

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

Business Registration Number: C07009339

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	THE GROUP				
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	9 months ended	9 months ended	Year ended
	Sep 2023	Sep 2022	Sep 2023	Sep 2022	Dec 2022
	Rs M	Rs M	Rs M	Rs M	Rs M
Income	88.6	151.0	220.6	263.1	420.0
Government taxes & duties	(38.0)	(56.0)	(92.6)	(96.9)	(160.5)
Payment to National Solidarity Fund	(3.1)	(5.5)	(7.1)	(8.1)	(14.4)
Net Income	47.5	89.5	120.9	158.1	245.1
Other income	0.3	0.3	0.5	0.6	1.1
Selling expenses	(11.2)	(16.4)	(30.0)	(34.9)	(44.0)
Operating expenses	(27.7)	(27.1)	(79.6)	(78.0)	(118.3)
Payments to Horse Racing Organiser	(9.4)	(17.3)	(16.2)	(21.6)	(40.6)
Operating (loss) / profit	(0.5)	29.0	(4.4)	24.2	43.3
Finance costs	(0.1)	(0.1)	(0.5)	(0.4)	(0.5)
(Loss) / profit before income tax	(0.6)	28.9	(4.9)	23.8	42.8
Income tax expense	(2.2)	(5.7)	(8.8)	(6.1)	(14.6)
(Loss) / profit for the period	(2.8)	23.2	(13.7)	17.7	28.2
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Changes in the fair value of equity instruments at FVOCI	-	-	-	-	0.1
Re-measurements of post-employment benefit obligations	-	-	-	-	(3.5)
Deferred tax charge relating to re-measurements of post-employment benefits	-	-	-	-	0.6
Re-measurements of post-employment benefit obligations - net of tax	-	-	-	-	(2.9)
Total other comprehensive loss for the period	-	-	-	-	(2.8)
Total comprehensive (loss) / income for the period	(2.8)	23.2	(13.7)	17.7	25.4
Total comprehensive (loss) / income attributable to:					
Owners of the company	(2.8)	23.2	(13.7)	17.7	28.2
Non-controlling interests	-	-	-	-	-
	(2.8)	23.2	(13.7)	17.7	28.2
Total comprehensive (loss) / income attributable to:					
Owners of the company	(2.8)	23.2	(13.7)	17.7	25.4
Non-controlling interests	-	-	-	-	-
	(2.8)	23.2	(13.7)	17.7	25.4
Earnings per share	Rs (0.79)	6.56	(3.88)	5.01	7.97
Number of shares in issue	3,535,000	3,535,000	3,535,000	3,535,000	3,535,000

SEGMENT INFORMATION

	Unaudited	Unaudited	Unaudited	Unaudited
	Quarter ended	Quarter ended	9 months ended	9 months ended
	Sep 2023	Sep 2022	Sep 2023	Sep 2022
	Rs M	Rs M	Rs M	Rs M
Income				
Horse racing	55.3	103.4	95.8	127.3
Foreign football matches	23.4	37.1	94.4	104.5
All other segments	9.9	10.5	30.4	31.3
Total	88.6	151.0	220.6	263.1
EBITDA				
Horse racing	1.7	16.8	(16.5)	(4.5)
Foreign football matches	(3.5)	11.4	5.0	25.5
All other segments	3.7	4.6	14.5	14.4
Total	1.9	32.8	3.0	35.4
Depreciation	(2.4)	(3.8)	(7.4)	(11.2)
Finance costs	(0.1)	(0.1)	(0.5)	(0.4)
(Loss) / profit before income tax	(0.6)	28.9	(4.9)	23.8
			Sep 2023	Sep 2022
			Rs M	Rs M
Total assets				
Horse racing			152.6	151.1
Foreign football matches			38.1	37.8
All other segments			14.3	24.1
TOTAL			205.0	213.0
Additions to non-current assets (other than financial instruments and deferred income tax assets)				
Horse racing			3.0	3.1
Foreign football matches			0.7	0.8
All other segments			-	-
TOTAL			3.7	3.9
Total liabilities				
Horse racing			75.8	60.7
Foreign football matches			19.0	15.2
All other segments			7.8	7.7
TOTAL			102.6	83.6

