



Hotels | Properties | Services

SUN LIMITED ABRIDGED FINANCIAL STATEMENTS

The Group's audited results for the year ended 30 June 2018 are as follows:

Occupancy 74.6% ▼2.5% vs LY	ADR Rs 9,619 ▲18% vs LY	RevPAR Rs 7,175 ▲14% vs LY	TRevPAR Rs 11,754 ▲10% vs LY	Revenue Rs 6,724m ▲12% vs LY
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (ABRIDGED)

	YEAR ENDED 30 JUNE	
	2018	2017 Restated
	Rs'000	Rs'000
Revenue	6,723,879	6,007,284
Other income	50,277	40,596
Operating expenses	(5,483,753)	(5,071,042)
Normalised earnings before interest, tax, depreciation and amortisation	1,290,403	976,838
Closure, marketing launch, restructuring, branding and transaction costs	-	(124,138)
Earnings before interest, tax, depreciation and amortisation	1,290,403	852,700
Depreciation and amortisation	(546,079)	(457,956)
Operating profit	744,324	394,744
Finance costs	(479,822)	(504,068)
Finance income	16,312	12,152
Share of results of associates	-	(1,399)
Profit/(loss) before tax	280,814	(98,571)
Income tax charge	(86,747)	(13,488)
Profit/(loss) for the year	194,067	(112,059)
Other comprehensive income net of tax	702,149	(211,977)
Total comprehensive income for the year	896,216	(324,036)
Profit/(loss) attributable to:		
Owners of the Company	179,517	(108,056)
Non-controlling interests	14,550	(4,003)
	194,067	(112,059)
Total comprehensive income attributable to:		
Owners of the Company	866,407	(320,813)
Non-controlling interests	29,809	(3,223)
	896,216	(324,036)
Basic earnings/(loss) per share (Rs)	1.07	(0.84)

CONSOLIDATED GEOGRAPHICAL AND SEGMENTAL INFORMATION

	YEAR ENDED 30 JUNE	
	2018	2017
	Rs'000	Rs'000
Geographical revenue:		
Mauritius	5,859,359	5,403,743
Maldives	414,003	210,925
Others	500,794	433,212
Total revenue including other operating income	6,774,156	6,047,880
Geographical results:		
Mauritius	370,959	154,406
Maldives	(182,585)	(269,825)
Others	5,693	3,360
Profit/(loss) for the year	194,067	(112,059)
Segment revenue:		
Hotel operations - External sales	6,273,362	5,614,668
Hotel operations - Inter-segment sales	354,638	309,061
	6,628,000	5,923,729
Others - External sales	500,794	433,212
Elimination of inter-segment sales	(354,638)	(309,061)
Total revenue including other operating income	6,774,156	6,047,880
Segment results:		
Hotel operations	188,374	(115,419)
Others	5,693	3,360
Profit/(loss) for the year	194,067	(112,059)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (ABRIDGED)

	30 JUNE 2018	30 JUNE 2017
	Rs'000	Restated Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	17,785,302	16,934,667
Intangible assets	2,016,811	2,014,746
Investments in associates	702,445	702,445
Other non current assets	774,577	586,430
	21,279,135	20,238,288
Current assets	1,621,042	1,509,983
Total assets	22,900,177	21,748,271
EQUITY AND LIABILITIES		
Shareholders' equity	10,041,019	7,426,828
Non-controlling interests	822,302	792,992
Total equity	10,863,321	8,219,820
Borrowings	8,516,048	9,502,759
Deferred tax liability	831,535	713,526
Employee benefit liability	269,621	306,568
Deferred revenue	64,534	-
Provisions	80,218	46,718
Non-current liabilities	9,761,956	10,569,571
Current liabilities	2,274,900	2,958,880
Total liabilities	12,036,856	13,528,451
Total equity and liabilities	22,900,177	21,748,271
Total net interest-bearing loans and borrowings	8,621,079	10,503,547
Gearing	44.2%	56.1%

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (ABRIDGED)

	THE GROUP			
	Attributable to owners of the Company	Treasury shares	Non-controlling interests	Total equity
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2016				
- As previously reported	9,281,633	(1,432,030)	796,489	8,646,092
- Prior year adjustment	(82,603)	-	-	(82,603)
- As restated	9,199,030	(1,432,030)	796,489	8,563,489
Total comprehensive income for the year	(320,813)	-	(3,223)	(324,036)
Purchase of treasury shares	-	(19,359)	-	(19,359)
Dividends	-	-	(274)	(274)
At 30 June 2017	8,878,217	(1,451,389)	792,992	8,219,820
At 1 July 2017	8,878,217	(1,451,389)	792,992	8,219,820
Total comprehensive income for the year	866,407	-	29,809	896,216
Issue of shares	1,834,997	-	-	1,834,997
Dividends	(87,213)	-	(499)	(87,712)
At 30 June 2018	11,492,408	(1,451,389)	822,302	10,863,321

