

KOLOS CEMENT LTD

ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2023

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	30 September 2023	31 December 2022
	MUR	MUR
	Unaudited	Audited
ASSETS		
Non-current assets	805,284,885	793,611,094
Current assets	732,723,632	635,822,008
Total assets	1,538,008,517	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 Reserve	8,635,167	8,420,118
Retained earnings	(115,243,726)	(11,149,256)
Non-Controlling Interest	-	(13,129,371)
Total equity	300,766,436	391,516,486
Non-current liabilities	287,499,683	257,091,004
Current liabilities	949,742,398	780,825,612
Total liabilities	1,237,242,081	1,037,916,616
Total equity and liabilities	1,538,008,517	1,429,433,102

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter Ended	Quarter Ended	Nine Months Ended	Nine Months Ended
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	MUR	MUR	MUR	MUR
	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	659,708,138	665,577,346	1,836,123,268	1,794,872,264
Operating profit before expected credit loss	41,743,311	54,768,368	30,625,508	142,096,129
Reversal of Expected credit loss/(Expected credit loss) on receivables	110,993	1,646,529	495,706	(264,221)
Operating profit	41,854,304	56,414,897	31,121,214	141,831,908
Net Finance costs	(11,943,931)	(15,818,751)	(52,756,388)	(44,468,122)
Profit/(loss) before taxation	29,910,373	40,596,146	(21,635,174)	97,363,786
Income tax expense	(11,336,473)	(3,862,384)	(16,460,508)	(21,449,196)
Profit/(loss) for the period	18,573,901	36,733,762	(38,095,681)	75,914,590
Other comprehensive income - net of Tax	(7,684,628)	87,674	(1,394,466)	3,902,394
Total comprehensive income	10,889,272	36,821,436	(39,490,148)	79,816,984
Profit attributable to:				
Owners of the Company	19,637,160	38,636,939	(28,154,274)	83,642,745
Non-Controlling Interests	(1,063,259)	(1,903,177)	(9,941,407)	(7,728,155)
Total comprehensive income attributable to:	18,573,901	36,733,762	(38,095,681)	75,914,590
Owners of the Parent	13,105,226	38,711,462	(29,527,679)	86,959,780
Non-Controlling Interests	(2,027,846)	(1,890,026)	(9,962,469)	(7,142,796)
Earnings per share	0.73	1.43	(1.04)	3.10

Group Segmental Information	Revenue		Non-Current Assets	
	Nine Months ended 30 Sep 2023	Nine Months ended 30 Sep 2022	30 Sep 2023	30 Sep 2022
	MUR	MUR	MUR	MUR
Mauritius	1,627,190,000	1,432,610,000	752,546,885	748,988,897
Madagascar	208,933,268	362,262,264	52,738,000	16,618,338
	1,836,123,268	1,794,872,264	805,284,885	765,607,235

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	Unaudited
At 1 January 2022 (audited)	270,000,000	125,741,615	1,741,214	46,599,215	444,082,044	(2,008,000)	442,074,044
Profit/(loss) for the period	-	-	-	83,642,745	83,642,745	(7,728,155)	75,914,590
Other comprehensive income for the period	-	-	3,412,323	-	3,412,323	490,071	3,902,394
Total comprehensive income for the period	-	-	3,412,323	83,642,745	87,055,068	(7,238,084)	79,816,984
Dividends	-	-	-	(119,340,000)	(119,340,000)	-	(119,340,000)
At 30 September 2022	270,000,000	125,741,615	5,153,537	10,901,960	411,797,112	(9,246,084)	402,551,028
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
Loss for the period	-	-	-	(28,154,274)	(28,154,274)	(9,941,407)	(38,095,681)
Other comprehensive income for the period	-	-	(1,373,404)	-	(1,373,404)	(21,062)	(1,394,466)
Total comprehensive income for the period	-	-	(1,373,404)	(28,154,274)	(29,527,679)	(9,962,469)	(39,490,148)
Transaction with owners of the Company recognised directly in equity	-	-	1,588,453	(28,150,196)	(26,561,743)	23,091,840	(3,469,902)
Dividends	-	-	-	(47,790,000)	(47,790,000)	-	(47,790,000)
At 30 September 2023	270,000,000	137,374,995	8,635,167	(115,243,726)	300,766,436	-	300,766,436

CONSOLIDATED STATEMENTS OF CASH FLOWS

	30 September 2023	30 September 2022
	MUR	MUR
	Unaudited	Unaudited
Net cash generated/ used from operating activities	8,394,065	(19,655,332)
Net cash used in investing activities	(39,878,348)	(9,983,097)
Net cash used in financing activities	(95,453,205)	(37,258,419)
Net decrease in cash and cash equivalents	(126,937,487)	(66,896,848)
Net foreign exchange differences	2,560,227	5,365,177
Cash and cash equivalents at start of the period	(66,763,816)	82,677,382
Cash and cash equivalents at end of the period	(191,141,077)	21,145,711

Principal Activity

The principal activities of Kolos Cement Ltd and its subsidiaries (the "Group") comprise of unloading, storing, bagging, trading, and distribution of cement and other cementitious products in Mauritius and Madagascar.

Results

For the quarter ended 30 September 2023, the Group reported a profit of MUR 18.6m (September 2022: profit MUR 36.7m), bringing the total year-to-date losses to MUR 38.1m (September 2022: profit MUR 75.9m). These losses arose as a result of the difficult economic and trading conditions prevailing in Madagascar and the reduced profitability in Mauritius following the introduction of cement price controls by the Ministry of Commerce in February 2023.

Outlook

Despite the challenging circumstances, the Group remains focused in ensuring the quality of its products and in serving the best interests of its customers. Management continues to engage with the authorities in Mauritius to find acceptable solutions in order to mitigate the impact of price controls on the cement industry. The Group is undergoing a review of its current operating model in Madagascar and is taking steps to address the operational losses.

Loss per share

The calculation of loss per share is based on the loss attributable to the owners of the company of MUR 28.2m (September 2022: profit MUR 83.6m) and the number of shares in issue of 27,000,000 (September 2022: 27,000,000).

Dividend

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

Other

The abridged consolidated financial statements for the quarter and nine months ended 30 September 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 Secretary at the registered office of the Company.

By Order of the Board

Gamma Corporate Services Ltd
Company Secretary

08/Nov/2023

These abridged unaudited consolidated financial statements are issued pursuant to DEM Rule 17 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 unaudited consolidated financial statements.