

ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Business Registration Number: C07009339

STATEMENT OF COMPREHENSIVE INCOME

	THE GROUP		THE COMPANY	
	Year ended Dec 2022 Rs M	Year ended Dec 2021 Rs M	Year ended Dec 2022 Rs M	Year ended Dec 2021 Rs M
Income	420.0	451.0	377.5	415.2
Government taxes & duties	(160.5)	(170.1)	(160.5)	(170.1)
Payment to National Solidarity Fund	(14.4)	(14.9)	(14.4)	(14.9)
Net Income	245.1	266.0	202.6	230.2
Other income	1.1	3.8	13.6	7.4
Selling expenses	(44.0)	(48.0)	(29.9)	(34.3)
Operating expenses	(118.3)	(113.4)	(110.7)	(107.4)
Gain allowance on trade receivables	-	0.5	-	-
Payments to the horse racing organisers	(40.6)	(62.0)	(40.6)	(61.9)
Operating profit	43.3	46.9	35.0	34.0
Finance costs	(0.5)	(0.5)	(0.5)	(0.5)
Profit before income tax	42.8	46.4	34.5	33.5
Income tax expense	(14.6)	(5.1)	(4.3)	(2.1)
Profit for the year	28.2	41.3	30.2	31.4
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Changes in the fair value of equity instruments at FVTOCI	0.1	(8.7)	0.1	(8.7)
Re-measurements of post-employment benefit obligations	(3.5)	1.4	(3.5)	1.4
Deferred tax charge relating to re-measurements of post-employment benefits	0.6	(0.2)	0.6	(0.2)
Re-measurements of post-employment benefit obligations - net of tax	(2.9)	1.2	(2.9)	1.2
Total other comprehensive loss for the year	(2.8)	(7.5)	(2.8)	(7.5)
Total comprehensive income for the year	25.4	33.8	27.4	23.9
Profit for the year attributable to:				
Owners of the company	28.2	35.4	30.2	31.4
Non-controlling interests	-	5.9	-	-
	28.2	41.3	30.2	31.4
Total comprehensive income attributable to:				
Owners of the company	25.4	27.9	27.4	23.9
Non-controlling interests	-	5.9	-	-
	25.4	33.8	27.4	23.9
Earnings per share	Rs 7.97	10.02	8.54	8.90
Number of shares in issue	3,535,000	3,535,000	3,535,000	3,535,000

SEGMENT INFORMATION

	Dec 2022		Dec 2021	
	Rs M	Rs M	Rs M	Rs M
Income				
Horse racing		238.9		309.6
Foreign football matches		138.6		105.6
All other segments		42.5		35.8
Total		420.0		451.0
EBITDA				
Horse racing		30.1		36.1
Foreign football matches		7.5		9.1
All other segments		20.8		15.8
Total		58.4		61.0
Depreciation		(15.1)		(14.1)
Finance costs		(0.5)		(0.5)
Profit before taxation		42.8		46.4
		Dec 2022		Dec 2021
		Rs M		Rs M
Total assets				
Horse racing		161.3		147.9
Foreign football matches		40.3		37.0
All other segments		18.3		19.8
TOTAL		219.9		204.7
Additions to non-current assets (other than financial instruments and deferred income tax assets)				
Horse racing		4.2		7.9
Foreign football matches		1.0		2.0
TOTAL		5.2		9.9
Total liabilities				
Horse racing		80.5		72.1
Foreign football matches		20.1		18.0
All other segments		3.2		2.9
TOTAL		103.8		93.0

