

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

Business Registration Number: C07009339

## STATEMENT OF COMPREHENSIVE INCOME

	THE GROUP		THE COMPANY	
	Year ended	Year ended	Year ended	Year ended
	Dec 2023	Dec 2022	Dec 2023	Dec 2022
	Rs M	Rs M	Rs M	Rs M
Income	317.1	420.0	277.8	377.5
Government taxes & duties	(134.6)	(160.5)	(134.7)	(160.5)
Payment to National Solidarity Fund	(10.9)	(14.4)	(10.9)	(14.4)
<b>Net Income</b>	<b>171.6</b>	<b>245.1</b>	<b>132.2</b>	<b>202.6</b>
Other income	0.7	1.1	14.3	13.6
Selling expenses	(40.8)	(44.0)	(20.9)	(29.9)
Operating expenses	(112.8)	(118.3)	(112.8)	(110.7)
Impairment losses	(43.1)	-	(45.4)	-
Payments to Horse Racing Organisers	(23.7)	(40.6)	(23.7)	(40.6)
<b>Operating (loss) / profit</b>	<b>(48.1)</b>	<b>43.3</b>	<b>(56.3)</b>	<b>35.0</b>
Finance income	1.4	-	1.4	-
Finance costs	(2.4)	(0.5)	(2.4)	(0.5)
<b>(Loss) / profit before income tax</b>	<b>(49.1)</b>	<b>42.8</b>	<b>(57.3)</b>	<b>34.5</b>
Income tax (expense)/income	(11.5)	(14.6)	0.3	(4.3)
<b>(Loss)/profit for the year attributable to owners of the Company</b>	<b>(60.6)</b>	<b>28.2</b>	<b>(57.0)</b>	<b>30.2</b>
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Changes in the fair value of equity instruments at FVTOCI	0.1	0.1	0.1	0.1
Re-measurements of post-employment benefit obligations	0.3	(3.5)	0.3	(3.5)
Deferred tax charge relating to re-measurements of post-employment benefits	(0.1)	0.6	(0.1)	0.6
Re-measurements of post-employment benefit obligations - net of tax	0.2	(2.9)	0.2	(2.9)
Total other comprehensive income/(loss) for the year	0.3	(2.8)	0.3	(2.8)
<b>Total comprehensive (loss)/income for the year attributable to owners of the Company</b>	<b>(60.3)</b>	<b>25.4</b>	<b>(56.7)</b>	<b>27.4</b>
<b>(Loss)/earning per share</b>	<b>Rs (17.15)</b>	<b>7.97</b>	<b>(16.13)</b>	<b>8.54</b>
<b>Number of shares in issue</b>	<b>3,535,000</b>	<b>3,535,000</b>	<b>3,535,000</b>	<b>3,535,000</b>

## SEGMENT INFORMATION

	Dec 2023		Dec 2022	
	Rs M	Rs M	Rs M	Rs M
<b>Income</b>				
Horse racing			140.2	238.9
Foreign football matches			137.5	138.6
All other segments			39.4	42.5
<b>Total</b>			<b>317.1</b>	<b>420.0</b>
<b>EBITDA</b>				
Horse racing			(55.9)	30.1
Foreign football matches			1.3	7.5
All other segments			19.5	20.8
<b>Total</b>			<b>(35.1)</b>	<b>58.4</b>
Depreciation			(11.6)	(15.1)
Finance costs			(2.4)	(0.5)
<b>(Loss) / profit before income tax</b>			<b>(49.1)</b>	<b>42.8</b>
			Dec 2023	Dec 2022
			Rs M	Rs M
<b>Total assets</b>				
Horse racing			128.6	161.3
Foreign football matches			32.1	40.3
All other segments			13.4	18.3
<b>TOTAL</b>			<b>174.1</b>	<b>219.9</b>
<b>Additions to non-current assets (other than financial instruments and deferred income tax assets)</b>				
Horse racing			14.4	4.2
Foreign football matches			3.6	1.0
All other segments			-	-
<b>TOTAL</b>			<b>18.0</b>	<b>5.2</b>
<b>Total liabilities</b>				
Horse racing			95.2	80.5
Foreign football matches			23.8	20.1
All other segments			4.4	3.2
<b>TOTAL</b>			<b>123.4</b>	<b>103.8</b>

