

CONSTANCE HOTELS SERVICES LIMITED AND ITS SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS		
THE GROUP - (MUR'000)	Dec 2021 Audited	Dec 2020 Audited
Revenue	2,439,188	1,583,508
Earnings before interest, taxation, depreciation and amortisation	534,085	211,995
Allowance (charged)/reversed on expected credit losses:		
- on trade receivables	(9,644)	5,282
Depreciation and amortisation	(614,521)	(577,045)
Operating loss	(90,080)	(359,768)
Finance income	10,156	15,472
Finance costs	(597,057)	(541,761)
Share of results of associates	(61,704)	(1,772)
Loss before taxation and non-recurring items	(738,685)	(887,829)
Impairment of Goodwill	-	(504,377)
Loss before taxation	(738,685)	(1,392,206)
Income tax credit/(expense)	25,187	(27,276)
Loss for the year	(713,498)	(1,419,482)
Attributable to:		
Owners of the parent	(708,353)	(1,416,853)
Non-controlling interests	(5,145)	(2,629)
	(713,498)	(1,419,482)
Basic and diluted loss per share (MUR)	(6.46)	(12.92)

COMMENTS

1 Consolidation and Accounting Standards

The financial statements comply with the Companies Act 2001 and Financial Reporting Act 2004 and have been prepared in accordance with International Financial Reporting Standards effective for the year under review. The financial statements for the year ended 31 December 2021 have been audited by Ernst and Young.

2 General Comments

In 2021, COVID-19 pandemic continued to cause significant uncertainty and turbulence in the tourism and travel industry. Mauritius fully reopened its borders on 1st October 2021, after one and half years of closure, to fully vaccinated travellers with a negative PCR test. Seychelles achieved its herd immunity in March 2021 when it reopened its borders and launched attractive incentives worldwide as a COVID-free destination. This resulted in a 59% increase in tourists arrivals compared to 2020. The Maldives, which reopened during the last quarter of 2020, saw an increase of 130% in its 2021 arrivals. Madagascar was closed for the whole year to overseas travellers.

3 Results

As a result of these re-openings at varying times, revenue increased from MUR 1,584 million in 2020 to MUR 2,439 million in 2021. EBITDA generated improved to MUR 534 million compared to MUR 212 million in the previous year due to the combined effects of increase in revenue and cost containment measures undertaken in all our resorts. Finance costs were up to MUR 597 million (2020: MUR 542 million) as a result of the higher debt level of the Group. Despite positive operational results in the 2 hotels in Seychelles, the share of associates was negatively impacted by the increase in the special tax rate for the hospitality industry, resulting in a share of loss of MUR 62 million compared to MUR 2 million in 2020.

After booking a tax credit of MUR 25 million, loss for the year was MUR 713 million (2020: loss MUR 1.4 billion).

Provided there is no unforeseen circumstances, 2022 is expected to show an improved result compared to 2021, as reported by the first quarter abridged results published separately.

By order of the Board

ECS Secretaries Ltd
Secretary

13 May 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
THE GROUP - (MUR'000)	Dec 2021 Audited	Dec 2020 Audited
Loss for the year	(713,498)	(1,419,482)
Other comprehensive income for the year	75,038	260,516
Total comprehensive income for the year	(638,460)	(1,158,966)
Attributable to:		
Owners of the parent	(635,314)	(1,159,155)
Non-controlling interests	(3,146)	189
	(638,460)	(1,158,966)