BALANCE SHEET

	THE GROUP		THE COMPANY	
	Dec 2022 Rs M	Dec 2021 Rs M	Dec 2022 Rs M	Dec 2021 Rs M
ASSETS				
Non current assets	106.9	113.4	118.3	124.7
Current assets	113.0	91.3	94.7	75.3
Total assets	219.9	204.7	213.0	200.0
EQUITY AND LIABILITIES				
Owners' interests	116.1	111.7	112.7	106.3
Total equity	116.1	111.7	112.7	106.3
Non current liabilities	11.2	8.7	11.2	8.7
Current liabilities	92.6	84.3	89.1	85.0
Total Liabilities	103.8	93.0	100.3	93.7
Total equity and liabilities	219.9	204.7	213.0	200.0

STATEMENT OF CASH FLOWS

	THE GROUP		THE COMPANY	
	Dec 2022 Rs M	Dec 2021 Rs M	Dec 2022 Rs M	Dec 2021 Rs M
Net cash from operating activities	40.6	40.6	27.6	30.7
Net cash (used in) / from investing activities	(5.0)	(19.8)	6.9	(15.7)
Net cash used in financing activities	(25.3)	(25.2)	(25.3)	(21.3)
Net increase / (decrease) in cash and cash equivalents	10.3	(4.4)	9.3	(6.3)
Cash and cash equivalents at the beginning of year	35.1	39.5	27.0	33.3
Cash and cash equivalents at the end of year	45.4	35.1	36.2	27.0

STATEMENT OF CHANGES IN EQUITY

THE GROUP	Attributable to owners of the parent					Total	Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Post-employment Benefits Reserve	Fair value Reserve	Retained Earnings			
	Rs M	Rs M	Rs M	Rs M	Rs M	Rs M	Rs M	Rs M
Balance as at 1 January 2021	24.7	1.2	(0.6)	1.6	81.1	108.0	5.3	113.3
Profit for the year	-	-	-	-	35.4	35.4	5.9	41.3
Other comprehensive loss for the year	-	-	1.2	(8.7)	-	(7.5)	-	(7.5)
Total comprehensive income for the year	-	-	1.2	(8.7)	35.4	27.9	5.9	33.8
Transaction with owners								
Dividends	-	-	-	-	(21.2)	(21.2)	(3.9)	(25.1)
Change in percentage holding of subsidiary	-	-	-	-	(3.0)	(3.0)	(7.3)	(10.3)
Total transactions with owners	-	-	-	-	(24.2)	(24.2)	(11.2)	(35.4)
Balance as at 31 December 2021	24.7	1.2	0.6	(7.1)	92.3	111.7	-	111.7
Balance as at 1 January 2022	24.7	1.2	0.6	(7.1)	92.3	111.7	-	111.7
Profit for the year	-	-	-	-	28.2	28.2	-	28.2
Other comprehensive loss for the year	-	-	(2.9)	0.1	-	(2.8)	-	(2.8)
Total comprehensive income for the year	-	-	(2.9)	0.1	28.2	25.4	-	25.4
Transaction with owners								
Dividends	-	-	-	-	(21.2)	(21.2)	-	(21.2)
Transfer of unclaimed dividends	-	-	-	-	0.2	0.2	-	0.2
Total transactions with owners	-	-	-	-	(21.0)	(21.0)	-	(21.0)
Balance as at 31 December 2022	24.7	1.2	(2.3)	(7.0)	99.5	116.1	-	116.1

