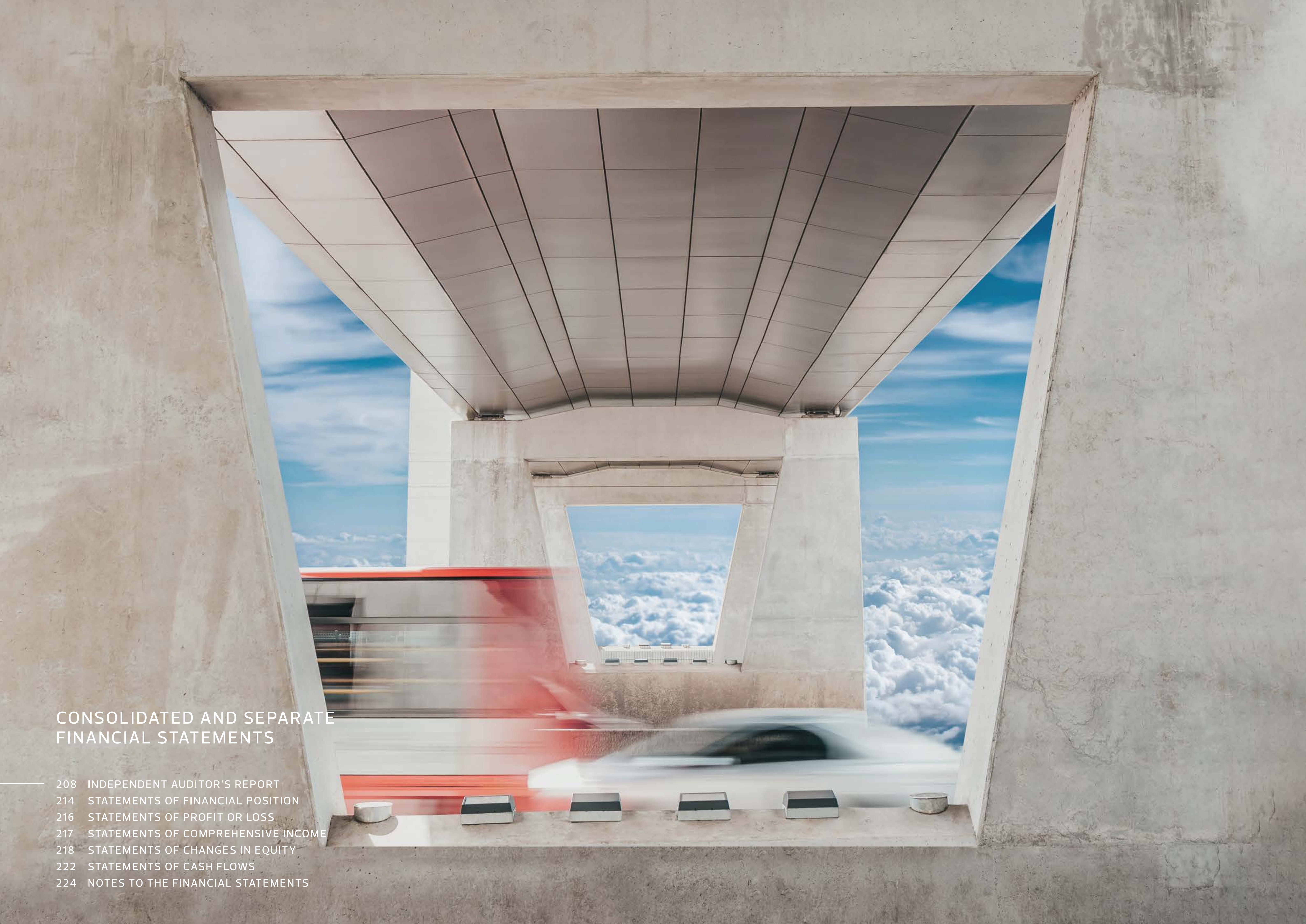

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IBL LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of **IBL Ltd** (the "Company" and the "Public Interest Entity") and its subsidiaries (the "Group") set out on pages 214 to 362, which comprise the consolidated and separate statements of financial position as at 30 June 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and Company as at 30 June 2022, and of their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
Valuation of properties	
The Group's and the Company's carrying value of land and buildings amounted to Rs 22.0 billion and Rs 458.9 million and investment properties amounted to Rs 3.4 billion and Nil respectively. The Group's and the Company's revaluation adjustments in respect of land and buildings recorded in other comprehensive income for the year was Rs 549.5 million and Nil while the fair value adjustments in respect of investment property recorded in profit for the year was Rs 290.3 million and Nil respectively. The disclosures are provided in Notes 3, 4 and 5 to the financial statements. The properties of the Group and the Company comprise of owner-occupied land and buildings and investment properties. The models used to determine the fair values for each of the categories differ due to the different nature of each of these categories. The Group uses independent professional valuers to determine the fair values for all of the properties held in these categories. Significant judgment is required by management in determining the fair value of properties. Accordingly, the valuation of properties is considered to be a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the judgment associated with determining the fair value. The inputs with the most significant impact on these valuations include comparable market data, discount rates, capitalisation rates, depreciation rates, rental income and replacement costs.	We assessed the competence, capabilities and objectivity of management's independent valuers. In addition, we discussed the scope of their work with management and reviewed their terms of engagement to determine that there were no matters that affected their objectivity or imposed scope limitations upon them. We verified that the approaches used were consistent with IFRS and industry norms. With the support of our internal valuation specialists, we evaluated management's judgments, in particular: · The models used by management; and · The significant assumptions including comparable market data, discount rates, capitalisation rates, depreciation rates, rental income and replacement costs. We compared these inputs to market data and entity-specific historical information to confirm the appropriateness of these judgments. Furthermore, we tested a selection of data inputs underpinning the valuation against appropriate supporting documentation to assess the accuracy, reliability and completeness thereof. We have also assessed whether the disclosures are in accordance with the requirements of IFRS 13.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IBL LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (Continued)

Key audit matters	How our audit addressed the key audit matter
Impairment of goodwill	
The Group has goodwill amounting to Rs 1.9 billion at 30 June 2022. Significant judgment is required by management in assessing the impairment of goodwill, which is determined using discounted cash flows for each Cash Generating Units (CGU) for which goodwill has been allocated. Management has disclosed the accounting judgment and estimate used in the above in Notes 3 and 6. The value in use is extremely sensitive to changes in the weighted average cost of capital (WACC) rate and growth rate and significant judgment is involved in the preparation of the cash flow forecasts. Accordingly, the impairment test of goodwill is considered to be a key audit matter.	In evaluating the impairment of goodwill, we reviewed the value in use calculations prepared by management. We performed various procedures, including the following, with the support of our internal valuation specialists: · Reviewed the entity's key controls relating to the preparation of the cash flow forecasts. · Reviewed the inputs used in the cash flow forecast against historical performance and in comparison to the directors' and management's strategic plans. · Compared the growth rates used to historical data regarding economic growth rates in the cash generating units. · Reviewed appropriateness of discount factors used, including any illiquidity and size factors. · Verified the mathematical accuracy of the valuation. · Performed sensitivity analyses on the growth rates and discount rates to evaluate the extent of impact on the value in use of each CGU in line with the requirements of IAS 36 – Impairment of Assets. · Assessed whether the disclosures made in the financial statements are as per the requirements of IFRS.
Retirement benefit obligations	
The Group and the Company operate final salary defined benefit plans and have recognized retirement benefit obligations of Rs 2.2 billion and Rs 834.3 million respectively at 30 June 2022. Management has applied judgment in determining the retirement benefits and has involved an actuary to assist with the IAS 19 provisions and disclosures. Retirement benefit obligations are considered a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the judgment associated with determining the amount of provision. The significant assumptions used in respect of the retirement benefits obligations have been disclosed in Note 24.	We assessed the competence, capabilities and objectivity of management's independent actuaries. The procedures performed included the following: · Assessed and challenged the assumptions that the management made in determining the present value of the liabilities and fair value of plan assets; · Independently recalculated the discount rate used based on the duration of the employee benefit liabilities; · Compared the annual salary increment with historical data; and · Verified the data used by the actuaries with the payroll report for completeness and accuracy. · Assessed whether the disclosures made in the financial statements are as per the requirements of IAS 19.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IBL LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (Continued)

Key audit matters	How our audit addressed the key audit matter
Valuation of unquoted investments	
Fair values of unquoted investments of the Group and the Company amounting to Rs 658.7 million and Rs 22.0 billion respectively are determined by using valuation techniques including third party transaction values, earnings, net asset value or discounted cash flow, whichever is considered to be most appropriate. The disclosures of fair values of unquoted investments have been provided in Notes 11, 12, 13 and 14 to the financial statements. Management has also disclosed the accounting judgments and estimates used for fair valuation in Notes 3 and 37(a) to the financial statements. The valuation exercise, as carried out in the current year, requires that management makes estimates of discount factors and price earnings ratio as applicable to the relevant market. Changes in assumptions about these factors could affect the reported fair values of the unquoted investments and the valuation techniques can be subjective in nature and require significant management estimates. Accordingly the valuation of unquoted investments is considered to be a key audit matter.	In evaluating the fair values of unquoted investments, we reviewed the valuation calculations prepared by management. We assessed the competence, capabilities and objectivity of the valuers and we performed various procedures, with the support of our internal valuation specialists, including the following: · Evaluated the appropriateness of the valuation methodologies and models used to ensure they are properly applied in compliance with IFRS 13 – Fair Value Measurement. · Reviewed the entity's key controls relating to the preparation of the cash flow forecasts. · Reviewed the inputs used in the cash flow forecast against historical performance and in comparison to the directors' and management's strategic plans. · Assessed the reasonableness of the valuation assumptions and tested the underlying source information of the significant valuation assumptions. · Reviewed appropriateness of discount factors used, including any illiquidity, size and lack of control factors. · Verified the mathematical accuracy of the valuation. · Performed sensitivity analyses on the growth rates and discount rates to evaluate the extent of impact on the value in use and the appropriateness of the directors' and management's disclosures. · Assessed whether the disclosures made in the financial statements are as per the requirements of IFRS.

Emphasis of matter – restatement of comparative information

We draw attention to Note 44 to the financial statements which describes the retrospective adjustments to the comparative information presented in the accompanying consolidated and separate financial statements. Consequently, the comparative information in the accompanying consolidated and separate financial statements has been restated as at 30 June 2021 and 1 July 2020 and for the year ended 30 June 2021. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IBL LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Other matter relating to comparative financial information

The consolidated and separate financial statements of the Group and the Company as at and for the year ended 30 June 2021 and 30 June 2020 (from which the consolidated and separate statements of financial position as at 1 July 2020 have been derived), excluding the adjustments described in note 44 to the consolidated and separate financial statements, were audited by another auditor who expressed an unmodified opinion on those financial statements on 30 September 2021 and 3 December 2020 respectively.

As part of our audit of the consolidated and separate financial statements as at and for the year ended 30 June 2022, we also audited the adjustments described in Note 44 that were applied to restate the comparative information presented. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the consolidated and separate financial statements for the year ended 30 June 2021 or 30 June 2020 of the Group and the Company, other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the consolidated and separate financial statements for the years ended 30 June 2021 and 30 June 2020, taken as a whole.

Other information

The Directors are responsible for the other information. The other information comprises the Corporate Governance Report, Statutory disclosures, Certificate from Company Secretary, Risk Management Report as well as other reports which are included in the Annual Report which we obtained prior to the date of this auditor's report. The other information, does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements do not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's and the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IBL LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IBL LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Auditor's responsibilities for the audit of the consolidated and separate financial statements (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless laws or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Mauritius Companies Act 2001
In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Company and its subsidiaries other than in our capacity as auditor;

- we have obtained all information and explanations that we have required; and

- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Financial Reporting Act 2004 – Corporate Governance Report
Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Public Interest Entity has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

Use of this report

This report is made solely to the Company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte

Deloitte
Chartered Accountants
03 November 2022

LLK Ah Hee, FCCA
Licensed by FRC

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

		THE GROUP			THE COMPANY	
	Notes	**2022**	2021 (Restated)	1 July 2020 (Restated)	**2022**	2021
		Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	4	**30,163,221**	29,224,107	28,276,240	**550,463**	582,235
Investment properties	5	**3,356,188**	3,267,618	2,995,741	**–**	–
Intangible assets	6(a)	**2,450,211**	2,430,603	2,146,900	**13,816**	21,364
Land conversion rights	6(b)	**27,198**	25,622	21,937	**–**	–
Deferred tax assets	7	**287,942**	446,649	585,159	**53,608**	48,105
Right of use assets	16(a)	**4,916,237**	4,829,342	5,036,313	**62,273**	73,074
Non-current receivables	17	**80,788**	92,263	44,012	**154,818**	93,111
Retirement benefit obligations allocated to related parties	24	**8,173**	6,798	11,324	**250,400**	231,583
Contract assets	29(b)	**–**	77,600	84,304	**–**	–
Investment in:						
- Subsidiaries	11	**–**	–	–	**24,454,888**	21,314,818
- Associates	12	**10,234,684**	10,180,691	9,472,435	**6,611,217**	6,058,867
- Joint ventures	13	**109,104**	90,950	117,057	**406,932**	382,625
- Other financial assets	14	**978,579**	1,002,060	729,273	**125,221**	102,300
		11,322,367	11,273,701	10,318,765	**31,598,258**	27,858,610
		52,612,325	51,674,303	49,520,695	**32,683,636**	28,908,082
CURRENT ASSETS						
Consumable biological assets	8	**77,086**	54,427	45,776	**–**	–
Inventories	15	**8,077,194**	6,478,658	5,339,661	**1,578,834**	1,188,083
Trade and other receivables	18	**6,104,799**	4,983,767	5,401,235	**1,634,131**	1,484,656
Contract assets	29(b)	**763,745**	802,268	507,256	**–**	–
Gross outstanding claims - Reinsurance assets	9(a)	**1,164,645**	838,134	916,482	**–**	–
General insurance fund - Reinsurance assets	10	**316,870**	266,451	194,669	**–**	–
Current tax assets	26	**53,725**	70,467	72,265	**4,136**	2,000
Other financial assets	14	**256,183**	195,714	179,643	**–**	–
Cash and cash equivalents		**5,848,841**	4,622,354	3,246,736	**603,898**	485,399
		22,663,088	18,312,240	15,903,723	**3,820,999**	3,160,138
Assets classified as held for sale	21	**828,556**	838,519	921,518	**–**	–
TOTAL ASSETS		**76,103,969**	70,825,062	66,345,936	**36,504,635**	32,068,220

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

		THE GROUP			THE COMPANY	
	Notes	**2022**	2021 (Restated)	1 July 2020 (Restated)	**2022**	2021
		Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000
EQUITY AND LIABILITIES						
Stated capital	20(a)	**1,361,941**	1,361,941	1,361,941	**1,361,941**	1,361,941
Revaluation and other reserves		**6,988,087**	6,630,120	6,006,124	**15,087,595**	11,853,881
Retained earnings		**7,593,425**	7,049,184	6,717,470	**5,110,754**	4,938,635
EQUITY ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY		**15,943,453**	15,041,245	14,085,535	**21,560,290**	18,154,457
Restricted redeemable shares	20(b)	**5,000**	5,000	5,000	**5,000**	5,000
Convertible bonds	20(c)	**1,460,283**	744,083	–	**–**	–
Non-controlling interests		**12,180,393**	11,672,133	11,085,491	**–**	–
TOTAL EQUITY		**29,589,129**	27,462,461	25,176,026	**21,565,290**	18,159,457
NON-CURRENT LIABILITIES						
Borrowings	22	**18,125,950**	19,693,517	13,687,142	**8,000,000**	10,084,594
Lease liabilities	16(b)	**4,037,626**	4,031,897	4,179,383	**45,618**	54,856
Retirement benefit obligations	24	**2,243,840**	2,094,096	3,211,779	**834,263**	729,846
Government grants	27	**51,480**	29,864	33,923	**–**	–
Deferred tax liabilities	7	**1,271,484**	1,092,647	1,058,203	**–**	–
Contract liabilities	29(c)	**–**	19,734	–	**–**	–
Other payables	23	**135,769**	134,966	99,701	**84,093**	81,466
		25,866,149	27,096,721	22,270,131	**8,963,974**	10,950,762
CURRENT LIABILITIES						
Borrowings	22	**6,627,119**	4,425,838	7,991,695	**4,242,204**	1,399,141
Lease liabilities	16(b)	**578,499**	554,697	474,087	**22,553**	22,027
Trade and other payables	25	**9,488,813**	8,073,203	7,144,377	**1,680,907**	1,275,813
Other payables	23	**45,047**	29,979	26,932	**27,515**	20,809
Gross outstanding claims	9(a)	**1,819,756**	1,456,836	1,558,839	**–**	–
General insurance fund	10	**504,553**	477,987	455,380	**–**	–
Contract liabilities	29(c)	**891,607**	577,997	494,824	**–**	15,737
Dividend payable	19	**–**	224,474	265,287	**–**	224,474
Current tax liabilities	26	**226,553**	59,024	33,633	**2,192**	–
Government grants	27	**12,163**	12,646	12,869	**–**	–
		20,194,110	15,892,681	18,457,923	**5,975,371**	2,958,001
Liabilities associated with assets classified as held for sale	21	**454,581**	373,199	441,856	**–**	–
TOTAL LIABILITIES		**46,514,840**	43,362,601	41,169,910	**14,939,345**	13,908,763
TOTAL EQUITY AND LIABILITIES		**76,103,969**	70,825,062	66,345,936	**36,504,635**	32,068,220

Approved by the Board of Directors and authorised for issue on 3 November 2022.

Jan Boullé
Chairman of the Board of Directors

Richard Arlove
Director

The notes form an integral part of these financial statements.

The Independent Auditor's report is on pages 208 to 213.

STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2022

		THE GROUP		THE COMPANY	
		2022	2021	**2022**	2021
			(Restated)		
	Notes	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Continuing operations					
Revenue from contracts with customers	29	**43,248,880**	34,182,437	**5,442,503**	4,765,899
Gross insurance premiums		**1,614,142**	1,487,302	**–**	–
Rental income		**87,992**	120,377	**2,964**	2,059
Dividend income		**26,134**	6,020	**825,709**	725,400
Revenue	29	**44,977,148**	35,796,136	**6,271,176**	5,493,358
Cost of sales		**(31,239,760)**	(25,689,102)	**(4,320,857)**	(3,779,105)
Reinsurance premiums ceded		**(1,120,325)**	(966,958)	**–**	–
Release from general insurance fund	10	**23,853**	49,175	**–**	–
Gross profit		**12,640,916**	9,189,251	**1,950,319**	1,714,253
Other income	30	**1,313,439**	1,251,952	**185,015**	204,711
Administrative expenses		**(10,540,522)**	(9,336,848)	**(1,518,400)**	(1,486,310)
Expected credit losses	28(b)	**247,718**	(159,225)	**71,477**	(54,152)
Gross claims paid	9(b)	**(1,057,652)**	(659,716)	**–**	–
Claims recovered from reinsurers	9(b)	**756,052**	299,550	**–**	–
Operating profit	28	**3,359,951**	584,964	**688,411**	378,502
Interest income using the EIR method	31	**63,411**	84,831	**1,394**	13,839
Finance costs	32	**(1,246,481)**	(1,192,935)	**(433,683)**	(360,997)
Other gains and losses	33	**(404,377)**	133,719	**–**	11,711
Share of results of associates	12	**870,570**	731,598	**–**	–
Share of results of joint ventures	13	**34,986**	25,431	**–**	–
Profit before tax		**2,678,060**	367,608	**256,122**	43,055
Tax expense	26	**(736,366)**	(138,895)	**(11,811)**	(31,975)
Profit for the year from continuing operations		**1,941,694**	228,713	**244,311**	11,080
Discontinued operations					
Profit/(loss) for the year from discontinued operations	21	**23,123**	(131,301)	**–**	–
Profit for the year		**1,964,817**	97,412	**244,311**	11,080
Attributable to:					
– Owners of the Company		**1,182,613**	19,557	**244,311**	11,080
– Non-controlling interests		**782,204**	77,855	**–**	–
		1,964,817	97,412	**244,311**	11,080
Earnings per share (Rs)					
Basic and diluted:					
– From continuing and discontinued operations	40	**1.74**	0.03		
– From continuing operations	40	**1.72**	0.25		

The notes form an integral part of these financial statements.

The Independent Auditor's report is on pages 208 to 213.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

		THE GROUP		THE COMPANY	
		2022	2021	**2022**	2021
			(Restated)		
	Notes	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Profit for the year		**1,964,817**	97,412	**244,311**	11,080
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Net gain on equity instruments at FVTOCI	(a)	**41,643**	33,632	**3,643,355**	2,974,330
Revaluation of land and buildings		**549,491**	585,764	**–**	31,726
Deferred tax on revaluation of land and buildings		**(54,303)**	(65,582)	**–**	(5,393)
Remeasurement of retirement benefit obligations		**(127,545)**	1,110,870	**(91,013)**	207,766
Deferred tax on remeasurement of retirement benefit obligations		**23,755**	(177,658)	**17,314**	(35,320)
Remeasurement of retirement benefit obligations – share of associates and joint ventures		**(22,759)**	22,107	**–**	–
Share of OCI of associates – revaluation reserves		**76,272**	–	**–**	–
Share of OCI of associates – fair value		**495**	–	**–**	–
Share of OCI of associates – other reserves		**1,711**	–	**–**	–
		488,760	1,509,133	**3,569,656**	3,173,109
Items that may be reclassified subsequently to profit or loss					
Cash flow hedge movements		**310,882**	(354,081)	**–**	–
Deferred tax on cash flow hedge movements		**(2,043)**	7,583	**–**	–
Exchange differences on translating foreign operations		**(294,885)**	530,290	**–**	–
Other movements in reserves		**–**	(3,425)	**–**	–
Share of OCI of associates – translation reserves		**(110,307)**	216,546	**–**	–
		(96,353)	396,913	**–**	–
Total other comprehensive income		**392,407**	1,906,046	**3,569,656**	3,173,109
Total comprehensive income for the year		**2,357,224**	2,003,458	**3,813,967**	3,184,189
Attributable to:					
Owners of the Company		**1,216,602**	1,277,353	**3,813,967**	3,184,189
Non-controlling interests		**1,140,622**	726,105	**–**	–
		2,357,224	2,003,458	**3,813,967**	3,184,189
Total comprehensive income for the year analysed as follows:					
Continuing operations		**2,357,224**	2,313,388	**3,813,967**	3,184,189
Discontinued operations		**–**	(309,930)	**–**	–
		2,357,224	2,003,458	**3,813,967**	3,184,189

(a) The fair value gain/(loss) is analysed as follows:

		THE GROUP		THE COMPANY	
		2022	2021	**2022**	2021
		Rs'000	Rs'000	**Rs'000**	Rs'000
Subsidiaries	11	**–**	–	**3,067,129**	2,116,201
Associates	12	**–**	–	**542,588**	814,755
Joint ventures	13	**–**	–	**24,307**	63,443
Other financial assets	14	**41,643**	33,632	**9,331**	(20,069)
		41,643	33,632	**3,643,355**	2,974,330

The notes form an integral part of these financial statements.

The Independent Auditor's report is on pages 208 to 213.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

THE GROUP	EQUITY ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY											
	Stated capital	Capital contribution reserve	Revaluation reserves	Currency translation reserves	Fair value reserves	(Note (a)) Other reserves	Retained earnings	Total	Restricted redeemable shares	Convertible bonds	Non-controlling interests	Total equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2020												
– As previously reported	1,361,941	2,382,387	2,730,796	574,732	9,035	375,472	6,624,092	14,058,455	5,000	–	11,097,260	25,160,715
– Effect of prior year restatements (Note 44)	–	–	(44,768)	–	–	(21,530)	93,378	27,080	–	–	(11,769)	15,311
– As restated	1,361,941	2,382,387	2,686,028	574,732	9,035	353,942	6,717,470	14,085,535	5,000	–	11,085,491	25,176,026
Profit for the year	–	–	–	–	–	–	19,557	19,557	–	–	77,855	97,412
Other comprehensive income/(loss) for the year	–	–	331,099	524,978	4,919	(199,376)	596,176	1,257,796	–	–	648,250	1,906,046
Total comprehensive income/(loss) for the year	–	–	331,099	524,978	4,919	(199,376)	615,733	1,277,353	–	–	726,105	2,003,458
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	(257)	(257)
Changes in percentage holding in subsidiaries	–	–	–	–	–	–	(22,344)	(22,344)	–	–	21,444	(900)
Revaluation surplus realised on depreciation	–	–	(5,660)	–	–	–	5,660	–	–	–	–	–
Convertible bonds issued	–	–	–	–	–	–	–	–	–	744,083	–	744,083
Interests on convertible bonds	–	–	–	–	–	–	–	–	–	–	(4,963)	(4,963)
Other movements in reserves and retained earnings	–	–	(166,941)	89,930	126,315	(89,930)	40,626	–	–	–	–	–
Movement in reserves of associated companies	–	–	–	–	(2,579)	11,241	(8,662)	–	–	–	–	–
Shares issued to non-controlling interests	–	–	–	–	–	–	–	–	–	–	182,088	182,088
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(337,775)	(337,775)
Dividends (Note 19)	–	–	–	–	–	–	(299,299)	(299,299)	–	–	–	(299,299)
At 30 June 2021	1,361,941	2,382,387	2,844,526	1,189,640	137,690	75,877	7,049,184	15,041,245	5,000	744,083	11,672,133	27,462,461
At 1 July 2021												
– As previously reported	**1,361,941**	**2,382,387**	**2,744,996**	**1,189,640**	**137,690**	**123,936**	**7,087,865**	**15,028,455**	**5,000**	**744,083**	**11,694,104**	**27,471,642**
– Effect of prior year restatements (Note 44)	**–**	**–**	**99,530**	**–**	**–**	**(48,059)**	**(38,681)**	**12,790**	**–**	**–**	**(21,971)**	**(9,181)**
– As restated	**1,361,941**	**2,382,387**	**2,844,526**	**1,189,640**	**137,690**	**75,877**	**7,049,184**	**15,041,245**	**5,000**	**744,083**	**11,672,133**	**27,462,461**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**1,182,613**	**1,182,613**	**–**	**–**	**782,204**	**1,964,817**
Other comprehensive income/(loss) for the year	**–**	**–**	**275,884**	**(283,930)**	**27,555**	**172,972**	**(158,492)**	**33,989**	**–**	**–**	**358,418**	**392,407**
Total comprehensive income/(loss) for the year	**–**	**–**	**275,884**	**(283,930)**	**27,555**	**172,972**	**1,024,121**	**1,216,602**	**–**	**–**	**1,140,622**	**2,357,224**
Changes in percentage holding in subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**(40,090)**	**(40,090)**	**–**	**–**	**(60,824)**	**(100,914)**
Disposal of subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**19,722**	**19,722**
Transfers between reserves	**–**	**–**	**(8,656)**	**18,452**	**1,352**	**82,600**	**128,316**	**222,064**	**–**	**–**	**(222,064)**	**–**
Other movements in reserves of subsidiaries	**–**	**–**	**71,738**	**–**	**–**	**–**	**(68,445)**	**3,293**	**–**	**–**	**3,377**	**6,670**
Other movements in reserves of associates	**–**	**–**	**–**	**–**	**–**	**–**	**(69,722)**	**(69,722)**	**–**	**–**	**–**	**(69,722)**
Convertible bonds issued	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**716,200**	**–**	**716,200**
Interest on convertible bonds	**–**	**–**	**–**	**–**	**–**	**–**	**(21,805)**	**(21,805)**	**–**	**–**	**(16,808)**	**(38,613)**
Shares issued to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**22,167**	**22,167**
Dividends paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(377,932)**	**(377,932)**
Dividends (Note 19)	**–**	**–**	**–**	**–**	**–**	**–**	**(408,134)**	**(408,134)**	**–**	**–**	**–**	**(408,134)**
At 30 June 2022	**1,361,941**	**2,382,387**	**3,183,492**	**924,162**	**166,597**	**331,449**	**7,593,425**	**15,943,453**	**5,000**	**1,460,283**	**12,180,393**	**29,589,129**

Note (a): Other reserves include cash flow hedge movement, profits transferred from retained earnings for appropriation purpose as well as reserve adjustments following changes in shareholding of subsidiaries without loss of control.

The notes form an integral part of these financial statements.

The Independent Auditor's report is on pages 208 to 213.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

THE COMPANY

	Stated capital	Fair value reserve	Revaluation reserve	Capital contribution reserve	Retained earnings	Equity attributable to ordinary shareholders	Restricted redeemable shares	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2020	1,361,941	3,276,363	193,103	5,383,752	5,054,408	15,269,567	5,000	15,274,567
Profit for the year	–	–	–	–	11,080	11,080	–	11,080
Other comprehensive income for the year	–	2,974,331	26,332	–	172,446	3,173,109	–	3,173,109
Total comprehensive income for the year	–	2,974,331	26,332	–	183,526	3,184,189	–	3,184,189
Dividends (Note 19)	–	–	–	–	(299,299)	(299,299)	–	(299,299)
At 30 June 2021	1,361,941	6,250,694	219,435	5,383,752	4,938,635	18,154,457	5,000	18,159,457
At 1 July 2021	**1,361,941**	**6,250,694**	**219,435**	**5,383,752**	**4,938,635**	**18,154,457**	**5,000**	**18,159,457**
Profit for the year	**–**	**–**	**–**	**–**	**244,311**	**244,311**	**–**	**244,311**
Other comprehensive income for the year	**–**	**3,643,355**	**–**	**–**	**(73,699)**	**3,569,656**	**–**	**3,569,656**
Total comprehensive income for the year	**–**	**3,643,355**	**–**	**–**	**170,612**	**3,813,967**	**–**	**3,813,967**
Transfer of fair value reserves to retained earnings	**–**	**(409,641)**	**–**	**–**	**409,641**	**–**	**–**	**–**
Dividends (Note 19)	**–**	**–**	**–**	**–**	**(408,134)**	**(408,134)**	**–**	**(408,134)**
At 30 June 2022	**1,361,941**	**9,484,408**	**219,435**	**5,383,752**	**5,110,754**	**21,560,290**	**5,000**	**21,565,290**

The notes form an integral part of these financial statements.

The Independent Auditor's report is on pages 208 to 213.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	THE GROUP		THE COMPANY	
	2022	2021 (Restated)	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
OPERATING ACTIVITIES				
Profit before tax from continuing operations	**2,678,060**	367,608	**256,122**	43,055
Profit/(loss) before tax from discontinued operations	**23,123**	(145,810)	**–**	–
Profit before tax	**2,701,183**	221,798	**256,122**	43,055
Adjustments to reconcile profit/(loss) before tax to net cash flows:				
Share of profits from associates	**(870,570)**	(731,598)	**–**	–
Share of profits from joint ventures	**(34,986)**	(25,431)	**–**	–
Depreciation and impairment of property, plant and equipment	**1,771,952**	1,627,502	**43,301**	62,335
Amortisation of intangible assets	**95,218**	92,132	**9,722**	14,138
Depreciation on right of use assets	**581,940**	578,247	**24,528**	22,716
Profit on disposal of property, plant and equipment, intangible assets and investment properties	**(28,496)**	(12,990)	**(493)**	(614)
Assets written off	**124,557**	17,755	**2,538**	4,347
Impairment of property, plant and equipment and right of use assets	**247,620**	83,360	**–**	7,490
Termination of lease	**(3,843)**	(17,776)	**–**	(7,717)
Amortisation of grants	**(21,890)**	(4,801)	**–**	–
Loss on disposal of held for sale assets	**–**	60,888	**–**	–
Impairment of goodwill	**380,747**	23,731	**–**	–
Gain on bargain purchase of associates	**(21,631)**	–	**–**	–
Gain on disposal and winding up of subsidiaries	**(42,939)**	(218,575)	**–**	–
Gain on disposal of associates	**(158,236)**	(59,724)	**–**	–
Impairment loss on associates and joint ventures	**259,942**	51,119	**–**	–
Impairment of held for sale assets	**7,414**	86,452	**–**	–
Exchange differences	**(15,562)**	(166,246)	**(8,019)**	(14,586)
Dividend income	**(26,134)**	(6,020)	**–**	–
Interest income	**(63,411)**	(84,831)	**(1,394)**	(13,839)
Interest expense	**1,258,228**	1,227,629	**433,683**	360,997
Movement in employee benefit liabilities	**9,428**	(2,667)	**(5,413)**	(58,919)
Fair value of investment properties	**(290,279)**	(124,207)	**–**	–
Fair value movement on land conversion rights	**(1,576)**	–	**–**	–
Fair value movement on consumable biological assets	**20,291**	(10,443)	**–**	–
Fair value movement on other financial assets measured at FVTPL	**13,395**	(85,667)	**–**	(3,500)
Expected credit losses on other financial assets and financial guarantee contracts	**(127,256)**	125,310	**(38,107)**	40,000
Release from general insurance fund	**(23,853)**	(49,175)	**–**	–
	5,741,253	2,595,772	**716,468**	455,903
Working capital adjustments:				
Movement in consumable biological assets	**(42,950)**	1,792	**–**	–
Movement in inventories	**(1,893,456)**	(940,962)	**(390,751)**	(226,645)
Movement in non-current loan receivables	**11,475**	(142,330)	**(86,582)**	(7,195)
Movement in contract assets	**116,123**	(287,177)	**–**	–
Movement in trade and other receivables	**(980,002)**	877,414	**(111,463)**	(556,653)
Movement in net insurance claims	**36,409**	(23,655)	**–**	–
Movement in trade and other payables	**1,599,139**	889,322	**415,470**	(200,694)
Movement in contract liabilities	**290,930**	122,023	**(15,737)**	15,737
CASH GENERATED FROM/(USED IN) OPERATIONS	**4,878,921**	3,092,199	**527,405**	(519,547)
Interest paid	**(1,213,688)**	(1,160,414)	**(430,219)**	(328,153)
Tax paid, net of refund	**(222,898)**	(220,787)	**56**	(1,624)
NET CASH FLOW GENERATED FROM/(USED IN) OPERATING ACTIVITIES	**3,442,335**	1,710,998	**97,242**	(849,324)

The notes form an integral part of these financial statements.

The Independent Auditor's report is on pages 208 to 213.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	THE GROUP		THE COMPANY	
	2022	2021 (Restated)	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
NET CASH FLOW GENERATED FROM/(USED IN) OPERATING ACTIVITIES	**3,442,335**	1,710,998	**97,242**	(849,324)
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	**(2,663,917)**	(2,591,009)	**(73,343)**	(29,245)
Purchase of intangible assets	**(127,702)**	(107,198)	**(4,744)**	(1,377)
Purchase of investment properties	**(97,984)**	(30,054)	**–**	–
Purchase of right of use assets	**(38,887)**	(82,106)	**–**	–
Proceeds from sale of property, plant and equipment, investment properties and intangible assets	**373,657**	520,648	**62,842**	1,418
Proceeds from sale of investments	**289,714**	306,824	**–**	3,500
Acquisition of investments	**(423,691)**	(551,076)	**(71,418)**	(268,854)
Net cash outflow on acquisition of subsidiaries (Note 38(a))	**(271,781)**	(109,432)	**–**	(199,327)
Net cash inflow on disposal and winding up of subsidiaries (Note 38(b))	**15,490**	280,049	**–**	–
Dividend received from associated companies and joint ventures	**382,031**	–	**–**	–
Dividend received	**26,134**	6,020	**–**	–
Interest received	**63,411**	84,831	**1,394**	13,839
NET CASH FLOW USED IN INVESTING ACTIVITIES	**(2,473,525)**	(2,272,503)	**(85,269)**	(480,046)
FINANCING ACTIVITIES				
Net movement in borrowings	**163,824**	3,467,311	**(84,594)**	2,708,837
Repayment of lease liabilities	**(575,243)**	(430,150)	**(26,374)**	(21,613)
Convertible bonds issued	**716,200**	744,083	**–**	–
Interests on convertible bonds	**(38,613)**	(4,963)	**–**	–
Shares issued to non-controlling shareholders	**22,167**	182,088	**–**	–
Dividend paid to non-controlling shareholders	**(242,263)**	(329,984)	**–**	–
Dividend paid to owners of the Company	**(632,608)**	(340,112)	**(632,608)**	(340,112)
NET CASH FLOW (USED IN)/GENERATED FROM FINANCING ACTIVITIES	**(586,536)**	3,288,273	**(743,576)**	2,347,112
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**382,274**	2,726,768	**(731,603)**	1,017,742
NET FOREIGN EXCHANGE DIFFERENCE	**81,063**	65,962	**8,019**	14,586
CASH AND CASH EQUIVALENTS AT 1 JULY	**2,391,230**	(401,500)	**(880,898)**	(1,913,226)
CASH AND CASH EQUIVALENTS AT 30 JUNE	**2,854,567**	2,391,230	**(1,604,482)**	(880,898)
Represented by:				
Cash and cash equivalents	**5,848,841**	4,622,354	**603,898**	485,399
Bank overdrafts (Note 22)	**(3,117,094)**	(2,375,651)	**(2,208,380)**	(1,366,297)
Cash and equivalents attributable to assets classified as held for sale (Note 21)	**122,820**	144,527	**–**	–
	2,854,567	2,391,230	**(1,604,482)**	(880,898)

The notes form an integral part of these financial statements.

The Independent Auditor's report is on pages 208 to 213.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. CORPORATE INFORMATION

IBL Ltd (the "Company") is a public company incorporated in Mauritius and its main activities are that of investment holding and trading in consumables and healthcare products. Its registered office and principal place of business is situated on the 4th, Floor, IBL House, Caudan Waterfront, Port Louis, Mauritius.

