

**QUALITY BEVERAGES LIMITED**

**ABRIDGED UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

**STATEMENTS OF FINANCIAL POSITION**

	<b>THE GROUP</b>		<b>THE COMPANY</b>	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Rs	Rs	Rs	Rs
<b>ASSETS</b>				
Non-current assets	921,652,610	977,154,930	916,706,569	966,734,920
Current assets	529,955,979	618,412,755	492,668,269	583,769,233
<b>TOTAL ASSETS</b>	<b>Rs 1,451,608,589</b>	<b>1,595,567,685</b>	<b>1,409,374,838</b>	<b>1,550,504,153</b>
<b>EQUITY AND LIABILITIES</b>				
Capital and reserves				
Attributable to:				
Owners of the company	505,530,278	538,819,526	507,052,660	540,061,103
Non-current liabilities	534,017,875	522,234,016	525,666,419	509,700,687
Current liabilities	412,060,436	534,514,143	376,655,759	500,742,363
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>Rs 1,451,608,589</b>	<b>1,595,567,685</b>	<b>1,409,374,838</b>	<b>1,550,504,153</b>

**STATEMENTS OF COMPREHENSIVE INCOME**

	<b>THE GROUP</b>				<b>THE COMPANY</b>			
	Quarter ended	Quarter ended	9 months ended	9 months ended	Quarter ended	Quarter ended	9 months ended	9 months ended
	30 September 2020	30 September 2019	30 September 2020	30 September 2019	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Revenue	350,459,316	377,347,811	991,410,641	1,138,114,686	281,023,282	193,689,519	796,367,180	626,481,146
Operating Profit	(23,492,314)	5,805,063	(22,627,159)	33,909,972	(24,154,176)	(3,697,330)	(23,210,385)	14,079,175
Finance costs	(4,056,821)	(5,396,361)	(14,996,939)	(17,352,493)	(3,831,415)	(4,331,578)	(14,243,336)	(13,813,104)
(Loss)/Profit before taxation	(27,549,135)	408,702	(37,624,098)	16,557,479	(27,985,591)	(8,028,908)	(37,453,721)	266,071
Taxation	3,348,095	(505,308)	5,802,250	(3,158,947)	3,876,904	1,238,444	5,912,678	557,476
<b>(Loss)/Profit after taxation for the period</b>	<b>Rs (24,201,040)</b>	<b>(96,606)</b>	<b>(31,821,848)</b>	<b>13,398,533</b>	<b>(24,108,687)</b>	<b>(6,790,464)</b>	<b>(31,541,043)</b>	<b>823,547</b>
Other comprehensive income/(loss) for the period	-	(2,463,512)	(1,467,400)	(2,463,512)	-	-	(1,467,400)	-
<b>Total comprehensive income/(loss) for the period</b>	<b>Rs (24,201,040)</b>	<b>(2,560,118)</b>	<b>(33,289,248)</b>	<b>10,935,021</b>	<b>(24,108,687)</b>	<b>(6,790,464)</b>	<b>(33,008,443)</b>	<b>823,547</b>
Earnings per share	<b>Rs (0.66)</b>	<b>(0.00)</b>	<b>(0.87)</b>	<b>0.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**STATEMENTS OF CHANGES IN EQUITY**

	<b>THE GROUP</b>		<b>THE COMPANY</b>	
	9 months ended	9 months ended	9 months ended	9 months ended
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Rs	Rs	Rs	Rs
Balance at 1 January	538,819,526	327,383,962	540,061,103	346,239,293
Prior year adjustment	-	217,746,887	-	-
As restated	538,819,526	545,130,849	540,061,103	346,239,293
Profit for the period	(31,821,848)	13,398,533	(31,541,043)	823,547
Other comprehensive income/(loss)	(1,467,400)	(2,463,512)	(1,467,400)	-
Total comprehensive income and expense for the period	(33,289,248)	10,935,021	(33,008,443)	823,547
<b>Balance at 30 September</b>	<b>Rs 505,530,278</b>	<b>556,065,870</b>	<b>507,052,660</b>	<b>347,062,840</b>

