, at the end of the last financial year (FY2020), but saw borders remaining largely closed except for cargo and repatriation activities.

## Sectorial Review

**Building & Engineering:** The sector saw a turnaround in some of its businesses in 1Q2021 resulting from operational efficiency measures, closing down of our Dubai activities and from the completion of contracts which had started before the lockdown in the last quarter of FY2020. Lack of visibility on major development projects will pose a challenge for this sector in the short term. The Group's shipyard business experienced a decline in ship building and ship-repair activities in the three months period, both linked to the continuation of travel restrictions to and from Mauritius.

**Commercial & Distribution:** The sector has performed fairly well in 1Q2021 in part due to a better performance of Winner's, though we have observed a material shift in consumption patterns towards lower margin commodities. People are shopping less frequently post lockdown and prices have increased on imported products due to the depreciation of our local currency. However, we expect commercial and distribution to be one of the least impacted clusters.

**Financial Services:** Companies in this sector have fared well. Lower claims ratios in Eagle Insurance have improved results. AfrAsia Bank has shown lower quarterly results compared to last year due to a lower net interest income linked to lower prevailing interest rates.

Covid-19 and EU Blacklisting are still adversely affecting this sector. IFRS 9 (Expected Credit Loss) provision levels may well increase for the banking sector. Concurrently, the Bank of Mauritius (BOM) has announced that credit impairment guidelines shall be eased for the banking sector to help investment in the post-Covid recovery period.

**Hospitality & Services:** With frontiers largely closed, profitability for this sector is adversely affected. Weekend packages and one-off events for Mauritians and residents cannot compensate for the loss of income caused by the absence of foreign tourists.

We expect performance for this sector to remain under huge pressure for as long as borders are closed, the spread of Covid-19 persists in Europe, South Africa and other key markets, the uncertainties on our local carrier - Air Mauritius (MK) are not cleared and a vaccine is not widely available.

LUX\* Island Resorts (LIR) rescheduled its financial commitments. It has negotiated Rs 1 Billion long term facility from the Mauritius Investment Corporation (MIC) and commercial banks provided further credit facilities to sustain working capital requirements. The Lux Collective (TLC) is still in the process of restructuring its balance sheet.

Improvement in demand in China, the Maldives and steady occupancy rates in Reunion, however, provide encouraging signs for our overseas operations.

**Seafood:** The sector generated better results for 1Q2021 with Marine Biotechnology Products in Mauritius and Ivory Coast generating stronger results than last year.

Over-fishing in the Indian Ocean, however, poses a sustainability concern for us as well as our partners in the UK and Japan and is an issue that needs to be addressed in a comprehensive manner at the regional level.

**Property:** BlueLife's performance adversely affects the cluster as a whole. The slowdown in its luxury property sales and development activity is caused by the inability of prospective customers to visit the sites in Mauritius due to border closures.

As a result, the progress on the selling of properties at the Rive Droite Development at Azuri has been affected. The company is reformulating its strategy and financing needs to adapt to the changed environment.

Bloomage performed well during the period, exceeding profits made in the corresponding period of the previous year.

**Logistics:** The Logistics cluster operates in Aviation, Shipping and Logistics sub-segments. Aviation is under important pressure due to restricted opening of borders. Lower freight volumes affect Somatrans and land transportation services have been affected due to stalled hotel transport business and a general slowdown in other activities.

**Life & Technologies:** This sector involved in healthcare and medical sciences has international testing centres in 5 continents. It has suffered due to closure of testing centres during lockdown periods, resulting in lower results. IBL sees this cluster as one which presents long term development prospects locally and in Africa.

**Agro & Energy:** The sugar sector produced a marked improvement in Mauritius, Tanzania and Kenya compared to last year due to better pricing of sugar, coupled with improved operational costs in Mauritius. Alteo also posted better results from its Energy cluster and recorded higher revenues from sales of serviced plots at Anahita.

## Outlook

In the short term, profits are expected to be subdued with the challenges facing the hospitality, property development and aviation sectors, but the buoyancy of the other sectors of the Group position it well to navigate through the strong headwinds and emerge stronger after the end of the crisis.

**By Order of the Board**  
IBL Management Ltd  
Company Secretary  
03 December 2020

Copies of the abridged unaudited financial statements (which can also be viewed on the website [www.iblgroup.com](http://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, 4<sup>th</sup> Floor, IBL House, Caudan, Port Louis, Mauritius.

The above abridged unaudited financial statements are issued pursuant to Listing Rule 12.21 and Securities Act 2005. The Board of Directors of IBL Ltd accepts full responsibility for the accuracy of the information contained in these abridged unaudited financial statements.