

BLUELIFE LIMITED

Business Registration Number: C07050411

ABRIDGED AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

ABRIDGED STATEMENTS OF FINANCIAL POSITION

	THE GROUP		THE COMPANY	
	Audited as at December 31, 2017	Audited as at December 31, 2016	Audited as at December 31, 2017	Audited as at December 31, 2016
	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS				
Non-current assets	3,901,378	4,143,031	2,495,168	2,532,808
Current assets	557,386	594,410	322,308	260,877
Non-current assets classified as held for sale	62,000	276,614	-	276,614
Total assets	4,520,764	5,014,055	2,817,476	3,070,299
EQUITY AND LIABILITIES				
Capital and reserves				
Owners' interest	2,041,712	2,293,807	2,187,758	2,345,448
Non-controlling interests	(28)	30,409	-	-
Total equity	2,041,684	2,324,216	2,187,758	2,345,448
Non-current liabilities	494,513	683,120	1,477	135,520
Current liabilities	1,984,567	2,006,719	628,241	589,331
Total equity and liabilities	4,520,764	5,014,055	2,817,476	3,070,299

ABRIDGED STATEMENTS OF CHANGES IN EQUITY

THE GROUP	Stated capital	Other reserves	Actuarial reserves	Revenue deficit	Total	Non-controlling interests	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1, 2017	3,027,298	26,080	(2,485)	(757,086)	2,293,807	30,409	2,324,216
Loss for the year	-	-	-	(254,257)	(254,257)	(30,360)	(284,617)
Other comprehensive income for the year	-	-	2,162	-	2,162	(77)	2,085
Total Comprehensive income for the year	-	-	2,162	(254,257)	(252,095)	(30,437)	(282,532)
Balance at December 31, 2017	3,027,298	26,080	(323)	(1,011,343)	2,041,712	(28)	2,041,684
Balance at January 1, 2016	3,027,298	26,080	(778)	(181,145)	2,871,455	101,484	2,972,939
Loss for the year	-	-	-	(575,941)	(575,941)	(70,270)	(646,211)
Other comprehensive income for the year	-	-	(1,707)	-	(1,707)	(805)	(2,512)
Total Comprehensive income for the year	-	-	(1,707)	(575,941)	(577,648)	(71,075)	(648,723)
Balance at December 31, 2016	3,027,298	26,080	(2,485)	(757,086)	2,293,807	30,409	2,324,216

THE COMPANY	Stated capital	Actuarial reserves	Revenue deficit	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1, 2017	3,027,298	(1,187)	(680,663)	2,345,448
Loss for the year	-	-	(160,130)	(160,130)
Other comprehensive income for the year	-	2,440	-	2,440
Total Comprehensive income for the year	-	2,440	(160,130)	(157,690)
Balance at December 31, 2017	3,027,298	1,253	(840,793)	2,187,758
Balance at January 1, 2016	3,027,298	(779)	(420,750)	2,605,769
Loss for the year	-	-	(259,913)	(259,913)
Other comprehensive income for the year	-	(408)	-	(408)
Total Comprehensive income for the year	-	(408)	(259,913)	(260,321)
Balance at December 31, 2016	3,027,298	(1,187)	(680,663)	2,345,448

ABRIDGED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP		THE COMPANY	
	Audited year ended December 31, 2017	Audited year ended December 31, 2016	Audited year ended December 31, 2017	Audited year ended December 31, 2016
	Rs'000	Rs'000	Rs'000	Rs'000
Revenue	1,300,452	1,445,924	292,929	36,463
Loss before finance costs	(10,516)	(157,822)	(88,726)	(61,129)
Finance costs	(161,916)	(168,222)	(42,830)	(45,433)
Net decrease in fair value of investment properties	(42,296)	(63,121)	(6,019)	(3,667)
Impairment charges	(61,876)	(207,764)	(35,673)	(119,935)
Loss before taxation	(276,604)	(596,929)	(173,248)	(230,164)
Income tax (charge) / credit	(1,101)	(9,524)	558	34
Loss for the year from continuing operations	(277,705)	(606,453)	(172,690)	(230,130)
(Loss)/profit from discontinued operations net of tax	(6,912)	(39,758)	12,560	(29,783)
Loss for the year	(284,617)	(646,211)	(160,130)	(259,913)
Other comprehensive income for the year, net of tax	2,085	(2,512)	2,440	(408)
Total comprehensive income for the year	(282,532)	(648,723)	(157,690)	(260,321)
Loss attributable to:				
Owners of the parent	(254,257)	(575,941)	(160,130)	(259,913)
Non-controlling interests	(30,360)	(70,270)	-	-
Total comprehensive income attributable to:				
Owners of the parent	(252,095)	(577,648)	(157,690)	(260,321)
Non-controlling interests	(30,437)	(71,075)	-	-
Loss per share (Rs/cs)				
-From continuing and discontinued operations	(0.598)	(1.354)	(0.376)	(0.611)
-From continuing operations	(0.582)	(1.261)	(0.406)	(0.541)

