



(File No. 3886)
Business Registration No : C06003886
Incorporated in the Republic Of Mauritius

SUN RESORTS LIMITED

Abridged Financial Statements

for the quarter (unaudited) and year ended 31 December 2013 (audited)

The Group results for the quarter (unaudited) and year (audited) ended 31 December 2013 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME(ABRIDGED)				
	THE GROUP			
	Quarter ended 31 December		Year ended 31 December	
	2013 Rs'000	Restated 2012 Rs'000	2013 Rs'000	Restated 2012 Rs'000
Revenue	1,380,156	1,277,712	4,038,084	3,609,460
Other operating income	12,365	1,517	41,930	40,200
Total revenue	1,392,521	1,279,229	4,080,014	3,649,660
Total expenses	(958,299)	(899,582)	(3,776,501)	(3,279,078)
Operating profit	434,222	379,647	303,513	370,582
Finance costs	(74,719)	(83,922)	(353,167)	(357,157)
Finance income	2,061	1,237	5,708	4,184
Preopening and marketing launch costs	-	-	-	(10,536)
Profit / (Loss) before tax	361,564	296,962	(43,946)	7,073
Income tax expense / (credit)	(55,222)	(66,536)	12,097	8,987
Profit / (Loss) for the quarter / year	306,342	230,426	(31,849)	16,060
Other comprehensive income / (loss) net of tax	(65,987)	787,966	(60,910)	879,254
Total comprehensive income / (loss)	240,355	1,018,392	(92,759)	895,314
Total comprehensive profit / (loss) attributable to:				
Owners of the Company	240,400	1,018,445	(92,759)	894,903
Non-controlling interests	(45)	(53)	-	411
	240,355	1,018,392	(92,759)	895,314
Profit / (Loss) per share (Rs)	3.27	2.46	(0.34)	0.17

CONSOLIDATED GEOGRAPHICAL AND SEGMENTAL INFORMATION				
	THE GROUP			
	Quarter ended 31 December		Year ended 31 December	
	2013 Rs'000	Restated 2012 Rs'000	2013 Rs'000	Restated 2012 Rs'000
Geographical revenue:				
Mauritius	993,678	895,426	2,844,498	2,463,369
Maldives	168,487	154,222	618,370	633,486
Others	230,356	229,581	617,146	552,805
Total revenue including other operating income	1,392,521	1,279,229	4,080,014	3,649,660
Geographical results:				
Mauritius	237,944	189,618	(106,814)	(63,208)
Maldives	38,272	5,742	64,853	68,216
Others	30,126	35,066	10,112	11,052
Profit / (Loss) for the quarter / year	306,342	230,426	(31,849)	16,060
Segment revenue:				
Hotel operations - External sales	1,140,060	1,034,189	3,426,807	3,006,895
Hotel operations - Inter-segment sales	156,122	148,832	447,937	376,620
	1,296,182	1,183,021	3,874,744	3,383,515
Real estate	22,105	15,459	36,061	89,960
Others - External sales	230,356	229,581	617,146	552,805
Elimination of inter-segment sales	(156,122)	(148,832)	(447,937)	(376,620)
Total revenue including other operating income	1,392,521	1,279,229	4,080,014	3,649,660
Segment results:				
Hotel operations	274,983	186,995	(46,503)	(15,537)
Real estate	1,233	8,365	4,542	20,545
Others	30,126	35,066	10,112	11,052
Profit / (Loss) for the quarter / year	306,342	230,426	(31,849)	16,060

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (ABRIDGED)			
	THE GROUP		Audited & Restated Rs'000
	31 Dec 2013	31 Dec 2012	
EQUITY AND LIABILITIES			
Shareholders' equity	5,377,977	5,470,736	
Non-controlling interests	1,773	1,773	
Total equity	5,379,750	5,472,509	
Interest-bearing loans and borrowings	3,796,198	3,975,874	
Deferred tax liability	532,099	564,111	
Employee benefit liability	113,593	56,032	
Non-current liabilities	4,441,890	4,596,017	
Current liabilities	3,184,050	3,242,826	
Total liabilities	7,625,940	7,838,843	
Total equity and liabilities	13,005,690	13,311,352	
ASSETS			
Non-current assets			
Property, plant and equipment	9,765,724	9,941,350	
Operating equipment	147,980	150,579	
Intangible assets	1,521,158	1,524,545	
Other investments	10,591	10,802	
Leasehold rights and leasehold land prepayments	198,737	207,467	
Other financial assets	165,876	281,683	
	11,810,066	12,116,426	
Current assets	1,195,624	1,194,926	
Total assets	13,005,690	13,311,352	