STATEMENT OF FINANCIAL POSITION		
THE GROUP - (MUR'000)	Dec 2021 Audited	Dec 2020 Audited
Assets		
Non-Current Assets		
Property, plant and equipment	8,245,812	8,265,139
Right-of-use assets	4,312,286	4,258,884
Intangible assets	8,728	14,068
Investments in associates	2,029,957	2,077,053
Deferred tax assets	113,008	78,375
	14,709,791	14,693,519
Current Assets	1,368,046	915,823
Total Assets	16,077,837	15,609,342
Equity and Liabilities		
Owners' interest	4,135,867	4,819,618
Convertible bonds	646,980	-
Non-controlling interests	(19,767)	(11,965)
Total equity	4,763,080	4,807,653
Non-Current Liabilities		
Borrowings	4,902,870	3,968,283
Lease liabilities	4,029,268	3,829,714
Deferred tax liabilities	23,791	42,350
Employee benefit obligations	390,826	316,435
	9,346,755	8,156,782
Current Liabilities	1,968,002	2,644,907
Total Liabilities	11,314,757	10,801,689
Total Equity and Liabilities	16,077,837	15,609,342
Net Asset Value per share (MUR) - excluding convertible bonds and non-controlling interests	37.72	43.95

STATEMENT OF CASH FLOW		
THE GROUP - (MUR'000)	Dec 2021 Audited	Dec 2020 Audited
Net cash generated from/(used in) operating activities	5,523	(48,488)
Net cash (used in)/generated from investing activities	(18,140)	11,325
Net cash generated from/(used in) financing activities	340,344	(151,774)
Net increase/(decrease) in cash and cash equivalents	327,727	(188,937)
Foreign exchange difference	(5,334)	6,012
Cash and cash equivalents at beginning of the year	(564,196)	(381,271)
Cash and cash equivalents at end of the year	(241,803)	(564,196)

GEOGRAPHICAL INFORMATION			
THE GROUP - (MUR'000)	Revenue from external customers		
	Dec 2021	Dec 2020	
Mauritius	1,046,613	845,086	
Maldives	1,392,575	738,422	
Total	2,439,188	1,583,508	
		Total Assets	
		Dec 2021	Dec 2020
Mauritius		9,090,293	9,625,763
Maldives		6,987,544	5,983,579
Total		16,077,837	15,609,342

STATEMENT OF CHANGES IN EQUITY							
Audited	Attributable to owners of the parent						
	Stated capital	Revaluation and other reserves	Retained earnings	Owners' interest	Convertible bonds	Non-controlling interests	Total equity
THE GROUP - (MUR'000)							
Balance at January 1, 2021	2,153,395	3,605,227	(939,004)	4,819,618	-	(11,965)	4,807,653
Loss for the year	-	-	(708,353)	(708,353)	-	(5,145)	(713,498)
Other comprehensive income for the year	-	73,039	-	73,039	-	1,999	75,038
Issue of convertible bonds, net of transaction costs	-	-	-	-	646,980	-	646,980
Changes in percentage holding of subsidiary	-	-	(38,813)	(38,813)	-	38,813	-
Interest on convertible bonds	-	-	(9,624)	(9,624)	-	(183)	(9,807)
Dividends	-	-	-	-	-	(43,286)	(43,286)
Balance at December 31, 2021	2,153,395	3,678,266	(1,695,794)	4,135,867	646,980	(19,767)	4,763,080
Balance at January 1, 2020	2,153,395	3,347,525	477,849	5,978,769	-	10,581	5,989,350
Loss for the year	-	-	(1,416,853)	(1,416,853)	-	(2,629)	(1,419,482)
Other comprehensive income for the year	-	257,702	-	257,702	-	2,814	260,516
Dividends	-	-	-	-	-	(22,731)	(22,731)
Balance at December 31, 2020	2,153,395	3,605,227	3,880,614	4,819,618	-	(11,965)	4,807,653

The statement of direct and indirect interests of officers 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, ECS Secretaries Ltd, 3rd Floor, Labama House, 35 Sir William Newton Street, Port Louis. The financial statements are issued pursuant to DEM Listing Rule 18 and Securities Act 2005. The Board of Constance Hotels Services Limited accepts full responsibility for the accuracy of these financial statements. Copies of this abridged audited financial statements are available to the public free of charge at 3rd floor, Labama House, 35 Sir William Newton Street, Port Louis, Mauritius.

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