ABRIDGED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP		THE COMPANY	
	Audited year ended December 31, 2017	Audited year ended December 31, 2016	Audited year ended December 31, 2017	Audited year ended December 31, 2016
	Rs'000	Rs'000	Rs'000	Rs'000
Continuing operations				
Basic loss per share (Rupees & cents)	(0.598)	(1.354)	(0.376)	(0.611)
Continuing and discontinued operations	(0.582)	(1.261)	(0.406)	(0.541)
Net Assets per share (Rupees & cents)	4.800	5.393	5.144	5.510
Number of ordinary shares	425,342,317	425,342,317	425,342,317	425,342,317

ABRIDGED STATEMENTS OF CASH FLOW

	THE GROUP		THE COMPANY	
	Audited year ended December 31, 2017	Audited year ended December 31, 2016	Audited year ended December 31, 2017	Audited year ended December 31, 2016
	Rs'000	Rs'000	Rs'000	Rs'000
Operating activities				
Net cash (used in) / from operating activities	(225,868)	134,508	(156,370)	(28,753)
Investing activities				
Net cash from investing activities	251,791	8,147	257,755	18,624
Financing activities				
Net cash (used in) / from financing activities	(134,427)	(2,521)	(116,345)	4,544
(Decrease)/increase in cash and cash equivalents	(108,504)	140,134	(14,960)	(5,585)
Movement in cash and cash equivalents				
At January 1	(244,394)	(387,274)	(255,425)	(249,822)
Effect of foreign exchange difference	(1,260)	2,746	(3)	(18)
(Decrease)/increase	(108,504)	140,134	(14,960)	(5,585)
At December 31,	(354,158)	(244,394)	(270,388)	(255,425)

NOTES TO THE ABRIDGED AUDITED ANNUAL FINANCIAL STATEMENTS

The abridged annual financial statements have been prepared in accordance with International Financial Reporting Standards and audited by Messrs BDO & Co Ltd.

The Group registered operational losses of Rs 10.5M, before interest as well as fair value and impairment charges, compared to losses of Rs 157.8M in 2016. This is mainly explained by the improvement in our hospitality cluster. We achieved a reduction of 56% in the losses for this cluster from 2016 to 2017, against a target of 50%.

A revaluation of the Group's assets and goodwill was carried out at the end of 2017. This resulted in Rs 42M of negative fair value adjustments as well as Rs 62M impairment charges for goodwill, which brought the losses before interest for the year to Rs 114.7M (2016 – losses of Rs. 428.7M).

As the group gearing remained high throughout 2017, the finance charges amounted to Rs 161.9M (2016 : Rs 168.2M), leading to a net loss from continuing activities of Rs 276.6M as compared to Rs 596.9M in 2016. In line with the group strategy to refocus on property development, two asset management activities were discontinued through the sale of Riverside Shopping Centre in 2017 and one floor of Harbour Front Building in early 2018.

The Company losses amounted to Rs 160.1M in 2017 as compared to Rs 269.9M in 2016. All overheads and finance charges were in line with budget. The reduction in losses relates to the significantly lower impairment charges, although this was partly offset by losses from sale of non-core assets, as the company gave priority to cash generation.

Our strategy is to be further implemented through the sale of 100% of the investment in Circle Square Holding Company Ltd, which is expected to be completed in the second quarter of 2018. In addition to reducing the Group's indebtedness, the proceeds of this transaction will improve the cash flow which will contribute towards the launching of new property development projects.

The financial restructuring, with the support of financial institutions and of shareholders, with the rights issue of Rs 450M announced in 2017, has been completed in February 2018. The issue was fully subscribed, with Rs 77.9M coming from existing shareholders, and IBL being allotted 82.7% of the issued shares equivalent to the balance of Rs 372.1M, as per the Underwriting Agreement. As IBL exceeded the 30% threshold following the Rights Issue, it is required to make a Mandatory Offer according to the Securities (Takeover) Rules 2010. Accordingly, IBL published an announcement on 26 February 2018. We will advise shareholders in a Reply Document within the prescribed time limit.

This was an important step, together with sale of assets, to reduce the Group indebtedness and to stabilise the cash flow.

At year end, the Group total assets and net assets stood at Rs 4.52 Bn and Rs 2.041Bn respectively (2016: 5.01Bn and Rs 2.29Bn). As a result, net assets per share dropped from Rs 5.39 to Rs 4.80.

FUTURE PROSPECTS

With an improved hospitality cluster, reduced gearing and a better cash flow position, the Company's efforts will focus on the implementation of its property development projects.

The 16 Riviera villas, which have all been sold, will be delivered in the second quarter of 2018. The development of the golf estate and its various residential as well as commercial components is progressing. However, these new projects will only be reflected in the Group results as from the start of construction.

We are also reviewing our sales and marketing capabilities to address the future challenges in a continuous evolving worldwide property market. Mauritius as a destination will also need to rethink its strategy as 2017 witnessed all in all soft market conditions.

By Order of the Board
IBL Management Ltd
Company Secretary

March 30, 2018

The above abridged audited annual financial statements are issued pursuant to Listing 12.14 and the Securities Act 2005.

Copies of 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 and of these abridged audited annual financial statements are available, free of charge, upon request made to the Company Secretary, at the registered office of the Company, 4th Floor, IBL House, Caudan Waterfront, Port Louis.

The Board of Directors of BlueLife Limited accepts full responsibility for the accuracy of the information contained in these abridged audited annual financial statements.