



THE UNION SUGAR ESTATES COMPANY LIMITED AND ITS SUBSIDIARIES

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	THE GROUP		
	30 June 2023	30 June 2022	31 December 2022
	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Audited
ASSETS			
Non-current assets	1,910,195	1,898,942	1,906,138
Current assets	439,074	346,351	432,861
Total assets	2,349,269	2,245,293	2,338,999
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company	1,779,770	1,668,802	1,720,992
Non-controlling interests	25,934	7,264	25,729
Non-current liabilities	245,104	330,460	275,844
Current liabilities	298,461	238,767	316,434
Total equity and liabilities	2,349,269	2,245,293	2,338,999

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UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP				
	Period ended		Quarter ended		Year Ended
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	31 December 2022
	Rs'000 Unaudited	Rs'000 Unaudited	Rs'000 Unaudited	Rs'000 Unaudited	Rs'000 Audited
Revenue	26,532	17,753	21,089	11,666	182,769
Operating (loss)/profit	(4,346)	(35,502)	11,903	(26,100)	495
Other income	14,996	9,591	7,409	5,321	26,793
Share of result of associates	(209)	38	(987)	(299)	(1,178)
Gain on deemed disposal of associate	-	-	-	-	20,685
Gain on bargain purchase on acquisition of subsidiary	-	-	-	-	7,084
Profit on disposal of land	59,975	42,213	25,137	2,610	41,866
Profit/(loss) before finance costs	70,416	16,340	43,462	(18,468)	95,745
Finance costs	(12,134)	(10,240)	(6,022)	(5,288)	(21,937)
Profit/(loss) before taxation	58,282	6,100	37,440	(23,756)	73,808
Taxation	319	988	(838)	3,764	(2,844)
Profit/(loss) for the period/year	58,601	7,088	36,602	(19,992)	70,964
Other comprehensive income/(loss) for the period/year	43	(20)	83	(136)	18,189
Total comprehensive income/(loss) for the period/year	58,644	7,068	36,685	(20,128)	89,153
Results attributable to:					
Owners of the parent	58,396	7,066	36,496	(20,014)	70,844
Non-controlling interests	205	22	106	22	120
	58,601	7,088	36,602	(19,992)	70,964
Total comprehensive income/(loss) attributable to:					
Owners of the parent	58,439	7,046	36,579	(20,150)	89,033
Non-controlling interests	205	22	106	22	120
	58,644	7,068	36,685	(20,128)	89,153
Basic earnings/(loss) per share	3.10	0.38	1.94	(1.06)	3.75
Number of ordinary shares ('000)	18,900	18,900	18,900	18,900	18,900

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UNAUDITED CONDENSED STATEMENT OF CASHFLOWS

	THE GROUP		
	Period ended		Year Ended
	30 June	30 June	31 December
	2023	2022	2022
	Rs'000	Rs'000	Rs'000
	Unaudited	Unaudited	Audited
Net cash (used in)/generated from operating activities	(39,178)	22,353	120,358
Net cash generated from/(used in) investing activities	93,043	22,907	(62,784)
Net cash used in financing activities	(59,144)	(39,850)	(72,261)
(Decrease)/increase in cash and cash equivalents	(5,279)	5,410	(14,687)
Movement in cash and cash equivalents			
At 1 January ,	(17,470)	(2,783)	(2,783)
(Decrease)/increase	(5,279)	5,410	(14,687)
At 30 June/31 December,	(22,749)	2,627	(17,470)

THE UNION SUGAR ESTATES COMPANY LIMITED AND ITS SUBSIDIARIES

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent			Non-controlling interests	Total equity	
	Stated capital	Revaluation and other reserves	Retained earnings			Total
	Rs'000	Rs'000	Rs'000			Rs'000
THE GROUP						
Balance at 1 January 2023	1,890	1,580,257	138,845	1,720,992	25,729	1,746,721
Profit for the period	-	-	58,396	58,396	205	58,601
Other comprehensive income for the period	-	43	-	43	-	43
Total comprehensive income for the period	-	43	58,396	58,439	205	58,644
Revaluation surplus released on disposal of land	-	(24,677)	24,677	-	-	-
Revaluation surplus released on depreciation of property, plant and equipment, net of deferred tax	-	(1,653)	1,992	339	-	339
Balance at 30 June 2023	1,890	1,553,970	223,910	1,779,770	25,934	1,805,704
Balance at 1 January 2022	1,890	1,603,549	55,822	1,661,261	-	1,661,261
Profit for the period	-	-	7,066	7,066	22	7,088
Other comprehensive loss for the period	-	(20)	-	(20)	-	(20)
Total comprehensive income for the period	-	(20)	7,066	7,046	22	7,068
Consolidation adjustment			146	146	7,242	7,388
Revaluation surplus released on disposal of land	-	(38,100)	38,100	-	-	-
Revaluation surplus released on depreciation of property, plant and equipment, net of deferred tax	-	(1,704)	2,053	349	-	349
Balance at 30 June 2022	1,890	1,563,725	103,187	1,668,802	7,264	1,676,066

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UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

SEGMENTAL INFORMATION - THE GROUP

Business segments	AGRO	OTHERS	TOTAL
	Rs'000	Rs'000	Rs'000
Unaudited period to 30 June 2023			
Revenue from external customers	<u>25,490</u>	<u>1,042</u>	<u>26,532</u>
Operating (loss)/profit	<u>(4,982)</u>	<u>636</u>	<u>(4,346)</u>
Unaudited period to 30 June 2022			
Revenue from external customers	<u>17,261</u>	<u>492</u>	<u>17,753</u>
Operating (loss)/profit	<u>(35,782)</u>	<u>280</u>	<u>(35,502)</u>

NOTES

1. The interim condensed financial statements for the period ended 30 June 2023 are unaudited. The accounting policies and standards used in the preparation of these interim condensed financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2022, except for the adoption of relevant amendments to published Standards and Interpretations subsequently issued, now effective. This interim report complies with IAS 34 "Interim Financial Reporting".
2. The activities of the company consist of growing and cultivation of sugar cane and other agricultural products. Due to the seasonal nature of the business in which the company operates, sugar revenue is generated during harvest season, that is between July and December.
3. Performance review:
 - (i) The revenue of the group has increased by Rs 9m for the period ended 30 June 2023 as compared to the same period last year further to the positive adjustment on sugar revenue following the increase in final price of sugar for crop year 2022.
 - (ii) The group's operating results improved from a loss of Rs 36m for the first semester of year 2022 to Rs 4m this semester mainly due to a favourable variance of Rs 26m arising from the fair value movement in standing cane coupled with an increase in sugar revenue.
 - (iii) Profit on disposal of land for the semester under review amounted to Rs 60m.
 - (iv) All the above resulted in a profit after tax of Rs 59m for the first semester of 2023 compared to Rs 7m for the same semester in 2022.
4. Outlook for the rest of the year is favourable due to climatic conditions and projected increase in price of sugar.

By Order of the Board

Navitas Corporate Services Ltd

Company Secretary

This 8th August 2023

*The Board of Directors accepts full responsibility for the accuracy of the information contained in the above unaudited condensed financial statements. Copies of the unaudited condensed financial statements are available to the public, free of charge, at Compagnie de Beau Vallon Limitée, Riche en Eau, St Hubert. The Statement of interests of officers of the company required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request to the Company Secretary, free of charge, at C/O Navitas Corporate Services Ltd, Navitas House, Robinson Road, Floréal.
 This statement is issued pursuant to DEM RULE 17 and Securities Act 2005.*