## BALANCE SHEET

	THE GROUP		THE COMPANY	
	Dec 2023	Dec 2022	Dec 2023	Dec 2022
	Rs M	Rs M	Rs M	Rs M
<b>ASSETS</b>				
Non current assets	78.8	106.9	87.8	118.3
Current assets	95.3	113.0	81.9	94.7
<b>Total assets</b>	<b>174.1</b>	<b>219.9</b>	<b>169.7</b>	<b>213.0</b>
<b>EQUITY AND LIABILITIES</b>				
Owners' interests	50.7	116.1	50.9	112.7
<b>Total equity</b>	<b>50.7</b>	<b>116.1</b>	<b>50.9</b>	<b>112.7</b>
Non current liabilities	15.3	11.2	15.3	11.2
Current liabilities	108.1	92.6	103.5	89.1
<b>Total Liabilities</b>	<b>123.4</b>	<b>103.8</b>	<b>118.8</b>	<b>100.3</b>
<b>Total equity and liabilities</b>	<b>174.1</b>	<b>219.9</b>	<b>169.7</b>	<b>213.0</b>

## STATEMENT OF CASH FLOWS

	THE GROUP		THE COMPANY	
	Dec 2023	Dec 2022	Dec 2023	Dec 2022
	Rs M	Rs M	Rs M	Rs M
Net cash (used in) / generated from operating activities	(13.1)	40.6	(25.1)	27.6
Net cash (used in) / from investing activities	(17.9)	(5.0)	(4.9)	6.9
Net cash used in financing activities	(24.6)	(25.3)	(24.6)	(25.3)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(55.6)</b>	<b>10.3</b>	<b>(54.6)</b>	<b>9.2</b>
Cash and cash equivalents at the beginning of year	45.4	35.1	36.2	27.0
<b>Cash and cash equivalents at the end of year</b>	<b>(10.2)</b>	<b>45.4</b>	<b>(18.4)</b>	<b>36.2</b>

## 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
<b>Balance as at 1 January 2022</b>	<b>24.7</b>	<b>1.2</b>	<b>0.6</b>	<b>(7.1)</b>	<b>92.3</b>	<b>111.7</b>
Profit for the year	-	-	-	-	28.2	28.2
Other comprehensive loss for the year	-	-	(2.9)	0.1	-	(2.8)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(2.9)</b>	<b>0.1</b>	<b>28.2</b>	<b>25.4</b>
<b>Transaction with owners</b>						
Dividends	-	-	-	-	(21.2)	(21.2)
Transfer of unclaimed dividends	-	-	-	-	0.2	0.2
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21.0)</b>	<b>(21.0)</b>
<b>Balance as at 31 December 2022</b>	<b>24.7</b>	<b>1.2</b>	<b>(2.3)</b>	<b>(7.0)</b>	<b>99.5</b>	<b>116.1</b>
<b>Balance as at 1 January 2023</b>	<b>24.7</b>	<b>1.2</b>	<b>(2.3)</b>	<b>(7.0)</b>	<b>99.5</b>	<b>116.1</b>
Loss for the year	-	-	-	-	(60.6)	(60.6)
Other comprehensive loss for the year	-	-	0.2	0.1	-	0.3
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>0.2</b>	<b>0.1</b>	<b>(60.6)</b>	<b>(60.3)</b>
<b>Transaction with owners</b>						
Dividends	-	-	-	-	(5.3)	(5.3)
Transfer of unclaimed dividends	-	-	-	-	0.2	0.2
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5.1)</b>	<b>(5.1)</b>
<b>Balance as at 31 December 2023</b>	<b>24.7</b>	<b>1.2</b>	<b>(2.1)</b>	<b>(6.9)</b>	<b>33.8</b>	<b>50.7</b>

