THE LUX COLLECTIVE

The Lux Collective Ltd and its Subsidiaries.

The group audited results for the year ended 30 June 2021 are as follows:

GROUP ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 30th June (Audited)	
		2021	2020
		Rs 000	Rs 000 (Re-stated)
Continuing operation			
Revenue			
- Fees from hotel management and other services		**181,016**	464,478
- Revenue from other operations		**10,378**	45,324
- Others operating income		**54,011**	45,019
Total operating Income		**245,405**	554,821
EBITDA before expected credit losses and contingent losses		**(188,417)**	(2,972)
Expected credit loss provision		**(172,189)**	(29,578)
EBITDA		**(360,606)**	(32,550)
Depreciation and amortisation		**(29,634)**	(31,081)
Operating loss		**(390,240)**	(63,631)
Net finance costs		**(19,308)**	(19,578)
Loss before tax from continuing operation		**(409,548)**	(83,209)
Income tax credit/ (charged)		**5,052**	(20,510)
Loss for the year from continuing operations		**(404,496)**	(103,719)
Discontinued operation			
Loss from discontinued operation after tax		**(42,293)**	(76,500)
Gain on deemed disposal of subsidiary		**206,064**	-
Gain/(loss) from discontinued operation		**163,771**	(76,500)
Loss for the year		**(240,725)**	(180,219)
Loss attributable to the group		**(240,725)**	(180,219)
Other comprehensive income			
Movement for the year		**(4,943)**	(11,654)
Total recognised loss		**(245,668)**	(191,873)
Loss per shares (Basic) (Rs.)	**Rs.**	**(1.04)**	(1.15)
Loss per shares (Diluted) (Rs.)	**Rs.**	**(1.37)**	(1.15)

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

		30th June (Audited)	
		2021	2020
ASSETS		**Rs 000**	Rs 000
Non current assets			
Property, plant & equipment		**19,209**	86,373
Right of use assets		**14,546**	352,845
Intangible assets		**206,790**	209,504
Other financial assets		**4**	4
Contract assets		**77,600**	84,304
Long term receivables		**3,591**	-
Deferred tax assets		**51,562**	28,987
		373,302	762,017
Current assets		**216,528**	119,869
TOTAL ASSETS		**589,830**	881,886
EQUITY AND LIABILITIES			
Shareholders' interest		**(136,405)**	(64,236)
Non-current liabilities		**333,208**	583,527
Current liabilities		**393,027**	362,595
TOTAL EQUITY AND LIABILITIES		**589,830**	881,886
Net Assets per Share	Rs.	**(0.59)**	(0.41)

GROUP ABRIDGED STATEMENT OF CASH FLOWS

	Year ended 30th June (Audited)	
	2021	2020
	Rs 000	Rs 000
Net cash flows (used in)/from operating activities	**(248,411)**	17,506
Net cash flows used in investing activities	**(4,323)**	(7,046)
Net cash flows from/(used in) financing activities	**272,431**	(5,560)
Net increase in cash & cash equivalents	**19,697**	4,900
Cash and bank balance		
At beginning of year	**(44,575)**	(49,474)
At end of year	**(24,878)**	(44,574)

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	Year ended 30th June (Audited)	
	2021	2020
	Rs 000	Rs 000
At beginning of year	**(64,236)**	127,637
Issue of share capital	**173,499**	-
Other movement	**(4,943)**	(11,654)
Loss for the year	**(240,725)**	(180,219)
At end of year	**(136,405)**	(64,236)

Commentary

Background

During the pandemic, border closures and travel restrictions impacted our activities to varying degrees in the destinations where we operate. In Mauritius, the borders remained closed for the whole of the financial year and our hotels operated periodically with local guests for part of the year. In the Maldives, our hotels were open to international visitors for most of the year and have posted a solid performance. Reunion Island also performed well despite the periodic restrictions and curfews in place. China has remained closed for international visitors and our hotels continued to operate for domestic business only, with provincial borders being frequently closed due to periodic COVID outbreaks.

Against a backdrop of grounded flights and sporadic opening of borders worldwide, pandemic-related closures have led to substantial cancellations and drastically reduced revenues, resulting in a significant impact on our results.

SALT of Palmar which opened in November 2018, was showing promising results as from October 2019. This positive trend was significantly impacted by the pandemic and as a consequence, the company was placed under voluntary administration in February 2021.

Performance

As a result of the administration, the group figures do not include those of SALT of Palmar and last year's financial statements have been restated. Performance has been significantly affected with a drop in revenue from continued operations of 62% when compared to last year, due to reduced management fee income, which decreased by Rs 283.1M to reach Rs 182M. Normalised EBITDA for the group was negative at Rs 188M as compared to negative of Rs 2.9M last year. A provision of Rs 172M has been made in respect of amount due by a subsidiary and financial guarantee contracts given on behalf of the same subsidiary, presently under administration. Loss for the year from continued operations amounted to Rs 404.4M as compared to Rs 103.7 last year and, after accounting the gain on deconsolidation of SALT of Palmar, loss attributable to the group for the year was Rs 240.7M as compared to last year's loss at Rs 180.2M.

Liquidity

In order to bridge the gap in liquidity resulting from the pandemic, management put into execution the preparedness plan that was initiated at the beginning of the financial year. The rights issue of Rs 175M was successfully completed in April 2021. A line of credit has been successfully put in place for an amount of Rs 250M, which is being disbursed, as and when the necessity arises.

Outlook

In Mauritius, borders reopened on 15 July 2021 to fully vaccinated international guests, with a 14-day 'In Resort Stay' restriction, which was reduced to 7 days as from 1 September 2021. With the next phase coming into effect as from 1st October 2021 with the removal of current restrictions for fully vaccinated guests, we are observing a good pace of reservations for the last quarter of the calendar year. In Maldives, there are strong indications that occupancy will reach pre-COVID levels for the coming months and in Reunion, we are confident that the current booking pattern will be maintained. In China, business on the books for the months leading to the end of the year looks promising.

However, due to the uncertainty resulting from the ongoing pandemic, it will be difficult to predict the pace of recovery and the impact on the travel and hospitality sector in year 2022.

Despite the current uncertainty and global slowdown in hotel development worldwide arising from the COVID-19 pandemic, TLC continues to be actively engaged in securing new management contracts. We remain confident that we will continue to grow our pipeline averaging up to four contracts per year.

By order of the Board,

IBL Management Ltd,
Company Secretary

30 September 2021

Notes to the Financial Highlights

- The Financial Highlights have been prepared in accordance with International Financial Reporting Standards (IFRSs).
- The Financial Highlights have been prepared on the same basis as the accounting policies set out in the audited statutory Financial Statements of the Group for the period ended June 30, 2020, except for the adoption of relevant amendments to published Standards, Standards and Interpretations issued and effective for accounting period starting on July 1, 2020.
- The Financial Highlights are published according to the Securities Act 2005.
- Copies of the Financial Highlights and 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 are available free of charge, upon request, from the Company Secretary, at the Company's registered office, The Lux Collective Ltd, Pierre Simonet Street, Floréal.
- The Board of Directors of The Lux Collective Ltd accepts full responsibility for the accuracy of the information contained in the Financial Highlights.