IBL Ltd as a group (the "Group") has investments in subsidiaries, associates and joint ventures spanning over 9 clusters namely Agro and Energy, Building and Engineering, Commercial and Distribution, Financial Services, Hospitality and Services, Life and Technologies, Logistics, Property and Seafood. The Company is listed on the official market of the Stock Exchange of Mauritius and has a global presence in more than 20 countries.

2(A). APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

In the current year, the Group and the Company have applied all of the new and revised Standard and Interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 01 July 2021.

New and revised IFRSs that are effective for the current year

The following relevant revised Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for the current and prior periods but may affect the accounting treatment for future transactions or arrangements.

IFRS 4 Insurance Contracts — Amendments regarding replacement issues in the context of the IBOR reform

IFRS 7 Financial Instruments: Disclosures — Amendments regarding replacement issues in the context of the IBOR reform

IFRS 9 Financial Instruments — Amendments regarding replacement issues in the context of the IBOR reform

IFRS 16 Leases — Amendments to extend the exemption from assessing whether a COVID-19 related rent concession is a lease modification

IFRS 16 Leases — Amendments regarding replacement issues in the context of the IBOR reform

The adoption of the amendments had no impact on the financial performance and financial position of the Group and the Company.

New and revised IFRSs and IFRICs in issue but not yet effective

IAS 1 Presentation of Financial Statements - Amendments regarding classification of liabilities (effective 01 January 2023)

IAS 1 Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies (effective 01 January 2023)

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates (effective 01 January 2023)

IAS 12 Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations (effective 01 January 2023)

IAS 16 Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use (effective 01 January 2022)

IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous (effective 01 January 2022)

IFRS 3 Business Combinations - Amendments updating a reference to the Conceptual Framework (effective 01 January 2022)

IFRS 9 Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018 - 2020 (fees in the '10 per cent' test for derecognition of financial liabilities) (effective 01 January 2022)

IFRS 17 Insurance Contracts - Original issue (effective 01 January 2023)

IFRS 17 Insurance Contracts - Amendments regarding the initial application of IFRS 17 and IFRS 9

The directors anticipate that these amendments will be adopted in the financial statements for the annual periods beginning on the respective dates as indicated above. The directors have not yet had an opportunity to consider the potential impact of the adoption of these amendments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and complied with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

The financial statements have been prepared on a historical cost basis, except for:

- land and buildings which are carried at revalued amounts;
- investment properties which are carried at fair value;
- investments at FVTPL and FVOCI;
- biological assets except for bearer plants which are stated at fair value less estimated point of sale costs.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The separate and the consolidated financial statements are presented in Mauritian rupees and all values are rounded to the nearest thousand (Rs'000) except when otherwise indicated.

Going concern

The Company is the holding company of subsidiaries, associates and joint ventures spanning over 9 clusters namely Agro and Energy, Building and Engineering, Commercial and Distribution, Financial Services, Hospitality and Services, Life and Technologies, Logistics, Property and Seafood.

The directors and management have made an assessment of the Group's and the Company's ability to continue as a going concern and are satisfied that the Group and the Company have the resources to continue in business for the foreseeable future. Furthermore, directors and management are not aware of any material uncertainties that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern. Hence, the financial statements continue to be prepared on the going concern basis.

When making that assessment, the directors and management have taken into consideration the existing and longer term effects of the COVID-19 pandemic on the Group's and the Company's activities and their ability to post profitable results and positive cashflows for the year ended 30 June 2022. The directors will continue to monitor the impact of the situation on the Group and the Company.

Russia-Ukraine War

The geopolitical situation in Eastern Europe intensified in February 2022, with Russia's invasion of Ukraine, which is still ongoing as at reporting date. The war between the two countries continues to evolve as military activity proceeds and additional sanctions are imposed. The economic impact of the war depends on several variables that are difficult to predict.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (Continued)

Going concern (Continued)

Russia-Ukraine War (Continued)

Although the Group and the Company do not have any direct operations in Russia or Ukraine, the war has caused supply-chain disruptions for some raw materials, freight, and increased transportation delays. The respective management of the entities within the Group are following the situation and are applying rigorous demand planning of materials with increased stock level where necessary to mitigate this risk. They are also developing back-up suppliers for raw and packaging materials with a specific focus on geographical risks.

The Directors and management conclude that there are no material uncertainties on the Group's and the Company's activities resulting from the impact of the Russia-Ukraine geopolitical conflicts.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June each year. The Company controls an entity when it has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use its power to affect those returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that the decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated on consolidation.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Business combinations

Acquisition method

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values, (at the date of exchange), of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. Contingent consideration that is classified as an asset or liability is remeasured at subsequently reporting dates in accordance with IFRS 9 Financial Instruments, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss in accordance with IFRS 9. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if those interests were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if the results in the non-controlling interests have a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Business combinations (Continued)

Acquisition method (Continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date. The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

Business combination under common control

A business combination involving entities or businesses in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination is considered as business combination under common control.

In case of any acquisitions which meet the criteria of business combinations under common control the assets and liabilities are recorded at their previous carrying values and the difference between the purchase consideration and share of net assets transferred are accounted for as an adjustment to equity as common control reserve in the retained earnings.

(d) Investment in subsidiaries

In the Company's financial statements, investment in subsidiaries are measured at fair value and are classified as financial assets at FVTOCI under IFRS 9. The gains and losses in fair value are recognised in other comprehensive income and accumulated under the heading of fair value reserves.

(e) Investment in associates and joint ventures

Associates are entities in which the Company or the Group has significant influence but which are neither a subsidiary nor a joint venture of the Company or the Group. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about relevant activities require unanimous consent of the parties sharing joint control.

Financial statements of the Company

Investment in associates and joint ventures are measured at fair value and are classified as financial assets at FVTOCI under IFRS 9. The gains and losses in fair value are recognised in other comprehensive income and accumulated under the heading of fair value reserves.

Financial statements of the Group

The policy for the equity method of accounting described below is specific to the consolidated financial statements.

Equity method of accounting

The results and assets and liabilities of associates and joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates and joint ventures are initially carried in the consolidated statement of financial position at cost and adjusted for post-acquisition changes in the Group's share of the profit or loss and other comprehensive income of the associates and joint ventures. Losses of an associate or joint venture in excess of the Group's interest in that associate or joint venture (which includes any long-term interests, that in substance, form part of the Group's net investment in the associate and joint venture) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Investment in associates and joint ventures (Continued)

Equity method of accounting (Continued)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or joint venture at the date of equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the Group reduces its ownership in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or joint venture of the Group, profits or losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term assets interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

The accounting policies of the associates and joint ventures are in line with those used by the Group.

(f) Foreign currency translation

Functional and presentation currency

The individual financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Mauritian rupees, which is the presentation currency for the consolidated financial statements.

Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated into the entity's functional currency at the rates of exchange prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Foreign currency translation (Continued)

Transactions and balances (Continued)

Exchange differences are recognised in profit or loss in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- Exchange differences on transactions entered into to hedge certain foreign currency risks.
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

Group companies

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Mauritian rupee using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. The exchange differences arising from translation of the foreign operations are recognised in other comprehensive income and accumulated in equity (Currency translation reserve) and attributed to non-controlling interests as appropriate.

On the disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of the associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income and accumulated in equity.

(g) Property, plant and equipment

Subsequent to the initial recognition at cost, land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity (1 to 4 years) to ensure that the fair value of a revalued asset does not differ materially from its carrying amount at the reporting date.

Any revaluation surplus is credited in other comprehensive income and accumulated in equity to the property revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss in which case the increase is recognised in profit or loss to the extent of the decrease previously charged. A revaluation deficit is recognised in profit or loss, to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or retirement of a revalued property, the revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Other plant and equipment are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Property, plant and equipment (Continued)

Depreciation is calculated on the straight-line method to write off the cost of assets, or the revalued amounts, to their estimated residual values over their estimated useful life as follows:

Buildings	– 1% – 10% p.a.
Plant and equipment	– 1% – 33.3% p.a.
Motor vehicles	– 6.7% – 25% p.a.
Office furniture and equipment	– 5% – 33.3% p.a.
Computer and security equipment	– 14.3% – 50% p.a.
Containers	– 10% – 20% p.a.

Land and assets in progress are not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss in the year the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

(h) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in the profit or loss in the period in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Right of use assets

The Group recognises right of use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Subsequent to initial recognition, the right of use assets meeting the definition of investment property are recognised as part investment property and measured using the fair value model as per the provision of IAS 40. Gains and losses arising from changes in the fair value of right of use assets are included in profit and loss in the period in which they arise, including the corresponding tax effect.

(i) Intangible assets

(i) Goodwill

Goodwill arising in a business combination is recognised as an asset at cost as established at the date that control is acquired (the acquisition date) less any accumulated impairment losses, if any. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Intangible assets (Continued)

(i) Goodwill (Continued)

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the related amount of goodwill is included in the determination of the profit or loss on disposal. The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described in Note 2B(e).

(ii) Other intangible assets

Other intangible assets include trademarks, computer software and land conversion rights. Intangible assets acquired separately are measured on initial recognition at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised but are recognised as expenses in the period in which they are incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year-end with the effect of any changes in estimate being accounted for on a prospective basis. The intangible assets are amortised over a period of 2 to 10 years.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised.

(j) Impairment of non-financial assets excluding goodwill

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Land conversion rights

Land conversion rights are in relation to the reform of the Sugar Industry in the years 2000, which necessitated redundancy payments in the form of cash and serviced land, as well as capital expenditure for capacity expansion and optimisation. These capital expenditure investments and expenses have been financed by debt. To assist the repayment of these debts, Government granted a tax exemption to the Sugar Industry when converting agricultural land into residential land in the form of Land Conversion Rights ("LCRs"). These LCRs are granted by the Mauritius Cane Industry Authority (MCIA) based on the qualifying costs incurred by an entity. An LCR is recognised as a non-current asset and is initially measured at fair value at the date on which the Company is entitled to receive those rights, that is when there is reasonable assurance that the LCR will be received and all the attached conditions will be complied with. LCRs are derecognised upon disposal (i.e. the date the recipient obtains control) or use for converting agricultural land into residential land for land projects. Any gain or loss on derecognition of the LCR is included in profit or loss.

LCRs are tested annually for impairment. When the carrying amount of the asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. LCRs are derecognised upon disposal (i.e. the date the recipient obtains control), used internally for converting agricultural land into residential land for land projects or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the LCR is included in profit or loss.

(l) Financial instruments

Financial assets and financial liabilities are recognised in an entity's statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, an entity may make the following irrevocable election / designation at initial recognition of a financial asset:

- The entity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- The entity may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Financial instruments (Continued)

Financial assets (Continued)

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

(ii) Equity instruments designated as at FVTOCI

On initial recognition, the Group and the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Finance income - Other' line item in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (ii) above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group and the Company designate an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (ii) above).
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group and the Company have not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Financial instruments (Continued)

Financial assets (Continued)

(iii) Financial assets at FVTPL (Continued)

The Group and the Company have designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition of IFRS 9. Held for trading financial assets or financial assets that do not meet the SPPI test are measured at FVTPL. All other financial assets are measured at amortised costs.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investment revaluation reserve.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above).
- The amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Impairment of financial assets

The Group and the Company recognise a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI and trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group and the Company apply the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all investments in debt instruments and loans, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

For all the other financial instruments, the Group and the Company recognise lifetime ECL until they are derecognised due to short-term nature of the receivables and have been assessed to have credit risk other than low.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

i. Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, an entity compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the entity considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

ii. Definition of default

The Group and the Company consider a financial asset in default when contractual payments are past due for a period ranging from 90 to 360 days depending on the business environment in which each entity operates. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the entity.

iii. Write off policy

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Financial assets written off may still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

iv. Recognition of expected credit losses

The Group and the Company recognise an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognise its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Group and the Company have elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Financial instruments (Continued)

Financial liabilities and equity (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

Convertible bonds

Convertible bonds that are convertible at a fixed amount of cash for a fixed number of equity shares are classified as equity on initial recognition based on the subscription proceeds received, net of transactions costs and is not subsequently remeasured. Interests payable on the bonds are recognised directly in retained earnings in statement of changes in equity.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

The Group and the Company do not have any financial liabilities that are measured at FVTPL.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The Group and the Company measured all their financial liabilities at amortised cost.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial instruments (Continued)

Derivative financial instrument

The Group and the Company enter into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group and the Company have both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host - with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand alone derivative.

Derivatives embedded in hybrid contracts with a financial asset host within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

If the hybrid contract is a quoted financial liability, instead of separating the embedded derivative, the Group and the Company generally designate the whole hybrid contract at FVTPL.

An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

(m) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

(n) Client monies

The term "client money" is used to describe a variety of arrangement in which the Group holds funds on behalf of clients. Client money should be recognised as an asset, and an associated liability, if the general definition of an asset as per the Conceptual Framework for Financial Reporting is met. The Conceptual Framework for Financial Reporting defines an asset as "a present economic resource controlled by the entity as a result of past events", with an economic resource being defined as "a right that has the potential to produce economic benefits". If both conditions apply, the client money should be recognised as an asset of the reporting entity.

(o) Cash and cash equivalents

Cash comprises cash at bank and in hand and demand deposits or deposits with an original maturity of three months or less net of bank overdrafts. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory. Purchase cost is calculated on a weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(q) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that the Group and the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(r) Leases

The Group and the Company as lessee

An entity assesses at contract inception whether a contract is, or contains, a lease. The entity recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the entity recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- The amount expected to be payable by the lessee under residual value guarantees.
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options.
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Leases (Continued)

The Group and the Company as lessee (Continued)

An entity remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever an entity incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

· Land & Buildings	7 to 60 years
· Plant and equipment	5 to 10 years
· Motor vehicles	5 to 7 years
· Office furniture and computer equipment	1 to 5 years

If ownership of the leased asset transfers to the entity at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are presented as a separate line in the statement of financial position.

An entity applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of non-financial assets' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'administrative expenses' in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The lease contracts do not have lease and non-lease components and hence the Group and the Company have not used this practical expedient.

The Group as a lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which an entity is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Group has only operating lease contracts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Leases (Continued)

The Group as a lessor (Continued)

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(s) Taxation

The income tax expense represents the current tax provision and the movement in deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where an entity operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The principal temporary differences arise from depreciation on property, plant and equipment, revaluations of certain non-current assets, tax losses carried forward and on retirement benefit obligations.

Deferred income tax liabilities are recognised for all taxable temporary differences and deferred income tax assets are recognised for all deductible temporary differences, to the extent that it is probable that sufficient taxable profit will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recorded if the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Corporate Social Responsibility ("CSR")

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax recognised in the profit or loss and the income tax liability on the statement of financial position.

The CSR charge for the current year is measured at the amount expected to be paid to the Mauritian tax authorities. The CSR rate and laws used to compute the amount are those charged or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Retirement benefit obligations

Defined contribution schemes

Payments to defined contribution retirement plans are charged as an expense when employees have rendered service entitling them to the contributions.

Defined benefit schemes

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period.

Remeasurement, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Net interest expense or income.
- Remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item administrative expenses. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the statements of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Other retirement benefits

The present value of other retirement benefits as provided under The Worker's Rights Act 2019 is recognised in the statement of financial position as a non-current liability and is not funded. The recognition and presentation of the components of the retirement gratuities are similar to the defined benefit plan (as above).

State plan

Contributions to the National Pension Scheme are expensed to profit or loss in the period in which they fall due.

(u) Revenue recognition

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the entity expects to be entitled in exchange for transferring promised goods or services to a customer, net of taxes, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. Revenue recognised are net of Value Added Taxes and other taxes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Revenue recognition (Continued)

The Group and the Company recognise revenue from the following major sources:

Building and Engineering

- Revenue from construction contracts as well as mechanical, electrical and plumbing (MEP)
- Revenue from interior design including manufacture and sale of furniture
- Supply and installation of air conditioners and elevators
- Construction and repairs of ships and sale of related parts
- Sale of building materials and manufactures aggregates, rocksand, concrete blocks and other construction materials for resale
- Sale of various concrete building components including decorative items, agricultural products and garden accessories

The Group has mid to long term contracts with customers in relation to revenue from construction and MEP contracts, interior design, manufacture and sale of furniture including installation of air conditioners and elevators as well as repairs of ships. Construction contracts involving engineering services comprise multiple deliverables which are highly integrated and are therefore recognised as a single performance obligation. Under the terms of these contracts, the Group creates or enhances the assets that the customer controls and has an enforceable right to payment for work done.

Revenues from these contracts are therefore recognised over time on an input method, i.e. based on cost incurred to date (excluding costs incurred but do not depict the progress towards completion), Management considers this method to be an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

The Group becomes entitled to invoice customers for the above based on achieving a series of performance-related milestones. When a particular milestone is reached the customer is sent a relevant statement of work signed by a third-party assessor and an invoice for the related milestone payment. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the input cost method, then the Group recognises a contract liability for the difference. This is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue under the input method and the milestone payment is always less than one year. Advance received are included in contract liabilities.

Revenue from maintenance, repairs and after sale service contracts are considered as distinct services and are invoiced separately for each service provided. Revenue from these are recognised over time when the services have been provided.

Receivables are recognised by the Group when the goods and services are delivered to the customers as this represent the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Commercial and Distribution

- Processing and sale of beverages (predominantly for local sale)
- Sale of fast-moving consumer products (wholesale)
- Sale of fast-moving consumer products (operate chain of supermarkets)
- Sale of pharmaceutical products and equipment (wholesale and export)
- Sale of pharmaceutical products (operate chain of pharmacies)
- Sale of printing equipment and related consumables
- Supply and installation of heavy machineries and generators
- Sale of parts for electro diesel and hydraulic equipment
- Sale of agrochemical products, detergents and fire-retardant products
- Supply and installation of irrigation equipment
- Sale of electrical accessories, parts, power tools, furniture and water pumps
- Rental of handling equipment
- Servicing and maintenance services including after sales service

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Revenue recognition (Continued)

Commercial and Distribution (Continued)

Revenue on consumer, printing and pharmaceutical products is recognised when control of the goods has been transferred, being when the products are delivered and accepted by the customers i.e. at a point in time. For wholesale, the customers have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products.

Sale of equipment, parts and other products are made directly to customers and revenue is recognised by the Group at a point in time when control of the goods has been transferred to the customers, i.e. delivered and accepted by the customers. Where installation service is not considered to be perfunctory to the sale of the equipment, a separate performance obligation is identified for the installation service and the Group allocate the transaction price based on the relative stand alone selling prices of the equipment and installation services. Revenue is recognised upon completion of installation.

Revenue from maintenance, repairs and after sale service contracts are considered as distinct services and are invoiced separately for each service provided. Revenue from these are recognised over time when the services have been provided.

