

GAMMA CIVIC LTD
ABRIDGED AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group		Company	
	Year ended	Year ended	Year ended	Year ended
	<u>31-Dec-21</u>	<u>31-Dec-20</u>	<u>31-Dec-21</u>	<u>31-Dec-20</u>
	Rs Audited	Rs Audited	Rs Audited	Rs Audited
Turnover	5,507,670,199	4,617,082,109	473,439,135	358,066,897
Revenue	4,470,785,508	3,705,804,870	473,439,135	358,066,897
Operating profit	294,177,412	255,625,173	340,946,285	204,465,222
Net (impairment)/impairment reversal on financial and contract assets	(11,843,910)	(5,615,457)	554,162	(2,326,234)
Fair value gain on investment properties	47,848,147	6,006,735	-	-
Finance costs	(71,407,319)	(49,104,696)	(35,050,486)	(18,482,943)
Share of profit of associates and joint venture	144,940,782	75,433,351	-	-
Profit before taxation	403,715,112	282,345,106	306,449,961	183,656,045
Taxation	(43,470,540)	(54,365,083)	(606,028)	(11,021,611)
Profit for the year	360,244,572	227,980,023	305,843,933	172,634,434
Other comprehensive income/(loss) for the year	30,053,009	17,144,953	2,678,638	(764,255)
Total comprehensive income for the year	390,297,581	245,124,976	308,522,571	171,870,179
Profit attributable to:				
-Owners of the company	300,970,155	163,356,763	305,843,933	172,634,434
-Non-controlling interests	59,274,417	64,623,260	-	-
	360,244,572	227,980,023	305,843,933	172,634,434
Total comprehensive income attributable to:				
-Owners of the company	323,146,090	177,175,472	308,522,571	171,870,179
-Non-controlling interests	67,151,491	67,949,504	-	-
	390,297,581	245,124,976	308,522,571	171,870,179
Number of shares in issue	133,250,000	133,250,000		
Dividend per share	1.81	1.50		
Earnings per share (basic and diluted)	2.26	1.23		

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STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	<u>31-Dec-21</u>	<u>31-Dec-20</u>	<u>31-Dec-21</u>	<u>31-Dec-20</u>
	Rs	Rs	Rs	Rs
	Audited	Audited	Audited	Audited
ASSETS				
Non-current assets	4,538,327,731	4,553,747,669	1,984,503,359	1,954,791,502
Current assets	<u>2,749,621,877</u>	<u>1,705,741,200</u>	<u>1,104,634,134</u>	<u>214,735,985</u>
Total assets	<u>7,287,949,608</u>	<u>6,259,488,869</u>	<u>3,089,137,493</u>	<u>2,169,527,487</u>
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	133,250,000	133,250,000	133,250,000	133,250,000
Share premium	86,482,579	86,482,579	86,482,579	86,482,579
Other reserves	<u>3,301,341,143</u>	<u>3,220,712,284</u>	<u>1,284,354,207</u>	<u>1,217,014,136</u>
Equity attributable to owners of the company	<u>3,521,073,722</u>	<u>3,440,444,863</u>	<u>1,504,086,786</u>	<u>1,436,746,715</u>
Non-controlling interests	<u>190,646,061</u>	<u>204,487,630</u>	-	-
Total equity	<u>3,711,719,783</u>	<u>3,644,932,493</u>	<u>1,504,086,786</u>	<u>1,436,746,715</u>
Non-current liabilities	1,965,329,360	1,050,823,734	1,333,546,132	424,846,653
Current liabilities	<u>1,610,900,465</u>	<u>1,563,732,642</u>	<u>251,504,575</u>	<u>307,934,119</u>
Total equity and liabilities	<u>7,287,949,608</u>	<u>6,259,488,869</u>	<u>3,089,137,493</u>	<u>2,169,527,487</u>

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GROUP STATEMENT OF CHANGES IN EQUITY

