

eNL Commercial Limited

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

1. CONDENSED STATEMENTS OF FINANCIAL POSITION

	June 30, 2017	June 30, 2016 Restated	June 30, 2015 Restated
	Rs'000	Rs'000	Rs'000
ASSETS			
Non-current assets			
Property, plant and equipment	761,938	738,224	752,184
Investment properties	89,410	106,361	81,792
Investments and others	178,444	156,385	160,995
	1,029,792	1,000,970	994,971
Current assets	1,282,173	1,300,552	1,106,140
Total assets	2,311,965	2,301,522	2,101,111
EQUITY AND LIABILITIES			
Equity and reserves			
Equity holders' interests	692,542	671,289	725,660
Non-controlling interests	26	(31)	8
Total equity and reserves	692,568	671,258	725,668
Non-current liabilities	864,731	468,451	348,299
Current liabilities	754,666	1,161,813	1,027,144
Total equity and liabilities	2,311,965	2,301,522	2,101,111

3. CONDENSED CASH FLOW STATEMENTS

	Year ended June 30, 2017	Year ended June 30, 2016 Restated
	Rs'000	Rs'000
Net cash flows from operating activities	106,503	52,902
Net cash flows from investing activities	(29,620)	(84,397)
Net cash flows from financing activities	(73,269)	485
Net movement in cash and cash equivalents	3,614	(31,010)
Opening cash and cash equivalents	(221,855)	(190,845)
Closing cash and cash equivalents	(218,241)	(221,855)

4. SEGMENTAL INFORMATION

	Year ended June 30, 2017	Year ended June 30, 2016 Restated
	Rs'000	Rs'000
TURNOVER		
Corporate Office	6,154	8,674
Property	3,038	-
Automotive	2,119,522	1,957,528
Trading and services	258,399	251,248
Industry and manufacturing	481,572	513,174
	2,868,685	2,730,624
SEGMENT RESULTS AFTER TAXATION		
Corporate Office	(37,721)	(27,647)
Property	(36,228)	-
Automotive	52,580	11,190
Trading and services	28,027	(1,732)
Industry and manufacturing	(2,926)	(25,770)
	3,732	(43,959)

5. CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent				Total	Non-controlling interests	Total
	Share capital	Associated companies	Fair value and other reserves	Retained earnings			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2015 as previously stated	177,960	(6,997)	123,308	452,997	747,268	8	747,276
Prior year adjustment	-	-	-	(21,608)	(21,608)	-	(21,608)
As restated	177,960	(6,997)	123,308	431,389	725,660	8	725,668
Loss for the year	-	(3,537)	-	(40,376)	(43,913)	(46)	(43,959)
Other comprehensive income for the year	-	(143)	-	2,813	2,670	7	2,677
Dividends	-	-	-	(13,128)	(13,128)	-	(13,128)
At June 30, 2016	177,960	(10,677)	123,308	380,698	671,289	(31)	671,258
At July 1, 2016 as previously stated	177,960	(10,677)	123,308	404,703	695,294	(31)	695,263
Prior year adjustment	-	-	-	(24,005)	(24,005)	-	(24,005)
As restated	177,960	(10,677)	123,308	380,698	671,289	(31)	671,258
Transfers	-	31,836	712	(32,548)	-	-	-
Profit/(Loss) for the year	-	10,607	-	(6,942)	3,665	67	3,732
Other comprehensive income for the year	-	(1,313)	38,243	(13,508)	23,422	(10)	23,412
Dividends	-	-	-	(5,834)	(5,834)	-	(5,834)
At June 30, 2017	177,960	30,453	162,263	321,866	692,542	26	692,568

Notes:

The above audited abridged financial statements for the year ended 30 June 2017 have been prepared in compliance with International Financial Reporting Standards and have been audited by BDO & Co.

The financial statements are issued pursuant to Listing Rule 12.14 and section 88 of the Securities Act 2005.

Copies of the full audited financial statements are available to the public, free of charge, at the Registered Office of the Company at ENL House, Vivéa Business Park, Moka.

Copies of the statement of direct and indirect interests of the senior officers of the Company pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 are available free of charge to the public upon request to the Company Secretary at the registered office of the Company at ENL House, Vivéa Business Park, Moka.

The Board of Directors of ENL Commercial Limited accepts full responsibility for the accuracy of the information contained in this communiqué.

Visit our website: <http://www.enl.mu/investors/enl-commercial> or contact us on investors@enl.mu

2. CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended June 30, 2017	Year ended June 30, 2016 Restated
	Rs'000	Rs'000
Turnover	2,868,685	2,730,624
Operating profit	62,768	33,953
Fair value adjustments on held for trading securities	781	(333)
Goodwill impaired	(5,382)	(9,103)
Profit on disposal of subsidiary and associated companies	6,813	-
Excess of fair value of share of net asset over acquisition price	-	1,039
Share of profits less losses of associated companies	20,218	5,731
Finance costs	(73,938)	(72,811)
Profit/(loss) before taxation	11,260	(41,524)
Income tax expense	(7,528)	(2,435)
Profit/(Loss) for the year	3,732	(43,959)
Other comprehensive income		
Share of comprehensive income of associates	(1,313)	(143)
Re-measurements of post-employment benefit obligations net of deferred tax	(13,519)	2,820
Change in value of available for sale investments	(26)	-
Surplus on revaluation of land and buildings	38,270	-
Other comprehensive income for the year	23,412	2,677
Total comprehensive income for the year	27,144	(41,282)
Profit/(loss) for the year attributable to:		
Equity holders of the company	3,665	(43,913)
Non-controlling interests	67	(46)
	3,732	(43,959)
Total comprehensive income for the year attributable to:		
Equity holders of the company	27,087	(41,243)
Non-controlling interests	57	(39)
	27,144	(41,282)