For exports, revenue is recognised when control of the goods has been transferred to the customers. In majority of the cases, this condition is met when the goods are loaded on the ship and customer receives the bill of lading (delivery). In certain cases, revenue is recognised when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has primary responsibility when onselling the goods and bears all the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered, as this represents the point in time at which the right to consideration becomes unconditional, because only passage of time is required before payment is due.

Some of the products are often sold with retrospective volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the selling price net of the estimate volume discounts. The estimate for volume discount is based on the most likely amount method.

There is no right of return policy on the sale of some equipment. Warranty granted on the equipment are assurance type warranty and are accounted in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The Group and the Company have trade agreements with some of its customers where cash payments are made to them in order to have their products prominently displayed (slotting fees) and for co-operative advertising (advertising by the customers of the company's products). The consideration payable to a customer is accounted for as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity.

Logistics

- Revenue from shipping and aviation services
- Revenue from warehousing and related services
- Freight forwarding and custom clearing service
- Transport services - transport of cargo and passengers
- Travel related services - corporate and leisure

Revenue for providing these services is recognised in the period in which the services are rendered. Each service is considered as distinct and represent a performance obligation and price for each service are agreed with customers and defined in respective contracts.

A receivable is recognised when the services are rendered, as this represents the point in time at which the right to consideration becomes unconditional, because only passage of time is required before payment is due.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Revenue recognition (Continued)

Logistics (Continued)

For some contracts relating to freight forwarding and transport services, the Group has determined whether the nature of its promise is a performance obligation to provide the specified services itself (i.e. it is acting as a principal) or to arrange for those services to be provided by other party (i.e. it is acting as an agent). Main factors considered are control over fulfilling the promise to provide the specified service and discretion over establishing the pricing. The revenue contracts in relation to freight forwarding include factors indicating that the Group acts as either principal or agent depending on nature of promise and revenue has been recognised as either gross or net wherever applicable. With respect to transport services for passengers, the Group has determined that it is acting as principal and revenue has been recognised as gross.

Seafood

- Manufacturing and sale of seafood and associated products (predominantly for export)
- Handling and storage of seafood products

Revenue is recognised when control of the goods has been transferred, being when the products are delivered and accepted by the customers i.e. at a point in time. The customers have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products.

For exports, revenue is recognised when control of the goods has been transferred to the customers. In majority of the cases, this condition is met when the goods are loaded on the ship and customer receives the bill of lading (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has primary responsibility when selling the goods and bears all the risks of obsolescence and loss in relation to the goods.

Revenue from providing handling services for seafood products is recognised in the period in which the services are rendered.

A receivable is recognised when the goods and services are delivered, as this represents the point in time at which the right to consideration becomes unconditional, because only passage of time is required before payment is due.

There is no right of return policy on the sale of goods.

Financial Services

- Management services to local corporates and global business (include secretarial, human resource, information technology and other related services)
- Treasury management and related services
- Income from insurance contracts and insurance premiums

Revenue for providing these services is recognised in the period in which the services are rendered. Each service is considered as distinct and represent a performance obligation and price for each service are agreed with customers and defined in respective contracts.

A receivable is recognised when the services are rendered, as this represents the point in time at which the right to consideration becomes unconditional, because only passage of time is required before payment is due.

Revenue arising from insurance contracts falls under IFRS 4. Insurance contracts are those contracts that transfer significant insurance risk at the inception of the contract. Such contracts remain insurance contracts until all rights and obligations are extinguished or expired. Gross premiums (including the marine business) on general business are earned on a pro-rata basis over the term of the policy coverage. The movement on the provision for unearned premiums is transferred to the general insurance fund based on the 1/24th method. Premiums are shown gross of commission.

Property

- Rental income and related services
- Property development and management services

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Revenue recognition (Continued)

Property (Continued)

Rental income from utilisation of investment properties are recognised on straight line basis over the tenure of the lease – refer to accounting policy on leases.

Revenue from property management services is recognised in the period in which the services are rendered. Each service is considered as distinct and represent a performance obligation and price for each service are agreed with customers and defined in respective contracts.

A receivable is recognised when the services are rendered, as this represents the point in time at which the right to consideration becomes unconditional, because only passage of time is required before payment is due.

Hospitality and Services

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer.

The main streams of revenue are as follows:

- Room revenue is recognised when performance obligation performed, i.e. once the guests check-in at the hotel premises. Revenue is recognised daily.
- Food & Beverages revenue is generated from packaged sales (e.g. half boards, full boards or All-inclusive) or through direct sales at the restaurants or bars. Packaged sales are recognised as revenue daily when it is probable that the future economic benefits will flow to the entity and those benefits can be measured reliably, i.e., upon consumption.
- Revenue recognised in other operating departments include the provision of services such as laundry, spa and boutique sales. The Group acts as an agent from time to time (e.g. for diving, big game fishing, horse riding, etc.). In an agency relationship, the gross inflows of economic benefits include amounts collected on behalf of the principal and which do not result on increases in equity for the entity. The amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of commission.
- Management fees are recognised on an accrual basis.

Life and Technologies

Revenue is segregated as follows:

- Revenue from cosmetics trials;
- Revenue from pharmaceutical trials.

Cosmetics trials are divided into 3 classes following their deliverables:

1) Sun Protection Factor (SPF) trials - The SPF trials are studies that last for 1-day to 1-week. There is only 1 deliverable for such trials which is sending of results to clients. Hence, revenue will be recognized at the end of the trials.

2) Standard trials - The standard trials are studies that last for 1-week to 1-month. There are 2 key deliverables for such trials which are signature of protocol and sending of report. Hence, revenue will be recognized when the protocol is signed and when the report is sent to the clients.

3) Long-term trials - The long-term trials are studies that last for 1-month or more. For such studies the deliverables are mentioned in the quotation. Below is an illustration of the deliverable for a long-term study:

  - Reception of Purchase Order - 25% of Study Cost
  - Inclusion of all subjects - 25% of Study Cost
  - Last visit of the last subject - 40% of Study Cost
  - Final report - 10% of Study Cost

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Revenue recognition (Continued)

Hence, revenue will be recognized as and when the above milestones are achieved.

Pharma trials are long-term studies that last for 1-year to 5-years. The study quotation is divided in 2 parts:

- Conduct of study costs (Clinical Monitoring / Site Management & Quality Assurance units)
- Pass-through costs incurred

For Pharma trials the revenue of the conduct of study is recognized on an equal monthly basis over a specified time period since the tasks are repetitive. Revenue relating to pass-through are recognized as and when costs are incurred.

Other income

Other income earned are recognised on the following basis:

Interest income – as it accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividend income – when the shareholder's right to receive payment is established.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to the accounting policies of financial assets in section 2B(l)(i).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(v) Biological assets

(i) Bearer biological assets

Bearer biological assets comprising of sugar cane ratoons and plantation costs are capitalised and amortised over the period during which the Group expects to benefit from the asset, usually seven years.

(ii) Consumable biological assets

Consumable biological assets represent standing cane and plants and are stated at fair value. The fair value is measured as the expected net cash flows from the sale of the cane and plants discounted at the relevant market determined pre-tax rate.

(w) Related parties

Related parties include individuals and companies where the individual or company has the ability directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Affiliates are related parties of the company which cannot be considered as parent or subsidiary as defined by IAS 27, as associate and joint venture as defined by IAS 28, or as key management personnel as defined by IAS 24.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

(y) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of the assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to profit or loss in the period in which they are incurred.

(z) Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Hedge accounting (Continued)

The Group currently has only cash flow hedges which are accounted for as follows:

- The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while any ineffective portion is recognised immediately in profit or loss.
- Amounts taken to other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.
- If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognised in other comprehensive income are transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in other comprehensive income remains separately in equity until the forecast transaction or firm commitment affects profit or loss.

(aa) Share based payment

Some executives of the Group receive remuneration in the form of share-based payments which is cash-settled. For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

(ab) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

Government Wage Assistance Scheme (commonly referred to as COVID-19 levy payable)

The Group and the Company applied for the Government Wage Assistance Scheme ('GWAS') during the year due. The GWAS is an economic measure by the Government of Mauritius to provide a wage subsidy to employers as a response to the COVID -19 pandemic and to ensure that all employees are duly paid their salary. Grants in respect of wages obtained under the wage assistance scheme are accounted for in the statement of profit or loss in the period to which the wages relate. Repayment of the grant (COVID-19 Levy) is contingent on the chargeable income of the entity over the current and next years and is recognised as a levy repayable to the tax authorities and accounted in trade and other payables (Note 25).

(ac) Fair value measurement

The Group and the Company measure its financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ac) Fair value measurement (Continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(ad) General Insurance Fund

The provision for unearned premiums represents that part of the written premiums on short-term insurance contracts, gross of commission payable to intermediaries, that is estimated to be earned in subsequent periods. Unearned premiums are computed on 1/24th method. The change in the provision is recorded in the statement of profit or loss and other comprehensive income to recognise revenue over the period of the risk. The provision is transferred to or released to the General Insurance Fund. The provision is derecognised when the contract expires, is discharged or cancelled.

(ae) Outstanding claims

Outstanding claims represent the estimated liability for claims reported plus losses incurred but not yet reported and the related loss adjustment expenses. Claims and loss adjustment expenses are charged to the statement of profit or loss and other comprehensive income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claim settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Company. The liability for losses and loss adjustment expenses is determined using "case basis" evaluations and statistical analysis and represents an estimate of the ultimate cost of all losses incurred but not paid at the end of the reporting period. Although considerable variability is inherent in such estimates, management believes that the liability for unpaid losses and loss adjustment expenses is adequate. These estimates are continually reviewed and adjusted as necessary, such adjustments are reflected in current operations.

(af) Salvage and subrogation reimbursements

Some insurance contracts permit the company to sell property acquired in settling a claim (i.e. Salvage). The Company may also have the right to sue third parties for payment of some or all the costs incurred (i.e. subrogation). Estimate of salvage recoveries are included as allowance in the measurement of the insurance liability for claims, and salvage property is recognised in other assets when the liability is settled.

(ag) Reinsurance

The Group enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outwards reinsurance premiums are accounted for in the same period as the related premiums for the direct or inwards reinsurance business being reinsured.

Reinsurance liabilities comprise premiums payable for outwards reinsurance contracts and are recognised as an expense when due.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ag) Reinsurance (Continued)

Reinsurance assets include balances due from reinsurance companies for paid and unpaid losses. Reinsurance assets are measured consistently with the amounts associated with the underlying insurance or investment contracts and in accordance with the terms of the reinsurance contract. Reinsurance is recorded as an asset unless a right of set-off exists, in which case the associated liabilities are reduced to take into account of reinsurance.

Reinsurance assets are subject to impairment testing and the carrying amount is reduced to its recoverable amount. The impairment loss is recognised in the statement of profit or loss and other comprehensive income. The asset is impaired if objective evidence is available to suggest that it is probable that the Group will not be able to collect the amounts due from reinsurers.

Gains and losses on buying reinsurance are recognised in income at the date of purchase and are not amortised.

(ah) Liability adequacy

At the end of each reporting period the Company performs a liability adequacy test on its insurance liabilities to ensure that the carrying value is adequate, using current estimates of future cash flows (including claims handling and related costs), taking into account the relevant investment return. If that assessment shows that the carrying amount of the liabilities is inadequate, any deficiency is recognised as an expense to the statement of profit or loss and other comprehensive income by recognising an additional liability for claims provisions or recognising a provision for unexpired risks.

(ai) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification

The Group classifies all other liabilities as non-current.

(aj) WIIV Loyalty Programme

The Group has a customer loyalty programme whereby customers are awarded with reward credits (loyalty points) which are effectively used as cash back against future purchases. Loyalty points granted to customers participating in the loyalty programme provide rights to customers that need to be accounted for as a separate performance obligation.

The fair value of the consideration received under loyalty programme is allocated between the sale of goods supplied and the loyalty points granted. The consideration allocated to the loyalty points is measured by reference to their relative stand alone selling price which is calculated as the amount for which the loyalty points could be separately sold, adjusted for an expected forfeiture rate. Such consideration is not recognised as turnover at the time of the sales transaction but is recognised as a deferred revenue liability until the loyalty points have been redeemed or forfeited. The likelihood of redemption, based on management's judgment of expected redemption rates, is reviewed on a regular basis and any adjustments to the deferred revenue liability is recognised in turnover.

(ak) Comparative figures

Where necessary, comparative figures have been restated or reclassified to conform to the current year's presentation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgment in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgments and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Judgments

In the process of applying the Group's and the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Determination of functional currency of the group entities

As described in Note 2(B)(f), the determination of the functional currency of each group entity is critical since the way in which every transaction is recorded and whether exchange differences arise are dependent on the functional currency selected. In making this judgment, the directors and management have considered the currencies in which revenue is received, the currency of the country whose competitive forces and regulations matter, the currencies in which labour, material and other costs are settled, the currencies in which the funds from financing activities are generated and the currency in which receipts from operating activities are usually retained. The directors and management have determined that the functional currency of the Company as well as that of most subsidiaries is the Mauritian rupee, except for the foreign subsidiaries.

Classification as subsidiaries

The Group considers certain entities over which it controls less than 50% of the voting rights as subsidiaries. The remaining ownership interests of these entities, where most of them are listed on the Stock Exchange of Mauritius, are held by several widely dispersed shareholders not related to the Group. The directors and management have assessed whether or not the Group has control over these entities based on whether the Group has the practical ability to direct the relevant activities.

In making their judgment, the directors and management considered the Group's absolute size of holding and the relative size and dispersion of the shareholdings owned by the other investors. After assessment, the directors and management concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities and therefore has control over these entities.

With respect to one of the subsidiaries where the Company has less than 50% shareholding and thus voting rights, based on the contractual arrangements between the Company and the other investors, the Company has the power to appoint and remove the majority of the board of directors that has the power to direct the relevant activities of the entity. Therefore, the directors and management concluded that the Company has the practical ability to direct the relevant activities and thus has control over the entity. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group and the Company determine the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured and how the risks affecting the performance are managed. Monitoring is part of the Group's and the Company's continuous assessment of whether the business model for which the financial assets are held continues to be appropriate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

Leases

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable period (12 months). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Property lease classification - Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is determined based on the higher of its fair value less cost to sell and value in use, calculated on the basis of management's assumptions and estimates. Changing the key assumptions, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the value-in-use calculations.

Impairment of goodwill

As described in Note 6, the Group determines whether goodwill is impaired on an annual basis. This requires an estimation of the 'value in use' of the cash generating units to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

In relation to Note 7 in the notes to the financial statement, deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The directors have made an assessment and believe that the deferred tax assets are recoverable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

Estimates and assumptions (Continued)

Retirement benefit obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include a selection of discount rate.

The Group and the Company determine the appropriate discount rate at the end of each year. The Nelson Siegel model has been used to derive a yield curve and to extrapolate the discount rates at the corresponding duration for this year's exercise for the Group and the Company. Other key assumptions for pension obligations are based in part on current market conditions. The mortality rate is based on publicly available mortality tables and will change only at intervals in response to demographic changes.

These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Group's and the Company's financial statements within the next year. Further information on the carrying amounts of the Group's and the Company's defined benefit obligation and the sensitivity of those amounts to changes in discount rate are provided in Note 24.

Property valuation

The Group measures land and buildings and investment properties at fair value based on periodic valuations by external independent valuers and as estimated by the directors and management based on reference to their knowledge on the current market evidence of transaction prices for similar properties. In arriving at the valuation, assumptions and economic estimates have to be made. The actual results could differ from their estimates and the directors and management consider they have used their best estimates to arrive at fair value of the properties. Reference is made to Notes 4 and 5 in the note to the financial statements.

Fair value of unquoted investments

Where there is no active market, the fair values of unquoted investments have been determined using valuation techniques including comparisons to similar recent transactions, reference to price earnings ratios of similar quoted investments, discounted cash flow and other valuation models. Such valuation exercises require that the Group makes estimates of future cash flows, discount rates and price earnings ratio as applicable to the relevant markets.

Provision for expected credit losses

The Group and the Company use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns as disclosed in Note 18. The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. Refer to Note 18 for more details.

In relation to ECLs for financial assets at amortised cost provided in Note 14, the Group and the Company determine credit rating of the corporate bonds and deposits to determine their probability of default by reference to the country rating. The Group and the Company also determine that there has been no significant increase in credit risk since initial recognition of the instruments since these assets are held with reputable banking institutions and listed entities and there has been no history of event of default.

In relation to the Company's loans and advances receivable from related parties, these are mainly repayable on demand and where the related companies do not have unrestricted cash at reporting date to repay the debts, management has determined expected credit losses based on future cash flows on the basis that the entities will continue to operate. The main assumption used in determining the cash flows is the discount rate and growth rate and any change in the assumption will change the estimated credit loss.

When measuring ECL, the Group and the Company use reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the entity would expect to receive, taking into account cash flows from credit enhancements.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

Estimates and assumptions (Continued)

Insurance contracts

The uncertainty inherent in the financial statements arise mainly in respect of insurance liabilities, which include outstanding claims provision (including IBNR). In addition to the inherent uncertainty when estimating liabilities, there is also uncertainty as regards the eventual outcome of claims. As a result, the Group applies estimation techniques to determine the appropriate provisions.

These estimates are described below.

The estimation of the ultimate liability arising from the claims made under insurance contracts is one of the Group's most important accounting estimates. There are sources of uncertainty that need to be considered in the estimate of the liability that the Group will eventually pay for such claims. Estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not reported ("IBNR") at the reporting date. The Group uses a range of actuarial methodologies to estimate these provisions. Liabilities for unpaid reported claims are estimated using the input of assessments for individual cases reported to the Group and management estimates based on past claims settlement trends for the claims incurred but not reported. General insurance loss reserves require significant judgment relating to factors and assumptions such as inflation, claims development patterns and regulatory changes.

Specifically, long-tail lines of business, which often have low frequency, high severity claims settlements, are generally more difficult to project and subject to greater uncertainties than short-tail, high frequency claims. Further, not all catastrophic events can be modelled using actuarial methodologies, which increases the degree of judgment needed in estimating general insurance loss reserves. At each reporting date, prior year claims estimates are reassessed for adequacy and changes are made to the provision.

The Group adopts multiple techniques to estimate the required level of provisions, thereby setting a range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and risks involved.

Recoverable amount on insurance and other receivables

In preparing those consolidated financial statements, the directors have made estimates of the recoverable amounts of insurance and other receivables and impaired those receivables where the carrying amounts exceeded recoverable amounts. The estimation of recoverable amounts involves an assessment of the financial condition of the debtors concerned and estimate of the timing and the extent of cash flows likely to be received by the Group.

