

ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December 2017	Year ended 31 December 2016
	MUR	MUR
Gross ticket sales	1,852,490,380	1,651,579,840
Prizes	(898,457,834)	(801,016,222)
Consolidated fund	(440,381,423)	(392,620,166)
Net income	513,651,123	457,943,452
Operating profit	135,672,285	112,111,030
Net finance (costs)/income	(43,083)	49,187
Profit before income tax	135,629,202	112,160,217
Income tax expense	(24,783,883)	(23,964,213)
Profit for the year	110,845,319	88,196,004
Other comprehensive income:		
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurement of post-employment benefit obligations	333,000	35,000
Deferred tax on remeasurement of post-employment benefit obligations	(56,610)	(5,950)
Other comprehensive income - net of tax	276,390	29,050
Total comprehensive income for the year	111,121,709	88,225,054
Earnings per share	0.33	0.26

STATEMENT OF FINANCIAL POSITION

	31 December 2017	31 December 2016
	MUR	MUR
ASSETS		
Non-current assets	103,373,494	150,828,200
Current assets	351,899,373	235,917,526
Total assets	455,272,867	386,745,726
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	100,000,000	100,000,000
Retained earnings	71,552,139	38,630,430
Total equity	171,552,139	138,630,430
Non-current liabilities	6,559,768	7,160,749
Current liabilities	277,160,960	240,954,547
Total liabilities	283,720,728	248,115,296
Total equity and liabilities	455,272,867	386,745,726

STATEMENT OF CASH FLOWS

	Year Ended 31 December 2017	Year Ended 31 December 2016
	MUR	MUR
Net cash from operating activities	213,379,491	176,669,418
Net cash used in investing activities	(950,592)	(51,205,040)
Net cash used in financing activities	(78,200,000)	(91,800,000)
Net increase in cash and cash equivalents	134,228,899	33,664,378
Net foreign exchange difference	569,678	-
Cash and cash equivalents at beginning of year	156,806,786	123,142,408
Cash and cash equivalents at end of year	291,605,363	156,806,786

STATEMENT OF CHANGES IN EQUITY

	Stated capital	Retained earnings	Total equity
	MUR	MUR	MUR
At 01 January 2016	100,000,000	42,205,376	142,205,376
Profit for the year	-	88,196,004	88,196,004
Other comprehensive income for the year	-	29,050	29,050
Total comprehensive income for the year	-	88,225,054	88,225,054
Transactions with owners			
Dividends	-	(91,800,000)	(91,800,000)
At 31 December 2016	100,000,000	38,630,430	138,630,430
At 01 January 2017	100,000,000	38,630,430	138,630,430
Profit for the year	-	110,845,319	110,845,319
Other comprehensive income for the year	-	276,390	276,390
Total comprehensive income for the year	-	111,121,709	111,121,709
Transactions with owners			
Dividends	-	(78,200,000)	(78,200,000)
At 31 December 2017	100,000,000	71,552,139	171,552,139

COMMENTS

Principal Activity

The company is the operator of the Mauritius National Lottery on behalf of the Government of Mauritius.

Results

Gross ticket sales revenue for the year ended 31 December 2017 amounted to MUR1,852.5m compared to the prior corresponding period revenue of MUR1,651.6m.

The profit after income tax was MUR110.8m for the year ended 31 December 2017 compared to a profit of MUR88.2m for the last corresponding year.

Business Review

As a result of the ongoing and systematic focus on cost management, innovative communications and technological development to stem the decline in sales resulting from actions taken by the Government in 2015, the business continued to perform in line with 2016 performance.

In March 2015, the Government announced budgetary measures that banned advertising of the lottery effective 24 March 2015 and the prohibition of the Quick Win category of games effective 30 June 2015. The company took immediate action to "right-size" the business to the new reality resulting in a significant reduction in employee and administration costs. In spite of the current restrictions imposed by the GRA to withhold approval of new games and the 2015 budgetary measures, the company continues to be profitable. The fundamentals of the company's business remain strong.

Following the "Mise En Demeure" served on the GRA by the company on 21 May 2016, a *Plaint With Summons* has been filed on 13 June 2016 before The Supreme Court of Mauritius (Commercial Division), against the GRA and the Ministry of Finance and Economic Development. As stated by a communique issued by the company on 5 June 2017, the parties to the court case have agreed to submit their dispute to the Mediation Division of the Supreme Court with a view to resolving it. The process has started and is nearing completion.

Future Outlook

The company is confident that it will generate an increase in sales and subsequently shareholder value for the long term upon the successful resolution of the mediation process.

The Board continues to work with Management to ensure that the company can deliver on its targets and continue to protect and grow the value of the company.

Earnings per share

The calculation of earnings per share is based on the profit attributable to the shareholders of the company of MUR110.8m (December 2016: MUR88.2m) and the number of the shares in issue of 340,000,000.

Dividend

The company declared and paid dividends of MUR78.2m in the year ended 31 December 2017 (December 2016: MUR91.8m).

Others

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.lottotech.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

26 March 2018

These abridged audited financial statements are issued pursuant to Listing Rule 12.20.

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