

Consolidated Statement of Financial Position

	Unaudited 31-Dec-19 Rs'000	Unaudited 31-Dec-18 Rs'000	Audited 30-Jun-19 Rs'000
ASSETS EMPLOYED			
NON-CURRENT ASSETS			
Intangible assets	22,691	24,375	24,706
Property, plant and equipment ¹	694,633	661,964	694,910
Investments in associates	5,451,736	5,213,880	5,374,078
Investment securities	533,325	561,095	521,439
Loan receivable	311,270	300,464	308,868
Finance lease receivables ²	2,263,160	2,429,561	2,214,331
Deposits with financial institutions	56,972	106,475	55,842
	9,333,787	9,297,814	9,194,174
CURRENT ASSETS	1,670,010	1,336,963	1,592,522
CURRENT LIABILITIES	(2,537,990)	(1,569,297)	(1,535,123)
NET CURRENT (LIABILITIES)/ASSETS	(867,980)	(232,334)	57,399
	8,465,807	9,065,480	9,251,573
FINANCED BY			
Share capital	103,355	103,355	103,355
Retained earnings	2,109,124	1,901,446	2,110,286
Other components of equity	3,684,785	3,593,048	3,565,190
SHAREHOLDERS' INTERESTS	5,897,264	5,597,849	5,778,831
NON-CURRENT LIABILITIES			
Deposits	2,226,928	3,083,817	3,122,089
Borrowings	324,698	367,637	334,414
Deferred tax liabilities	16,917	16,177	16,239
	2,568,543	3,467,631	3,472,742
	8,465,807	9,065,480	9,251,573

Consolidated Statement of Profit or Loss

	Unaudited Quarter to 31-Dec-19 Rs'000	Unaudited Quarter to 31-Dec-18 Rs'000	Unaudited 6 months to 31-Dec-19 Rs'000	Unaudited 6 months to 31-Dec-18 Rs'000	Audited Year to 30-Jun-19 Rs'000
Revenue	125,762	124,939	251,670	241,140	501,423
Other income	57,877	52,640	113,569	103,909	220,318
(Loss)/Profit on exchange	(152)	102	(35)	266	68
Finance income	68,182	72,557	138,101	139,659	281,812
Finance costs	(55,890)	(54,589)	(111,068)	(110,234)	(218,466)
Operating expenses ³	(62,567)	(49,975)	(120,339)	(103,576)	(209,374)
Operating profit before impairment	7,450	20,735	20,228	30,024	74,358
Net impairment of financial assets	5,033	(6,162)	5,304	(7,832)	(6,105)
Operating profit	12,483	14,573	25,532	22,192	68,253
Share of (losses)/profits of associates	(10,952)	(4,024)	28,204	37,282	152,044
Profit before tax	1,531	10,549	53,736	59,474	220,297
Income tax credit/(expense)	1,030	(2,082)	(805)	(5,170)	(7,323)
Profit attributable to equity holders of the parent	2,561	8,467	52,931	54,304	212,974
Earnings per share (Rs.) ⁵	0.02	0.08	0.51	0.53	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-Dec-19 Rs'000	Unaudited Quarter to 31-Dec-18 Rs'000	Unaudited 6 months to 31-Dec-19 Rs'000	Unaudited 6 months to 31-Dec-18 Rs'000	Audited Year to 30-Jun-19 Rs'000
Profit attributable to equity holders of the parent	2,561	8,467	52,931	54,304	212,974
Other comprehensive income/(expense):					
Items that will not be reclassified to profit or loss:					
Net fair value gain/(loss) on equity investments	1,800	(13,500)	13,500	(28,350)	(72,225)
Share of other comprehensive income of associates	109,059	9,507	128,260	10,151	69,138
	110,859	(3,993)	141,760	(18,199)	(3,087)
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income/ (expense) of associates	255	(1,145)	23	602	4,441
	255	(1,145)	23	602	4,441
Other comprehensive income/(expense) for the period	111,114	(5,138)	141,783	(17,597)	1,354
Total comprehensive income attributable to equity holders of the parent	113,675	3,329	194,714	36,707	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	-	-	54,304	-	-	-	54,304
Other comprehensive income/(expense) for the period	-	-	33	602	(18,232)	-	(17,597)
Total comprehensive income/(expense) for the period	-	-	54,337	602	(18,232)	-	36,707
Share of transfer by associate	-	-	6,891	-	(6,891)	-	-
Dividends	-	-	(62,013)	-	-	-	(62,013)
At 31 December 2018	103,355	200,000	1,901,446	378,394	2,919,070	95,584	5,597,849
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	-	-	52,931	-	-	-	52,931
Other comprehensive income for the period	-	-	373	-	141,410	-	141,783
Total comprehensive income for the period	-	-	53,304	-	141,410	-	194,714
Share of transfer by associate	-	-	10,446	-	(10,446)	-	-
Share of other movements in reserves of associate	-	-	8,101	-	(11,369)	-	(3,268)
Dividends	-	-	(62,013)	-	-	-	(62,013)
Dividends to non-cumulative preference shareholders	-	-	(11,000)	-	-	-	(11,000)
At 31 December 2019	103,355	200,000	2,109,124	382,072	2,993,536	109,177	5,897,264