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities in Note 16. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand alone credit rating).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

4. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Land and buildings	Infrastructure production	Plant and equipment	Motor vehicles	Office furniture and equipment	Computer and security equipment	Containers	Assets in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST/VALUATION									
At 01 July 2020									
– As previously reported	21,024,962	1,625,693	11,570,150	839,925	2,849,797	818,942	320,930	1,130,731	40,181,130
– Effect of prior year restatements (Note 44)	(79,363)	–	–	–	–	–	–	–	(79,363)
– As restated	20,945,599	1,625,693	11,570,150	839,925	2,849,797	818,942	320,930	1,130,731	40,101,767
Reclassification (Note (i))	(322,263)	–	369,008	(6,540)	(53,312)	13,107	–	–	–
Additions	208,490	23,105	434,986	39,449	208,255	57,107	74,710	1,540,777	2,586,879
Disposals	(9,222)	(1,629)	(240,882)	(104,997)	(81,696)	(69,109)	–	–	(507,535)
Write offs	(48,251)	–	(246,484)	(3,926)	(43,830)	(10,136)	–	–	(352,627)
Impairment of assets (Notes (ii) and 33)	(3,139)	–	(10,110)	–	–	–	–	–	(13,249)
Revaluation adjustments	432,379	(81,646)	88,746	–	–	–	–	–	439,479
Transfer from/(to) right of use assets (Note 16)	–	–	3,539	(9,227)	–	–	–	–	(5,688)
Transfer (to)/from investment properties (Note 5)	(458,307)	–	(5,870)	–	9,294	–	–	–	(454,883)
Transfer from intangible assets (Note 6)	–	–	–	–	–	110	–	–	110
Transfer from inventories	–	–	1,661	–	–	–	–	–	1,661
Transfer from/(to) assets in progress	52,244	–	181,290	–	6,200	674	–	(240,408)	–
Transfer to assets classified as held for sale	(597,563)	–	(403,174)	(5,546)	(15,030)	(6,831)	–	–	(1,028,144)
Acquisition of subsidiaries (Note 38(a))	–	–	3,357	–	375	234	–	–	3,966
Disposal of subsidiaries	–	–	(41,638)	(109)	(16,756)	(7,981)	–	–	(66,484)
Translation differences	499,483	202,854	252,110	11,898	42,862	17,082	–	8,595	1,034,884
At 30 June 2021	20,699,450	1,768,377	11,956,689	760,927	2,906,159	813,199	395,640	2,439,695	41,740,136
At 01 July 2021									
– As previously reported	20,778,813	1,768,377	11,956,689	760,927	2,906,159	813,199	395,640	2,908,996	42,288,800
– Effect of prior year restatements (Note 44)	(79,363)	–	–	–	–	–	–	(469,301)	(548,664)
– As restated	20,699,450	1,768,377	11,956,689	760,927	2,906,159	813,199	395,640	2,439,695	41,740,136
Reclassification (Note (i))	682,156	–	(660,344)	5,510	(36,222)	70,583	(61,683)	–	–
Additions	325,850	678	774,704	114,117	279,809	98,749	148,677	969,557	2,712,141
Disposals	(9,024)	–	(182,682)	(59,397)	(87,112)	(28,059)	(12,681)	–	(378,955)
Write offs	(17,483)	–	(333,334)	(16,151)	(84,691)	(3,767)	–	–	(455,426)
Impairment of assets (Notes (ii) and 33)	(211,830)	–	–	–	–	–	–	–	(211,830)
Revaluation adjustments	(78,528)	–	–	–	–	–	–	–	(78,528)
Transfer from right of use asset (Note 16)	–	–	18,652	24,614	–	–	–	–	43,266
Transfer from/(to) investment properties (Note 5)	510,702	–	–	–	–	–	–	(17,777)	492,925
Transfer to intangible assets (Note 6)	–	–	–	–	–	(7,499)	–	(1,407)	(8,906)
Transfer to inventories	(12,819)	–	(816)	–	–	–	–	–	(13,635)
Transfer from/(to) assets in progress	1,861,206	–	494,026	–	239,962	39,746	–	(2,634,940)	–
Transfer to assets classified as held for sale (Note 21)	(1,097,464)	–	(276,242)	(12,383)	(27,725)	(16,345)	–	–	(1,430,159)
Acquisition of subsidiaries (Note 38(a))	82,017	–	77,842	9,398	11,005	4,370	–	22,705	207,337
Translation differences	(107,979)	(150,426)	(143,117)	(2,375)	(5,558)	(2,009)	–	(42,531)	(453,995)
At 30 June 2022	**22,626,254**	**1,618,629**	**11,725,378**	**824,260**	**3,195,627**	**968,968**	**469,953**	**735,302**	**42,164,371**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE GROUP	Land and buildings	Infrastructure production	Plant and equipment	Motor vehicles	Office furniture and equipment	Computer and security equipment	Containers	Assets in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
DEPRECIATION AND IMPAIRMENT									
At 01 July 2020	893,493	224,363	7,609,715	569,244	1,727,830	667,206	133,676	–	11,825,527
Charge for the year	458,893	25,934	662,343	57,053	269,425	79,638	62,734	–	1,616,020
Disposals	(2,011)	(604)	(224,743)	(98,299)	(77,718)	(6,043)	(61,683)	–	(471,101)
Write offs	(48,452)	–	(276,093)	(1,870)	(596)	(10,022)	–	–	(337,033)
Revaluation adjustments	72,111	(218,396)	–	–	–	–	–	–	(146,285)
Transfer from intangible assets (Note 6)	–	–	–	–	–	110	–	–	110
Transfer to assets classified as held for sale	(68,184)	–	(194,893)	(5,427)	(14,562)	(4,077)	–	–	(287,143)
Reclassification (Note (i))	(61,393)	–	63,244	(4,536)	(2,230)	4,915	–	–	–
Disposal of subsidiaries	–	–	(10,658)	(109)	(4,068)	(2,456)	–	–	(17,291)
Transfer (to)/from investment properties (Note 5)	(41,659)	–	(2,498)	–	10,378	–	–	–	(33,779)
Translation differences	144,307	16,463	153,647	10,727	25,679	16,181		–	367,004
At 30 June 2021	1,347,105	47,760	7,780,064	526,783	1,934,138	745,452	134,727	–	12,516,029
At 01 July 2021	**1,347,105**	**47,760**	**7,780,064**	**526,783**	**1,934,138**	**745,452**	**134,727**	**–**	**12,516,029**
Charge for the year	**617,984**	**(15,666)**	**699,693**	**69,627**	**233,541**	**82,677**	**78,242**	**–**	**1,766,098**
Disposals	**(14,057)**	**–**	**(40,482)**	**(30,330)**	**(79,808)**	**(8,110)**	**(12,513)**	**–**	**(185,300)**
Write offs	**(891)**	**–**	**(309,510)**	**(15,404)**	**(5,159)**	**(3,582)**	**–**	**–**	**(334,546)**
Revaluation adjustments	**(628,019)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(628,019)**
Transfer from right of use assets (Note 16)	**–**	**–**	**6,780**	**15,497**	**–**	**–**	**–**	**–**	**22,277**
Transfer to assets classified as held for sale (Note 21)	**(668,258)**	**–**	**(238,237)**	**(9,544)**	**(21,066)**	**(16,303)**	**–**	**–**	**(953,408)**
Reclassification (Note (i))	**62,079**	**–**	**(61,571)**	**–**	**(7,059)**	**6,551**	**–**	**–**	**–**
Transfer to investment properties (Note 5)	**(4,300)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(4,300)**
Translation differences	**(105,798)**	**–**	**(85,925)**	**(3,342)**	**(1,944)**	**(672)**	**–**	**–**	**(197,681)**
At 30 June 2022	**605,845**	**32,094**	**7,750,812**	**553,287**	**2,052,643**	**806,013**	**200,456**	**–**	**12,001,150**
NET BOOK VALUE									
At 30 June 2022	**22,020,409**	**1,586,535**	**3,974,566**	**270,973**	**1,142,984**	**162,955**	**269,497**	**735,302**	**30,163,221**
At 30 June 2021 (Restated)	19,352,345	1,720,617	4,176,625	234,144	972,021	67,747	260,913	2,439,695	29,224,107
At 01 July 2020 (Restated)	20,052,106	1,401,330	3,960,435	270,681	1,121,967	151,736	187,254	1,130,731	28,276,240

(i) The Directors have reviewed the classification of certain assets and as a result, reclassification adjustments were made between land and buildings, plant and equipment, motor vehicles, office furniture and equipment, computer and security equipment and containers. This had no impact on the useful lives and residual values as initially estimated upon recognition.

(ii) During the year ended 30 June 2022, one of the subsidiaries has recognised an impairment loss on property, plant and equipment following a reassessment of the assets. During the year ended 30 June 2021, an impairment loss of Rs 99 million was provided on land and buildings and plant and equipment due to prevailing market conditions. The recoverable amount of land and buildings and plant and equipment amounted to Rs 58 million and Rs 80 million respectively. The land and buildings have been transferred to assets held for sale in 2021.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE COMPANY	Land and buildings	Plant and equipment	Motor vehicles	Office furniture and equipment	Computer and security equipment	Assets in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST/VALUATION							
At 01 July 2020	523,806	77,262	38,712	233,746	80,848	–	954,374
Additions	634	10,314	536	7,141	10,619	–	29,244
Disposals	–	–	(4,046)	(828)	(1,527)	–	(6,401)
Revaluation adjustments	349	–	–	–	–	–	349
Write offs	(48,077)	(3,998)	–	(4,416)	(9,455)	–	(65,946)
Reclassification	–	–	–	565	(565)	–	–
At 30 June 2021	476,712	83,578	35,202	236,208	79,920	–	911,620
At 01 July 2021	476,712	83,578	35,202	236,208	79,920	–	911,620
Additions	42,824	5,331	412	6,899	12,470	5,407	73,343
Disposals	–	(18,386)	(5,009)	(47,541)	(5,864)	–	(76,800)
Transfer from right of use assets (Note 16)	–	–	2,671	–	–	–	2,671
Reclassification	–	–	–	(581)	581	–	–
At 30 June 2022	519,536	70,523	33,276	194,985	87,107	5,407	910,834
DEPRECIATION							
At 01 July 2020	78,356	51,003	33,092	143,245	60,149	–	365,845
Charge for the year	9,418	8,670	1,565	30,866	11,816	–	62,335
Disposals	–	–	(3,995)	(519)	(1,305)	–	(5,819)
Revaluation adjustments	(31,377)	–	–	–	–	–	(31,377)
Write offs	(48,077)	(3,998)	–	(70)	(9,454)	–	(61,599)
At 30 June 2021	8,320	55,675	30,662	173,522	61,206	–	329,385
At 01 July 2021	8,320	55,675	30,662	173,522	61,206	–	329,385
Charge for the year	52,304	(6,908)	2,085	(15,842)	11,662	–	43,301
Disposals	–	(3,110)	(4,538)	(625)	(6,209)	–	(14,482)
Transfer from right of use assets (Note 16)	–	–	2,167	–	–	–	2,167
At 30 June 2022	60,624	45,657	30,376	157,055	66,659	–	360,371
NET BOOK VALUE							
At 30 June 2022	458,912	24,866	2,900	37,930	20,448	5,407	550,463
At 30 June 2021	468,392	27,903	4,540	62,686	18,714	–	582,235

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Historical cost of revalued land and buildings:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Cost	13,534,649	13,208,121	280,846	238,022
Accumulated depreciation	(4,169,802)	(3,899,109)	(79,825)	(64,700)
Net book value	9,364,847	9,309,012	201,021	173,322

The Group's and Company's freehold land and buildings as well as buildings on leasehold land are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements were performed in accordance with the 'RICS Valuation Standards' by accredited independent valuers namely Elevante Property Services Ltd, CBRE Excellente CRES (PTY) Ltd, Noor Dilmahomed & Associates, Ramiah-Isabel Consultancy Ltd, CDDS Ltd and Galtier Valuation. The valuers have the appropriate qualifications and experience in the fair value measurements of properties in the relevant locations.

Land and buildings leased to subsidiaries within the Group are valued on an annual basis while the remaining properties are valued every 3 to 4 years unless there is evidence that the fair value of the assets differs materially from the carrying amount. The valuation of these properties was performed as at 30 June between 2020 and 2022.

The fair value of the land and buildings has been assessed on the basis of its market value, being the estimated amount for which the property could be exchanged between knowledgeable willing parties in an arm's length transaction and taking into account the current market conditions and similar transactions undertaken in recent years. In arriving at the market value, the sales comparison approach has been used for the land, which is based on recent transactions for similiar properties, and the depreciated replacement cost approach has been used for the buildings (including production infrastructure) which estimates the value by computing the current cost of replacing a property less any depreciation resulting from physical, functional and economic obsolescence factors. Land and buildings that are leased have been fair valued using the income approach by reference to the capitalisation rate on net operating income or based on discounted cash flows, the highest and best use of the properties being their current use. The revaluation surplus was credited to revaluation reserves.

The significant inputs used are as follows:

Valuation methodology	Significant unobservable inputs	Relationship to fair value
Sale comparison approach	Estimated price per square meter	A higher price will result in higher fair value and vice versa
Depreciated replacement cost approach	Replacement/Construction cost per square meter	A higher cost will result in higher fair value and vice versa
	Depreciation rate	A higher depreciation rate will result in lower fair value and vice versa
Income approach (Discounted cash flows and income capitalisation approach)	Rental income	Higher rental income projections will result in higher fair value and vice versa
	Discount rate	A higher discount rate will result in lower fair value and vice versa
	Capitalisation rate	A higher capitalisation rate will result in lower fair value and vice versa

The significant unobservable inputs vary from property to property based on the location and use by each entity within the Group.

There has been no change to the valuation technique during the year.

Management and the directors have estimated that the carrying values of land and buildings approximate their fair values at 30 June 2021 and 2022.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Borrowing costs capitalised during the year is Rs 20.1 million (2021: Rs 27.6 million).

Borrowings are secured by fixed and floating charges on the property, plant and equipment of the Group and the Company.

(c) Details of the Group's and the Company's land and buildings measured at fair value and information about the fair value hierarchy as at 30 June are as follows:

THE GROUP	Level 3
	Rs'000
2022	
Land and buildings	**22,020,409**
Infrastructure production	**1,586,535**
	23,606,944
2021	
Land and buildings	19,352,345
Infrastructure production	1,720,617
	21,072,962
THE COMPANY	
2022	
Land and buildings	**458,912**
2021	
Land and buildings	468,392

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

5. INVESTMENT PROPERTIES

	THE GROUP	
	2022	2021 Restated
	Rs'000	Rs'000
At 1 July		
– As previously reported	**3,123,499**	2,857,422
– Effect of prior year restatements (Note 44)	**144,119**	138,319
– As restated	**3,267,618**	2,995,741
Additions	**87,007**	30,053
Transfer (to)/from property, plant and equipment (Note 4)	**(497,225)**	421,104
Assets in progress	**10,977**	–
Transfer from/(to) inventories	**295,270**	(218,269)
Transfer from right of use assets	**–**	2,063
Disposals	**(66,238)**	(87,281)
Lease termination	**(31,500)**	–
Fair value movement	**290,279**	124,207
At 30 June	**3,356,188**	3,267,618
Rental income	**85,297**	100,740
Direct operating expenses:		
– generating rental income	**42,562**	30,113
– did not generate income	**18,380**	11,672

The fair value of investment properties has been arrived at on the basis of valuations performed by accredited independent valuers, namely Elevante Property Services Ltd, CBRE Excellente CRES (PTY) Ltd, Noor Dilmahomed & Associates, Ramiah-Isabel Consultancy Ltd and CDDS Ltd. The fair valuation exercise was carried out at 30 June 2022 in accordance with the 'RICS Valuation Standards'.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. The valuations were based on market economic conditions and active market prices existing at the reporting date, adjusted for any difference in the nature, location or condition of the specific property.

The fair value is determined on open market value using the income approach (discounted cash flows) for rented properties, sales comparison approach for bare land as well as depreciation replacement cost approach for some buildings. Where the income approach is used, the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The sales comparison approach is by reference to market evidence of transaction prices for similar properties on an arm's length term while the depreciated replacement cost approach estimates the value by computing the current cost of replacing a property less any depreciation resulting from physical, functional and economic obsolescence factors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

5. INVESTMENT PROPERTIES (CONTINUED)

The significant inputs used are as follows:

Valuation methodology	Significant unobservable inputs	Relationship to fair value
Sale comparison approach	Estimated price per square meter	A higher price will result in higher fair value and vice versa
Depreciated replacement cost approach	Replacement/Construction cost per square meter	A higher cost will result in higher fair value and vice versa
	Depreciation rate	A higher depreciation rate will result in lower fair value and vice versa
Income approach (Discounted cash flows and income capitalisation approach)	Rental income	Higher rental income projections will result in higher fair value and vice versa
	Discount rate	A higher discount rate will result in lower fair value and vice versa
	Capitalisation rate	A higher capitalisation rate will result in lower fair value and vice versa

The significant inputs vary from property to property based on the location and use by each entity within the Group.

There has been no change to the valuation technique during the year.

Management and the directors have estimated that the carrying values of the investment properties approximate their fair values at 30 June 2021 and 2022.

(a) Banking facilities of some subsidiaries have been secured by charges on their investment properties.

