



The United Basalt Products Ltd.

# THE UNITED BASALT PRODUCTS LTD AND ITS SUBSIDIARY COMPANIES

## Audited Abridged Group Financial Statements Year Ended June 30, 2023

### ABRIDGED STATEMENT OF FINANCIAL POSITION

	AUDITED	
	At June 30, 2023	At June 30, 2022
	Rs ' 000	Rs ' 000
<b>ASSETS</b>		
Non-current assets	5,671,437	4,394,790
Current assets	2,042,134	2,014,636
<b>TOTAL ASSETS</b>	<b>7,713,571</b>	<b>6,409,426</b>
<b>EQUITY AND LIABILITIES</b>		
Equity		
Equity attributable to shareholders of the parent	4,215,442	3,441,748
Non-controlling interests	46,189	29,660
<b>TOTAL EQUITY</b>	<b>4,261,631</b>	<b>3,471,408</b>
Non-current liabilities	1,180,038	1,615,533
Current liabilities	2,271,902	1,322,485
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,713,571</b>	<b>6,409,426</b>

### ABRIDGED STATEMENT OF CHANGES IN EQUITY

	AUDITED									
	Equity attributable to shareholders of the parent							Non-controlling Interests		Total
	Issued Capital	Share Premium	Associate Companies	Revaluation Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings	Total	Rs. ' 000	
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
At July 1, 2022	265,100	7,354	84,993	1,861,283	17,414	7,071	1,198,533	3,441,748	29,660	3,471,408
Profit for the year	-	-	-	-	-	-	133,660	133,660	8,350	142,010
Other comprehensive income	-	-	4,623	516,736	7,157	3,336	108,182	640,034	13,070	653,104
Total comprehensive income for the year	-	-	4,623	516,736	7,157	3,336	241,842	773,694	21,420	795,114
Dividend	-	-	-	-	-	-	-	-	(4,891)	(4,891)
Transfer to retained earnings	-	-	-	(61,048)	(24,571)	-	85,619	-	-	-
<b>At June 30, 2023</b>	<b>265,100</b>	<b>7,354</b>	<b>89,616</b>	<b>2,316,971</b>	<b>-</b>	<b>10,407</b>	<b>1,525,994</b>	<b>4,215,442</b>	<b>46,189</b>	<b>4,261,631</b>
At July 1, 2021	265,100	7,354	109,813	1,874,102	10,980	(16,182)	1,304,859	3,556,026	41,616	3,597,642
(Loss) / profit for the year	-	-	-	-	-	-	(67,553)	(67,553)	10,840	(56,713)
Other comprehensive income	-	-	4,655	-	6,434	23,253	70,533	104,875	8,888	113,763
Total comprehensive income for the year	-	-	4,655	-	6,434	23,253	2,980	37,322	19,728	57,050
Dividend	-	-	-	-	-	-	(79,530)	(79,530)	(7,348)	(86,878)
Change in percentage holding of subsidiary	-	-	-	-	-	-	(72,070)	(72,070)	(24,336)	(96,406)
Transfer to retained earnings	-	-	(29,475)	(12,819)	-	-	42,294	-	-	-
<b>At June 30, 2022</b>	<b>265,100</b>	<b>7,354</b>	<b>84,993</b>	<b>1,861,283</b>	<b>17,414</b>	<b>7,071</b>	<b>1,198,533</b>	<b>3,441,748</b>	<b>29,660</b>	<b>3,471,408</b>

### ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	AUDITED	
	Year ended June 30, 2023	Year ended June 30, 2022
	Rs ' 000	Rs ' 000
<b>Revenue</b>	<b>4,682,896</b>	<b>4,073,535</b>
Operating profit	247,657	204,741
Allowance for expected credit losses on financial assets	(19,099)	(23,281)
Impairment of assets	-	(348,100)
Gain on deemed disposal of associate	-	158,236
Finance income	957	2,125
Finance costs	(107,574)	(59,490)
Share of results of associates	13,523	10,678
<b>Profit / (loss) before tax</b>	<b>135,464</b>	<b>(55,091)</b>
Income tax credit / (expense)	6,546	(1,622)
<b>Profit / (loss) for the year</b>	<b>142,010</b>	<b>(56,713)</b>
<b>Other comprehensive income</b>		
Items to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	1,413	30,205
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>1,413</b>	<b>30,205</b>
Items to be reclassified to profit or loss in subsequent periods:		
Net gains on equity instruments	7,157	6,434
Re-measurement gains on defined benefit plans	129,951	86,380
Deferred tax effect on re-measurement gains on defined benefit plans	(21,200)	(13,911)
Revaluation of land and buildings	621,969	-
Deferred tax effect on revaluation of land and buildings	(90,809)	-
Share of other comprehensive income of associates	4,623	4,655
<b>Net other comprehensive income not being reclassified to profit or loss in subsequent periods</b>	<b>651,691</b>	<b>83,558</b>
<b>Other comprehensive income for the year, net of tax</b>	<b>653,104</b>	<b>113,763</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>795,114</b>	<b>57,050</b>
<b>Profit / (loss) for the year attributable to:</b>		
Equity holders of the parent	133,660	(67,553)
Non-controlling interests	8,350	10,840
	142,010	(56,713)
<b>Total comprehensive income for the year attributable to:</b>		
Equity holders of the parent	773,694	37,322
Non-controlling interests	21,420	19,728
	795,114	57,050
<b>Earnings per share (Rs)</b>		
Basic, profit / (loss) for the year attributable to ordinary equity holders of the parent	5.04	(2.55)

### ABRIDGED STATEMENT OF CASH FLOWS

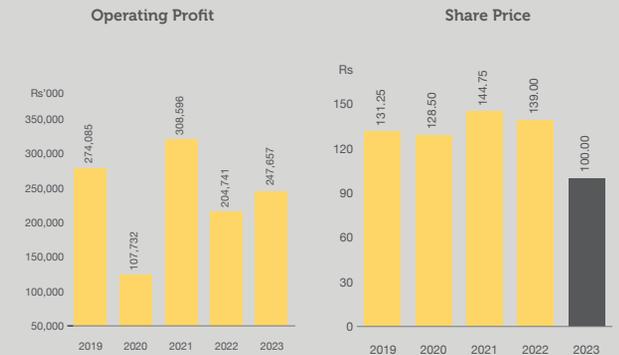
	AUDITED	
	Year ended June 30, 2023	Year ended June 30, 2022
	Rs. ' 000	Rs. ' 000
<b>Net cash flows from operating activities</b>	<b>545,412</b>	<b>55,463</b>
<b>Net cash flows used in investing activities</b>	<b>(840,128)</b>	<b>(741,573)</b>
<b>Net cash flows from financing activities</b>	<b>247,267</b>	<b>226,118</b>
<b>Decrease in cash and cash equivalents</b>	<b>(47,449)</b>	<b>(459,989)</b>
<b>MOVEMENT IN CASH AND CASH EQUIVALENTS</b>		
At July 1,	(298,710)	107,328
Cash and cash equivalent balance represented as continuing operations	9,907	-
Exchange difference	313	55,379
Decrease in cash and cash equivalents	(47,449)	(459,989)
Movement from discontinuing operations	-	(1,428)
<b>At June 30,</b>	<b>(335,939)</b>	<b>(298,710)</b>

### AT A GLANCE



### SEGMENTAL INFORMATION

	AUDITED	
	Year ended June 30, 2023	Year ended June 30, 2022
	Rs. ' 000	Rs. ' 000
<b>Revenue:</b>		
Building materials - Core business	3,668,059	3,086,955
Building materials - Retail	1,295,308	1,200,934
Agriculture (Note 1)	226,178	123,790
Consolidation adjustments	(506,649)	(338,144)
<b>Total</b>	<b>4,682,896</b>	<b>4,073,535</b>
<b>Operating profit / (loss):</b>		
Building materials - Core business	146,699	151,494
Building materials - Retail	66,301	70,968
Agriculture	54,055	(5,201)
Consolidation adjustments	(19,398)	(12,520)
<b>Total</b>	<b>247,657</b>	<b>204,741</b>



Note 1: The revenue for the year includes proceeds from the sale of agricultural land.

