

UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In MUR 000	Unaudited quarter ended 30-06-2023	Unaudited quarter ended 30-06-2022	Unaudited 9 months ended 30-06-2023	Unaudited 9 months ended 30-06-2022	Audited year ended 30-09-2022
Rental income and recoveries	73,429	71,425	213,806	194,766	277,258
Other operating income	1,537	2,064	7,059	4,967	10,065
Revenue	74,966	73,489	220,865	199,733	287,323
Operating expenses	(14,472)	(11,130)	(38,367)	(33,976)	(50,866)
Net operational income	60,494	62,359	182,498	165,757	236,457
Administrative expenses	(21,020)	(15,957)	(52,481)	(47,717)	(67,271)
(Impairment losses)/Reversal of impairment losses	(1,272)	(1,658)	(1,823)	4,305	3,947
Operating profit	38,202	44,744	128,194	122,345	173,133
Profit on disposal of investment properties	-	(58)	-	(64)	28,943
Profit on sale of land	14,852	-	31,716	-	-
Profit before finance costs	53,054	44,686	159,910	122,281	202,076
Other gains and losses	102	-	6,451	-	1,275
Net finance costs	(15,034)	(7,582)	(42,163)	(18,950)	(30,994)
Effect of exchange difference	13	16,131	(10,029)	14,863	40,752
Share of results in associate	(1,375)	(1,402)	(5,177)	(4,578)	(4,282)
Profit before tax	36,760	51,833	108,992	113,616	208,827
Income tax expense	(4,840)	(8,190)	(14,124)	(19,041)	(28,616)
Profit for the year	31,920	43,643	94,868	94,575	180,211
Other comprehensive income	(305)	-	28,799	-	(702)
Total comprehensive income for the year	31,615	43,643	123,667	94,575	179,509
Total comprehensive income attributable to:					
- Ordinary equity holders of the parent	25,682	43,652	112,114	95,438	172,200
- Non-controlling interests	5,933	(9)	11,553	(863)	7,309
	31,615	43,643	123,667	94,575	179,509
Number of ordinary shares in issue					
Class A	680,523,310	680,523,310	680,523,310	680,523,310	680,523,310
Weighted average number of ordinary shares in issue	680,523,310	680,523,310	680,523,310	680,523,310	680,523,310
Basic earnings per share (MUR)	0.12	0.14	0.12	0.14	0.25
Net asset value per share (MUR)	4.04	3.85	4.04	3.85	3.94
Interim dividend per share (MUR)	0.025	0.02	0.025	0.02	0.02
Final dividend per share (MUR)	-	-	-	-	0.04

UNAUDITED STATEMENTS OF CHANGES IN EQUITY

In MUR 000	Stated capital	Retained earnings	Capital & Other reserves	Non-Controlling Interests	Total
GROUP					
Balance at 01 October, 2021	1,721,081	698,873	131,053	325,787	2,876,794
Dividend paid	-	(27,221)	-	-	(27,221)
Total comprehensive income for the period	-	172,200	-	7,309	179,509
Changes in ownership interest in subsidiaries that do not result in a loss of control	-	(12,366)	-	(2,959)	(15,325)
At 30 September, 2022	1,721,081	831,486	131,053	330,137	3,013,757
Balance at 01 October, 2022	1,721,081	831,486	131,053	330,137	3,013,757
Dividend paid	-	(44,234)	-	-	(44,234)
Total comprehensive income for the period	-	83,314	28,799	11,553	123,666
Balance at 30 June, 2023	1,721,081	870,566	159,852	341,690	3,093,189