(b) Details of the Group's investment properties measured at fair value and information about the fair value hierarchy as at 30 June are as follows:

THE GROUP	Level 3
	Rs'000
2022	
Investment properties	**3,356,188**
2021	
Investment properties	3,267,618

(c) The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

6(a). INTANGIBLE ASSETS

THE GROUP	Goodwill	Leasehold rights	Computer software	Others	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
At 01 July 2020	2,997,342	60,182	718,658	227,140	4,003,322
Additions	243,103	–	74,571	4,807	322,481
Disposals	–	–	(1,090)	–	(1,090)
Write offs	–	–	(64)	–	(64)
Transfer to right of use asset (Note 16)	–	(60,919)	–	–	(60,919)
Transfer to property, plant and equipment (Note 4)	–	–	(110)	–	(110)
Transfer to assets classified as held for sale	–	–	(4,774)	–	(4,774)
Opening balance of subsidiaries acquired (Note 38(a))	11,065	–	217	–	11,282
Disposal of subsidiaries	–	–	(5,374)	–	(5,374)
Assets in progress	–	–	24,135	–	24,135
Exchange differences	102,344	737	3,736	487	107,304
At 30 June 2021	3,353,854	–	809,905	232,434	4,396,193
At 01 July 2021	**3,353,854**	**–**	**809,905**	**232,434**	**4,396,193**
Additions	**340,716**	**–**	**94,496**	**17,504**	**452,716**
Disposals	**–**	**–**	**(12,769)**	**(1,774)**	**(14,543)**
Write offs	**–**	**–**	**(7,854)**	**(13,152)**	**(21,006)**
Transfer from property, plant and equipment (Note 4)	**–**	**–**	**8,906**	**–**	**8,906**
Transfer to assets classified as held for sale (Note 21)	**–**	**–**	**(3,097)**	**–**	**(3,097)**
Acquisition of subsidiaries (Note 38(a))	–	**–**	**2,294**	**81,465**	**83,759**
Assets in progress	**–**	**–**	**15,702**	**–**	**15,702**
Exchange differences	**(52,434)**	**–**	**(3,004)**	**(2,366)**	**(57,804)**
At 30 June 2022	**3,642,136**	**–**	**904,579**	**314,111**	**4,860,826**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

6(a). INTANGIBLE ASSETS (CONTINUED)

THE GROUP	Goodwill	Leasehold rights	Computer software	Others	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
AMORTISATION / IMPAIRMENT					
At 01 July 2020	1,354,887	2,869	467,903	30,763	1,856,422
Charge for the year	–	–	91,436	587	92,023
Disposals	–	–	(933)	–	(933)
Write offs	–	–	(9)	–	(9)
Impairment loss	23,731	–	–	2,106	25,837
Reclassification	(179)	–	179	–	–
Transfer to right of use asset (Note 16)	–	(2,869)	–	–	(2,869)
Transfer to property, plant and equipment (Note 4)	–	–	(110)	–	(110)
Transfer to assets classified as held for sale	–	–	(4,389)	–	(4,389)
Disposal of subsidiaries	–	–	(3,934)	–	(3,934)
Exchange differences		–	3,376	176	3,552
At 30 June 2021	1,378,439	–	553,519	33,632	1,965,590
At 01 July 2021	**1,378,439**	**–**	**553,519**	**33,632**	**1,965,590**
Charge for the year	**–**	**–**	**91,708**	**3,373**	**95,081**
Disposals	**–**	**–**	**(7,843)**	**(1,196)**	**(9,039)**
Write offs	**–**	**–**	**(4,177)**	**(13,152)**	**(17,329)**
Impairment loss	**380,747**	**–**	**–**	**–**	**380,747**
Transfer to assets classified as held for sale (Note 21)	**–**	**–**	**(1,974)**	**–**	**(1,974)**
Exchange differences	**–**	**–**	**(2,287)**	**(174)**	**(2,461)**
At 30 June 2022	**1,759,186**	**–**	**628,946**	**22,483**	**2,410,615**
NET BOOK VALUE					
At 30 June 2022	**1,882,950**	**–**	**275,633**	**291,628**	**2,450,211**
At 30 June 2021	1,975,415	–	256,386	198,802	2,430,603

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

6(a). INTANGIBLE ASSETS (CONTINUED)

THE COMPANY	Computer software	Total
	Rs'000	Rs'000
COST		
At 01 July 2020	116,349	116,349
Additions	1,377	1,377
Disposals	(1,090)	(1,090)
At 30 June 2021	116,636	116,636
At 01 July 2021	**116,636**	**116,636**
Additions	**4,744**	**4,744**
Write off	**(4,913)**	**(4,913)**
Disposals	**(171)**	**(171)**
At 30 June 2022	**116,296**	**116,296**
AMORTISATION		
At 01 July 2020	82,067	82,067
Charge for the year	14,138	14,138
Disposals	(933)	(933)
At 30 June 2021	95,272	95,272
At 01 July 2021	**95,272**	**95,272**
Charge for the year	**9,722**	**9,722**
Write off	**(2,375)**	**(2,375)**
Disposals	**(139)**	**(139)**
At 30 June 2022	**102,480**	**102,480**
NET BOOK VALUE		
At 30 June 2022	**13,816**	**13,816**
At 30 June 2021	21,364	21,364

Intangible assets included under "Others" at Group level consist of rights to publishing titles, trademarks, development costs, licences, customer relationships and brands.

The Directors have considered the relevant factors in determining the useful life of the trademarks. As there is no foreseeable limit to the period over which these are expected to generate net cash inflows for the Group, the trademarks have been assessed as having an indefinite useful life.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

6(a). INTANGIBLE ASSETS (CONTINUED)

Goodwill acquired through business combinations have indefinite lives and have been allocated to the following cash generating units for impairment testing in the following clusters:

	Carrying value	
	2022	2021
	Rs'000	Rs'000
Building & Engineering	**11,763**	29,656
Commercial & Distribution	**680,360**	742,874
Financial Services	**232,742**	262,784
Logistics	**12,606**	12,606
Corporate Services	**32,096**	32,096
Hospitality & Services	**792,442**	784,235
Life & Technologies	**120,941**	111,164
	1,882,950	1,975,415

Overall, the recoverable amounts of these cash generating units (CGU) have been determined based on their value in use calculation and fair value less cost to sell where applicable using cash flow projections based on financial budgets established by management. The pre-tax discount rates applied to cash flow projections vary and the growth rates have been explained below. The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry and the ability of each cash generating unit to at least maintain its market share.

The Group assesses goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

Impairment loss of goodwill amounting to Rs 380.7 million (2021: Rs 23.7 million) is attributable to the cash generating units of Building & Engineering and Financial Services to reflect the loss in value of the CGU. This was done for the non-operating and loss-making units. The impairment loss is recognised in the statement of profit or loss. While the recoverable amount for the clusters has been determined based on their value-in-use, that of the hospitality cluster is based on the fair value less cost to sell.

The directors have reviewed the carrying values of goodwill at 30 June 2022 and are of the opinion that no additional impairment losses need to be recognised. Based on the weightage of the CGUs on the total amount of goodwill, the following clusters have been analysed:

Commercial & Distribution

Camp Investment Company Limited

In the commercial cluster, the recoverable amounts of trademarks and goodwill of Edena S.A. and its subsidiaries (Edena Group), located in Reunion Island, have been determined based on their value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a period of five years. Value-in-use was determined by discounting the future cash flows generated from the continuing use of trademarks and the CGU of Edena Group respectively using a pre-tax discount rate. Discount rates used represent the current market assessment of the risk specific to a cash generating unit taking into consideration the time value of money and the weighted average cost of capital (WACC).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

6(a). INTANGIBLE ASSETS (CONTINUED)

The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry and the ability of trademarks and Edena Group to at least maintain their respective market share. The assumptions used for the value-in-use calculations are as follows:

- cash flows were projected based on actual operating results extrapolated using an annual growth rate of 4% (2021: 4%) for a period of five years;
- cash flows after the five years period were extrapolated using a perpetual growth rate of 2% (2021: 2%) in order to calculate the terminal recoverable amount.

The discount rate calculation is based on the specific circumstances of Edena Group and is derived from its weighted average cost of capital (WACC) of 7.63% (2021: 6.11%). The WACC used for trademarks is 6.65% (2021: 5.12%). The WACC takes into account both debt and equity. The directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount of trademarks and goodwill of Edena Group to exceed their aggregate recoverable amount.

As a result of the above analysis, the directors are satisfied that there are no indication of impairment of goodwill of Edena S.A for the year ended 30 June 2022.

Hospitality & Services

Lux Island Resorts Ltd ("LIR")

LIR has not recognised any impairment on goodwill for the year ended 30 June 2022 (2021: Rs 23.7m). The impairment recognised during the year ended 30 June 2021 resulted from the downward medium-term trading expectations due to the current economic environment which has been exacerbated by the global COVID-19 pandemic.

The recoverable amount of each CGU has been determined based on their fair value less cost to sell. The post-tax cash flow projection is based on financial budgets approved by management covering a five-year period. The post-tax discount rate applied represents the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of LIR and its operating segments and is derived from its weighted average cost of capital (WACC) which ranges between 10.76% to 13.80% (2021: 10.30% to 12.30%) for the various entities of LIR. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the LIR's investors. The cost of debt is based on the interest-bearing borrowings LIR is obliged to service.

The growth rates used are consistent with the industry in which each CGU operates. A terminal growth rate of 3.30% to 4% (2021: 3%) has been assumed in the calculation except for Oceanide Ltd where no terminal growth rate has been used as impairment has been calculated up to the termination of the lease period.

An occupancy rate ranging from 71% to 80% was used in the cash flow projections (2021: 50% to 80%).

The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry and the ability of each cash generating unit to at least maintain its market share.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

6(a). INTANGIBLE ASSETS (CONTINUED)

Building & Engineering

The United Basalt Products Limited ("UBP")

UBP exercised its first right of refusal in the acquisition of Pre-Mixed Concrete Ltd after considering the CGU's synergies to the UBP Group. However, the purchase price agreed and paid is significantly higher than the net asset value of the CGU at the acquisition date. The directors have consequently determined to write off the goodwill directly related to Pre-Mixed Concrete Ltd as the goodwill will not be sustained in future years. No other write-down of the assets of Pre-Mixed Concrete Ltd is considered necessary. Management has determined the value-in-use based on the five-year cash flow projections using discount rates ranging from 14.45% to 15.54%. Impairment losses amounting to Rs 340.7 million (2021: nil) are attributable to the cash generating units of Pre-Mixed Concrete Ltd to reflect the loss in value of the CGU.

Life & Technologies

IBL Life Ltd

The recoverable amount of CIDP Holding Ltd has been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry and the ability of CIDP Holding Ltd to at least maintain their respective market share. Moreover, a terminal growth rate of 3% (2021: 3%) was used to calculate the terminal recoverable amount, which is consistent with the long-term average growth rate for the life and technologies industry.

The discount rate calculation is based on the specific circumstances of CIDP Holding Ltd and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The pre-tax discount rate applied to cash flow projections is 17.06% (2021: 16.97%). The directors are satisfied that there is no indication of impairment of goodwill for the year ended 30 June 2022. Also, any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount of goodwill to exceed their aggregate recoverable amount.

Financial Services

Confido Holding Ltd (CHL) and Ekada Capital Ltd (ECL)

CHL was acquired in December 2020 and goodwill arising on acquisition amounted to Rs 221.7 million. The goodwill was tested for impairment using the purchase consideration versus net assets and no indication of impairment was noted.

ECL was acquired in January 2021 and goodwill arising on acquisition amounted to Rs 20.3 million. Based on the impairment assessment performed, the goodwill was fully impaired at 30 June 2022.

The purchase price considerations for the above two entities, being a recent transaction, approximate their fair value.

6(b). LAND CONVERSION RIGHTS

	THE GROUP	
	2022	2021
	Rs'000	Rs'000
At 1 July	**25,622**	21,937
Fair value movement	**1,576**	3,685
At 30 June	**27,198**	25,622

The reform of the Sugar Industry in the years 2000 necessitated redundancy payments in the form of cash and serviced land, as well as capital expenditure for capacity expansion and optimisation. These capital expenditure investments and expenses have been financed by debt. In order to assist the repayment of these debts, Government granted a tax exemption to the Sugar Industry when converting agricultural land into residential land in the form of Land Conversion Rights ("LCRs"). These LCRs are granted by the Mauritius Cane Industry Authority (MCIA) based on the qualifying costs incurred by an entity.

LCR is recognised as a non-current asset and is initially measured at fair value at the date on which the subsidiary is entitled to receive those rights, that is when there is reasonable assurance that the LCR will be received and all the attached conditions will be complied with. The level of the fair value hierarchy within which the fair value measurement is categorised is level 2. LCRs are derecognised upon disposal (i.e. the date the recipient obtains control), or use for converting agricultural land into residential land for land projects. Any gain or loss on derecognition of the LCR is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

7. DEFERRED TAXATION

Deferred tax is calculated on all temporary differences under the liability method at the rate of 17% (2021: 17%).

	THE GROUP			THE COMPANY	
	2022	2021 (Restated)	2020 (Restated)	**2022**	2021
	Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000
Deferred tax liabilities	**1,271,484**	1,092,647	1,058,203	**-**	-
Deferred tax assets	**(287,942)**	(446,649)	(585,159)	**(53,608)**	(48,105)
Net deferred tax at 30 June	**983,542**	645,998	473,044	**(53,608)**	(48,105)

The movement in deferred tax during the year is as follows:

	THE GROUP		THE COMPANY	
	2022	2021 (Restated)	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July				
- As previously reported	**537,682**	423,975	**(48,105)**	(116,205)
- Effect of prior year restatement (Note 44)	**108,316**	49,069	**-**	-
- As restated	**645,998**	473,044	**(48,105)**	(116,205)
Acquisition of subsidiaries (Note 38(a))	**(14,308)**	(375)	**-**	-
Translation differences	**5**	(15,632)	**-**	-
Other movement	**(9,392)**	15,670	**5,282**	33,870
<u>*Amounts recognised in profit or loss*</u>				
Charge/(Credit) for the year (Note 26(b))	**328,648**	(62,366)	**6,529**	(6,483)
<u>*Amounts recognised in other comprehensive income*</u>				
Deferred tax on hedge reserves	**2,043**	(7,583)	**-**	-
Deferred tax on revaluation of land and buildings	**54,303**	65,582	**-**	5,393
Deferred tax relating to remeasurement of retirement benefit obligations	**(23,755)**	177,658	**(17,314)**	35,320
At 30 June	**983,542**	645,998	**(53,608)**	(48,105)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

7. DEFERRED TAXATION (CONTINUED)

THE GROUP	Accelerated tax depreciation	Revaluation of property, plant and equipment	Hedge reserves	Provisions	Employee benefit (assets)/ liabilities	Right of use assets	Tax losses	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July 2020								
– As previously reported	852,462	615,787	(32,345)	(164,923)	(503,275)	(14,802)	(328,929)	423,975
– Effect of prior year restatements (Note 44)	10,943	–	38,126	–	–	–	–	49,069
– As restated	863,405	615,787	5,781	(164,923)	(503,275)	(14,802)	(328,929)	473,044
Other movement	9,565	4,121	–	–	1,984	–	–	15,670
Charge/(credit) to profit or loss	274,655	(168,272)	–	44,359	7,940	(76,649)	(144,399)	(62,366)
Charge/(credit) to other comprehensive income	–	65,582	(7,824)	–	177,899	–	–	235,657
Tax on acquisition of subsidiaries (Note 38(a))	59	–	–	–	(434)	–	–	(375)
Translation differences	(12,251)	(23)	–	–	(3,358)	–	–	(15,632)
At 30 June 2021	1,135,433	517,195	(2,043)	(120,564)	(319,244)	(91,451)	(473,328)	645,998
At 01 July 2021								
– As previously reported	**1,117,151**	**517,195**	**(87,149)**	**(120,564)**	**(319,244)**	**(91,451)**	**(478,256)**	**537,682**
– Effect of prior year restatements (Note 44)	**18,282**	**–**	**85,106**	**–**	**–**	**–**	**4,928**	**108,316**
– As restated	**1,135,433**	**517,195**	**(2,043)**	**(120,564)**	**(319,244)**	**(91,451)**	**(473,328)**	**645,998**
Other movement	**(27,000)**	**(37)**	**–**	**8,950**	**4,138**	**2,548**	**2,009**	**(9,392)**
Charge/(credit) to profit or loss	**189,430**	**(84,972)**	**–**	**24,550**	**(11,410)**	**(23,265)**	**234,315**	**328,648**
Charge/(credit) to other comprehensive income	**–**	**54,303**	**2,043**	**–**	**(23,755)**	**–**	**–**	**32,591**
Tax on acquisition of subsidiaries (Note 38(a))	**3,086**	**–**	**–**	**(12,956)**	**(4,438)**	**–**	**–**	**(14,308)**
Translation differences	**5**	**–**	**–**	**–**	**–**	**–**	**–**	**5**
At 30 June 2022	**1,300,954**	**486,489**	**–**	**(100,020)**	**(354,709)**	**(112,168)**	**(237,004)**	**983,542**

THE COMPANY	Accelerated tax depreciation	Revaluation of property, plant and equipment	Provisions	Employee benefit (assets)/ liabilities	Right of use assets	Tax losses	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July 2020	7,898	84,097	(41,716)	(134,417)	628	(32,695)	(116,205)
(Credit)/charge to profit or loss	(2,198)	–	(6,389)	10,016	(400)	(7,512)	(6,483)
Charge to other comprehensive income	–	5,393	–	35,320	–	–	40,713
Other movement	1,175	–	–	–	–	32,695	33,870
At 30 June 2021	6,875	89,490	(48,105)	(89,081)	228	(7,512)	(48,105)
At 01 July 2021	**6,875**	**89,490**	**(48,105)**	**(89,081)**	**228**	**(7,512)**	**(48,105)**
(Credit)/charge to profit or loss	**(2,654)**	**–**	**12,812**	**(2,231)**	**(90)**	**(1,308)**	**6,529**
Charge to other comprehensive income	**–**	**–**	**–**	**(17,314)**	**–**	**–**	**(17,314)**
Other movement	**(2,027)**	**–**	**–**	**–**	**–**	**7,309**	**5,282**
At 30 June 2022	**2,194**	**89,490**	**(35,293)**	**(108,626)**	**138**	**(1,511)**	**(53,608)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

8. CONSUMABLE BIOLOGICAL ASSETS

THE GROUP	Standing cane	Plants	Vegetables	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July 2020	4,792	26,644	14,340	45,776
Production	4,187	41,984	53,645	99,816
Sales	(6,893)	(41,945)	(31,884)	(80,722)
Fair value movement	1,352	7,493	(19,288)	(10,443)
At 30 June 2021	**3,438**	**34,176**	**16,813**	**54,427**
Production	**16,979**	**64,331**	**44,645**	**125,955**
Sales	**(8,594)**	**(42,404)**	**(32,007)**	**(83,005)**
Fair value movement	**(4,797)**	**(9,176)**	**(6,318)**	**(20,291)**
At 30 June 2022	**7,026**	**46,927**	**23,133**	**77,086**

The consumable biological assets are measured at fair value determined in accordance with the level 3 of the fair value hierarchy.

