

Abridged Audited Financial Statements

for the year ended 30 June 2023

A solid performance despite the high inflation and interest rate environment



Ascencia
Shaping singular places

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	COMPANY		*GROUP	
	Audited 30 June 2023		Audited 30 June 2022	
In Rs 000				
Total revenue	1,730,376		1,554,618	
Direct operating expenses arising from investment properties	(520,724)		(464,262)	
Net operational income	1,209,652		1,090,356	
Operation cost	(181,674)		(180,383)	
Change in fair value of investment property	487,460		439,736	
Profit from operations	1,515,438		1,349,709	
Profit on disposal of investment property	-		1,584	
Share of profit in joint venture	-		1,794	
Settlement of pre-existing obligations	-		(41,308)	
Gain on bargain purchase	-		24,030	
Profit before interest and taxation	1,515,438		1,335,809	
Net finance costs	(330,247)		(252,363)	
Profit before tax	1,185,191		1,083,446	
Income tax expense	(123,824)		(77,502)	
Profit for the year	1,061,367		1,005,944	
Earnings per share	2.18		2.06	

STATEMENTS OF FINANCIAL POSITION

	COMPANY		*GROUP	
	Audited 30 June 2023		Audited 30 June 2022	
In Rs 000				
ASSETS				
Non-current assets				
Investment property	16,468,096		15,407,717	
Equipment	38,243		21,250	
Trade and other receivables	236,492		219,990	
Financial assets at amortised cost	427,863		434,431	
Cash and cash equivalents	84,511		818,444	
Total assets	17,255,205		16,901,832	
EQUITY AND LIABILITIES				
Shareholders' Equity				
Stated capital	4,460,068		4,460,068	
Retained earnings	5,452,118		4,853,700	
Total equity	9,912,186		9,313,768	
LIABILITIES				
Non-current liabilities				
Borrowings	6,284,793		6,332,764	
Deferred tax liabilities	624,940		542,098	
	6,909,733		6,874,862	
Current liabilities				
Borrowings	52,670		42,136	
Other liabilities	380,616		671,066	
	433,286		713,202	
Total liabilities	7,343,019		7,588,064	
Total equity and liabilities	17,255,205		16,901,832	

STATEMENTS OF CASH FLOWS

	COMPANY		*GROUP	
	Audited 30 June 2023		Audited 30 June 2023	
In Rs 000				
Net cash generated from operating activities	887,927		792,403	
Net cash used in investing activities	(317,041)		(476,674)	
Net cash used in financing activities	(1,114,005)		(569,201)	
Net decrease in cash and cash equivalents	(543,119)		(253,472)	
Cash and cash equivalents - opening	627,630		1,071,916	
Cash and cash equivalents - closing	84,511		818,444	

