

Abridged interim unaudited financial statements for the period ended September 30, 2020

CONSTANCE HOTELS SERVICES LIMITED AND ITS SUBSIDIARIES

THE GROUP - (MUR'000)	STATEMENT OF PROFIT OR LOSS					COMMENTS
	9 months ended		3 months ended		12 months ended	
	Sep-20 Unaudited	Sep-19 Unaudited	Sep-20 Unaudited	Sep-19 Unaudited	Dec-19 Audited	
Revenue	1,223,432	2,503,935	93,235	596,618	3,516,913	<p>1 Consolidation and Accounting Standards</p> <p>The abridged financial statements for the nine months and quarter ended 30 September 2020 are unaudited. The accounting policies and standards used in the preparation of these abridged unaudited financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2019.</p> <p>2 General Comments - COVID 19</p> <p>Our borders in Mauritius remained closed during the quarter except for the repatriation of Mauritian nationals and residents. The Maldives and the Seychelles borders reopened on 15th July and 1st August 2020 respectively with very low monthly arrivals.</p> <p>Our Mauritian properties opened to the local market mainly during the weekends, except, for Constance Prince Maurice hotel which currently hosts a group since mid-september. In the Maldives, Constance Halaveli was opened as from August 2020 for business albeit with very low occupancy while in the Seychelles Constance Ephelia was fully booked for three and a half months with a special group.</p> <p>3 Results</p> <p>With the persisting effect of the pandemic, the group results continue to be adversely impacted during the third quarter. Government support via the Wage Assistance Schemes in Mauritius and Seychelles and focus on maintaining cost-containment measures across the group have mitigated our adverse financial results.</p> <p>Turnover for the quarter ended 30 September 2020 was MUR 93 million compared with MUR 597 million for the same period last year thus, bringing the Group's cumulative turnover for nine months to September 2020 to MUR 1,223 million as against MUR 2,504 million for the corresponding period last year. For the nine months to September 2020, EBITDA generated was MUR 35 million as against MUR 401 million for the corresponding period last year.</p> <p>The increase in depreciation and finance costs, is mainly attributable to IFRS 16 adjustments, representing MUR 113 million and MUR 167 million respectively.</p> <p>After accounting for share of profit from associates of MUR 37 million and taxation for MUR 13 million, the Group after-tax loss was MUR 835 million, representing a worsening of MUR 646 million over last year due to the combination of the drastic fall in activities during the second and third quarters and the adjustments pertaining to the IFRS 16 implementation.</p> <p>4 Outlook</p> <p>The coronavirus pandemic continues to affect the global travel and tourism industry. The second wave of infections in Europe, resulting in further lockdowns across our source markets, maintains economic uncertainty and is not conducive to a resurgence of activities. Our financial situation is expected to worsen with our borders remaining closed for the foreseeable future.</p> <p>Against this background and based on the slow pace in bookings for the last quarter, we do not expect our results to improve during this period. The Board is closely monitoring the situation and the progress being made in discussions with the Company's providers of finance in regard to its financial support plan.</p> <p>By order of the Board</p> <p>La Gaieté Services Ltd Secretary</p> <p>11 November 2020</p> <p>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 from the Company Secretary, La Gaieté Services Ltd, 5th Floor, Labama House, 35 Sir William Newton Street, Port Louis. The financial statements are issued pursuant to DEM Listing Rule 17 and Securities Act 2005. The Board of Constance Hotels Services Ltd accepts full responsibility for the accuracy of these financial statements. Copies of these abridged unaudited financial statements are available to the public free of charge at 5th floor, Labama House, 35 Sir William Newton Street, Port Louis, Mauritius.</p>
Earnings(loss) before interest, taxation, depreciation and amortisation	34,648	400,780	(126,494)	(63,086)	984,660	
Depreciation and amortisation	(514,496)	(389,574)	(171,535)	(139,264)	(543,703)	
Operating (loss)/profit	(479,848)	11,206	(298,029)	(202,350)	440,957	
Net impairment losses on financial assets	-	-	-	-	(88,002)	
Finance costs	(404,205)	(247,092)	(130,048)	(88,341)	(543,993)	
Share of results of associates	36,634	65,760	51,002	13,969	92,575	
Loss before taxation and non recurring items	(847,419)	(170,126)	(377,075)	(276,722)	(98,463)	
Non recurring items	-	(10,739)	-	(10,739)	(41,863)	
Loss before taxation	(847,419)	(180,865)	(377,075)	(287,461)	(140,326)	
Taxation	12,506	(8,072)	17,173	(3,023)	3,670	
Loss for the period/year	(834,913)	(188,937)	(359,902)	(290,484)	(136,656)	
Attributable to:						
Owners of the parent	(832,766)	(193,195)	(366,666)	(289,481)	(142,296)	
Non-controlling interests	(2,147)	4,258	6,764	(1,003)	5,640	
	(834,913)	(188,937)	(359,902)	(290,484)	(136,656)	
Loss per share (MUR)	(7.59)	(1.76)	(3.34)	(2.64)	(1.30)	