STATEMENT OF CHANGES IN EQUITY

THE COMPANY	Share Capital	Share Premium	Post-employment Benefits Reserve	Fair value Reserve	Retained Earnings	Total Equity
	Rs M	Rs M	Rs M	Rs M	Rs M	Rs M
Balance as at 1 January 2021	24.7	1.2	(0.6)	1.6	76.7	103.6
Profit for the year	-	-	-	-	31.4	31.4
Other comprehensive loss for the year	-	-	1.2	(8.7)	-	(7.5)
Total comprehensive income for the year	-	-	1.2	(8.7)	31.4	23.9
Transaction with owners						
Dividends	-	-	-	-	(21.2)	(21.2)
Total transactions with owners	-	-	-	-	(21.2)	(21.2)
Balance as at 31 December 2021	24.7	1.2	0.6	(7.1)	86.9	106.3
Balance as at 1 January 2022	24.7	1.2	0.6	(7.1)	86.9	106.3
Profit for the year	-	-	-	-	30.2	30.2
Other comprehensive loss for the year	-	-	(2.9)	0.1	-	(2.8)
Total comprehensive income for the year	-	-	(2.9)	0.1	30.2	27.4
Transaction with owners						
Dividends	-	-	-	-	(21.2)	(21.2)
Transfer of unclaimed dividends	-	-	-	-	0.2	0.2
Total transactions with owners	-	-	-	-	(21.0)	(21.0)
Balance as at 31 December 2022	24.7	1.2	(2.3)	(7.0)	96.1	112.7

COMMENTS ON RESULTS

RESULTS

The Group's operating profit for 2022 reached Rs 43.3 million compared to Rs 46.9 million in 2021. Profit after tax dropped to Rs 28.2 million compared to Rs 41.3 million in 2021 mainly due to an increase in tax expense of Rs 9.5 million.

Horse Racing – Totalisator

The 2022 racing season started on the 5th of June 2022 and consisted of 39 meetings. The Tote income decreased by 23%, from Rs 309.6 million at year ended 31 December 2021 to Rs 238.9 million at year ended 31 December 2022. The Tote turnover decreased by 26%, impacted by the high rate of betting tax, the reduction in the number of runners per race and the uncertainties and challenges faced by the horse racing industry.

Fixed Odds – Football

Football income increased from Rs 105.6 million at year ended 31 December 2021 to Rs 138.6 million at year ended 31 December 2022 due to an increase of 16.4% in turnover and reduced payment to winners of 83.7% of turnover, net of betting tax, in 2022, compared to 86.3% in 2021.

Megawin Ltd

Our wholly owned subsidiary company Megawin Ltd, operating in Ivory Coast, showed an improvement in its commission income, generating an increase in its operating profits from Rs 16.8 million at year ended 31 December 2021 to Rs 20.2 million at year ended 31 December 2022.

Group

The Group's income for the year ended 31 December 2022 amounted to Rs 420.0 million compared to Rs 451.0 million at year ended 31 December 2021. The Group's profits also decreased from Rs 41.3 million for the year ended 31 December 2021 to Rs 28.2 million in 2022 mainly due to the increase in tax expense.

Megawin Ltd derives its income from overseas operations where 20% tax is withheld at source. The increase in Tax expense of Rs 9.5 million, from Rs 5.1 million at 31 December 2021 to Rs 14.6 million at 31 December 2022, includes an understated amount for 2021, accounted for in 2022.

Earnings per share stood at Rs 7.97 at 31 December 2022 compared to Rs 10.02 for the previous year.

OUTLOOK

The Horse Racing Division (HRD) has approved the organisation of 36 race meetings for the year 2023.

Since the MTC Sports and Leisure Limited will not operate in 2023, the directors believe that this will have a negative impact on the horse racing industry.

Football turnover is expected to increase this year as the trend for the first three months of the year is encouraging.

Megawin Ltd should maintain the same profit level as 2022.

Despite the expected drop in Tote Income, the directors anticipate that the company should continue to perform satisfactorily.

By order of the Board
Box Office Ltd

This 30th March 2023

The above abridged audited financial statements are issued pursuant to Listing Rule 12.14 and the Securities Act 2005.

The abridged audited financial statements have been extracted from the audited financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards and have been audited by Deloitte.

The statement of direct and indirect interests of insiders 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.

The Board of Directors of Automatic Systems Ltd, accepts full responsibility for the accuracy of the information contained in these abridged audited financial statements.

Copies of the abridged audited financial statements of the Company are available free of charge at the registered office of the Company c/o Box Office Ltd, 2nd floor, Palm Square, 90906 La Mivoie, Tamarin, Mauritius.