### COMMENTS

Our Group revenue for the year ended June 30, 2023 increased by 15.0% (+Rs 609.4 million) compared to 2022. As shown in the segmental information disclosure, this rise in revenue was attributable mainly to our core business activity segment. Unlike in previous year, Premix Ltd (formerly Pre-Mixed Concrete Limited), has been consolidated as a subsidiary for the entire year under review and contributed Rs 330.9 million to the revenue increase for the year while FAST (Flacq Associated Stonemasters Limited), acquired on March 29, 2023, contributed an additional Rs 36.0 million.

On the foreign front, the Board has decided to postpone the disposal of our subsidiaries in Sri Lanka and Madagascar given the unfavourable economic context prevailing in these countries. Hence, the results of both entities have been reclassified as continuing operations in the statement of profit or loss and other comprehensive income for the year under review.

Our Group operating profit increased from Rs 204.7 million for the year ended June 30, 2022 to Rs 247.7 million for the year under review. Our local core business performance for the last quarter was positively impacted by an increase in revenue and by the reversal of provisions on staff-related costs, retirement benefit liabilities, inventories, spare parts obsolescence and expected credit losses. Conversely, our profitability for the year was adversely affected by a significant increase in our cost of production arising from the impact of imported inputs, higher fuel prices, increased electricity charges and repairs and maintenance. The performance of Premix Ltd improved significantly compared to previous year when we incurred exceptional transition expenses linked to the shift of management.

Despite an increase of 7.9% in revenue and a release in stock damage and discrepancies provision, the profitability of our retail segment for the year under review was lower than in 2022 due to an increase in staff costs, rental charges, marketing and selling expenses.

Conversely, the operating result of our agricultural segment was significantly better than in 2022 due to an exceptional profit of Rs 43.2 million, realised on the sale of agricultural land, to the improved performance of our vegetable-growing and greenhouse activities, and to an increase in the price of sugar.

Our share of results from associates for the year under review increased by 26.6% compared to previous year due to the improved performance of Teranock Ltd.

Our finance costs increased significantly for the year under review due to an increase in borrowings to finance investments (Premix, Drymix and FAST), capital expenditure and working capital needs, and also to the successive increases in interest rates.

In the light of the above and, after taking into consideration the net negative impact of Rs 189.9 million resulting from the impairment of goodwill and the deemed disposal of shares in Premix Ltd in the previous year, our Group net result increased from a loss of Rs 56.7 million for the year ended June 30, 2022 to a profit of Rs 142.0 million for the year under review. Earnings per share likewise increased from a loss of Rs 2.55 in 2022 to Rs 5.04 for the year under review.

### OUTLOOK

Our Group local core business revenue for the first two months of the current financial year is ahead of last year. This positive trend is expected to be maintained should the level of property development and infrastructure projects continue to grow.

### By Order of the Board

Christophe Quevauvilliers  
Company Secretary

September 27, 2023

The above Audited Abridged Group Financial Statements have been extracted from the Audited Group Financial Statements for the year ended June 30, 2023, which have been prepared in accordance with International Financial Reporting Standards and have been audited by Messrs Deloitte Mauritius. The Audited Abridged Group Financial Statements are issued pursuant to Listing Rule 12.14 of the Stock Exchange of Mauritius Ltd and to Section 88 of the Securities Act 2005.

The Board of Directors of The United Basalt Products Limited accepts full responsibility for the accuracy of the information contained in these Audited Abridged Group Financial Statements.

The statement of direct and indirect interests of insiders required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request, free of charge, at the registered office of the Company, Trianon, Quatre Bornes.

Copies of this report are available to the public, free of charge, at the registered office of the Company, Trianon, Quatre Bornes.