

Consolidated Statement of Financial Position

	Unaudited 31-Mar-20 Rs'000	Unaudited 31-Mar-19 Rs'000	Audited 30-Jun-19 Rs'000
ASSETS EMPLOYED			
NON-CURRENT ASSETS			
Intangible assets	22,291	25,275	24,706
Property, plant and equipment ¹	699,458	674,575	694,910
Investments in associates	5,013,217	5,228,452	5,374,078
Investment securities	801,195	661,529	521,439
Loan receivable	327,037	298,955	308,868
Finance lease receivables ²	2,250,206	2,288,230	2,214,331
Deposits with financial institutions	57,176	110,307	55,842
	9,170,580	9,287,323	9,194,174
CURRENT ASSETS	1,639,272	1,358,141	1,592,522
CURRENT LIABILITIES	(2,646,805)	(1,461,318)	(1,535,123)
NET CURRENT (LIABILITIES)/ASSETS	(1,007,533)	(103,177)	57,399
	8,163,047	9,184,146	9,251,573
FINANCED BY			
Share capital	103,355	103,355	103,355
Retained earnings	2,073,362	1,953,036	2,110,286
Other components of equity	3,297,065	3,586,050	3,565,190
SHAREHOLDERS' INTERESTS	5,473,782	5,642,441	5,778,831
NON-CURRENT LIABILITIES			
Deposits	2,334,870	3,191,624	3,122,089
Borrowings	339,389	332,771	334,414
Deferred tax liabilities	15,006	17,310	16,239
	2,689,265	3,541,705	3,472,742
	8,163,047	9,184,146	9,251,573

Consolidated Statement of Profit or Loss

	Unaudited Quarter to 31-Mar-20 Rs'000	Unaudited Quarter to 31-Mar-19 Rs'000	Unaudited 9 Months to 31-Mar-20 Rs'000	Unaudited 9 Months to 31-Mar-19 Rs'000	Audited Year to 30-Jun-19 Rs'000
Revenue	127,177	125,913	378,847	367,053	501,423
Other income	61,611	51,726	175,180	155,635	220,318
(Loss)/profit on exchange	(264)	43	(299)	309	68
Finance income	68,389	73,011	206,490	212,670	281,812
Finance costs	(54,826)	(53,953)	(165,894)	(164,187)	(218,466)
Operating expenses ³	(61,577)	(54,001)	(181,916)	(157,577)	(209,374)
Operating profit before impairment	13,333	16,826	33,561	46,850	74,358
Net impairment of financial assets	(18,181)	703	(12,877)	(7,129)	(6,105)
Operating (loss)/profit	(4,848)	17,529	20,684	39,721	68,253
Share of (losses)/profits of associates	(32,617)	(4,963)	(4,413)	32,319	152,044
(Loss)/profit before tax	(37,465)	12,566	16,271	72,040	220,297
Income tax credit/(expense)	1,885	(8,261)	1,080	(13,431)	(7,323)
(Loss)/profit attributable to equity holders of the parent	(35,580)	4,305	17,351	58,609	212,974
(Loss)/earnings per share (Rs.) ⁵	(0.34)	0.04	0.17	0.57	2.06
Number of shares in issue (thousands)	103,355	103,355	103,355	103,355	103,355

Consolidated Statement of Comprehensive Income

	Unaudited Quarter to 31-Mar-20 Rs'000	Unaudited Quarter to 31-Mar-19 Rs'000	Unaudited 9 Months to 31-Mar-20 Rs'000	Unaudited 9 Months to 31-Mar-19 Rs'000	Audited Year to 30-Jun-19 Rs'000
(Loss)/profit attributable to equity holders of the parent	(35,580)	4,305	17,351	58,609	212,974
Other comprehensive (expense)/income:					
Items that will not be reclassified to profit or loss:					
Net fair value gain/(loss) on equity investments	18,000	-	31,500	(28,350)	(72,225)
Share of other comprehensive (expense)/income of associates	(410,169)	42,761	(281,909)	52,912	69,138
	(392,169)	42,761	(250,409)	24,562	(3,087)
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income of associates	21	301	44	903	4,441
Other comprehensive (expense)/income for the period	(392,148)	43,062	(250,365)	25,465	1,354
Total comprehensive (expense)/income attributable to equity holders of the parent	(427,728)	47,367	(233,014)	84,074	214,328

Consolidated Statement of Changes in Equity

	Share Capital Rs'000	Capital Contribution Rs'000	Retained Earnings Rs'000	Capital Reserve Rs'000	Revaluation & Other Reserve Rs'000	Statutory Reserve Rs'000	Total Rs'000
At 1 July 2018	103,355	200,000	1,902,231	377,792	2,944,193	95,584	5,623,155
Profit for the period	-	-	58,609	-	-	-	58,609
Other comprehensive income for the period	-	-	78	903	24,484	-	25,465
Total comprehensive income for the period	-	-	58,687	903	24,484	-	84,074
Share of transfer by associate	-	-	54,131	-	(54,131)	-	-
Share of other movements in reserves of associate	-	-	-	-	(2,775)	-	(2,775)
Dividends	-	-	(62,013)	-	-	-	(62,013)
At 31 March 2019	103,355	200,000	1,953,036	378,695	2,911,771	95,584	5,642,441
At 1 July 2018	103,355	200,000	1,902,231	377,792	2,944,193	95,584	5,623,155
Profit for the year	-	-	212,974	-	-	-	212,974
Other comprehensive income/(expense) for the year	-	-	68	4,280	(2,994)	-	1,354
Total comprehensive income/(expense) for the year	-	-	213,042	4,280	(2,994)	-	214,328
Share of transfer by associate	-	-	64,479	-	(64,479)	-	-
Effect of employee share options exercised in associate	-	-	6,804	-	-	-	6,804
Share of other movements in reserves of associate	-	-	-	-	(2,779)	-	(2,779)
Share of impact of change in shareholding in associates	-	-	(664)	-	-	-	(664)
Dividends	-	-	(62,013)	-	-	-	(62,013)
Transfer to statutory reserve	-	-	(13,593)	-	-	13,593	-
At 30 June 2019	103,355	200,000	2,110,286	382,072	2,873,941	109,177	5,778,831
Profit for the period	-	-	17,351	-	-	-	17,351
Other comprehensive expense for the period	-	-	(96)	-	(250,269)	-	(250,365)
Total comprehensive income/(expense) for the period	-	-	17,255	-	(250,269)	-	(233,014)
Share of transfer by associate	-	-	10,446	-	(10,446)	-	-
Share of other movements in reserves of associate	-	-	8,388	-	(7,410)	-	978
Dividends	-	-	(62,013)	-	-	-	(62,013)
Dividends to non-cumulative preference shareholders	-	-	(11,000)	-	-	-	(11,000)
At 31 March 2020	103,355	200,000	2,073,362	382,072	2,605,816	109,177	5,473,782