Per share data

Profit/(loss) attributable to equity holders of the company (Rs '000)	3,665	(43,913)
Number of shares in issue ('000)	29,173	29,173
Profit/(loss) per share (Rs)	0.13	(1.51)
Dividend per share (Rs)	0.20	0.45
Net asset value per share (Rs)	23.74	23.01

Comments on the financial statements

The various measures implemented to redress the loss-making situation have started to impact positively group results. Turnover grew by 5% whilst operating profits increased by 85%. Profit after taxation amounted to Rs 4m compared with a loss of Rs 44m for the previous year.

During the year, the group restructured its debt by raising Rs 560m of floating rate notes via its wholly-owned subsidiary, Commercial Investment Property Fund Ltd (CIPF). The group also seized this opportunity to restructure its property portfolio by re-grouping all its tenanted properties under CIPF, thus the reporting of a property segment. This restructuring has resulted in a reduction of the debt of the group's subsidiaries and enabled these companies to better focus on their operational activities whilst ensuring a better management of the group's immovable properties. The exercise has also extended the tenor of the group's indebtedness, thus reducing the pressure on cash flows in the short term.

The group changed the accounting policy in respect of investment properties from the fair value model to the cost model and the accounts of the preceding year have been restated accordingly.

ENL Commercial did not subscribe to a rights issue by its associated company Cogir in March 2017, deciding instead to focus on its core activities. Following this rights issue, the group's holding in Cogir has been diluted and accounted for as a deemed disposal, giving rise to a profit of Rs 7m.

Automotive

The automotive segment recorded improved results for the year under review. Turnover was up 8% with segment profit after taxation increasing from Rs 11m to Rs 53m. This performance was buoyed by an increase in the new imported vehicle market and initiatives implemented to improve operations.

The increased turnover was driven by a full-year of Peugeot activities and higher sales of high-end vehicles. A better performance at the level of after sales services also contributed to the increased turnover. Profit after taxation was impacted positively by the release of a deferred tax charge of Rs 11m following the sale of the immovable properties to CIPF.

Trading and services

The trading and services segment recorded a profit after taxation of Rs 28m as against a loss of Rs 2m last year. The subsidiaries operating in this segment incurred significantly reduced losses whilst the associated companies recorded a commendable performance with share of profit increasing by 80%.

The segment also benefitted from the release of a deferred tax charge following the sale of properties to CIPF.

Industry and manufacturing

The industry and manufacturing segment was impacted negatively by the poor performance of the 'Indoor and Outdoor Furnishing' business which incurred significant losses for the year. These losses were mitigated by the better performance realised by the other subsidiaries and the disposal of our associated company operating within this segment. Loss after taxation was thus reduced from Rs 26m last year to Rs 3m this year.

Outlook

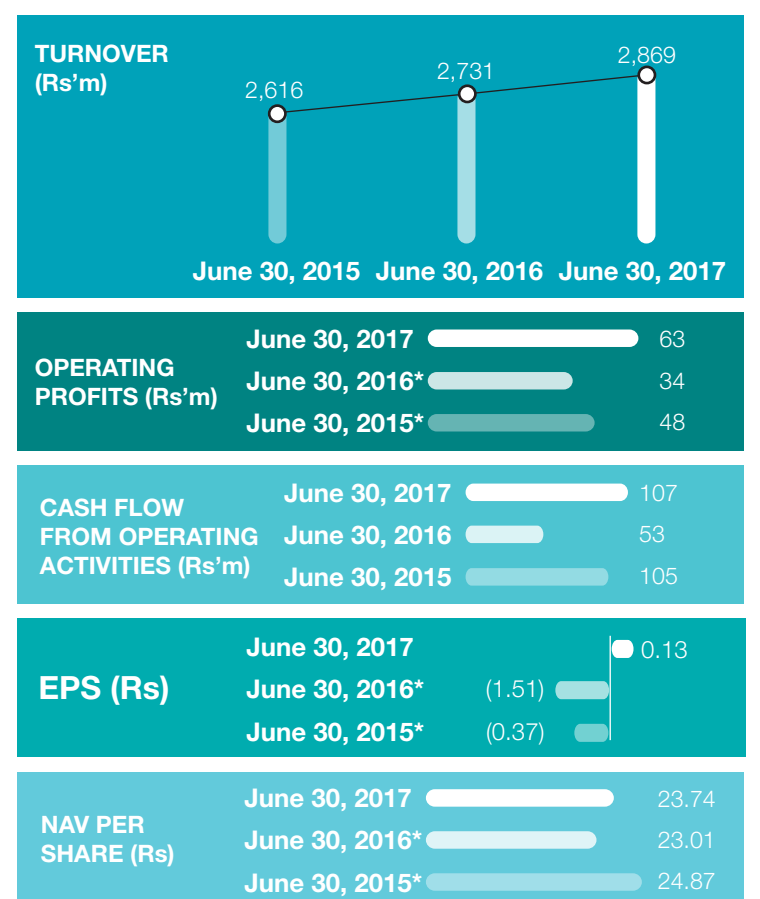
The various measures implemented should impact positively Group results going forward.

By order of the Board

ENL Limited

Company Secretary

08 September 2017



* Restated

