

HOTELEST LIMITED AND ITS SUBSIDIARIES
Abridged interim unaudited financial statements for the period ended 30 September 2020

	STATEMENT OF PROFIT OR LOSS					COMMENTS
	9 months to		3 months to		12 months to	
	Sep-20 Unaudited	Sep-19 Unaudited	Sep-20 Unaudited	Sep-19 Unaudited	Dec-19 Audited	
THE GROUP - (MUR'000)						1. Principal activity
Revenue	1,223,432	2,503,935	93,235	596,618	3,516,913	The only activity of Hotelest Limited is to hold 51% of the share capital of Constance Hotels Services Limited (CHSL).
Earnings/(loss) before interest, taxation, depreciation and amortisation	33,350	399,283	(126,989)	(63,612)	982,657	
Depreciation and amortisation	(514,496)	(389,574)	(171,535)	(139,264)	(543,703)	
Operating(loss)/profit	(481,146)	9,709	(298,524)	(202,876)	438,954	
Net Impairment losses on financial assets	-	-	-	-	(88,002)	
Finance costs	(404,314)	(247,160)	(130,071)	(88,373)	(544,100)	
Share of results of associates	36,634	65,760	51,002	13,969	92,575	
Loss before taxation and non recurring item	(848,826)	(171,691)	(377,593)	(277,280)	(100,573)	
Non recurring item	-	(10,739)	-	(10,739)	(41,863)	
Loss before taxation	(848,826)	(182,430)	(377,593)	(288,019)	(142,436)	
Taxation	12,506	(8,072)	17,173	(3,023)	3,670	
Loss for the period/year	(836,320)	(190,502)	(360,420)	(291,042)	(138,766)	
Attributable to:						2. Consolidation and Accounting Standards
Owners of the parent	(426,118)	(100,094)	(187,518)	(148,193)	(74,681)	The abridged financial statements for the 9 months 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.
Non-controlling interests	(410,202)	(90,408)	(172,902)	(142,849)	(64,085)	
Loss per share (MUR)	(7.62)	(1.79)	(3.35)	(2.65)	(1.34)	3. General Comments - COVID 19

	STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
	9 months to		3 months to		12 months to
	Sep-20 Unaudited	Sep-19 Unaudited	Sep-20 Unaudited	Sep-19 Unaudited	Dec-19 Audited
THE GROUP - (MUR'000)					
Loss for the period/year	(836,320)	(190,502)	(360,420)	(291,042)	(138,766)
Other comprehensive income for the period/year	390,710	50,752	53,461	18,735	83,094
Total comprehensive income for the period/year	(445,610)	(139,750)	(306,959)	(272,307)	(55,672)
Attributable to:					
Owners of the parent	(228,845)	(75,544)	(160,465)	(139,269)	(33,263)
Non-controlling interests	(216,765)	(64,206)	(146,494)	(133,038)	(22,409)
	(445,610)	(139,750)	(306,959)	(272,307)	(55,672)

	STATEMENT OF FINANCIAL POSITION		
	Sep-20	Sep-19	Dec-19
	Unaudited	Unaudited	Audited
THE GROUP - (MUR'000)			
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
Current Assets	1,031,681	1,255,717	1,393,177
Total Assets	15,679,412	12,354,123	15,517,255
Equity and Liabilities			
Owners' interest	2,816,756	3,030,493	3,045,601
Non-controlling interests	2,723,411	2,945,688	2,940,176
Total equity	5,540,167	5,976,181	5,985,777
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	3,145,436	2,074,520	3,558,099
Total Liabilities	10,139,245	6,377,942	9,531,478
Total Equity and Liabilities	15,679,412	12,354,123	15,517,255
Net Asset Value per share (MUR)	50.37	54.19	54.46