CONSOLIDATED STATEMENT OF CASH FLOWS (ABRIDGED)

	THE GROUP	
	2018	2017
	Rs'000	Rs'000
Consolidated Statement of Cash Flows (Abridged)		
Operating profit before working capital changes	1,402,272	839,820
Change in working capital	150,490	9,816
Cash generated from operations	1,552,762	849,636
Income taxes paid	(18,985)	(26,895)
Net cash flows from operating activities	1,533,777	822,741
Net cash flows used in investing activities	(773,702)	(1,229,288)
Net cash flows (used in)/from financing activities	(520,513)	1,255,008
Net increase in cash and cash equivalents	239,562	848,461
Cash and cash equivalents at 1 July	171,438	(677,023)
Net cash and cash equivalents at 30 June	411,000	171,438

NOTES TO THE ABOVE:

- The abridged financial statements of the Group are audited by the newly appointed auditors, Messrs. PricewaterhouseCoopers, Chartered Accountants and have been prepared using the same accounting policies and methods adopted in the financial statements for year ended 30 June 2018.
- The accounts for FY17 have been restated mainly due to the change in effective tax rate from 15% to 17% resulting from the recognition of Corporate Social Responsibility (CSR) as a tax and the treatment of the sales and leaseback of the Invest Hotel Scheme (IHS) rooms at Long Beach as finance leases.

These financial statements are issued pursuant to Listing Rule 12.14 and the Securities Act 2005.

COMMENTS ON THE RESULTS

Financial results

Group revenue for the year reached Rs 6.7 billion, a 12% increase over the prior year. This increase is mainly attributable to a commendable 18% growth in the average daily rate whilst the occupancy rate was maintained at 75%, only 2 percentage points below prior year. During the year all resorts showed a significant progression in revenue, especially Long Beach and Ambre resorts, which recorded growths in revenue of 14% and 13% respectively. Our resort in the Maldives, Kanuhura, had its first full year of operation since renovation. Although the resort gained good growth momentum during the year, it has not yet reached the required revenue level and thus incurred a significant loss, thereby materially impacting the overall Group results.

As a result of the opinion expressed by the external auditors during their review of the year end financial statements, the Rs 60 million profit on the sales of the IHS rooms which had been recognised in the nine months abridged results, has been subsequently reversed in the year end audited accounts. The external auditors' view is that this transaction should be accounted as a finance lease and that, as a consequence, the profits should be capitalised and amortised over the duration of the lease.

In line with the increased revenue, the Group's EBITDA margin improved from 16.2%

last year to 19.0% and EBITDA grew by 32% on FY17 to Rs 1.3 billion. With a higher depreciation charge attributable to Kanuhura and La Pirogue post renovation, the Group showed a return to profitability, posting a profit after tax of Rs 194 million against a loss after tax position of Rs 112 million last year.

Outlook

Compared to same date last year, forward bookings currently show a growth in revenues for our resorts in Mauritius and an encouraging increase in occupancy for Kanuhura. Provided trading conditions do not deteriorate, management views these trends as positive contributing factors towards the overall performance of the current financial year.

By Order of the Board

CIEL Corporate Services Ltd
Company Secretary

26 September 2018

This announcement is issued pursuant to Listing Rule 12.14 and the Securities Act 2005.

The Board of Directors of Sun Limited accepts full responsibility for the accuracy of the information contained in this report.

The statement of direct and indirect interests of officers of the Company required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the Secretary, free of charge at CIEL Corporate Services Ltd, Ebène Skies, Ebène, Mauritius.

Copies of this report are available to the public, free of charge, at the Registered Office of the Company.

Registered Office
5th floor, Ebène Skies
Rue de L'institut,
Ebène

Transfer Office
MCB Registry & Securities Ltd. Sir William
Newton Street, Port Louis

Sun Limited is one of the leading hotel groups in Mauritius which currently owns and/or manages six resorts in the Republic of Mauritius: Shangri-La's Le Touessrok Resort & Spa, Four Seasons Resort Mauritius at Anahita, Long Beach, Sugar Beach, La Pirogue, Ambre and Kanuhura in the Republic of Maldives.