UNAUDITED STATEMENTS OF FINANCIAL POSITION

In MUR 000	Unaudited 9 months ended 30-06-2023	Unaudited 9 months ended 30-06-2022	Audited year ended 30-09-2022
ASSETS			
Non-current assets			
Investment properties	3,754,399	3,431,386	3,672,802
Investment property under development	215,174	120,544	106,717
Plant, property and equipment	24,758	24,082	23,079
Net investment in lease	5,773	6,336	6,304
Investment in associate	137,449	142,330	142,626
Intangible assets	332	458	426
Loan receivable	65,055	24,436	24,436
Total non-current assets	4,202,940	3,749,572	3,976,390
Current assets	554,669	165,907	192,469
Total assets	4,757,609	3,915,479	4,168,859
EQUITY AND LIABILITIES			
Shareholders' Equity			
Stated capital	1,721,081	1,721,081	1,721,081
Capital and other reserves	159,852	131,053	131,053
Retained earnings	870,566	767,090	831,486
Non-controlling interests	341,690	324,924	330,137
Total equity	3,093,189	2,944,148	3,013,757
Non-current liabilities			
Borrowings	1,330,420	646,465	786,350
Other liabilities	162,587	134,370	147,844
Total non-current liabilities	1,493,007	780,835	934,194
Current liabilities			
Borrowings	65,045	64,879	70,987
Other liabilities	106,368	125,617	149,921
Total current liabilities	171,413	190,469	220,908
Total equity and liabilities	4,757,609	3,915,479	4,168,859

UNAUDITED STATEMENTS OF CASH FLOWS

In MUR 000	Unaudited 9 months ended 30-06-2023	Unaudited 9 months ended 30-06-2022	Audited year ended 30-09-2022
Net cash generated from operating activities	150,396	142,598	187,677
Net cash used in investing activities	(127,179)	(357,369)	(341,369)
Net cash from financing activities	118,152	1,377	113,992
Net increase/(decrease) in cash and cash equivalents	141,369	(213,394)	(39,700)
Cash and cash equivalents - opening	23,824	63,209	63,209
Effect of foreign exchange rate changes	2,406	-	315
Cash and cash equivalents - closing	167,599	(150,184)	23,824

COMMENTS ON THE NINE MONTHS ENDED 30 JUNE 2023

Operational and financial review

Revenue and operating profit increased by 10.6% and 4.8% respectively as compared to the same period in the prior year and are in line with expectations. The increase is mainly attributable to rental income from Absa House which was acquired in the last financial year, new tenants at EDITH along with annual rental escalations.

Transfer of title deeds in the Morcellement at Case Noyale to individual owners is progressing as planned with 75.3% of plots already transferred allowing for the recognition of additional profit on sale of land.

Despite the increase in operating profit along with the recognition of profit on sale of land, the Group's net profit was impacted by significant increases in finance costs following the final drawdown from the existing bond facility with The Mauritius Commercial Bank Ltd combined with increases in interest rates.

The Group occupancy remained stable at 94.5% and is expected to improve by the end of the financial year as new tenants are onboarded across the portfolio.

Outlook

The renovation and redevelopment of Play Mourouk Hotel in Rodrigues is nearing completion with the hotel scheduled to open to paying customers in October 2023.

Management and the Board continue to track interest rates and short term cash placements in consideration of the Group's gearing levels, development projects and acquisitive opportunities whilst ensuring the Group continues to comfortably service its debt.

Transfer of title deeds at Case Noyale is expected to be completed by the end of the financial year.

By order of the board

11th August 2023

KEY FIGURES FOR THE NINE MONTHS ENDED

NET OPERATIONAL INCOME	MUR 182.5m	TOTAL ASSETS	MUR 4.8bn
NET ASSET VALUE PER SHARE	MUR 4.04	OCCUPANCY	94.5% (MARCH 2023: 94.8%)

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 unaudited and have been prepared using same accounting policies as the audited financial statements for the year ended 30 September 2022 except for the adoption of a new International Financial Reporting Standards issues 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 unaudited financial statements are issued pursuant of DEM Rule 17. the statement of direct and indirect interests of Officers pursuant to rule8(2)(m) of the Securities (Disclosure Obligations of Reporting Issues) Rules 2007 is available, free of charge at the registered office:
1st floor, EDITH, 6 Edith Cavell Street, Port Louis, Mauritius