## STATEMENT OF CHANGES IN EQUITY

THE COMPANY	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
<b>Balance as at 1 January 2022</b>	<b>24.7</b>	<b>1.2</b>	<b>0.6</b>	<b>(7.1)</b>	<b>86.9</b>	<b>106.3</b>
Profit for the year	-	-	-	-	30.2	30.2
Other comprehensive loss for the year	-	-	(2.9)	0.1	-	(2.8)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(2.9)</b>	<b>0.1</b>	<b>30.2</b>	<b>27.4</b>
<b>Transaction with owners</b>						
Dividends	-	-	-	-	(21.2)	(21.2)
Transfer of unclaimed dividends	-	-	-	-	0.2	0.2
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21.0)</b>	<b>(21.0)</b>
<b>Balance as at 31 December 2022</b>	<b>24.7</b>	<b>1.2</b>	<b>(2.3)</b>	<b>(7.0)</b>	<b>96.1</b>	<b>112.7</b>
<b>Balance as at 1 January 2023</b>	<b>24.7</b>	<b>1.2</b>	<b>(2.3)</b>	<b>(7.0)</b>	<b>96.1</b>	<b>112.7</b>
Loss for the year	-	-	-	-	(57.0)	(57.0)
Other comprehensive loss for the year	-	-	0.2	0.1	-	0.3
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>0.2</b>	<b>0.1</b>	<b>(57.0)</b>	<b>(56.7)</b>
<b>Transaction with owners</b>						
Dividends	-	-	-	-	(5.3)	(5.3)
Transfer of unclaimed dividends	-	-	-	-	0.2	0.2
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5.1)</b>	<b>(5.1)</b>
<b>Balance as at 31 December 2023</b>	<b>24.7</b>	<b>1.2</b>	<b>(2.1)</b>	<b>(6.9)</b>	<b>34.0</b>	<b>50.9</b>

## COMMENTS ON RESULTS AT 31 DECEMBER 2023

The Company's income for the year under review has decreased significantly compared to 2022 mainly attributable to a major drop in Tote turnover for the second year in a row.

### Horse Racing – Totalisator

The first race meeting for the 2023 season scheduled for the 18 March 2023 was cancelled due to bad weather conditions, resulting in placed bets being refunded to customers; the first meeting was then held on 25 March 2023.

The tote turnover for the 37 meetings held this year decreased to Rs 455.1 million, a 41% drop (2022: Rs 776.7 million for 39 meetings). The main factors that affected all channels of tote revenue were, the betting tax on gross stakes at 14%, the decrease in number of runners per race, the general uncertainties and challenges faced by the horse racing industry undermining confidence, and the entry of an additional Tote operator.

### Fixed Odds – Football

Football turnover increased by 22% to reach Rs 620.7 million in 2023 (2022: Rs 508.6 million). However, football betting income slightly decreased for the year, as payment to winners increased to 89.7% of turnover net of betting tax (2022: 83.7%).

### The wholly owned subsidiary Megawin Ltd

Megawin Ltd realised operating profits of Rs 18.9 million at 31 December 2023 (2022: Rs 20.2 million). The contract of the company in Ivory Coast was however terminated as from the 31 December of 2023, putting an end to its activities in this country. The Company presently has no operating contract and is prospecting new opportunities.

### Financials

The Company's turnover decreased to Rs 1.076 billion (2022: Rs 1.285 billion) and its income net of winnings dropped to Rs 277.8 million (2022: Rs 377.6 million). A loss of Rs 57.0 million was recorded for the year and included an impairment of Goodwill of Rs 45.4 (2022 PAT 30.2 million).

The Group's losses after Tax amounted to Rs 60.6 million for the year ended 31 December 2023 (2022: profits of Rs 28.2 million).

### OUTLOOK

The directors remain very pessimistic about the future of Totalisator betting on local horse racing due to the numerous uncertainties surrounding the industry. There are fewer horses being imported, some long established stables have closed, and the maintenance works on the racecourse at Champ de Mars have lagged.

The football turnover has been on an upward trend for the last three years. However, the directors note that one operator is offering bets by remote communication, and this could have a negative impact on the ASLs football turnover for the year 2024. The Company has made an application to the Authority concerned for a licence to operate through remote communication. If availed, this licence should have a very positive impact on football turnover.

Megawin Ltd's short term future has been seriously impacted by the cancellation of the Ivory Coast contract.

Taking into consideration these various factors, little is expected from Tote operations on horse racing, consequently, the financial results for the coming year will largely depend on the performance of the fixed odd betting on football.

By order of the Board

Box Office Ltd  
Company Secretary

This 28 March 2024

The above abridged audited financial statements are issued pursuant to Listing Rule 12.14 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 audited financial statements.

Copies of the abridged audited financial statements of the Company are available free of charge at the registered office of the Company c/o Box Office Ltd, 2<sup>nd</sup> floor, Palm Square, 90906 La Mivoie, Tamarin, Mauritius.