

New Frontier Properties Ltd  
(Incorporated in the Republic of Mauritius on 5 June 2014)  
(Registration number 123368C1/GBL)  
SEM share code: NFP.N000  
JSE share code: NFP  
ISIN: MU0453N00004  
(“New Frontier” or “the Company” or “the Group”)

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## SUMMARISED UNAUDITED CONSOLIDATED RESULTS FOR THE THREE MONTHS ENDED 30 NOVEMBER 2018

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The Company was established in Mauritius as a public company limited by shares holding a Category 1 Global Business Licence. The Company has primary listings on the Stock Exchange of Mauritius Ltd (“SEM”) and the Alternative Exchange (“AltX”) of the Johannesburg Stock Exchange (“JSE”). The primary objective of the Company is to acquire good quality, income-generating retail and logistics/warehouse property assets in the United Kingdom (“UK”) and mainland Europe.

### REPORTING CURRENCY

The Company’s results are reported in pounds sterling (“GBP”).

### FINANCIAL RESULTS

The Group’s International Financial Reporting Standards (“IFRS”) profit for the period was GBP0.742 million (2017: Profit of GBP 3.239million).

### BUSINESS REVIEW

#### Retail sector overview

The widely reported challenges in the UK retail sector have continued in the first quarter. Over the Christmas period retailers have once again issued a mixed set of trading statements. We expect further challenges in the retail sector over the next reporting period following the pre-Christmas announcement that HMV, a tenant in our Middlesbrough centre, has gone into administration although they are still trading.

The outcome of the UK’s exit from the European Union should become clearer shortly. The uncertainty caused by the politicians’ inability to agree a solution has knocked consumer and business confidence. The consequent lack of investor confidence in the retail sector has resulted in the shopping centre investment market seeing little activity with trading volumes at their lowest levels since 2008.

However, despite this challenging backdrop the Company has seen a considerable improvement in its void rate as our asset management initiatives are bearing fruit. Our occupancy level has improved to 93.46% (31 August 2018: 90.27%) by estimated rental value and to 91.56 by gross lettable area (31 August 2018: 88.14%).

#### Letting activity and lease renewals

During the period under review several new lettings have occurred including the upsizing of River Island and Footasylum in Blackpool, both on 10 year leases, which demonstrates that tenants will still take new space in the right location. This has helped to increase occupancy as set out above.

Lease renewals have been concluded with Costa in Middlesbrough and Card Factory and Game at Burton.

## **BANKING**

As previously announced the fall in value of the Group's properties has resulted in its loan to value covenants being exceeded.

Both lenders continue to engage with the Group at this time. However, both lenders have trapped the free rental cashflow, although they have agreed to release funds for the Group's operating expenses and capital expenditure to support letting activity at the shopping centres. Meanwhile, surplus funds will be used to repay the outstanding loans. Whilst the Group has the support of its funders, its loan terms are effectively repayable on demand.

The board of directors of New Frontier ("**Board**") considers that whilst the Group has the support of its lenders it can service its obligations in the normal course of business and will continue as a going concern.

## **STRATEGY**

The Group is actively managing its assets, focussing on improving its net operating income and reducing its debt exposure through the sale of assets where it can do so for the benefit of all its stakeholders.

Furthermore, the Group is seeking long term solutions to reduce the cost base with the support of its major shareholder and positioning its assets to take advantage of any improvement in the shopping centre sector.

## **BASIS OF PREPARATION**

These summarised unaudited consolidated results for the three month period ended 30 November 2018 have been prepared in accordance with IFRS, including IAS 34 – Interim Financial Reporting, the SEM Listing Rules, the Securities Act of Mauritius 2005 and the JSE Listings Requirements to the extent required. The accounting policies are in accordance with IFRS and are consistent with those applied in the annual financial statements for the year ended 31 August 2018.

These financial statements have not been reviewed or reported on by the Company's external auditors.

## **SEGMENTAL INFORMATION**

The Group derives its revenue from the single business activity of property investment and is active in two segments being UK Shopping Centres and European warehouses.

By order of the Board

Osiris Corporate Solutions (Mauritius) Limited  
Company secretary

14 January 2019

## **NOTES**

Copies of this report are available to the public at the registered office of the Company, Chemin Vingt Pieds, 5<sup>th</sup> Floor, La Croisette, Grand Baie, Mauritius.

