

KOLOS CEMENT LTD
ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2023

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	31 March 2023 MUR	31 December 2022 MUR
	Unaudited	Audited
ASSETS		
Non-current assets	802,754,350	793,611,094
Current assets	822,303,689	635,822,008
Total assets	1,625,058,039	1,429,433,102
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	270,000,000	270,000,000
Revaluation reserve	137,374,995	137,374,995
Translation Reserves	8,454,268	8,420,118
Retained earnings	(104,540,325)	(11,149,256)
Non-Controlling Interest	(16,148,469)	(13,129,371)
Total equity	295,140,469	391,516,486
Non-current liabilities	271,548,972	257,091,004
Current liabilities	1,058,368,598	780,825,612
Total liabilities	1,329,917,570	1,037,916,616
Total equity and liabilities	1,625,058,039	1,429,433,102

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter Ended 31 March 2023 MUR	Quarter Ended 31 March 2022 MUR
	Unaudited	Unaudited
Revenue	521,731,448	476,876,557
Operating (loss)/profit before expected credit loss	(35,445,253)	28,943,137
Expected credit (loss) on receivables	(8,122)	(314,495)
Operating (loss)/profit	(35,453,375)	28,628,642
Net Finance costs	(11,814,257)	(13,312,849)
(Loss)/Profit before taxation	(47,267,632)	15,315,793
Income tax expense	(1,358,561)	(6,932,615)
(Loss)/Profit for the period	(48,626,193)	8,383,178
Other comprehensive income, net of tax	40,176	3,130,920
Total comprehensive (Loss)/income	(48,586,017)	11,514,098
(Loss) attributable to:		
Owners of the Company	(45,601,069)	11,314,263
Non-Controlling Interests	(3,025,124)	(2,931,085)
Total comprehensive (loss) attributable to:	(48,626,193)	8,383,178
Owners of the Parent	(45,566,919)	13,975,545
Non controlling interests	(3,019,098)	(2,461,447)
Total comprehensive (loss) attributable to:	(48,586,017)	11,514,098
Earnings per share	(1.69)	0.42

Group Segmental Information for the quarter ended 31 March 2023	Mauritius	Madagascar	Total
	MUR	MUR	MUR
Revenue	450,285,000	71,446,448	521,731,448
Non-Current Assets	774,967,807	27,786,543	802,754,350

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Stated capital	Revaluation reserve	Translation Reserve	Retained earnings	Owners' Interest	Non Controlling Interest	Total equity
	MUR	MUR	MUR	MUR	MUR	MUR	MUR
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
At 1 January 2022(audited)	270,000,000	125,741,615	1,741,214	46,599,915	444,082,744	(2,008,000)	442,074,744
Profit/(Loss) for the period	-	-	-	11,314,263	11,314,263	(2,931,085)	8,383,178
Exchange differences on translating foreign operations	-	-	3,505,505	-	3,505,505	(374,585)	3,130,920
Other comprehensive income/(loss) for the quarter	-	-	3,505,505	-	3,505,505	(374,585)	3,130,920
Total comprehensive income/(loss) for the quarter	-	-	3,505,505	11,314,263	14,819,768	(3,305,670)	11,514,098
Transaction with owners of the Company recognised directly in equity	-	-	-	-	-	-	-
Distributions to owners of the Company	-	-	-	(53,190,000)	(53,190,000)	-	(53,190,000)
At 31 March 2022	270,000,000	125,741,615	5,246,719	4,724,178	405,712,512	(5,313,670)	400,398,842
At 1 January 2023(Audited)	270,000,000	137,374,995	8,420,118	(11,149,256)	404,645,857	(13,129,371)	391,516,486
Profit/(Loss) for the period	-	-	-	(45,601,069)	(45,601,069)	(3,025,124)	(48,626,193)
Exchange differences on translating foreign operations	-	-	34,150	-	34,150	6,026	40,176
Other comprehensive income for the period	-	-	34,150	-	34,150	6,026	40,176
Total comprehensive income/(loss) for the period	-	-	34,150	(45,601,069)	(45,566,919)	(3,019,098)	(48,586,017)
Transaction with owners of the Company recognised directly in equity	-	-	-	-	-	-	-
Distributions to owners of the Company	-	-	-	(47,790,000)	(47,790,000)	-	(47,790,000)
At 31 March 2023	270,000,000	137,374,995	8,454,268	(104,540,325)	311,288,938	(16,148,469)	295,140,469

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Quarter Ended 31 March 2023 MUR	Quarter Ended 31 March 2022 MUR
	Unaudited	Unaudited
Net cash generated from operating activities	(117,190,927)	(190,365,479)
Net cash used in investing activities	(17,678,377)	88,064
Net cash used in financing activities	(39,535,444)	(24,298,419)
Net (decrease) in cash and cash equivalents	(174,404,749)	(214,575,834)
Net foreign exchange differences	823,784	(612,880)
Cash and cash equivalents at start of the year	(66,763,816)	82,677,382
Cash and cash equivalents at end of the period	(240,344,781)	(132,511,332)

Principal Activity

The principal activities of the Company comprise unloading, storing, bagging, trading, and distribution of cement and other cementitious products in Mauritius and Madagascar.

Results

Revenue for the quarter ended 31 March 2023 amounted to Rs 522 M versus Rs 477 M in the corresponding prior year.

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.

Dividend

A final dividend of MUR 1.77 per share was declared (March 2022 : Rs 1.97 per share) on 20 April 2023 and paid in May 2023 in respect of the financial year ended 31 December 2022.

Other

The abridged consolidated financial statements for the quarter ended 31 March 2023 are unaudited. The accounting policies and standards used in the preparation of these abridged unaudited consolidated financial statements are consistent with those used in the audited consolidated financial statements for the year ended 31 December 2022, except for relevant amendments to published standards, standards and interpretations issued and which are effective as from 1 January 2023. This interim report complies with IAS 34.

Copies of the above abridged unaudited consolidated financial statements are available, free of charge, upon request made to the Company Secretary, at the registered office of the Company, Mer Rouge, Port Louis, or can be viewed on the Company's website www.koloscement.com.

The Statement of direct and indirect interests of insiders pursuant to Rule 8 (2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, is available, free of charge, upon request made to the Company

By order of the Board

Gamma Corporate Services Ltd
Company Secretary
09-May-23

These abridged unaudited 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.