	Stated <u>capital</u> Rs Audited	Share <u>Premium</u> Rs Audited	Revaluation <u>Reserve</u> Rs Audited	Foreign Currency Translation <u>Reserve</u> Rs Audited	Retained <u>Earnings</u> Rs Audited	Attributable to Owners of the <u>Parent</u> Rs Audited	Non-Controlling <u>Interests</u> Rs Audited	<u>Total</u> Rs Audited
Balance at 1 January 2021	133,250,000	86,482,579	432,368,085	55,187,674	2,733,156,525	3,440,444,863	204,487,630	3,644,932,493
Revaluation surplus realised on disposal of property and on depreciation	-	-	(5,340,715)	-	5,340,715	-	-	-
Revaluation surplus of associate realised on depreciation of property	-	-	(3,587,116)	-	3,587,116	-	-	-
Profit for the year	-	-	-	-	300,970,155	300,970,155	59,274,417	360,244,572
Other comprehensive income/(loss) for the year	-	-	18,181,633	(280,847)	4,275,149	22,175,935	7,877,074	30,053,009
Total comprehensive income/ (loss) for the year	-	-	18,181,633	(280,847)	305,245,304	323,146,090	67,151,491	390,297,581
Shares issued to non-controlling interest	-	-	-	-	-	-	3,056,250	3,056,250
Change in ownership without loss of control	-	-	-	(623,611)	(711,120)	(1,334,731)	1,334,731	-
Dividend	-	-	-	-	(241,182,500)	(241,182,500)	(85,384,041)	(326,566,541)
Balance at 31 December 2021	133,250,000	86,482,579	441,621,887	54,283,216	2,805,436,040	3,521,073,722	190,646,061	3,711,719,783
Balance at 1 January 2020	133,250,000	86,482,579	422,536,784	54,901,891	2,765,973,137	3,463,144,391	206,191,948	3,669,336,339
Revaluation surplus realised on disposal of property and on depreciation	-	-	(6,487,163)	-	6,487,163	-	-	-
Revaluation surplus of associate realised on depreciation of property	-	-	(2,569,253)	-	2,569,253	-	-	-
Profit for the year	-	-	-	-	163,356,763	163,356,763	64,623,260	227,980,023
Other comprehensive income/ (loss) for the year	-	-	18,887,717	285,783	(5,354,791)	13,818,709	3,326,244	17,144,953
Total comprehensive income for the year	-	-	18,887,717	285,783	158,001,972	177,175,472	67,949,504	245,124,976
Dividend	-	-	-	-	(199,875,000)	(199,875,000)	(69,653,822)	(269,528,822)
Balance at 31 December 2020	133,250,000	86,482,579	432,368,085	55,187,674	2,733,156,525	3,440,444,863	204,487,630	3,644,932,493

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COMPANY STATEMENT OF CHANGES IN EQUITY

	Stated <u>capital</u> Rs Audited	Share <u>Premium</u> Rs Audited	Revaluation <u>Reserve</u> Rs Audited	Retained <u>Earnings</u> Rs Audited	<u>Total</u> Rs Audited
Balance at 1 January 2021	133,250,000	86,482,579	286,748,698	930,265,438	1,436,746,715
Revaluation surplus realised on disposal of property and on depreciation	-	-	(1,692,358)	1,692,358	-
Profit for the year	-	-	-	305,843,933	305,843,933
Other comprehensive income for the year	-	-	1,705,878	972,760	2,678,638
Total comprehensive income for the year	-	-	1,705,878	306,816,693	308,522,571
Dividend	-	-	-	(241,182,500)	(241,182,500)
Balance at 31 December 2021	133,250,000	86,482,579	286,762,218	997,591,989	1,504,086,786
Balance at 1 January 2020	133,250,000	86,482,579	305,195,084	939,823,873	1,464,751,536
Revaluation surplus realised on disposal of property and on depreciation	-	-	(17,967,651)	17,967,651	-
Profit for the year	-	-	-	172,634,434	172,634,434
Other comprehensive (loss) for the year	-	-	(478,735)	(285,520)	(764,255)
Total comprehensive (loss)/ income for the year	-	-	(478,735)	172,348,914	171,870,179
Dividend	-	-	-	(199,875,000)	(199,875,000)
Balance at 31 December 2020	133,250,000	86,482,579	286,748,698	930,265,438	1,436,746,715

