KOLOS CEMENT LTD

ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	31 December 2022 MUR Audited	31 December 2021 MUR Audited
ASSETS		
Non-current assets	**793,611,094**	757,003,200
Current assets	**635,822,008**	670,806,205
Total assets	**1,429,433,102**	1,427,809,405
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	**270,000,000**	270,000,000
Revaluation reserve	**137,374,995**	125,741,615
Translation Reserves	**8,420,118**	1,741,214
Retained earnings	**(11,149,256)**	46,599,915
Non-Controlling Interest	**(13,129,371)**	(2,008,000)
Total equity	**391,516,486**	442,074,744
Non-current liabilities	**257,091,004**	244,758,573
Current liabilities	**780,825,612**	740,976,088
Total liabilities	**1,037,916,616**	985,734,661
Total equity and liabilities	**1,429,433,102**	1,427,809,405

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2022 MUR Recurring Business Audited	2022 MUR Non-Recurring Business Audited	2022 MUR Total Audited	2021 MUR Audited
Revenue	**2,440,572,619**	-	**2,440,572,619**	1,835,874,609
Other Income	**3,212,638**	**82,122,358**	**85,334,996**	8,226,600
Expected credit gain/(loss) on receivables	**(2,907,377)**	-	**(2,907,377)**	1,124,935
Operating profit	**62,962,575**	**64,455,979**	**127,418,554**	161,525,973
Net Finance costs	**(69,403,736)**	-	**(69,403,736)**	(31,246,205)
Profit before taxation	**(6,441,161)**	**64,455,979**	**58,014,818**	130,279,768
Income tax expense	**(8,416,477)**	**(10,957,516)**	**(19,373,993)**	(24,047,799)
(Loss)/Profit for the year	**(14,857,638)**	**53,498,463**	**38,640,825**	106,231,969
Other comprehensive income , net of tax			**30,140,917**	20,091,636
Total comprehensive income			**68,781,742**	126,323,605
Profit attributable to:				
Owners of the Company			**51,804,714**	111,654,802
Non-Controlling Interests			**(13,163,889)**	(5,422,833)
			38,640,825	106,231,969
Total comprehensive income attributable to:				
Owners of the Parent			**79,903,113**	131,387,855
Non controlling interests			**(11,121,371)**	(5,064,250)
			68,781,742	126,323,605
Earnings per share			**1.92**	4.14

Group Segmental Information for the year ended 31 December 2022	**Mauritius 2022 MUR**	**Madagascar 2022 MUR**	**Total 2022 MUR**
Revenue	**1,949,948,697**	**490,623,922**	**2,440,572,619**
Non-Current Assets	**768,018,351**	**25,592,743**	**793,611,094**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Stated capital MUR Audited	Revaluation reserve MUR Audited	Translation Reserve MUR Audited	Retained earnings MUR Audited	Owners' Interest MUR Audited	Non Controlling Interest MUR Audited	Total equity MUR Audited
At 1 January 2021	270,000,000	114,703,751	-	158,841,138	543,544,889	-	543,544,889
Profit for the year	-	-	-	111,654,802	111,654,802	- 5,422,833	106,231,969
Realised on depreciation of building	-	(5,335,216)	-	5,335,216	-	-	-
Gain on revaluation of building	-	19,726,603	-	-	19,726,603	-	19,726,603
Deferred tax effect on gain on revaluation of building	-	(3,353,523)	-	-	(3,353,523)	-	(3,353,523)
Remeasurement loss on employee benefit obligations	-	-	-	1,950,312	1,950,312	-	1,950,312
Deferred tax effect on remeasurement loss on employee benefit obligations	-	-	-	(331,553)	(331,553)	-	(331,553)
Exchange differences on translating foreign operations			1,741,214		1,741,214	358,583	2,099,797
Other comprehensive income/(loss) for the year	-	16,373,080	1,741,214	1,618,759	19,733,053	358,583	20,091,636
Total comprehensive income for the year	-	11,037,864	1,741,214	118,608,777	131,387,855	- 5,064,250	126,323,605
Issue of share to Non-Controlling Interests						3,056,250	3,056,250
Transaction with owners of the Company recognised directly in equity							
Distributions to owners of the Company							
Dividends	-	-	-	(230,850,000)	(230,850,000)		(230,850,000)
At 31 December 2021	270,000,000	125,741,615	1,741,214	46,599,915	444,082,744	- 2,008,000	442,074,744
At 1 January 2022	**270,000,000**	**125,741,615**	**1,741,214**	**46,599,915**	**444,082,744**	- 2,008,000	**442,074,744**
Profit for the year	**-**	**-**	**-**	**51,804,714**	**51,804,714**	**- 13,163,889**	**38,640,825**
Realised on depreciation of building	**-**	**(7,637,262)**	**-**	**7,637,262**	**-**	-	
Gain on revaluation of building	**-**	**23,217,641**	**-**	**-**	**23,217,641**	-	**23,217,641**
Deferred tax effect on gain on revaluation of building	**-**	**(3,946,999)**	**-**	**-**	**(3,946,999)**	-	**(3,946,999)**
Remeasurement loss on employee benefit obligations	**-**	**-**	**-**	**2,588,979**	**2,588,979**	-	**2,588,979**
Deferred tax effect on remeasurement loss on employee benefit obligations	**-**	**-**	**-**	**(440,126)**	**(440,126)**	-	**(440,126)**
Exchange differences on translating foreign operations	**-**	**-**	**6,678,904**	**-**	**6,678,904**	**2,042,518**	**8,721,422**
Other comprehensive income/(loss) for the year	**-**	**19,270,642**	**6,678,904**	**2,148,853**	**28,098,399**	**2,042,518**	**30,140,917**
Total comprehensive income for the year	**-**	**11,633,380**	**6,678,904**	**61,590,829**	**79,903,113**	**(11,121,371)**	**68,781,742**
Issue of share to Non-Controlling Interests							
Transaction with owners of the Company recognised directly in equity							
Distributions to owners of the Company							
Dividends	**-**	**-**	**-**	**(119,340,000)**	**(119,340,000)**	**-**	**(119,340,000)**
At 31 December 2022	**270,000,000**	**137,374,995**	**8,420,118**	**(11,149,256)**	**404,645,857**	**(13,129,371)**	**391,516,486**