The main assumptions for estimating the fair values are as follows:

	2022	2021
Standing cane		
Expected area to harvest (ha)	**80**	65
Estimated yields (%)	**10.3**	10.2
Estimated price of sugar – Rs (per ton)	**22,350**	19,162
Plants		
Expected area to harvest (ha)	**8**	8
Maximum maturity of plants at 30 June	**1 year**	1 year
Vegetables		
Expected area to harvest (ha)	**59**	56
Discount factor (%)	**8.5**	8.8

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable inputs	Sensitivity of the input to value
Standing cane	Discounted cash flows	Cane yield per Ha:34.7 ton/ha (2021: 34 ton/ha)	1% increase/(decrease) in cane yield per Ha would result in increase/(decrease) in fair value by Rs 11,152 (2021: Rs 72,833).
		Price of sugar: Rs 22,350 /ton (2021: Rs 19,162/ton)	5% increase/(decrease) in the price of sugar would result in increase/(decrease) in fair value by Rs 557,589 (2021: Rs 364,164).
		WACC:8.51% (2021: 10.15%)	1% increase/(decrease) in WACC would result in (decrease)/ increase in fair value by Rs 734 (2021: Rs 18,342).
Plants	Discounted cash flows	Average price of plants: Rs 224 (2021: Rs 185)	5% increase/(decrease) in price of plants would result in increase/(decrease) in fair value by Rs 2,882,903 (2021: Rs 2,079,518).
		Mortality rate:3 % (2021: 3%)	5% increase/(decrease) in mortality rate would result in (decrease)/increase in fair value by Rs 2,888,299 (2021: Rs 3,785,488).
		WACC 18% (2021: 20%)	1% increase/(decrease) in WACC would result in (decrease)/ increase in fair value by Rs 54,176 (2021: Rs 334,663).
Vegetables	Discounted cash flows	Discount factor:8.8% (2021: 8.8%)	1% increase/(decrease) in discount factor would result in (decrease)/increase in fair value by Rs 57,473 (2021: Rs 168,145).
		Price of vegetables: Rs 10,500 – Rs 26,500 (2021: Rs 12,000 – Rs 23,000)	5% increase/(decrease) in price of vegetables would result in increase/(decrease) in fair value by Rs1 ,606,374 (2021: Rs 1,210,931).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

9 (a). GROSS OUTSTANDING CLAIMS AND REINSURANCE ASSETS

THE GROUP	2022 Gross Rs'000	2022 Reinsurance Rs'000	2022 Net Rs'000	2021 Gross Rs'000	2021 Reinsurance Rs'000	2021 Net Rs'000
At 1 July						
Claims notified	1,220,427	(703,100)	517,327	1,327,430	(781,448)	545,982
Claims incurred but not reported	236,409	(135,034)	101,375	231,409	(135,034)	96,375
	1,456,836	(838,134)	618,702	1,558,839	(916,482)	642,357
Movement in claims incurred	1,100,458	(756,052)	344,406	704,713	(314,076)	390,637
Cash (paid)/received for claims settled in the year	(737,538)	429,541	(307,997)	(806,716)	392,424	(414,292)
At 30 June	1,819,756	(1,164,645)	655,111	1,456,836	(838,134)	618,702
Analysed as:						
Claims notified	1,662,158	(1,084,186)	577,972	1,220,427	(703,100)	517,327
Claims incurred but not reported	157,598	(80,459)	77,139	236,409	(135,034)	101,375
	1,819,756	(1,164,645)	655,111	1,456,836	(838,134)	618,702

9 (b). NET CLAIMS INCURRED

THE GROUP	2022 Gross Rs '000	2022 Reinsurance Rs '000	2022 Net Rs '000	2021 Gross Rs '000	2021 Reinsurance Rs '000	2021 Net Rs '000
Net claims incurred	1,057,652	(756,052)	301,600	659,716	(299,550)	360,166

10. GENERAL INSURANCE FUND AND REINSURANCE ASSETS

THE GROUP	Gross Rs '000	Reinsurance Rs '000	Net Rs '000
At 01 July 2020	455,380	(194,669)	260,711
Movement during the year	22,607	(71,782)	(49,175)
At 30 June 2021	477,987	(266,451)	211,536
Movement during the year	26,566	(50,419)	(23,853)
At 30 June 2022	504,553	(316,870)	187,683

The general insurance fund will be released over a period of 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

11. INVESTMENT IN SUBSIDIARIES

THE COMPANY	Listed	Secondary market	Unquoted	Total
At FVTOCI	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July 2020	4,613,878	699,322	13,128,350	18,441,550
Transfer to unquoted	(585,600)	–	585,600	–
Additions	–	–	471,541	471,541
Capitalisation of loans (Note (ii))	187,647	–	17,445	205,092
Transfer from associates (Note 12(b))	–	–	80,434	80,434
Fair value adjustment	384,868	(43,897)	1,775,230	2,116,201
At 30 June 2021	4,600,793	655,425	16,058,600	21,314,818
At 01 July 2021	4,600,793	655,425	16,058,600	21,314,818
Additions	–	–	58,066	58,066
Capitalisation of loans (Note (iii))	–	–	24,875	24,875
Disposals	–	–	(10,000)	(10,000)
Fair value adjustment	1,435,436	89,367	1,542,326	3,067,129
At 30 June 2022	6,036,229	744,792	17,673,867	24,454,888

The additions have been financed as follows:

	2022 Rs'000	2021 Rs'000
Cash	54,386	451,579
Payables	3,680	–
Dividend in specie	–	19,962
Capitalisation of loans	24,875	205,092
	82,941	676,633

(i) The Group and the Company have pledged their investments to secure the banking facilities obtained.

(ii) During years ended 30 June 2022 and 2021, the Group converted several non-current receivable balances from related parties into equity investments.

(iii) The Group considers certain entities over which it controls less than 50% of the voting rights as subsidiaries since it has sufficient dominant voting interest to direct the relevant activities of these entities and therefore has control over them (refer to Note 3).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries	Country of incorporation	Type of shares	Principal activity	2022 % held		2021 % held	
				Direct	**Indirect**	Direct	Indirect
IBL Energy Ltd	Mauritius	Ordinary	Investment	**100.00**	**-**	100.00	-
IBL Energy Holdings Ltd	Mauritius	Ordinary	Investment	**100.00**	**-**	100.00	-
IBL Energy (Kenya) Ltd (ix)	Kenya	Ordinary	Investment	**-**	**100.00**	-	-
Skysails Power Indian Ocean Ltd	Mauritius	Ordinary	Investment	**-**	**74.00**	-	74.00
Construction & Material Handling Company Ltd	Mauritius	Ordinary	Handling equipment	**100.00**	**-**	100.00	-
DieselActiv Co Ltd	Mauritius	Ordinary	Mechanical	**100.00**	**-**	100.00	-
Servequip Ltd	Mauritius	Ordinary	Rental & servicing of equipment	**100.00**	**-**	100.00	-
Scomat Limitée	Mauritius	Ordinary	Industrial & Mechanical	**100.00**	**-**	100.00	-
Blychem Ltd	Mauritius	Ordinary	Manufacturing of Chemical products	**100.00**	**-**	100.00	-
Medical Trading Company Ltd (viii)	Mauritius	Ordinary	Healthcare	**100.00**	**-**	100.00	-
WellActiv Company Ltd	Mauritius	Ordinary	Healthcare	**-**	**100.00**	100.00	-
Medical Trading International Ltd	Mauritius	Ordinary	Healthcare	**100.00**	**-**	100.00	-
New Cold Storage Company Limited (i)	Mauritius	Ordinary	Inactive	**100.00**	**-**	100.00	-
La Tropicale Mauricienne Ltée	Mauritius	Ordinary	Manufacturing	**100.00**	**-**	100.00	-
Winhold Limited	Mauritius	Ordinary	Investment	**100.00**	**-**	100.00	-
Pick and Buy Limited	Mauritius	Ordinary	Supermarkets	**-**	**100.00**	-	100.00
Compagnie des Magasins Populaires Limitée	Mauritius	Ordinary	Hypermarket	**-**	**100.00**	-	100.00
Pick and Buy Victoria Ltd	Mauritius	Ordinary	Hypermarket	**-**	**100.00**	-	100.00
Pick and Buy Trianon Ltd	Mauritius	Ordinary	Hypermarket	**-**	**100.00**	-	100.00
CMPL (Mont Choisy) Limitée	Mauritius	Ordinary	Hypermarket	**-**	**100.00**	-	100.00
Intergraph Ltée	Mauritius	Ordinary	Trading in printing equipment and consumables	**100.00**	**-**	100.00	-
Heilderberg Océan Indien Limitée	Mauritius	Ordinary	Investment	**-**	**100.00**	-	100.00
Intergraph Réunion	Reunion	Ordinary	Trading in printing equipment and consumables for printing	**-**	**100.00**	-	100.00
Intergraph Reunion SAV (v)	Reunion	Ordinary	After sales service	**-**	**-**	-	100.00
SCI Les Alamandas	Reunion	Ordinary	Real Estate	**-**	**100.00**	-	100.00
Intergraph Réunion Papier (v)	Reunion	Ordinary	Trading in papers	**-**	**-**	-	100.00
Intergraph Africa Ltd	Mauritius	Ordinary	Trading in printing equipment and consumables	**-**	**100.00**	-	100.00
Camp Investment Company Limited	Mauritius	Ordinary	Investment	**49.60**	**-**	49.60	-
Phoenix Management Company Ltd	Mauritius	Ordinary	Management	**-**	**49.58**	-	49.58
Phoenix Investment Company Limited	Mauritius	Ordinary	Investment	**26.17**	**11.25**	26.17	11.25
Phoenix Beverages Limited	Mauritius	Ordinary	Production of Beer and Bottles and distribution of beverages	**3.21**	**20.07**	3.21	20.07
MBL Offshore Ltd	Mauritius	Ordinary	Investment	**-**	**23.28**	-	23.28
Phoenix Beverages Overseas Ltd	Mauritius	Ordinary	Export of beverages	**-**	**23.28**	-	23.28
The (Mauritius) Glass Gallery Ltd	Mauritius	Ordinary	Production and sale of glasswares	**-**	**23.28**	-	17.69
Phoenix Distributors Limited	Mauritius	Ordinary	Distribution of beverages	**-**	**22.66**	-	22.66
Phoenix Camp Minerals Offshore Limited	Mauritius	Ordinary	Investment	**-**	**23.28**	-	23.28
Phoenix Réunion SARL	Reunion	Ordinary	Commissioning agent	**-**	**23.28**	-	23.28
Helping Hands Foundation	Mauritius	Ordinary	Charitable institution	**-**	**20.37**	-	20.37
Phoenix Foundation	Mauritius	Ordinary	Foundation	**-**	**23.28**	-	23.28
Edena S.A.	Reunion	Ordinary	Distribution of beverages	**-**	**23.28**	-	23.28
Espace Solution Reunion SAS	Reunion	Ordinary	Other Services	**-**	**23.28**	-	23.28
The Traditional Green Mill Ltd	Mauritius	Ordinary	Restaurant	**-**	**23.28**	-	23.28
SCI Edena	Reunion	Ordinary	Real Estate	**-**	**23.28**	-	23.28

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(ix) Companies incorporated during the year

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2022 % held		2021 % held	
				Direct	**Indirect**	Direct	Indirect
Chantier Naval de l'Océan Indien Limited	Mauritius	Ordinary	Construction and repair of ships	**63.83**	**-**	63.83	-
CNOI Investments Ltd	Mauritius	Ordinary	Investment	**-**	**63.83**	-	63.83
Mer and Design Ltd	Mauritius	Ordinary	Naval architechs	**-**	**63.83**	-	63.83
Industrie et Services de l'Océan Indien Limitée	Mauritius	Ordinary	Maritime Transport	**-**	**63.83**	-	63.83
Engineering Support Services Ltd	Mauritius	Ordinary	Support Services	**100.00**	**-**	100.00	-
Engitech Ltd	Mauritius	Ordinary	Commerce	**100.00**	**-**	100.00	-
IBL Madagasikara S.A.	Madagascar	Ordinary	Commerce	**90.00**	**-**	90.00	-
Manser Saxon Contracting Limited (iii)	Mauritius	Ordinary	Manufacturing & contracting	**100.00**	**-**	99.97	-
Fit-Out (Mauritius) Ltd (iii)	Mauritius	Ordinary	Manufacturing	**-**	**75.50**	-	75.48
Manser Saxon Interiors Ltd (iii)	Mauritius	Ordinary	Manufacturing	**-**	**100.00**	-	99.97
Manser Saxon Elevators Ltd (iii)	Mauritius	Ordinary	Manufacturing	**-**	**100.00**	-	99.97
Manser Saxon Plumbing Ltd (iii)	Mauritius	Ordinary	Manufacturing	**-**	**100.00**	-	99.97
Manser Saxon Training Services Ltd (iii)	Mauritius	Ordinary	Training services	**-**	**100.00**	-	99.97
Tower Bridge Projects (Mauritius) Ltd (iii)	Mauritius	Ordinary	Construction	**-**	**100.00**	-	99.97
Systems Building Contracting Ltd (iii)	Mauritius	Ordinary	Manufacturing & contracting	**-**	**64.50**	-	64.48
Tornado Limited (iii)	Mauritius	Ordinary	Manufacturing	**-**	**100.00**	-	99.97
Manser Saxon Environment Ltd (vi)	Mauritius	Ordinary	Manufacturing	**-**	**-**	-	99.97
Manser Saxon Openings Ltd (vi)	Mauritius	Ordinary	Manufacturing	**-**	**-**	-	99.97
Saxon International Ltd (iii)	Mauritius	Ordinary	Investment	**-**	**100.00**	-	99.97
Engineering Services Ltd (iii)	Seychelles	Ordinary	Outsourcing	**-**	**100.00**	-	99.97
Manser Saxon Dubai LLC (i)	Dubai	Ordinary	Manufacturing	**-**	**-**	-	99.97
Manser Saxon Interiors LLC (i)	Dubai	Ordinary	Manufacturing	**-**	**-**	-	99.97
United Basalt Products Ltd	Mauritius	Ordinary	Investment	**33.14**	**-**	33.14	-
Espace Maison Ltée	Mauritius	Ordinary	Commerce	**-**	**33.14**	-	33.14
La Savonnerie Creole Ltée	Mauritius	Ordinary	Commerce	**-**	**33.14**	-	33.14
Compagnie de Gros Cailloux Limitée	Mauritius	Ordinary	Agriculture	**-**	**33.14**	-	33.14
Welcome Industries Limited	Mauritius	Ordinary	Manufacture of building materials	**-**	**25.15**	-	25.15
UBP International Ltd	Mauritius	Ordinary	Investment	**-**	**33.14**	-	33.14
UBP Madagascar	Madagascar	Ordinary	Manufacture of building materials	**-**	**33.14**	-	33.14
United Granite Products (Pvt) Ltd	Sri-Lanka	Ordinary	Manufacture of building materials	**-**	**25.52**	-	25.52
DHK Metal Crusher (Pvt) Ltd	Sri-Lanka	Ordinary	Manufacture of building materials	**-**	**33.14**	-	33.14
Sheffield Trading(Pvt) Ltd	Sri-Lanka	Ordinary	Manufacture of building materials	**-**	**33.14**	-	33.14
Sainte Marie Crushing Plant Ltd	Mauritius	Ordinary	Manufacture of building materials	**-**	**25.35**	-	25.35
Société des Petits Cailloux	Mauritius	Ordinary	Investment	**-**	**25.35**	-	25.35
Drymix Ltd	Mauritius	Ordinary	Manufacture of building materials	**-**	**23.79**	-	18.09
Pre-mixed Concrete Ltd	Mauritius	Ordinary	Supplier of ready-mixed concrete	**-**	**33.14**	-	-
Société d'Investissement Rodriguais	Mauritius	Ordinary	Manufacture of building materials	**-**	**33.14**	-	33.24
Drymat SAS (Reunion)	Reunion	Ordinary	Manufacture of building materials	**-**	**26.51**	-	26.51
UBP Coffrages Ltee	Mauritius	Ordinary	Manufacture of building materials	**-**	**33.14**	-	33.14
Stone and Bricks Co Ltd (vi)	Mauritius	Ordinary	Manufacture of building materials	**-**	**-**	-	33.14
The Stonemasters Company Limited (vi)	Mauritius	Ordinary	Manufacture of building materials	**-**	**-**	-	33.14
Pricom Ltd	Mauritius	Ordinary	Manufacture of building materials	**-**	**33.14**	-	33.14
Land Reclamation Limited (vi)	Mauritius	Ordinary	Manufacture of building materials	**-**	**-**	-	33.14
Alentaris Ltd	Mauritius	Ordinary	Investment	**85.00**	**-**	85.00	-
Alentaris Recruitment Ltd	Mauritius	Ordinary	Recruitment services	**-**	**85.00**	-	85.00
Alentaris Consulting Ltd	Mauritius	Ordinary	Human resource consulting	**-**	**85.00**	-	85.00
Alentaris Management Ltd	Mauritius	Ordinary	Management company	**-**	**85.00**	-	85.00

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(ix) Companies incorporated during the year

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2022 % held		2021 % held	
				Direct	Indirect	Direct	Indirect
EKADA CAPITAL LTD	Mauritius	Ordinary	Wealth management	56.80	–	56.80	–
DTOS Ltd	Mauritius	Ordinary	Global business	100.00	–	100.00	
Beach International Company Ltd	Mauritius	Ordinary	Global business	–	100.00	–	100.00
DTOS International Ltd	Mauritius	Ordinary	Global business	–	100.00	–	100.00
DTOS Trustees Ltd	Mauritius	Ordinary	Global business	–	100.00	–	100.00
DTOS Outsourcing Ltd	Mauritius	Ordinary	Global business	–	100.00	–	100.00
DTOS Registry Services Ltd	Mauritius	Ordinary	Provider of Services	–	100.00	–	100.00
DTOS East Africa Company Limited	Uganda	Ordinary	Global business	–	100.00	–	100.00
DTOS International East Africa (K) Limited	Kenya	Ordinary	Global business	–	100.00	–	100.00
Inconformità Ltd	Mauritius	Ordinary	Provider of Services	–	100.00	–	100.00
Interface International Ltd	Mauritius	Ordinary	Global business	–	100.00	–	100.00
Interface Management Services Ltd	Mauritius	Ordinary	Global business	–	100.00	–	100.00
IPSE (Nominees) Ltd	Mauritius	Ordinary	Global business	–	100.00	–	100.00
ITA EST (Nominees) Ltd	Mauritius	Ordinary	Global business	–	100.00	–	100.00
Knights & Johns Management Ltd	Mauritius	Ordinary	Global business	–	100.00	–	100.00
Pines Ltd	Mauritius	Ordinary	Global business	–	100.00	–	100.00
Pines Nominees Ltd	Mauritius	Ordinary	Global business	–	100.00	–	100.00
IBL Financial Services Holding Ltd	Mauritius	Ordinary	Investment	100.00	–	100.00	–
Eagle Insurance Limited	Mauritius	Ordinary	General Insurance	60.00	–	60.00	–
Specialty Risk Solutions Ltd	Mauritius	Ordinary	General Insurance	–	42.00	–	42.00
Eagle Investment Property Limited	Mauritius	Ordinary	Property	–	60.00	–	60.00
The Bee Equity Partners Ltd	Mauritius	Ordinary	Investment	34.95	–	34.95	–
Flacq Associated Stonemasters Limited	Mauritius	Ordinary	Production and sale of aggregates and bricks	–	28.15	–	28.15
Confido Holding Limited	Mauritius	Ordinary	Investment	100.00	–	100.00	–
EllGeo Re (Mauritius) Ltd	Mauritius	Ordinary	Reinsurance	–	100.00	–	100.00
LCF Holdings Ltd (iii)	Mauritius	Ordinary	Investment dealing and advisory services	100.00	–	75.00	–
LCF Registry & Advisory Ltd (v)	Mauritius	Ordinary	Investment dealing and advisory services	–	–	–	60.00
LCF Securities Ltd (iii)	Mauritius	Ordinary	Investment dealing and advisory services	–	77.00	–	63.75
LCF Wealth Ltd (v)	Mauritius	Ordinary	Investment dealing and advisory services	–	–	–	60.00
International Development Partners (E.A) Limited	Kenya	Ordinary	Recruitment services and human resource management	–	74.00	–	74.00
IBL Life Ltd (viii)	Mauritius	Ordinary	Biotechnologies	100.00	–	100.00	–
Life Together Medical Clinic Ltd (ix)	Mauritius	Ordinary	Clinical Activities	–	100.00	–	–
Care and Science Health Diagnostics Ltd (vii)	Mauritius	Ordinary	Medical and dental practice	–	100.00	–	–
Novalab (vii)	Mauritius	Ordinary	Laboratory testing	–	100.00	–	–
Plat-Form Laser	Mauritius	Ordinary	Laser treatment	–	100.00	–	100.00
Healthscape Ltd	Mauritius	Ordinary	Wellness	–	100.00	–	100.00
The Cryoact Ltd	Mauritius	Ordinary	Cryotherapy	–	51.00	–	51.00
CIDP Holding Ltd	Mauritius	Ordinary	Research and Biotechnology	–	90.00	–	90.00
Services Gestion des Compagnies Ltée (ii)	Mauritius	Ordinary	Management Services	–	–	–	90.00
CIDP Preclinical Ltd	Mauritius	Ordinary	Clinical testing	–	90.00	–	90.00
CIDP India Ltd	Mauritius	Ordinary	Clinical testing of pharmaceutical and cosmetic products	–	90.00	–	90.00
CIDP Biotech India Private Limited	India	Ordinary	Clinical testing	–	89.10	–	89.10
CIDP International	Mauritius	Ordinary	Clinical research and investment	–	89.10	–	89.10
CIDP Biotechnology SRL	Romania	Ordinary	Clinical testing of pharmaceutical and cosmetic products	–	89.10	–	89.10
CIDP Brasil Ltd	Mauritius	Ordinary	Clinical research and investment	–	90.00	–	90.00
CIDP Do Brasil Pesquisas Clinicas Ltda	Brasil	Ordinary	Clinical testing of pharmaceutical and cosmetic products	–	89.10	–	89.10
Centre de Phytotherapie et de Recheche Ltée	Mauritius	Ordinary	Testing and analysis of plants	–	90.00	–	90.00
CIDP Singapore Ltd	Mauritius	Ordinary	Clinical research and investment	–	90.00	–	90.00
Centre International de Development Pharmaceutique Pte. Ltd	Singapore	Ordinary	Clinical testing of pharmaceutical and cosmetic products	–	90.00	–	90.00