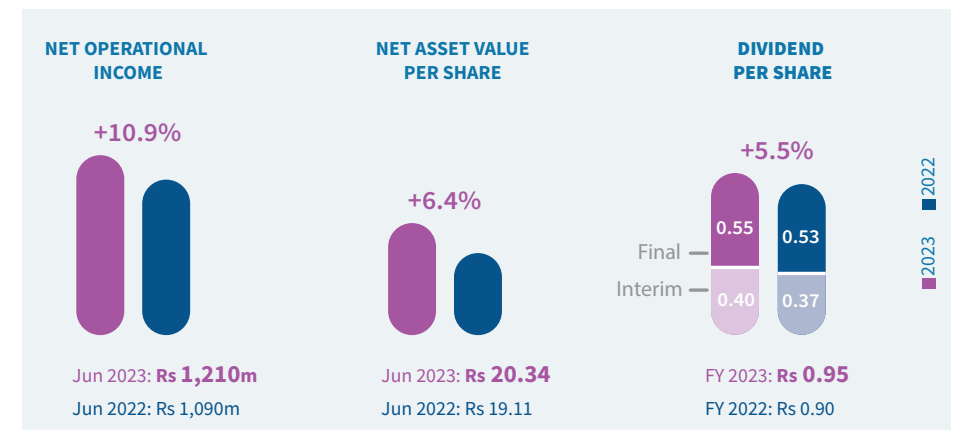
STATEMENTS OF CHANGES IN EQUITY

	COMPANY			*GROUP		
	Stated Capital	Retained Earnings	Total Equity	Stated Capital	Retained Earnings	Total Equity
In Rs 000						
COMPANY						
Balance at 01 July 2022	4,460,068	1,137,828	5,597,896	4,460,068	1,137,828	5,597,896
Amalgamation reserve	-	3,715,872	3,715,872	-	3,715,872	3,715,872
Profit for the year	-	1,061,367	1,061,367	-	1,061,367	1,061,367
Dividends	-	(462,949)	(462,949)	-	(462,949)	(462,949)
At 30 June 2023	4,460,068	5,452,118	9,912,186	4,460,068	4,853,700	9,313,768
GROUP						
Balance at 01 July 2021	4,460,068	4,286,340	8,746,408	4,460,068	4,286,340	8,746,408
Profit for the year	-	1,005,944	1,005,944	-	1,005,944	1,005,944
Dividends	-	(438,584)	(438,584)	-	(438,584)	(438,584)
At 30 June 2022	4,460,068	4,853,700	9,313,768	4,460,068	4,853,700	9,313,768

* On 1 July 2022, the Company has amalgamated with its fully owned subsidiary companies with the surviving company being Ascencia Limited.

KEY FIGURES FOR THE YEAR ENDED 30 JUNE 2023

AVERAGE TRADING DENSITY	Rs 11,690 per sqm +14.5% Jun 2022: Rs 10,212 per sqm	RENT TO TURNOVER	7.4 % Jun 2022: 7.6 %	COLLECTION RATE	101 % Jun 2022: 101 %
AVERAGE MONTHLY FOOTFALL	1,938,898 +11.7% Jun 2022: 1,736,210	AVERAGE RENT REVERSION	4.0 % Target FY23: 3.0 %	WALE	4.3 years Jun 2022: 4.1 years
		EPRA VACANCY	2.9 % Jun 2022: 4.3 %		



COMMENTS FOR THE YEAR ENDED 30 JUNE 2023

PERFORMANCE REVIEW

Ascencia delivered a solid performance in FY23, outperforming FY22 across the board. Despite facing challenges such as inflation and increasing construction costs, our total revenue and net operational income demonstrated remarkable growth, rising by 11.3% and 10.9% respectively. However, there was a decrease in PAT margin, primarily due to higher finance costs resulting from rising interest rates over the last year.

Throughout the year, we embarked on numerous projects and the management team worked diligently to fine-tune our tenant mix, welcoming over 70 new shops across our portfolio. These endeavours resulted in a 11.7% increase in average footfalls, leading to a 14.5% boost in trading densities. As a result, the rent-to-turnover ratio fell to 7.4%, compared to 7.6% in FY22. This positive impact occurred at a time when our tenants were struggling with constrained margin from rising costs. Additionally, EPRA vacancy, which was once a concern due to tenant supply chain disruptions, witnessed a remarkable turnaround, dropping from 4.3% to 2.9%.

Our average lease tenure remained strong at 4.3 years, highlighting our ability to retain tenants effectively. We also successfully renewed leases covering a total of 16,080m² at an encouraging 4.0% rent reversion rate.

DEVELOPMENT REVIEW

Bagatelle Mall stood at the forefront of our achievements with two significant milestones. First, our food court underwent a transformation that received positive feedback, creating a unique ambiance with a planted entrance and a Kids' area, while adding more covered seating. Secondly, Conforama, a global home furniture leader, opened its doors. The shop covers a surface of 3,000m², and we are eagerly anticipating the added value and dynamism that will bring to our Home & Leisure node.

OUTLOOK

While we are focusing on the imminent completion of a hardware shop at the south node of Bagatelle Mall, we are also progressing with all of our ongoing projects with the priority being the comprehensive renovation of Riche Terre Mall.

We do expect further challenges in the next financial year. These include a high-interest rate environment, increased competition, supply chain issues affecting our tenants, and the ongoing uncertainty surrounding consumption patterns. The board is confident in the assets' strength and the expertise of its management team to meet the targets for the upcoming financial year.

By order of the Board
19 September 2023

The Board of Directors of Ascencia Limited accepts full responsibility for the accuracy of the information contained in this report. The abridged financial statements are audited and have been prepared using same accounting policies as the audited financial statements for the year ended 30 June 2023. Copies of this report are available free of charge and upon request from the Company Secretary at the registered office of Ascencia Limited. The abridged audited financial statements are issued pursuant to Listing Rule 12.14.

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