

THE UNION SUGAR ESTATES COMPANY LIMITED AND ITS SUBSIDIARIES

ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

ABRIDGED STATEMENT OF FINANCIAL POSITION

	THE GROUP	
	<u>2021</u>	<u>2020</u>
	Rs'000	Rs'000
ASSETS		
Non-current assets	2,010,970	1,982,266
Current assets	203,421	250,267
Total assets	<u>2,214,391</u>	<u>2,232,533</u>
EQUITY AND LIABILITIES		
Owners' interest	1,661,261	1,562,516
Non-current liabilities	355,675	451,801
Current liabilities	197,455	218,216
Total equity and liabilities	<u>2,214,391</u>	<u>2,232,533</u>

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ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP	
	2021	2020
	Rs'000	Rs'000
Revenue	188,081	135,883
Operating profit/(loss) before impairment of bearer plants	41,983	(42,756)
Impairment of bearer plants	(9,262)	(6,560)
Operating profit/(loss)	32,721	(49,316)
Other income	15,233	6,051
Share of result of associates	684	898
Loss on disposal of investments in subsidiary	(4,677)	-
Profit on disposal of land	69,241	45,727
Profit before finance costs	113,202	3,360
Finance costs	(20,989)	(19,405)
Profit/(loss) before taxation	92,213	(16,045)
Taxation	(5,091)	8,185
Profit/(loss) from continuing operations	87,122	(7,860)
(Loss)/profit from discontinued operations	(2,258)	25,845
Profit for the year	84,864	17,985
Other comprehensive income/(loss) for the year	41,491	(31,239)
Total comprehensive income/(loss) for the year	126,355	(13,254)
Profit attributable to:		
Owners of the parent	84,864	13,239
Non-controlling interests	-	4,746
	84,864	17,985
Total comprehensive income/(loss) attributable to:		
Owners of the parent	126,355	(18,000)
Non-controlling interests	-	4,746
	126,355	(13,254)
Earnings/(loss) per share		
- Continuing operations	Rs. 4.61	(0.42)
- Continuing and discontinued operations	Rs. 4.49	0.70
Number of ordinary shares ('000)	18,900	18,900

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ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

ABRIDGED STATEMENT OF CHANGES IN EQUITY

THE GROUP	Attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital	Revaluation and other reserves	(Accumulated losses)/ retained earnings	Total			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000		
Balance at 1 January 2021	1,890	1,684,557	(123,931)	1,562,516	-	1,562,516	
Profit for the year	-	-	84,864	84,864	-	84,864	
Other comprehensive income for the year	-	41,491	-	41,491	-	41,491	
Total comprehensive income for the year	-	41,491	84,864	126,355	-	126,355	
Deconsolidation adjustments	-	(7,308)	7,133	(175)	-	(175)	
Revaluation surplus released on land disposed	-	(102,419)	102,419	-	-	-	
Revaluation surplus released on ROU assets disposed, net of deferred tax	-	(7,835)	9,440	1,605	-	1,605	
Revaluation surplus released on depreciation of property, plant and equipment, net of deferred tax	-	(4,937)	5,948	1,011	-	1,011	
Dividends payable	-	-	(30,051)	(30,051)	-	(30,051)	
Balance at 31 December 2021	1,890	1,603,549	55,822	1,661,261	-	1,661,261	

THE GROUP	Attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital	Revaluation and other reserves	Retained earnings/ (accumulated losses)	Total			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000		
Balance at 1 January 2020	18,900	2,200,735	69,933	2,289,568	115,832	2,405,400	
Profit for the year	-	-	13,239	13,239	4,746	17,985	
Other comprehensive loss for the year	-	(31,239)	-	(31,239)	-	(31,239)	
Total comprehensive loss for the year	-	(31,239)	13,239	(18,000)	4,746	(13,254)	
Capital reduction	(17,010)	-	17,010	-	-	-	
Shares distributed in lieu of dividends	-	-	(759,763)	(759,763)	-	(759,763)	
Deconsolidation adjustments	-	(481,471)	531,471	50,000	(120,578)	(70,578)	
Revaluation surplus released on depreciation of property, plant and equipment, net of deferred tax	-	(3,468)	4,179	711	-	711	
Balance at 31 December 2020	1,890	1,684,557	(123,931)	1,562,516	-	1,562,516	

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ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

ABRIDGED STATEMENT OF CASHFLOW

	THE GROUP	
	2021	2020
	Rs'000	Rs'000
Net cash used in operating activities	(20,708)	(121,357)
Net cash from/(used in) investing activities	47,167	(79,121)
Net cash (used in)/from financing activities	(10,341)	250,819
Increase in cash and cash equivalents	16,118	50,341
Movement in cash and cash equivalents		
At 1 January ,	(18,901)	(69,242)
Increase	16,118	50,341
At 31 December ,	(2,783)	(18,901)

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ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

SEGMENTAL INFORMATION - THE GROUP

Business segments	AGRO	OTHERS	TOTAL
	Rs'000	Rs'000	Rs'000
Year ended 31 December 2021			
Revenue from external customers	<u>155,308</u>	<u>32,773</u>	<u>188,081</u>
Operating profit/(loss)	<u>47,434</u>	<u>(14,713)</u>	<u>32,721</u>
Year ended 31 December 2020			
Revenue from external customers	<u>106,560</u>	<u>29,323</u>	<u>135,883</u>
Operating loss	<u>(37,589)</u>	<u>(11,727)</u>	<u>(49,316)</u>

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ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

NOTES

1. The abridged consolidated financial statements have been prepared based on the financial statements which have been audited by Deloitte and prepared in accordance with International Financial Reporting Standards and on the basis of the accounting policies set out in the audited financial statements of the group for the year ended 31 December 2021.
2. The activities of the company consist of growing and cultivation of sugar cane and other agricultural products. The operating subsidiary is engaged in management services.
3. Performance review:
 - (i) The revenue of the group for the year ended 31 December 2021 increased by Rs 52m to reach Rs 188m. The Group has received a compensation Rs 7.8m from SIFB for crop 2020 which was declared event year on account of drought. Furthermore, the Group has recorded an increase in sugar revenue following a rise in sugar price for both crop 2020 and 2021 coupled with better return from its diversification activities. The group has also benefitted from a remuneration of Rs 3,300 per tonne of sugar accrued as from crop 2021 with regards to electricity production from bagasse. This measure together with the implementation of the bio-mass framework are essential for the sustainability of the cane industry in the future.
 - (ii) The Group's operating results improved from a loss of Rs 49m last year to a profit of Rs 33m for the year under review mainly due to an increase of Rs 49m in revenue coupled with costs containment of Rs 18m as well as a favourable variance of Rs 18m arising from the fair value movement in standing cane in the Agro segment.
 - (iii) Profit on disposal of land for the year under review amounted to Rs 69m.
 - (iv) All the above resulted in a profit after tax of Rs 85m for the year ended 31 December 2021 compared to Rs 18m the previous year.

By Order of the Board

Navitas Corporate Services Ltd
Company Secretary
This 1st April 2022

The Board of Directors accepts full responsibility for the accuracy of the information contained in the above audited financial statements.

Copies of the abridged audited financial statements are available to the public, free of charge, at Union Corporate Limited, Riche en Eau, St Hubert.

The Statement of 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 to the Secretary, free of charge, at C/O Navitas Corporate Services Ltd, Navitas House, Robinson Road, Floréal.

This statement is issued pursuant to DEM RULE 18 and Securities Act 2005.