CONSOLIDATED BALANCE SHEET

	THE GROUP	
	Unaudited	Audited
	Sep 2023	Dec 2022
	Rs M	Rs M
ASSETS		
Non current assets	123.5	106.9
Current assets	81.5	113.0
Total assets	205.0	219.9
EQUITY AND LIABILITIES		
Owners' interests	102.4	116.1
Total equity	102.4	116.1
Non current liabilities	15.7	11.2
Current liabilities	86.9	92.6
Total liabilities	102.6	103.8
Total equity and liabilities	205.0	219.9

CONSOLIDATED STATEMENT OF CASH FLOWS

	THE GROUP	
	Unaudited	Unaudited
	9 months ended	9 months ended
	Sep 2023	Sep 2022
	Rs M	Rs M
Net cash (used in) / from operating activities	(9.6)	38.6
Net cash used in investing activities	(16.9)	(3.8)
Net cash used in financing activities	(23.6)	(24.1)
Net (decrease) / increase in cash and cash equivalents	(50.1)	10.7
Cash and cash equivalents at the beginning of period	45.4	35.1
Cash and cash equivalents at the end of period	(4.7)	45.8

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

THE GROUP	Attributable to owners of the parent					
	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 01 January 2022	24.7	1.2	0.6	(7.1)	92.3	111.7
Profit for the period	-	-	-	-	17.7	17.7
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	17.7	17.7
Transaction with owners						
Dividends	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
Balance as at 30 September 2022	24.7	1.2	0.6	(7.1)	110.0	129.4
Balance as at 01 January 2023	24.7	1.2	(2.3)	(7.0)	99.5	116.1
Loss for the period	-	-	-	-	(13.7)	(13.7)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(13.7)	(13.7)
Transaction with owners						
Dividends	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
Balance as at 30 September 2023	24.7	1.2	(2.3)	(7.0)	85.8	102.4

COMMENTS ON RESULTS

ACCOUNTING STANDARDS

The abridged condensed financial statements for the quarter and nine months ended 30 September 2023 are unaudited and have been prepared using the same accounting policies as those adopted in the financial statements for the year ended 31 December 2022.

QUARTERLY RESULTS

Group's Income (bets struck net of winnings) for the third quarter decreased by 41.3%, from Rs 151M at 30 September 2022 to Rs 88.6M at 30 September 2023:

- Net income of Horse Racing decreased by 46.5% due to a significant drop in turnover compared to 2022.
- The drop of 36.9% in football income is attributable to an increase in payment to winners which represented 93.2% of the turnover net of betting tax in 2023 compared to 77.0% in 2022. Football turnover for the quarter increased by 11.2% to reach Rs 125.3M.
- Megawin income decreased slightly by 5.7% to reach Rs 9.9M losses for the quarter reached Rs 2.8M compared to a profit of Rs 23.2M in 2022.

YEARLY RESULTS

For the nine months to 30 September 2023, income on Horse Racing dropped by 24.7% to reach Rs 95.8M explained by a sharp decrease in average turnover per race meeting from Rs 19.7M in 2022 to Rs 12.9M in 2023.

Football turnover has increased by 19.7% to reach Rs 429.3M compared to Rs 358.5M in 2022. However, football income decreased by 9.7% standing at Rs 94.4M in 2023 compared to Rs 104.5M. This is directly related to a significant increase in payment to winners in 2023 which represents 89.7% of the turnover net of betting tax compared to 81.6% in 2022.

The Group's income for the nine months at 30 September 2023 reached Rs 220.6M compared to Rs 263.1M at 30 September 2022; losses of Rs 13.7M were realised for the period compared to a profit of Rs 17.7M at 30 September 2022.

PROSPECTS

The directors remain very concerned by the significant drop of the Horse Racing income caused by a lack of confidence in the horse racing industry, a high rate of betting tax and a sharp drop in the number of runners per race meetings. Football income has been impacted by an exceptional high return to punters. The directors are of opinion that the last quarter will be challenging in view of the current situation of the Horse Racing Segment.

By order of the Board

Box Office Ltd

Company Secretary

This 14 November 2023

The above abridged unaudited financial statements are issued pursuant to Listing Rule 12.20 and the Securities Act 2005.

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 unaudited financial statements.

Copies of the abridged unaudited 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.