

UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In MUR 000	Unaudited quarter ended 31-12-2022	Unaudited quarter ended 31-12-2021	Audited year ended 30-09-2022
Rental income and recoveries	69,815	61,318	277,258
Other operating income	4,034	2,734	10,065
Revenue	73,849	64,052	287,323
Operating expenses	(12,798)	(12,574)	(50,866)
Net operational income	61,051	51,478	236,457
Administrative expenses	(17,158)	(16,826)	(67,271)
(Impairment losses)/Reversal of impairment losses	(325)	-	3,947
Operating profit	43,568	34,652	173,133
Profit on disposal of investment properties	-	-	28,943
Profit on sale of land	5,031	-	-
Profit before finance costs	48,599	34,652	202,076
Other gains and losses	3,879	2,753	1,275
Net finance costs	(11,221)	(5,580)	(30,994)
Effect of exchange difference	(7,201)	3,641	40,752
Share of results in associate	132	(1,234)	(4,282)
Profit before tax	34,188	34,232	208,827
Income tax expense	(7,866)	(4,100)	(28,616)
Profit for the year	26,322	30,132	180,211
Other comprehensive income	(11,048)	-	(702)
Total comprehensive income for the year	15,274	30,132	179,509

Total comprehensive income attributable to:

- Ordinary equity holders of the parent	13,543	30,563	172,200
- Non-controlling interests	1,731	(431)	7,309
	15,274	30,132	179,509

Number of ordinary shares in issue			
Class A	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
Basic earnings per share (MUR)	0.04	0.04	0.04
Net asset value per share (MUR)	3.92	3.77	3.94
Interim dividend per share (MUR)	-	-	0.02
Final dividend per share (MUR)	-	-	0.04

UNAUDITED STATEMENTS OF CHANGES IN EQUITY

In MUR 000	GROUP	Stated capital	Retained earnings	Capital & Other reserves	Non-Controlling Interests	Total
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 payable		-	(27,221)	-	-	(27,221)
Total comprehensive income for the period		-	24,591	(11,048)	1,731	15,274
Balance at 31 December 2022		1,721,081	828,856	120,005	331,868	3,001,810

UNAUDITED STATEMENTS OF FINANCIAL POSITION

In MUR 000	Unaudited quarter ended 31-12-2022	Unaudited quarter ended 31-12-2021	Audited year ended 30-09-2022
ASSETS			
Non-current assets			
Investment properties	3,675,033	3,385,923	3,672,802
Investment property under development	134,549	96,043	106,717
Plant, property and equipment	22,006	19,854	23,079
Net investment in lease	6,127	6,618	6,304
Investment in associate	142,758	145,674	142,626
Intangible assets	395	538	426
Loan receivable	34,626	24,436	24,436
Total non-current assets	4,015,494	3,679,086	3,976,390
Current assets	260,229	196,447	192,469
Total assets	4,275,723	3,875,533	4,168,859
EQUITY AND LIABILITIES			
Shareholders' Equity			
Stated capital	1,721,081	1,721,081	1,721,081
Capital and other reserves	120,005	131,053	131,053
Retained earnings	828,856	717,195	831,486
Non-controlling interests	331,868	323,987	330,137
Total equity	3,001,810	2,893,316	3,013,757
Non-current liabilities			
Borrowings	834,563	637,318	786,350
Other liabilities	151,905	134,403	147,844
Total non-current liabilities	986,468	771,721	934,194
Current liabilities			
Borrowings	105,204	85,609	70,987
Other liabilities	182,241	124,887	149,921
Total current liabilities	287,445	210,496	220,908
Total equity and liabilities	4,275,723	3,875,533	4,168,859

UNAUDITED STATEMENTS OF CASH FLOWS

In MUR 000	Unaudited quarter ended 31-12-2022	Unaudited quarter ended 31-12-2021	Audited year ended 30-09-2022
Net cash generated from operating activities	49,972	28,111	187,677
Net cash used in investing activities	(30,647)	(81,307)	(341,369)
Net cash from financing activities	55,647	55,320	113,992
Net increase/(decrease) in cash and cash equivalents	74,972	2,123	(39,700)
Cash and cash equivalents - opening	23,824	63,209	63,209
Effect of foreign exchange rate changes	-	-	315
Cash and cash equivalents - closing	98,796	65,332	23,824

COMMENTS ON THE QUARTER ENDED 31 DECEMBER 2022

Operational and financial review

Lavastone Group started the first quarter of FY 2023 with an increase in revenue and operating profit of 15.3% and 25.7% respectively. This increase was driven by annual rental escalations, new office tenants at EDITH and additional revenue following the acquisition of ABSA House. Operating costs and administrative expenses remained in line with last year.

The Group occupancy as at 31 December 2022 stood at 94.1%. Management continues to work actively towards improving the occupancy rate of the Group.

Transfer of title deeds in the Morcellement at Case Noyale to individual owners started this quarter which allowed the recognition of profits on sale of land.

Outlook

The renovation and redevelopment of Play Mourouk Hotel is progressing with the opening planned during the last quarter of FY 2023.

The Group's performance for this quarter is in line with expectations despite the impact of foreign exchange fluctuations and the recent rise in interest rates which has increased net finance costs. Management and the Board continue to track interest rates in consideration of the Group's gearing levels to ensure the Group continues to comfortably service its debt (gearing as at 31 Dec 2022 stood at 28%).

The challenging global economic climate affected by the war in Ukraine and probable recession in Europe and the West are important factors that the Group continues to monitor.

By order of the board

14th February 2023

KEY FIGURES FOR THE QUARTER ENDED

NET OPERATIONAL INCOME	MUR 61.1 M	TOTAL ASSETS	MUR 4.3 BN
NET ASSET VALUE PER SHARE	MUR 3.92	OCCUPANCY	94.1% (SEPTEMBER 2022: 94.6%)

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 to 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:
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