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STATEMENTS OF CASH FLOWS

	Group		Company	
	Year ended <u>31-Dec 21</u> Rs Audited	Year ended <u>31-Dec 20</u> Rs Audited	Year ended <u>31-Dec 21</u> Rs Audited	Year ended <u>31-Dec 20</u> Rs Audited
Net cash flows generated from/(used in) operating activities	37,906,361	470,739,499	(69,879,621)	239,163,802
Net cash flows used in investing activities	(181,079,364)	(157,213,401)	(29,152,686)	(25,948,856)
Net cash flows generated from/(used in) financing activities	607,015,773	(165,140,880)	627,266,549	(203,211,929)
Net increase/(decrease) in cash and cash equivalents	463,842,770	148,385,218	528,234,242	10,003,017
Net foreign exchange differences	14,399,282	7,375,715	7,484,151	4,588,136
Cash and cash equivalents at 1 January	629,534,147	473,773,214	114,653,886	100,062,733
Cash and cash equivalents at 31 December	1,107,776,199	629,534,147	650,372,279	114,653,886

GROUP SEGMENT INFORMATION

(a) Segment

31 December 2021	Building Materials Rs	Contracting Rs	Investments Rs	Lottery Rs	Corporate Services and Others Rs	Eliminations Rs	Total Rs
	Revenue	1,833,985,175	1,547,190,541	18,965,153	1,056,004,177	679,367,541	(664,727,079)
Operating profit	161,511,201	22,259,002	13,769,006	97,800,757	387,439,318	(388,601,872)	294,177,412

31 December 2020	Building Materials Rs	Contracting Rs	Investments Rs	Lottery Rs	Corporate Services and Others Rs	Eliminations Rs	Total Rs
	Revenue	1,387,107,549	1,347,947,774	18,705,036	962,640,595	432,458,450	(443,054,534)
Operating profit/(loss)	196,721,026	(22,651,516)	14,330,405	80,930,673	274,433,339	(288,138,754)	255,625,173

(b) Geographical

The Group started operations in Madagascar in the last quarter of the financial year 2021. The below represents revenue and total assets based of geographical locations.

	Revenue		Total Assets	
	2021 Rs	2020 Rs	2021 Rs	2020 Rs
Mauritius	4,361,773,697	3,705,804,870	7,115,799,252	6,259,488,869
Madagascar	109,011,811	-	170,307,353	-
	4,470,785,508	3,705,804,870	7,286,106,105	6,259,488,869

COMMENTS

For the year ended 31 December 2021, the Group reported a profit after tax of Rs360M (Dec 2020: Rs228M) and the Company reported a profit after tax of Rs306M (Dec 2020: Rs173M).

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Whilst we are pleased to note that our operations as a whole for the year ended 31 December 2021 were profitable, we continue to see the challenges and the adverse impact, directly or indirectly, of the COVID-19 pandemic. This is further explained below in the section "Segmental Review and Outlook".

Earnings per share

The calculation of earnings per share is based on the profit attributable to the owners of the company of Rs300,970,155 (Dec 2020: Rs163,356,763) and the number of the shares in issue of 133,250,000 (Dec 2020: 133,250,000).

Dividend

A final dividend of Rs1.31 per share (Dec 2020: Rs1.50 per share) was declared in March 2021 and was paid by latest 30 June 2021 in respect of the financial year ended 31 December 2020.

An interim dividend of Rs0.50 (Dec 2020: Rs Nil per share) was declared in August 2021 and was paid by latest 30 September 2021 in respect of the financial year ended 31 December 2021.