Consolidated Statement of Cash Flows

	Unaudited 9 Months to 31-Mar-20 Rs'000	Unaudited 9 Months to 31-Mar-19 Rs'000	Audited Year to 30-Jun-19 Rs'000
Net cash flows from operating activities	724,565	308,414	303,690
Income tax paid	(2,042)	(17,365)	(22,510)
Investing activities	(363,349)	(377,266)	(333,996)
Net cash flows before financing activities	359,174	(86,217)	(52,816)
Financing activities			
Net decrease in borrowings	(107,705)	(107,316)	(166,117)
Dividends paid	(73,013)	(62,013)	(62,013)
Net cash flows used in financing activities	(180,718)	(169,329)	(228,130)
Increase/(decrease) in cash and cash equivalents	178,456	(255,546)	(280,946)
Net cash and cash equivalents brought forward	(570,756)	(289,810)	(289,810)
Net cash and cash equivalents carried forward	(392,300)	(545,356)	(570,756)

RESULTS

Fincorp posted a consolidated profit after tax amounting to Rs 17.3 million for the nine months period ended March 31, 2020 compared to Rs 58.6 million for the corresponding period last year.

The operating profit before taking into consideration the share of profits of associates declined from Rs 39.7 million to Rs 20.7 million in view of the inferior performance of MCB Leasing Limited (previously Finlease Company Limited). This was mainly driven by expected credit losses of Rs 13 million charged on its performing lease portfolio during the last quarter of the current reporting period, as a result of our forward-looking assessment of the impact of the Covid-19 pandemic on its operations.

The Company's associates also performed below par, contributing to a loss of Rs 4.4 million to the group results compared to a profit of Rs 32.3 million for the corresponding period last year. This was mainly due to losses incurred by Medine resulting from lower land sales amidst a difficult operating environment characterising the sugar industry. Caudan's results were also adversely affected by higher financing costs linked to its phase 3, which has not yet reached cruising speed.

PROSPECTS

The outbreak of Covid-19 will have significant adverse consequences for Mauritius and the different sectors of the economy. The full extent of the impact of this pandemic is difficult to assess at this stage since it is dependent upon the duration and the magnitude of the economic slowdown. Accordingly, the results for the full year ending June 30, 2020 are expected to be significantly lower than the previous year. The Board will continue to monitor the situation closely and take necessary measures to address these challenges in the best possible manner.

By order of the Board

8 June 2020

Notes

	Unaudited 31-Mar-20 Rs'000	Unaudited 31-Mar-19 Rs'000	Audited 30-Jun-19 Rs'000	
1. Property, Plant and Equipment				
Assets under operating leases included under the above caption	696,187	673,307	693,753	
2. Finance Lease Receivables				
Receivable within one year and included in current assets	1,158,375	1,180,199	1,264,845	
Receivable after one year	2,250,206	2,288,230	2,214,331	
	3,408,581	3,468,429	3,479,176	
3. Operating Expenses				
Depreciation of assets under operating leases included in operating expenses	117,304	102,879	134,918	
4. Operating Segments				
	Group Rs'000	Leasing Rs'000	Investing Rs'000	Eliminations Rs'000
<i>9 months to 31 Mar 2020</i>				
Segment revenue	378,847	372,690	69,615	(63,458)
Operating profit	20,684	45,025	39,117	(63,458)
<i>9 months to 31 Mar 2019</i>				
Segment revenue	367,053	360,970	66,834	(60,751)
Operating profit	39,721	66,092	34,380	(60,751)
<i>Year ended 30 June 2019</i>				
Segment revenue	501,423	485,903	128,360	(112,840)
Operating profit	68,253	97,365	83,728	(112,840)
5. (Loss)/Earnings per Share				
(Loss)/Earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the parent by the number of equity shares in issue and ranking for dividend.				

The abridged unaudited interim consolidated financial statement comply with IAS 34 and have been prepared using the same accounting policies as those adopted in the financial statements for the year ended 30 June 2019.

Where necessary, comparative figures have been amended to conform with changes in presentation or in accounting policies.

Copies of the abridged unaudited interim consolidated financial statement are available to the public and can be obtained free of charge from the Company Secretary at the registered office of the Company, 9-15, Sir William Newton Street, Port-Louis and can be viewed on our website: www.fincorp.mu

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, free of charge, at the registered office of the Company.

This communiqué is issued pursuant to Listing Rule 12.20 and Securities Act 2005.

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