

Lavastone reported an increase of 11% in net operational income for the year ended 30 September 2019.

AUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In MUR (000)	Audited year ended 30-09-2019	Audited year ended 30-09-2018
Rental income and recoveries	155,328	135,351
Other operating income	7,121	4,934
Revenue	162,449	140,285
Operating expenses	(51,462)	(40,651)
Net operational income	110,987	99,634
Administrative expenses	(51,090)	(27,670)
Operating profit	59,897	71,964
Gains/(losses) on revaluation	128,158	551
Profit on disposal of investment properties	104	-
Profit before finance costs	188,159	72,515
Interest income	-	8,951
Finance costs	(1,877)	(39)
Share of results in associates	(34)	-
Profit before tax	186,248	81,427
Income tax expense	(29,872)	(15,167)
Profit for the year	156,376	66,260
Other comprehensive income	-	-
Total comprehensive income for the year	156,376	66,260
Total comprehensive income attributable to:		
- Ordinary equity holders of the parent	167,039	66,260
- Non-controlling interests	(10,663)	-
	156,376	66,260
Number of ordinary shares in issue		
Class A	680,523,310	450,000
Weighted average number of ordinary shares in issue	479,522,496	485,399
Basic earnings per share (MUR)	0.35	136.51
Net asset value per share (MUR)	3.70	3,414.60
Interim dividend per share (MUR)	0.02	-

AUDITED STATEMENTS OF CHANGES IN EQUITY

In MUR (000) Group	Stated Capital	Share application monies	Retained Earnings	Capital & Other reserves	Non-Controlling Interests	Total
Balance at 01 Oct, 2017	519,466	-	445,308	-	-	964,774
Share application monies	-	575,000	-	-	-	575,000
Reduction of capital	(69,466)	-	-	-	-	(69,466)
Total comprehensive income	-	-	66,260	-	-	66,260
At 30 Sep, 2018	450,000	575,000	511,568	-	-	1,536,568
Balance at 01 October, 2018	450,000	575,000	511,568	-	-	1,536,568
Issue of shares	1,271,081	(575,000)	-	-	-	696,081
On internal restructuring	-	-	-	131,053	319,747	450,800
On purchase subsidiaries	-	-	-	-	27,987	27,987
Dividend paid	-	-	(13,610)	-	-	(13,610)
Total comprehensive income	-	-	167,039	-	(10,663)	156,376
At 30 Sep, 2019	1,721,081	-	664,997	131,053	337,071	2,854,202

AUDITED STATEMENTS OF FINANCIAL POSITION

In MUR (000)	Audited year ended 30-09-2019	Audited year ended 30-09-2018
ASSETS		
Non-current assets		
Investment properties	2,545,512	1,237,029
Investment property under development	344,120	-
Plant, property and equipment	1,296	-
Investment in associates	19,956	-
Intangible assets	115	45,304
Total non-current assets	2,910,999	1,282,333
Current assets	211,425	302,769
Total assets	3,122,424	1,585,102
EQUITY AND LIABILITIES		
Shareholders' Equity		
Stated capital	1,721,081	450,000
Share application monies	-	575,000
Capital and other reserves	131,053	-
Retained earnings	664,997	511,568
Non-controlling interests	337,071	-
Total equity	2,854,202	1,536,568
Non-current liabilities		
Borrowings	35,694	-
Other liabilities	51,718	28,824
Total non-current liabilities	87,412	28,824
Current liabilities		
Borrowings	77,090	-
Other liabilities	103,720	19,710
Total current liabilities	180,810	19,710
Total equity and liabilities	3,122,424	1,585,102

AUDITED STATEMENTS OF CASH FLOWS

In MUR (000)	Audited year ended 30-09-2019	Audited year ended 30-09-2018
Net cash generated from operating activities	1,575	183,385
Net cash used in investing activities	(348,368)	(210,863)
Net cash from financing activities	221,968	102,455
Net (decrease)/increase in cash and cash equivalents	(124,825)	74,977
Cash and cash equivalents - opening	85,620	10,643
Cash and cash equivalents - closing	(39,205)	85,620

COMMENTS ON THE YEAR ENDED 30 SEP 2019

Operational review

Lavastone Properties maintains a strong performance with a 15% increase in turnover which is driven primarily by improved occupancies and rent increases. Net operational income increased to Rs111.0m (2018 - Rs99.6m) despite pressure on costs with previously yielding properties which were under renovation.

Financial review

Management is pleased to announce that Lavastone Ltd has obtained a Grade A credit rating by Care Ratings Africa. This will allow the Group access to more favourable terms to fund its projects and investments.

Opening of 246 Edith Cavell Court

246 Edith Cavell Court is now open. The retail and courtyard restaurant units are fully let and the offices are now receiving strong interest from potential tenants. 246 Edith Cavell Court is expected to contribute positively to the Group results during the financial year 2020.

Outlook

Construction of the hotel at Belle Mare is progressing as planned with the opening still scheduled for November 2020. Works on the slip lane at Riche Terre has been delayed due to unforeseen changes in design requested by the authorities. The retail/industrial building at Riche Terre, being highly dependent on the construction of the slip lane, has therefore been put on hold until the changes in design to the slip lane are finalised.

The morcellement projects at La Gulette are progressing as expected and profits from the sale of these lots are expected to have a positive impact on the Group results in the financial year 2020.

The Board is also pleased to report that after having obtained all the required permits and clearances, works have started on the Victoria Urban Terminal project. This ambitious project is expected to complete in 2021 and will have a significant impact on the regeneration of Port Louis.

Final Dividend

The Board has declared a final dividend of MUR 0.02 per share payable in respect of all the ordinary shares of the Company which will be payable to the shareholders of the Company registered at close of business on 16 January 2020.

The payment of this dividend will take place on or about 31 January 2020.

The shares of the Company will be traded cum-dividend on the Stock Exchange up to the market date of 13 January 2020 and ex-dividend as from 14 January 2020.

By order of the Board
26th December 2019

KEY FIGURES FOR THE YEAR ENDED

NET OPERATIONAL INCOME	TOTAL ASSETS	NET ASSET VALUE PER SHARE	OCCUPANCY
MUR 111 m (+ 11%)	MUR 3 bn (+ 97%)	MUR 3.7	98.3% (Sep 2018:97.4%)

The Board of Directors of Lavastone Ltd accepts full responsibility for the accuracy of the information contained in this report. The abridged group financial statements are audited and have been prepared using same accounting policies as the audited financial statements for the year ended 30 September 2019 except for the adoption of new International Financial Reporting Standards issued which are now effective. Copies of this report are available free of charge and upon request from the Company Secretary at the registered office of Lavastone Ltd. The abridged audited group financial statements are issued pursuant to DEM Rule 17. The statement of direct and indirect interests of Officers pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issues) Rules 2007 is available, free of charge at the registered office: c/r Edith Cavell & Mere Barthelemy Street, Port Louis, 11324