THE GROUP - (MUR'000)	STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
	9 months ended		3 months ended		12 months ended
	Sep-20 Unaudited	Sep-19 Unaudited	Sep-20 Unaudited	Sep-19 Unaudited	Dec-19 Audited
Loss for the period/year	(834,913)	(188,937)	(359,902)	(290,484)	(136,656)
Other comprehensive income for the period/year	390,710	50,752	53,461	18,735	83,094
Total comprehensive income for the period/year	(444,203)	(138,185)	(306,441)	(271,749)	(53,562)
Attributable to:					
Owners of the parent	(445,952)	(145,054)	(313,620)	(271,982)	(61,084)
Non-controlling interests	1,749	6,869	7,179	233	7,522
	(444,203)	(138,185)	(306,441)	(271,749)	(53,562)

THE GROUP - (MUR'000)	STATEMENT OF FINANCIAL POSITION		
	Sep-20 Unaudited	Sep-19 Unaudited	Dec-19 Audited
	Assets		
Non-Current Assets			
Property, plant and equipment	8,271,193	8,123,794	8,237,098
Rights-of-use assets	3,675,914	-	3,479,116
Intangible assets	549,155	1,153,576	502,949
Investments in associates	2,003,711	1,683,722	1,754,239
Financial assets at amortised cost	57,000	53,906	53,906
Deferred tax assets	90,758	83,408	96,770
	14,647,731	11,098,406	14,124,078
	1,031,437	1,255,533	1,393,054
Current Assets			
Total Assets	15,679,168	12,353,939	15,517,132
Equity and Liabilities			
Owners' interest	5,532,817	5,948,079	5,978,769
Non-controlling interests	12,330	31,130	10,581
Total equity	5,545,147	5,979,209	5,989,350
Non-Current Liabilities			
Borrowings	3,545,532	4,060,541	2,748,198
Lease liabilities	3,132,756	-	2,910,052
Deferred tax liabilities	45,262	60,183	44,870
Retirement benefit obligations	270,259	182,698	270,259
	6,993,809	4,303,422	5,973,379
Current Liabilities	3,140,212	2,071,308	3,554,403
Total Liabilities	10,134,021	6,374,730	9,527,782
Total Equity and Liabilities	15,679,168	12,353,939	15,517,132
Net Asset Value per share (MUR)	50.46	54.24	54.52

THE GROUP - (MUR'000)	STATEMENT OF CASH FLOW		
	Sep-20 Unaudited	Sep-19 Unaudited	Dec-19 Audited
	Net cash generated from operating activities	59,271	178,978
Net cash used in investing activities	(128,493)	(200,153)	(409,043)
Net cash used in financing activities	(47,718)	(34,304)	(196,652)
(Decrease)/increase in cash and cash equivalents	(116,940)	(55,479)	52,719
Cash and cash equivalents at beginning of the period/year	(381,271)	(433,990)	(433,990)
Cash and cash equivalents at end of the period/year	(498,211)	(489,469)	(381,271)

THE GROUP - (MUR'000)	STATEMENT OF CHANGES IN EQUITY					
	Attributable to owners of the parent					Total
	Stated capital	Other reserves	Retained earnings	Owners' interest	Non-controlling interests	
Balance at January 1, 2020	2,153,395	3,347,525	477,849	5,978,769	10,581	5,989,350
Total comprehensive income for the period	-	386,814	(832,766)	(445,952)	1,749	(444,203)
Balance at September 30, 2020	2,153,395	3,734,339	(354,917)	5,532,817	12,330	5,545,147
Balance at January 1, 2019	2,153,395	3,266,313	673,425	6,093,133	45,330	6,138,463
Total comprehensive income for the period	-	48,141	(193,195)	(145,054)	6,869	(138,185)
Dividends	-	-	-	-	(21,069)	(21,069)
Balance at September 30, 2019	2,153,395	3,314,454	480,230	5,948,079	31,130	5,979,209
Balance at January 1, 2019						
- As previously reported	2,153,395	3,266,313	621,790	6,041,498	45,330	6,086,828
- Effect of adopting IFRS 16	-	-	(1,645)	(1,645)	-	(1,645)
As restated	2,153,395	3,266,313	620,145	6,039,853	45,330	6,085,183
Total comprehensive income for the year	-	81,212	(142,296)	(61,084)	7,522	(53,562)
Dividends	-	-	-	-	(42,271)	(42,271)
Balance at December 31, 2019	2,153,395	3,347,525	477,849	5,978,769	10,581	5,989,350

THE GROUP - (MUR'000)	GEOGRAPHICAL INFORMATION					
	9 months to Sep-20			9 months to Sep-19		
	Mauritius	Maldives	Total	Mauritius	Maldives	Total
Revenue	660,813	562,619	1,223,432	1,296,969	1,206,966	2,503,935
Operating (loss)/profit	(243,618)	(236,230)	(479,848)	54,358	(43,152)	11,206

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