KOLOS CEMENT LTD

ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	31 December 2023	31 December 2022
	MUR	MUR
	Unaudited	Audited
ASSETS		
Non-current assets	**844,459,930**	793,611,094
Current assets	**683,382,239**	635,822,008
Total assets	**1,527,842,169**	1,429,433,102
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	**270,000,000**	270,000,000
Revaluation reserve	**151,417,776**	137,374,995
Translation Reserves	**26,713,640**	8,420,118
Accumulated losses	**(62,737,489)**	(11,149,256)
Non-Controlling Interest	**-**	(13,129,371)
Total equity	**385,393,927**	391,516,486
Non-current liabilities	**261,939,902**	257,091,004
Current liabilities	**880,508,340**	780,825,612
Total liabilities	**1,142,448,242**	1,037,916,616
Total equity and liabilities	**1,527,842,169**	1,429,433,102

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year Ended	**Year Ended**
	31 December 2023	**31 December 2022**
	MUR	**MUR**
	Total	
	Audited	**Audited**
Revenue	**2,535,668,328**	**2,440,572,619**
Operating profit before expected credit loss	**76,471,835**	**130,325,931**
Expected credit losses on receivables	**(641,484)**	**(2,907,377)**
Operating profit	**75,830,351**	**127,418,554**
Net Finance costs	**(63,612,471)**	**(69,403,736)**
Profit before taxation	**12,217,880**	**58,014,818**
Income tax expense	**(6,584,014)**	**(19,373,993)**
Profit for the year	**5,633,866**	**38,640,825**
Other comprehensive income , net of tax	**39,502,325**	**30,140,917**
Total comprehensive income	**45,136,191**	**68,781,742**
Profit attributable to:		
Owners of the Company	**15,575,273**	**51,804,714**
Non-Controlling Interests	**(9,941,407)**	**(13,163,889)**
	5,633,866	**38,640,825**
Total comprehensive income attributable to:		
Owners of the Parent	**55,098,660**	**79,903,113**
Non controlling interests	**(9,962,469)**	**(11,121,371)**
	45,136,191	**68,781,742**
Earnings per share	**0.58**	**1.92**

Group Segmental Information	**Revenue**		**Non-Current Assets**	
	Year	Year	**Year**	**Year**
	31 Dec 2023	31 Dec 2022	**31 Dec 2023**	31 Dec 2022
	MUR	MUR	**MUR**	MUR
Mauritius	**2,245,032,836**	1,949,948,697	**779,918,637**	768,018,351
Madagascar	**290,635,492**	490,623,922	**64,541,293**	25,592,743
	2,535,668,328	2,440,572,619	**844,459,930**	793,611,094

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Stated capital	**Revaluation reserve**	**Translation Reserve**	**Retained earnings/ Accumulated Losses**	**Owners' Interest**	**Non Controlling Interest**	**Total equity**
	MUR	**MUR**	**MUR**	**MUR**	**MUR**	**MUR**	**MUR**
	Audited	**Audited**	**Audited**	**Audited**	**Audited**	**Audited**	**Audited**
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 obligation	-	-	-	(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
Transaction with owners of the Company recognised directly in equity							
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
At 1 January 2023	**270,000,000**	**137,374,995**	**8,420,118**	**(11,149,256)**	**404,645,857**	**(13,129,371)**	**391,516,486**
Profit for the year	**-**	**-**	**-**	**15,575,273**	**15,575,273**	**(9,941,407)**	**5,633,866**
Realised on depreciation of building	**-**	**(11,079,342)**	**-**	**11,079,342**	**-**	**-**	**-**
Gain on revaluation of building	**-**	**30,267,618**	**-**	**-**	**30,267,618**	**-**	**30,267,618**
Deferred tax effect on gain on revaluation of building	**-**	**(5,145,495)**	**-**	**-**	**(5,145,495)**	**-**	**(5,145,495)**
Remeasurement loss on employee benefit obligations	**-**	**-**	**-**	**(2,776,402)**	**(2,776,402)**	**-**	**(2,776,402)**
Deferred tax effect on remeasurement loss on employee benefit obligation	**-**	**-**	**-**	**471,988**	**471,988**	**-**	**471,988**
Exchange differences on translating foreign operations	**-**	**-**	**16,705,678**	**-**	**16,705,678**	**(21,062)**	**16,684,616**
Other comprehensive income/(loss) for the year	**-**	**25,122,123**	**16,705,678**	**(2,304,414)**	**39,523,387**	**(21,062)**	**39,502,325**
Transaction with owners of the Company recognised directly in equity							
Acquisition of non-controlling interest	**-**	-	**1,587,844**	**(28,148,434)**	**(26,560,590)**	**23,091,840**	**(3,468,750)**
Dividends	**-**	**-**	**-**	**(47,790,000)**	**(47,790,000)**	**-**	**(47,790,000)**
At 31 December 2023	**270,000,000**	**151,417,776**	**26,713,640**	**(62,737,489)**	**385,393,927**	**-**	**385,393,927**

CONSOLIDATED STATEMENTS OF CASH FLOWS

	31 December 2023	31 December 2022
	MUR	MUR
	Audited	Audited
Net cash generated from operating activities	**97,434,744**	66,028,497
Net cash used in investing activities	**(50,917,393)**	(42,849,579)
Net cash used in financing activities	**(314,550,215)**	(183,039,621)
Net (decrease) in cash and cash equivalents	**(268,032,864)**	(159,860,703)
Net foreign exchange differences	**(16,294,024)**	8,462,729
Cash and cash equivalents at start of the year	**(66,763,816)**	84,634,158
Cash and cash equivalents at end of the year	**(351,090,704)**	(66,763,816)

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

Results
For the year ended 31 December 2023, the Group reported a profit of MUR 5.6m (2022: profit MUR 38.6m).The reduced profit 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 control by the Ministry of Commerce and Consumer Protection 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 the price control on the cement industry. The Group is undergoing a review of its current operating model in Madagascar.

Earnings per share
The calculation of earnings per share is based on the profit attributable to the owners of the company of MUR 15.6m (2022: profit MUR 51.8 m) and the number of shares in issue of 27,000,000 (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 audited consolidated financial statements for the year ended 31 December 2023 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 2023.The independent auditor's report on the financial statements is unqualified.

Copies of the above abridged audited 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

25/Mar/2024

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 unaudited consolidated financial statements.