Consolidated Statement of Cash Flows

	Unaudited 6 Months to 31-Dec-19 Rs'000	Unaudited 6 Months to 31-Dec-18 Rs'000	Audited Year to 30-Jun-19 Rs'000
Net cash flows from operating activities	415,812	61,623	303,690
Income tax paid	(1,212)	(13,100)	(22,510)
Investing activities	(170,561)	(296,273)	(333,996)
Net cash flows before financing activities	244,039	(247,750)	(52,816)
Financing activities			
Net (decrease)/increase in borrowings	(74,994)	4,124	(166,117)
Dividends paid	(73,013)	(62,013)	(62,013)
Net cash flows used in financing activities	(148,007)	(57,889)	(228,130)
Increase/(Decrease) in cash and cash equivalents	96,032	(305,639)	(280,946)
Net cash and cash equivalents brought forward	(570,756)	(289,810)	(289,810)
Net cash and cash equivalents carried forward	(474,724)	(595,449)	(570,756)

RESULTS

Fincorp posted a consolidated profit after tax amounting to Rs 52.9 million for the period ended December 31, 2019 compared to Rs 54.3 million for the corresponding period last year.

Operating profit before taking into consideration the share of profits of associates improved from Rs 22.2 million to Rs 25.5 million in view of the better performance of MCB Leasing Limited (previously Finlease Company Limited) which benefitted from lower impairment charges and an increase in contribution from operating leases.

On the other hand, the contribution of the Company's associates to group profits dropped from Rs 37.3 million to Rs 28.2 million mainly due to the higher financing costs incurred by Caudan as a result of the construction of phase 3 which has yet to reach its cruising speed as well as the lower profits generated by Medine.

This resulted into Fincorp generating a consolidated profit before tax of Rs 53.7 million for the period ended 31 December 2019 (2018: Rs 59.5 million).

By order of the Board

12 February 2020

Notes

	Unaudited 31-Dec-19 Rs'000	Unaudited 31-Dec-18 Rs'000	Audited 30-Jun-19 Rs'000	
1. Property, plant and equipment				
Assets under operating leases included under the above caption	691,155	658,748	693,753	
2. Finance lease receivables				
Receivable within one year and included in current assets	1,195,488	970,857	1,264,845	
Receivable after one year	2,263,160	2,429,561	2,214,331	
	3,458,648	3,400,418	3,479,176	
3. Operating expenses				
Depreciation of assets under operating leases included in operating expenses	77,235	67,306	134,918	
4. Operating segments				
	Group Rs'000	Leasing Rs'000	Investing Rs'000	Eliminations Rs'000
<i>6 months to 31 December 2019</i>				
Segment revenue	251,670	247,576	67,552	(63,458)
Operating profit	25,532	43,632	45,358	(63,458)
<i>6 months to 31 December 2018</i>				
Segment revenue	241,140	237,012	64,879	(60,751)
Operating profit	22,192	38,355	44,588	(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. Earnings per share				
Earnings per share is calculated by dividing the 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.