	STATEMENT OF CASH FLOW		
	Sep-20	Sep-19	Dec-19
	Unaudited	Unaudited	Audited
THE GROUP - (MUR'000)			
Net cash generated from operating activities	58,102	177,148	656,005
Net cash used in investing activities	(128,493)	(200,153)	(409,043)
Net cash used in financing activities	(47,718)	(32,567)	(194,917)
(Decrease)/increase in cash and cash equivalents	(118,109)	(55,572)	52,045
Cash and cash equivalents at beginning of the period/year	(384,152)	(436,197)	(436,197)
Cash and cash equivalents at end of the period/year	(502,261)	(491,769)	(384,152)

	STATEMENT OF CHANGES IN EQUITY					
	Attributable to owners of the parent					
	Stated capital	Revaluation and other reserves	Retained earnings	Owners' interest	Non-controlling interests	Total
THE GROUP - (MUR'000)						
Balance at January 1, 2020	1,102,001	1,682,572	261,028	3,045,601	2,940,176	5,985,777
Total comprehensive income for the period	-	197,273	(426,118)	(228,845)	(216,765)	(445,610)
Balance at September 30, 2020	1,102,001	1,879,845	(165,090)	2,816,756	2,723,411	5,540,167
Balance at January 1, 2019	1,102,001	1,641,154	362,882	3,106,037	3,030,963	6,137,000
Total comprehensive income for the period	-	24,550	(100,094)	(75,544)	(64,206)	(139,750)
Dividends	-	-	-	-	(21,069)	(21,069)
Balance at September 30, 2019	1,102,001	1,665,704	262,788	3,030,493	2,945,688	5,976,181
At January 1, 2019	1,102,001	1,641,154	362,882	3,106,037	3,030,963	6,137,000
- As previously reported	-	-	(26,334)	(26,334)	(25,301)	(51,635)
- Prior year adjustment	-	-	(839)	(839)	(806)	(1,645)
- Effect of adopting IFRS 16	-	-	-	-	-	-
As restated	1,102,001	1,641,154	335,709	3,078,864	3,004,856	6,083,720
Loss for the year	-	-	(74,681)	(74,681)	(64,085)	(138,766)
Other comprehensive income for the year	-	41,418	-	41,418	41,676	83,094
Dividends	-	-	-	-	(42,271)	(42,271)
At December 31, 2019	1,102,001	1,682,572	261,028	3,045,601	2,940,176	5,985,777

	GEOGRAPHICAL INFORMATION					
	9 months to Sep-20			9 months to Sep-19		
	Mauritius	Maldives	Total	Mauritius	Maldives	Total
THE GROUP - (MUR'000)						
Revenue	660,813	562,619	1,223,432	1,296,969	1,206,966	2,503,935
Operating (loss)/profit	(244,916)	(236,230)	(481,146)	52,861	(43,152)	9,709

1. Principal activity

The only activity of Hotelest Limited is to hold 51% of the share capital of Constance Hotels Services Limited (CHSL).

2. Consolidation and Accounting Standards

The abridged financial statements for the 9 months 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.

3. General Comments - COVID 19

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.

CHSL's 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.

4. Results

With the persisting effect of the pandemic, the group results continued 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 CHSL's group have mitigated its adverse financial results.

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 33 million as against MUR 399 million for the corresponding period last year.

The increase in depreciation and finance costs, is mainly attributable to IFRS 16 adjustments and representing MUR 113 million and MUR 167 million respectively.

After accounting share of profit from associates of MUR 37 million and taxation for MUR 13 million, the Group after-tax loss was MUR 836 million, representing a worsening of MUR 646 million over last year due to the combination of drastic fall in activities during the second and third quarters and the adjustments pertaining to the IFRS 16 implementation.

5. Outlook

The coronavirus pandemic continues to affect the global travel and tourism industry. The second wave of infections in Europe, resulting in further lockdowns across CHSL's source markets, maintains economic uncertainty and is not conducive to a resurgence in activities. CHSL's financial situation is expected to worsen with its borders remaining closed for the foreseeable future.

Against this background and based on the slow pace in bookings for the last quarter, we do not expect CHSL's results to improve during this period. The Board is closely monitoring the situation and the progress being made in discussions with CHSL's providers of finance in regard to its financial support plan.

By order of the Board

La Gaieté Services Ltd
Secretary

11 November 2020

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 Hotelest 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.