Copies of the statement of direct or indirect interest of the Senior Officers of the Company pursuant to rule 8(2)(m) of the Securities (Disclosure of Obligations of Reporting Issuers) Rules 2007 are available to the public upon request to the company secretary at the Registered Office of the Company at Chemin Vingt Pieds, 5<sup>th</sup> Floor, La Croisette, Grand Baie, Mauritius.

This communiqué is issued pursuant to Listing Rules 12.20 and 12.21 and Section 88 of the Securities Act of Mauritius 2005. The Board accepts full responsibility for the accuracy of the information in this communiqué.

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JSE designated advisor

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Company secretary

**Osiris Corporate Solutions (Mauritius) Limited** +230 650 4030

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE 3 MONTH PERIOD ENDED 30 NOVEMBER 2018**

	Unaudited For the 3 month period ended 30 November 2018 <u>GBP 000</u>	Unaudited For the 3 month period ended 30 November 2017 <u>GBP 000</u>	Audited For the year ended 31 August 2018 <u>GBP 000</u>
<b>Revenue</b>			
Rental income	4,069	4,531	17,521
<b>Expenses</b>			
Operating expenses	(1,133)	(530)	(3,395)
Administrative expenses	140	(318)	(2,555)
Other income	-	-	21
Fair value gain/(loss) on investment	(171)	-	(80,835)
Movement in financial derivatives/FOREX	15	(114)	(16)
	<u>2,920</u>	<u>3,569</u>	<u>(69,259)</u>
Finance costs	(1,873)	(1,721)	(7,201)
Profit/(loss) before taxation	1,047	1,848	(76,460)
Taxation	(172)	-	(21)
<b>Profit for the year</b>	<u>875</u>	<u>1,848</u>	<u>(76,481)</u>
Other comprehensive income for the period	(133)	1,391	1,404
<b>Total comprehensive income for the period</b>	<u><u>742</u></u>	<u><u>3,239</u></u>	<u><u>(75,077)</u></u>
Basic Earnings/(loss) per share (GBP)	<u><u>0.005</u></u>	<u><u>0.012</u></u>	<u><u>(0.482)</u></u>
Headline Earnings/(loss) per share (GBP)	<u><u>0.007</u></u>	<u><u>0.012</u></u>	<u><u>0.027</u></u>

STATEMENTS OF FINANCIAL POSITION AT 30 NOVEMBER 2018

	Unaudited As at 30 November 2018 GBP 000	Unaudited As at 30 November 2017 GBP 000	Audited As at 31 August 2018 GBP 000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Office Equipment	15	17	15
Investment property	193,175	273,555	193,288
Derivative financial instrument	970	1,089	1,103
	<u>194,160</u>	<u>274,661</u>	<u>194,406</u>
<b>Current assets</b>			
Trade and other receivables	4,520	6,096	5,179
Other current financial assets	-	238	-
Cash and cash equivalents	4,506	3,117	3,471
	<u>9,026</u>	<u>9,451</u>	<u>8,650</u>
<b>Total assets</b>	<u><u>203,186</u></u>	<u><u>284,112</u></u>	<u><u>203,056</u></u>
<b>EQUITY</b>			
<b>Capital and reserves (attributable to owners of the parent)</b>			
Share capital	47,136	39,413	47,136
Hedging reserve	(750)	(1,821)	(915)
Retained Earnings/(Losses)	(22,227)	60,055	(23,102)
<b>Total equity</b>	<u>24,159</u>	<u>97,647</u>	<u>23,119</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
	-	166,910	143,581
<b>Current liabilities</b>			
Trade and other payables	4,025	6,550	5,000
Dividend payable	-	244	-
Borrowings	174,816	12,762	31,356
Income tax payable	186	-	-
	<u>179,027</u>	<u>19,556</u>	<u>36,356</u>
<b>Total liabilities</b>	<u>179,027</u>	<u>186,466</u>	<u>179,937</u>
<b>Total equity and liabilities</b>	<u><u>203,186</u></u>	<u><u>284,113</u></u>	<u><u>203,056</u></u>