CONSOLIDATED STATEMENTS OF CASH FLOWS

	31 December 2022 MUR Audited	31 December 2021 MUR Audited
Net cash generated from operating activities	**66,028,497**	16,495,853
Net cash used in investing activities	**(42,849,579)**	(42,512,043)
Net cash used in financing activities	**(183,039,621)**	100,583,046
Net (decrease)/increase in cash and cash equivalents	**(159,860,703)**	74,566,856
Net foreign exchange differences	**8,462,729**	(763,194)
Cash and cash equivalents at start of the year	**84,634,158**	10,830,496
Cash and cash equivalents at end of the year	**(66,763,816)**	84,634,158

Principal Activity

The principal activities of the Company comprise unloading, storing, bagging, trading, and distribution of cement and other cementitious products ("Cement Operations").

For the year under review, the Company earned non-recurring income from third-party services to customers.

Results

Revenue for the year ended 31 December 2022 amounted to Rs 2,441 M versus Rs1,836 M in the corresponding prior year.

Losses after tax for Cement Operations amounted to Rs 14.9M. Profit after tax arising from non-recurring income was Rs 53.5M; resulting in a net profit after tax of Rs 38.6M, (2021: Rs 106.2M).

Outlook

The Company's operating costs have continued to increase as a result of volatility in FX rates, high inflation, and increases in the cost of input materials and fuel. Despite these increases and eroding margins, the Company has been unable to increase the price of its cement products since the Ministry of Commerce and Consumer Protection imposed cement price control measures in February 2023 by way of a price grid. This price grid contains anomalies that further disadvantage Kolos vis-à-vis the industry, and is distorting the cement market in Mauritius.

Despite the challenges, the Company remains focused on serving customers and delivering quality Kolos cement products.

The Company has engaged in discussions with the Ministry of Commerce and Consumer Protection to find a solution to the cement price control given that the costs are outside the control of the Company. Legal action has also been initiated to seek redress.

The Board and Management remain confident that a solution in the best interest of all stakeholders will be reached.

The Company has commenced operations through its subsidiary in Madagascar, which is in the early stages of development.

Dividend

A final dividend of MUR 1.97 per share was declared on 28 March 2022 and paid in April 2021 in respect of the financial year ended 31 December 2021.

An interim dividend of MUR 2.47 per share was declared on 29 July 2022 and paid in August 2022 in respect of the financial year ended 31 December 2022.

Other

The abridged audited consolidated financial statements for the year ended 31 December 2022 have been extracted from the annual financial statements of the Group, which have been prepared in accordance with the Companies Act 2001 and the Financial Reporting Act 2004 and comply with International Financial Reporting Standards ("IFRS"), taking into consideration all revised International Accounting Standards and new IFRS effective for accounting periods beginning on 01 January 2022. The independent auditor's report on the financial statements is unqualified.

Copies of the abridged audited consolidated financial statements are available, free of charge, upon request made to the Company Secretary at its registered office, Mer Rouge, Port Louis.

By order of the Board

Gamma Corporate Services Ltd
Company Secretary
31-Mar-23

These abridged audited consolidated financial statements are issued pursuant to DEM Rule 18 and Rule 8 of the Securities (Disclosure Obligations of the Reporting Issuers) Rules 2007. The Board of Directors of Kolos Cement Ltd accepts full responsibility for the accuracy of the information contained in these abridged audited consolidated financial statements.