Segmental Review and Outlook

General

The Government of Mauritius announced a national lockdown as a result of the Covid-19 pandemic between 10 March and 31 March 2021 which was followed by phased re-openings of activities thereafter. This impacted the operations and businesses of the Group to different extents. The resulting wider economic effect coupled with challenging global trading conditions and supply chain complications are resulting in significant price increases of raw materials. We are of the view that these uncertainties will continue to pose a threat to our businesses in the foreseeable future.

Crisis management remains a priority for the Group to mitigate the downside risks caused by the pandemic whilst ensuring the safety of its employees, customers, and partners.

The vaccination campaign led by the Government in 2021 and the subsequent re-opening of the Mauritian borders on 1 October 2021 has been promising factors which will allow our businesses to better manage the continuing impact of Covid-19 during these challenging times. The emergence of the new variants such as Omicron late 2021 and the rising geo-political tensions globally give rise to further uncertainties and challenging economic conditions in the near future.

Building Materials Segment

The national lockdown in 2021 adversely impacted on the segment which faced additional challenges as a result of an increase in the cost of raw materials driven by a weakening Mauritian Rupee. Despite the difficult operating environment, the segment showed tremendous resilience and demonstrated its ability to ensure a continuous supply of cement in the market to meet the demands of its customers at all times and to conclude a profitable year. Furthermore, the segment has pursued geographical diversification through the setting up of a cement import operation in Madagascar in the last quarter of the financial year 2021.

Contracting Segment

The operating profit figure reported for the year shows a turnaround from the operating loss figure reported in the prior corresponding year. This was partly due to a better preparedness and operational resilience of this segment which operates in a very competitive sector.

Investments Segment

This segment holds investment properties which are reported on the Statement of Financial Position in Non-Current Assets. The investment properties and the other properties classified as land and buildings on the Statement of Financial Position were revalued by an independent valuer at 31 December 2021. Overall, there was no reduction in the value of the properties.

Lottery Segment

The increase in revenue and operating profit of this segment for the year ended 31 December 2021 was mainly attributable to a full year of Loterie Vert sales and a lower number of missed Loto draws compared to the year 2020 due to a shorter confinement period.

On 12 July 2018, the Segment made a formal application to the Gambling Regulatory Authority ("GRA") for authorisation to implement its cashless solution for its products. The Segment is awaiting a positive response.

On 3 September 2021, the Segment made a formal application under Section 2 of the Finance Act 2021 to conduct business using remote communication as defined in the GRA Act. The Segment is awaiting a positive response from the GRA.

The positive responses from the GRA will greatly enhance the operational resilience of this Segment, will facilitate the development and enhancement of products and above all, will strengthen risk management for all stakeholders in the context of regulations relating to anti-money laundering and combatting the financing of terrorism.

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Associates and Joint Venture

Our associate engaged in the hospitality sector, namely Morning Light Co. Ltd, continues to be materially impacted by the COVID-19 pandemic. For the year ended 31 December 2021, the associate incurred a loss after tax of Rs95M, in respect of which our share (Rs24M) has been equity accounted within the line "Share of profit/(loss) of associates and joint venture" in the Statement of Profit or Loss and Other Comprehensive Income.

Except for the above, all other associates and joint venture companies performed satisfactorily during the period under review taking into account the period of lockdown and the general economic conditions.

Other

The abridged audited financial statements for the year ended 31 December 2021 have been extracted from the annual financial statements of the Group and Company 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 1 January 2021. The independent auditor's report on the financial statements is unqualified.

Copies of the above abridged audited financial statements are available, free of charge, upon request made to the Company Secretary, at the registered office of the Company, Royal Road, Chapman Hill, Beau Bassin, or can be viewed on the Company's website www.gamma.mu.

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

30 March 2022

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

The Board of Directors of Gamma Civic Ltd accepts full responsibility for the accuracy of the information contained in these abridged audited financial statements.

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