**QUALITY BEVERAGES LIMITED**  
**STATEMENTS OF CASH FLOWS**

	THE GROUP		THE COMPANY	
	9 months ended 30 September 2020 (Unaudited)	9 months ended 30 September 2019 (Unaudited)	9 months ended 30 September 2020 (Unaudited)	9 months ended 30 September 2019 (Unaudited)
	Rs	Rs	Rs	Rs
NET CASH GENERATED FROM OPERATING ACTIVITIES	63,352,613	90,718,758	50,525,863	40,485,109
NET CASH USED IN INVESTING ACTIVITIES	(22,503,205)	(33,149,759)	(17,539,712)	(26,451,121)
NET CASH USED IN FINANCING ACTIVITIES	(59,412,618)	(81,786,031)	(55,006,158)	(54,610,523)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(18,563,210)	(24,217,032)	(22,020,007)	(40,576,535)
CASH AND CASH EQUIVALENTS-OPENING	9,711,185	23,120,993	(5,236,855)	35,272,431
CASH AND CASH EQUIVALENTS-CLOSING	Rs (8,852,025)	(1,096,039)	(27,256,862)	(5,304,104)

**SEGMENTAL INFORMATION - GROUP**

	THE GROUP			
	Quarter ended 30 September 2020 (Unaudited)	Quarter ended 30 September 2019 (Unaudited)	9 months ended 30 September 2020 (Unaudited)	9 months ended 30 September 2019 (Unaudited)
	Rs	Rs	Rs	Rs
<b>Revenue</b>				
Manufacturing and trading	346,991,423	373,362,258	983,450,245	1,124,549,234
Advertising	3,467,892	3,985,553	7,960,395	13,565,452
Rs	350,459,315	377,347,811	991,410,640	1,138,114,686
<b>Segment Results</b>				
Manufacturing and trading	(27,805,401)	(1,558,060)	(36,972,911)	12,480,047
Advertising	256,266	1,966,763	(651,187)	4,077,432
Rs	(27,549,135)	408,702	(37,624,098)	16,557,479
Taxation	3,348,095	(505,308)	5,802,250	(3,158,947)
Rs	(24,201,040)	(96,606)	(31,821,848)	13,398,533

**NOTES:**

The interim condensed financial statements for the nine months ended 30 September 2020 are unaudited and are prepared using the same accounting policies and methods of computation as those adopted in the statutory financial statements for the year ended 31st December 2019.

**Results as compared to same period last year:**

Group results for the first nine months of 2020 were impacted by COVID-19 related lockdown and its aftermath which led to a sharp sales drop especially in the Hotels and Restaurants channel. As a result, Group revenue for the nine months ended at Rs991 million, compared to Rs1,138 million same period prior year. The decline in revenue, the depreciation of the Mauritian Rupee against major currencies and non-recurrent restructuring and retirement costs were the main drivers of the Group loss of Rs31.8 million after tax compared to a profit of Rs13.4 million for prior year.

In view of the prevailing uncertainties due to COVID-19, the Board has prudently decided not to declare a dividend for FY 2020.

**PROSPECTS**

The future consumption patterns remain uncertain as many industries, specially tourism and leisure industries may continue to be negatively impacted by the effect of the global pandemic, notwithstanding the partial opening of the Mauritian borders in October 2020. We continue to expect volatility in the food and beverage industry in which we operate.

In this context, the Group will continue to reinforce a cost reduction approach, place strong focus on cashflow and liquidity generation while exploring at the same time new growth opportunities to help mitigate the effects from this adverse environment.

**By order of the Board**

Currimjee Secretaries Limited

Secretary

Dated this: 12th November 2020

*The Board of Directors of Quality Beverages Limited accepts full responsibility for the accuracy of the information contained in these condensed unaudited financial statements prepared in accordance with International Financial Reporting Standards. Copies of the report are available to the public, free of charge, at the registered office of the Company: 38, Royal Street, Port Louis.*

*These Financial Statements are issued pursuant to DEM Rule 17 and Rule 8 of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007.*

The statement of direct and indirect interests pursuant to the rule 8(2)(m) of the Securities Act (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the Company Secretary, Currimjee Secretaries Limited.