CONSOLIDATED STATEMENT OF CASH FLOWS (ABRIDGED)		
	THE GROUP	
	Year ended 31 December	
	2013 Rs'000	2012 Rs'000
Cash generated from operations	648,874	716,044
Income taxes paid	(16,525)	(28,761)
Net cash flows from operating activities	632,349	687,283
Net cash flows generated / (used) in investing activities	6,320	(1,043,178)
Net cash flows (used in)/generated from financing activities	(508,908)	244,119
Net increase / (decrease) in cash and cash equivalents	129,761	(111,776)
Cash and cash equivalents at 1 January	(368,880)	(257,104)
Net cash and cash equivalents at 31 December	(239,119)	(368,880)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (ABRIDGED)			
	THE GROUP		
	Shareholders' equity Rs'000	Non-controlling interests Rs'000	Total equity Rs'000
At 1 January 2012 as previously stated	4,656,273	1,362	4,657,635
Prior year adjustment in respect of deferred tax adjustments	(23,218)	-	(23,218)
Prior year adjustments following revision in IAS 19 Retirement Benefit Obligations	6,770	-	6,770
Prior year adjustments for deferred tax following revision in IAS 19 Retirement Benefit Obligations	(1,016)	-	(1,016)
At 1 January 2012 as restated	4,638,809	1,362	4,640,171
Unclaimed dividends	2,685	-	2,685
Equity dividend	(65,661)	-	(65,661)
Total comprehensive income for year	894,903	411	895,314
At 31 December 2012	5,470,736	1,773	5,472,509
At 1 January 2013	5,470,736	1,773	5,472,509
Total comprehensive loss for year	(92,759)	-	(92,759)
At 31 December 2013	5,377,977	1,773	5,379,750

Notes to the above :

(i) The Group's statements for the quarter and year ended 31 December 2013 have been prepared using the same accounting policies and methods adopted in the audited financial statements for the year ended 31 December 2012 except for changes in standards and interpretations adopted by the Group during the period. The Group voluntarily changed its accounting policy for its defined benefit plans to recognise all actuarial gains and losses in the period in which they occur in other comprehensive income in accordance with IAS 19.93A. Previously, the Group recognised the net cumulative unrecognised actuarial gains and losses, which exceeded the greater of 10% of the defined benefit obligation and the fair value of the plan assets at the closing date of the previous reporting period over the remaining working periods of the employees, in accordance with IAS 19.93. The change in accounting policy led to a restatement of the liability in respect of Employee Benefit which impacted on the Retained Earnings as disclosed in the Statement of Changes in Equity above.

The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Statements.

(ii) The Group's principal activity is in the hospitality industry. Hence, performance is subject to seasonality and varies significantly from quarter to quarter. Therefore, in respect of interim reporting, the results in the first and last quarters of each year are significantly higher than the other two quarters, as they relate to the high season.

(iii) The results for the quarter and 12 months ended 31 December 2013 consolidate real estate sales relating to IHS rooms at Long Beach.

(iv) Pre-opening and marketing launch costs related to Ambre resort which was renovated last year.

1. Comments on results

Quarter 4 2013

Tourist arrivals to Mauritius during the last quarter registered a 3% increase over the corresponding quarter of 2012, driven mainly by the Chinese market. Despite this low growth, the Group registered an increase of 14% in the number of guests to its Mauritian resorts, resulting in an improved market share of 9%. Thus, the Group's revenues grew by 9% over the same quarter last year to Rs 1.4 billion. With better performance from Long Beach and Ambre, margin improved at 31% resulting in the Group's operating profit finishing at Rs 434 million, which was 14% higher than the corresponding quarter of 2012. Furthermore, with finance costs being lower, the net profit for the quarter grew by 33% to Rs 306 million.

Year 2013

The local hotel sector witnessed a marginal growth of 2.9% in tourist arrivals. Inflow from Europe dropped by 1.5% against 2012, with France, the island's main market registering a decrease of 4.7% on the prior year. As expected, arrivals from emerging markets grew significantly and compensated the shortfall from Europe, with the Far East and Asian markets registering 25.7% growth. The Maldives hotel sector enjoyed 17.4% growth in tourist arrivals, with China consolidating itself as the island's main tourists' provider.

Group revenues at Rs 4.1 billion were 12% up on the prior year, on account of the improved performance of Long Beach and a full year operation of Ambre. However, Ambre experienced a difficult first year in a highly challenging environment and posted a significant loss for 2013, particularly in the first nine months of the year. Although all the Mauritian resorts registered growth in operating profit year on year, the full year impact of Ambre resulted in the Group's operating profit decreasing by 19% on 2012 and a resulting loss of Rs 32 million for the year.

2. Post balance sheet events

The Company has issued a Cautionary Announcement dated 26 March 2014 that outlines its future development strategy. The shareholders and the investing public are kindly advised to refer to this announcement for more details.

3. Future outlook

The economic outlook in the main source markets is not expected to improve in the short term, as evidenced by the February cumulative tourist arrivals showing no growth and Europe declining by 2.4%. The current trading environment will impact on first quarter results as March is expected to remain a challenging month with Easter being in April this year. However, with the actions being undertaken by Management and the roll out of its development strategy, the Board anticipates that the Company will be in a better position to drive growth in the future.

For and on behalf of the Board

Clothilde de Comarmond, ACIS
Per CIEL Corporate Services Ltd
Company Secretary

26 March 2014

This announcement is issued pursuant to Listing Rule 12.20 and the Securities Act 2005.

The Board of Directors of Sun Resorts Limited accepts full responsibility for the accuracy of the information contained in this report.

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 is available upon request from the Secretary, free of charge at CIEL Corporate Services Ltd, Ebène Skies, Ebène, Mauritius. Copies of this report are available to the public, free of charge, at the Registered Office of the Company.

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