STATEMENTS OF CASH FLOWS FOR THE 3 MONTH PERIOD ENDED 30 NOVEMBER 2018

	Unaudited For the 3 month period ended 30 November 2018	Unaudited For the 3 month period ended 30 November 2017	Audited For the year ended 31 August 2018
	GBP 000	GBP 000	GBP 000
<b>Cash flows from operating activities</b>			
Cash generated from operations	2,821	3,387	11,837
Tax paid	-	-	146
Interest paid	(1,139)	(1,305)	(4,755)
<b>Net cash generated from operating activities</b>	<b>1,682</b>	<b>2,082</b>	<b>7,228</b>
<b>Cash flows from investing activities</b>			
Capital improvements to investment property	(54)	(659)	(1,132)
Purchase of investment property	-	(7,944)	(8,150)
<b>Net cash used in investing activities</b>	<b>(54)</b>	<b>(8,603)</b>	<b>(9,282)</b>
<b>Cash flows from financing activities</b>			
Proceeds from receipt of loan	-	8,500	12,800
Repayment of borrowings	(598)	-	(1,783)
Payment of borrowing costs	-	-	(695)
Dividend payment	-	(4,372)	(10,299)
<b>Net cash generated from/(used in) financing activities</b>	<b>(598)</b>	<b>4,128</b>	<b>23</b>
<b>Net increase in cash and cash equivalents for the period/year</b>	<b>1,030</b>	<b>(2,393)</b>	<b>(2,031)</b>
<b>Exchange difference</b>	<b>5</b>	<b>-</b>	<b>(8)</b>
Cash and cash equivalents at the beginning of the period/year	3,471	5,511	5,510
<b>At end of period/ year</b>	<b>4,506</b>	<b>3,118</b>	<b>3,471</b>

STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 NOVEMBER 2018

	<b>Share capital</b>	<b>Hedging Reserve</b>	<b>Revenue deficit</b>	<b>Total</b>
	<b>GBP 000</b>	<b>GBP 000</b>	<b>GBP 000</b>	<b>GBP 000</b>
<b><u>THE GROUP</u></b>				
Balance as at 1 September 2018	47,136	(915)	(23,102)	23,119
Profit for the period	-	-	875	875
<i>Other comprehensive income for the year</i>				
Cash flow hedge reserve	-	298	-	298,
Amortisation of historic cash flow hedge reserve	-	(133)	-	(133)
<b>Balance at 30 November 2018</b>	<b>47,136</b>	<b>(750)</b>	<b>(22,227)</b>	<b>24,159</b>
Balance as at 1 September 2017	39,412	(3,330)	63,678	99,760
Issue of shares	7,724	-	-	7,724
Profit for the year	-	-	(76,481)	(76,481)
<i>Other comprehensive income for the year</i>	-	-	-	-
Cash flow hedge reserve	-	1,404	-	1,404
Dividend payment	-	-	(10,327)	(10,327)
Waiver of dividend	-	-	28	28
Amortisation of historic cash flow hedge reserve	-	1,011	-	1,011
<b>Balance at 31 August 2018</b>	<b>47,136</b>	<b>(915)</b>	<b>(23,102)</b>	<b>23,119</b>
Balance as at 1 September 2017	39,412	(3,330)	63,678	99,760
Profit for the period	-	-	1,848	1,848
<i>Other comprehensive income for the year</i>				
Cash flow hedge reserve	-	1,391	-	1,391
Dividend payment	-	-	(5,500)	(5,500)
Waiver of dividend	-	-	28	28
Amortisation of historic cash flow hedge reserve	-	120	-	120
<b>Balance at 30 November 2017</b>	<b>39,412</b>	<b>(1,819)</b>	<b>60,055</b>	<b>97,647</b>

**RECONCILIATION OF PROFIT FOR PERIOD ENDED 30 NOVEMBER 2018 TO HEADLINE EARNINGS****THE GROUP**

Basic and headline earnings per share

	<b>For the 3 month period ended 30 November 2018</b>	<b>For the 3 month period ended 30 November 2017</b>	<b>For the year ended 31 August 2018</b>
	<b>GBP 000</b>	<b>GBP 000</b>	<b>GBP 000</b>
Basic earnings/(loss) attributable to equity holders of the Company	<b>875</b>	<b>1,848</b>	<b>(76,481)</b>
Fair value movement on investment properties	<b>171</b>	<b>-</b>	<b>80,835</b>
Headline earnings attributable to equity holders of the Company	<b>1,046</b>	<b>1,848</b>	<b>4,354</b>
Number of shares/weighted average number of shares	<b>160,935,407</b>	<b>152,774,750</b>	<b>158,587,821</b>
<b>Earnings per share</b>			
Basic earnings/(loss) per share (GBP)	<b>0.005</b>	<b>0.012</b>	<b>(0.482)</b>
Headline earnings per share (GBP)	<b>0.007</b>	<b>0.012</b>	<b>0.027</b>