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2022 % held		2021 % held	
				Direct	Indirect	Direct	Indirect
Lux Island Resorts Ltd	Mauritius	Ordinary	Hospitality and Tourism	56.47	–	56.47	–
Holiday & Leisure Resorts Limited	Mauritius	Ordinary	Hospitality and Tourism	–	56.47	–	56.47
Merville Beach Hotel Ltd	Mauritius	Ordinary	Hospitality and Tourism	–	56.47	–	56.47
Merville Ltd	Mauritius	Ordinary	Hospitality and Tourism	–	56.47	–	56.47
Blue Bay Tokey Island Limited	Mauritius	Ordinary	Hospitality and Tourism	–	56.47	–	56.47
Beau Rivage Co Ltd	Mauritius	Ordinary	Hospitality and Tourism	–	56.47	–	56.47
LIR Properties Ltd	Mauritius	Ordinary	Hospitality and Tourism	–	56.47	–	56.47
Les Pavillons Resorts Ltd	Mauritius	Ordinary	Hospitality and Tourism	–	56.47	–	56.47
LTK Ltd	Mauritius	Ordinary	Hospitality and Tourism	–	56.47	–	56.47
FMM Ltée	Mauritius	Ordinary	Hospitality and Tourism	–	56.47	–	56.47
MSF Leisure Company Ltd	Mauritius	Ordinary	Hospitality and Tourism	–	56.47	–	56.47
Hotel Prestige Reunion SAS	Reunion	Ordinary	Hospitality and Tourism	–	56.47	–	56.47
LIRCO Ltd	Luxemburg	Ordinary	Hospitality and Tourism	–	56.47	–	56.47
Les Villas du Lagon SA	Reunion	Ordinary	Hospitality and Tourism	–	56.47	–	56.47
Naiade Holidays (Pty) Ltd	South Africa	Ordinary	Hospitality and Tourism	–	56.47	–	56.47
Lux Island Resort Foundation	Mauritius	Ordinary	Charitable institution	–	56.47	–	56.47
Lux Island Resort Maldives Ltd	Seychelles	Ordinary	Hospitality and Tourism	–	56.47	–	56.47
White Sand Resorts & Spa Pvt Ltd	Maldives	Ordinary	Hospitality and Tourism	–	56.47	–	56.47
Oceanide Limited	Mauritius	Ordinary	Hospitality and Tourism	–	56.47	–	56.47
Nereide Limited	Mauritius	Ordinary	Hospitality and Tourism	–	56.47	–	56.47
The Lux Collective Ltd	Mauritius	Ordinary	Hospitality and Tourism	56.37	–	56.37	–
The LUX Collective UK Ltd	UK	Ordinary	Hospitality and Tourism	–	56.37	–	56.37
Island Light Vacations Ltd	Mauritius	Ordinary	Hospitality and Tourism	–	56.37	–	56.37
LIRTA Ltd	Mauritius	Ordinary	Hospitality and Tourism	–	56.37	–	56.37
Lux Island Resort Seychelles Ltd	Mauritius	Ordinary	Hospitality and Tourism	–	56.37	–	56.37
Salt Hospitality Ltd	Mauritius	Ordinary	Hospitality and Tourism	–	56.37	–	56.37
Palm Boutique Hotel Ltd	Mauritius	Ordinary	Hospitality and Tourism	–	56.37	–	56.37
The Lux Collective Pte Ltd	Singapore	Ordinary	Hospitality and Tourism	–	56.37	–	56.37
Cafe LUX Ltd	Mauritius	Ordinary	Hospitality and Tourism	–	56.37	–	56.37
Lux Hotel Management (Shanghai) Co Ltd	China	Ordinary	Hospitality and Tourism	–	56.37	–	56.37
The Lux Collective LLC (ix)	Dubai	Ordinary	Hospitality and Tourism	–	56.37	–	–
IBL Link Ltd	Mauritius	Ordinary	Investment	100.00	–	100.00	–
Universal Media Ltd	Mauritius	Ordinary	Media	–	55.00	–	55.00
GWS Technologies Ltd	Mauritius	Ordinary	Investment	–	80.00	–	80.00
IBL Ventures Ltd (ix)	Mauritius	Ordinary	Management consultancy	100.00	–	–	–
IBL Link Investments Ltd (ix)	Mauritius	Ordinary	Management consultancy	100.00	–	–	–
DotExe Ventures Ltd (ix)	Mauritius	Ordinary	Management consultancy	–	100.00	–	–
Air Mascareignes Limitée	Mauritius	Ordinary	Tourism	50.00	–	50.00	–
Australair General Sales Agency Ltd	Mauritius	Ordinary	Tourism and Travel	–	50.00	–	50.00
Australair GSA Comores SARL	Comoros	Ordinary	Tourism and Travel	–	50.00	–	50.00
Australair GSA Mada SA	Madagascar	Ordinary	Tourism and Travel	–	50.00	–	50.00
Catovair Comores SARL (i)	Comores	Ordinary	Tourism and Travel	–	50.00	–	50.00
Arcadia Travel Limited	Mauritius	Ordinary	Travel agency	100.00	–	100.00	–
Arcadia Travel Madagascar	Madagascar	Ordinary	Travel agency	–	100.00	–	100.00
Arcadia Travel Comores SARL	Comoros	Ordinary	Travel agency	–	100.00	–	100.00
Ground 2 Air Ltd	Mauritius	Ordinary	Ground handling	100.00	–	100.00	–
Equity Aviation Comores SARL	Mauritius	Ordinary	Ground handling	–	100.00	–	100.00
G2A Camas Ltd	Mauritius	Ordinary	Training	–	50.00	–	50.00
IBL Aviation Comores SARL (i)	Comoros	Ordinary	Tourism and Travel	–	100.00	–	100.00
IBL Cargo Village Ltd	Mauritius	Ordinary	Tourism and Travel	100.00	–	100.00	–
IBL Comores SARL	Comoros	Ordinary	Tourism	100.00	–	100.00	–
IBL Comores GSA Anjouan SARL	Comoros	Ordinary	Tourism	–	100.00	–	100.00
Compagnie Thonière de l'Ocean Indien Ltée (ii)	Mauritius	Ordinary	Rental of fishing boats	100.00	–	100.00	–
IBL Fishing Company Ltd	Mauritius	Ordinary	Shipping	100.00	–	100.00	–

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2022 % held		2021 % held	
				Direct	Indirect	Direct	Indirect
IBL Regional Development Limited	Mauritius	Ordinary	Investment	100.00	–	100.00	–
Mada Aviation SARL	Madagascar	Ordinary	GSA	–	100.00	100.00	–
IBL Shipping Company Ltd (ii)	Mauritius	Ordinary	Import-Export	100.00	–	100.00	–
Ireland Fraser (Madagascar) SARL (ii)	Madagascar	Ordinary	Commerce	–	100.00	–	100.00
Logidis Limited	Mauritius	Ordinary	Warehousing	100.00	–	100.00	–
Mad Courrier SARL	Madagascar	Ordinary	Courier service	92.50	–	92.50	–
Société Mauricienne de Navigation Ltée (i)	Mauritius	Ordinary	Service provider	100.00	–	100.00	–
Somatrans Bolloré Logistics Ltd (Formerly known as Somatrans SDV Ltd)	Mauritius	Ordinary	Import-Export	75.00	–	75.00	–
Somatrans SDV Logistics Ltd	Mauritius	Ordinary	Import-Export	–	75.00	–	75.00
Southern Seas Shipping Company Limited	Mauritius	Ordinary	Shipping	100.00	–	100.00	–
Reefer Operations (BVI) Limited	British Virgin Island	Ordinary	Shipping	–	100.00	–	100.00
Indian Ocean Reefers Limited	British Virgin Island		Shipping	–	100.00		100.00
Reefer Operations Limited	Isle Of Man	Ordinary	Shipping	–	100.00	100.00	–
IBL LAS Support Ltd	Mauritius	Ordinary	Support Services	100.00	–	100.00	–
Société de Transit Aérien et Maritime SARL (ii)	Madagascar	Ordinary	Clearing & forwarding	–	85.50	–	85.50
Bloomage Ltd	Mauritius	Ordinary	Real Estate & Property Management	100.00	–	100.00	–
MedWest Ltd (ix)	Mauritius	Ordinary	Real Estate & Property Management	–	100.00	–	–
OneMoka Ltd (ix)	Mauritius	Ordinary	Real Estate & Property Management	–	100.00	–	–
Southern Investments Ltd	Mauritius	Ordinary	Real Estate	–	100.00	–	100.00
The Ground Collaborative Space Ltd	Mauritius	Ordinary	Collaborative workspace	–	86.23	–	86.23
BlueLife Limited	Mauritius	Ordinary	Property Development & Holding Co	57.41	–	57.41	–
Haute Rive Holdings Limited	Mauritius	Ordinary	Property Development	–	57.41	–	57.41
Azuri Suites Ltd	Mauritius	Ordinary	Property Development	–	57.41	–	57.41
Azuri Smart City Company Ltd (Formerly: Azuri Watch Ltd)	Mauritius	Ordinary	Property Development	–	57.41	–	57.41
Azuri Services Ltd	Mauritius	Ordinary	Property Development	–	57.41	–	57.41
Azuri Estate Management Ltd	Mauritius	Ordinary	Property Development	–	57.41	–	57.41
Haute Rive Ocean Front Living Ltd	Mauritius	Ordinary	Property Development	–	57.41	–	57.41
Haute Rive IRS Company Limited	Mauritius	Ordinary	Property Development	–	57.41	–	57.41
Haute Rive PDS Company Ltd	Mauritius	Ordinary	Property Development	–	57.41	–	57.41
HR Golf Holding Ltd	Mauritius	Ordinary	Property Development	–	57.41	–	57.41
Azuri Golf Management Ltd	Mauritius	Ordinary	Property Development	–	57.41	–	57.41
Circle Square Holding Company Limited	Mauritius	Ordinary	Property Development	–	57.41	–	57.41
Life in Blue Limited	Mauritius	Ordinary	Property Development	–	57.41	–	57.41
Ocean Edge Property Management Company Ltd	Mauritius	Ordinary	Property Development	–	57.41	–	57.41
Les Hauts Champs 2 Ltd	Mauritius	Ordinary	Property Development	–	57.41	–	57.41
PL Resort Ltd (iv)	Mauritius	Ordinary	Hospitality and Tourism	–	–	–	34.45
Haute Rive Azuri Hotel Company Ltd (iii)	Mauritius	Ordinary	Hospitality and Tourism	–	51.78	–	36.11
IBL India Investments Ltd	Mauritius	Ordinary	Investment	100.00	–	100.00	–

(i) Companies are inactive
(ii) Companies are inactive and in process of deregistration
(iii) Increase in percentage holding
(iv) Investments disposed
(v) Amalgamated with parent Company
(vi) Companies deregistered during the year
(vii) Acquired during the year
(viii) Capitalisation of loans
(ix) Companies incorporated during the year

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2022 % held		2021 % held	
				Direct	Indirect	Direct	Indirect
Aquatic Proteins Private Limited	India	Ordinary	Manufacturing	–	70.00	–	70.00
Seafood Hub Limited	Mauritius	Ordinary	Investment	85.00	–	85.00	-
Cervonic Ltd	Mauritius	Ordinary	Manufacturing	–	85.00	–	85.00
Froid des Mascareignes Ltd	Mauritius	Ordinary	Storage	–	59.50	–	59.50
Transfroid Ltd	Mauritius	Ordinary	Import-Export	–	59.50	–	59.50
Marine Biotechnology Products Ltd	Mauritius	Ordinary	Manufacturing	–	70.36	–	70.36
Marine Biotechnology International Ltd	Mauritius	Ordinary	Investment	–	85.00	–	85.00
Marine Biotechnology Products Cote d'Ivoire	Ivory Coast	Ordinary	Investment	–	43.35	–	43.35
IBL Biotechnology Investment Holdings Ltd	Mauritius	Ordinary	Investment	100.00	–	100.00	–
IBL Biotechnology (Mauritius) Ltd (i)	Mauritius	Ordinary	Research and Development	90.00	–	90.00	–
IBL Gabon Investments Limited	Mauritius	Ordinary	Investment	100.00	–	100.00	–
Tropical Holding SA	Gabon	Ordinary	Seafood	–	60.00	–	60.00
IBL Seafood Support Services Ltd	Mauritius	Ordinary	Support Services	100.00	–	100.00	–
IBL Biotechnology International Ltd	Mauritius	Ordinary	Research and Development	100.00	–	100.00	–
Blyth Brothers & Company Limited (previously called IBL Ugandan Holdings 1 Ltd)	Mauritius	Ordinary	Investment	100.00	–	100.00	–
Adam and Company Limited (i)	Mauritius	Ordinary	Inactive	–	100.00	–	100.00
Fondation Joseph Lagesse	Mauritius	Ordinary	Charitable institution	100.00	–	100.00	–
Les Cuisines Solidaires Ltée	Mauritius	Ordinary	Charitable institution	–	100.00	–	100.00
Chemin Rail & Amaury Housing Co Ltd	Mauritius	Ordinary	Charitable institution	–	100.00	–	100.00
Cassis Limited (i)	Mauritius	Ordinary	Inactive	100.00	–	100.00	–
Equip and Rent Company Ltd	Mauritius	Ordinary	Rental of equipment	100.00	–	100.00	–
IBL Africa Investment Ltd	Mauritius	Ordinary	Investment	100.00	–	100.00	–
IBL Corporate Services Ltd (formely: IBL Loyalty Ltd)	Mauritius	Ordinary	Inactive	100.00	–	100.00	–
IBL Entertainment Limited (i)	Mauritius	Ordinary	Inactive	–	100.00	–	100.00
IBL Entertainment Holding Limited (i)	Mauritius	Ordinary	Inactive	100.00	–	100.00	–
IBL Treasury Management Ltd (i)	Mauritius	Ordinary	Inactive	100.00	–	100.00	–
IBL International Limited	Kenya	Ordinary	Business Development	100.00	–	100.00	–
IBL Training Services Limited	Mauritius	Ordinary	Training services	100.00	–	100.00	–
GML Immobilier Ltée	Mauritius	Ordinary	Inactive	100.00	–	100.00	–
IMV Services Ltd	Mauritius	Ordinary	Rental of equipment	100.00	–	100.00	–
I-Consult Limited	Mauritius	Ordinary	IT Services	100.00	–	100.00	–
I-Telecom Ltd	Mauritius	Ordinary	IT Services	100.00	–	100.00	–
Ireland Blyth (Seychelles) Ltd (i)	Seychelles	Ordinary	Inactive	100.00	–	100.00	–
Ireland Fraser and Company Limited (i)	Mauritius	Ordinary	inactive	100.00	–	100.00	–
IBL Management Ltd	Mauritius	Ordinary	Management Services	100.00	–	100.00	–
IBL Treasury Ltd	Mauritius	Ordinary	Treasury	100.00	–	100.00	–
SPCB Ltée (vi)	Mauritius	Ordinary	Investment	–	–	100.00	–
Ze Dodo Trail Ltd (ii)	Mauritius	Ordinary	Organiser of trails	100.00	–	100.00	–
I World Ltd (vi)	Mauritius	Ordinary	Commerce	–	–	100.00	–
Printvest Holding Ltd (vi)	Mauritius	Ordinary	Investment	–	–	100.00	–

(i) Companies are inactive
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(iii) Increase in percentage holding
(iv) Investments disposed
(v) Amalgamated with parent Company
(vi) Companies deregistered during the year
(vii) Acquired during the year
(viii) Capitalisation of loans
(ix) Companies incorporated during the year

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of non-wholly owned subsidiaries of the Group that have non-controlling interest:

	Percentage of voting rights held by non-controlling interests		Net profit/(loss) attributable to non-controlling interest		Accumulated non-controlling interests		Dividend paid to non-controlling interests	
	2022	2021	**2022**	2021 (Restated)	**2022**	2021 (Restated)	**2022**	2021
			Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Lux Island Resorts Ltd	**43.53%**	43.53%	**217,051**	(450,195)	**3,995,504**	2,927,407	**-**	-
Camp Investment Company Limited	**50.40%**	50.40%	**339,560**	423,935	**4,197,169**	3,849,651	**(185,504)**	(179,588)
United Basalt Products Ltd	**66.86%**	66.86%	**(33,918)**	150,032	**2,444,259**	2,507,920	**(60,523)**	(69,677)
Chantier Naval de l'Océan Indien Ltd	**36.17%**	36.17%	**87,036**	58,528	**937,159**	984,619	**(50,186)**	(32,911)
Bluelife Limited	**42.59%**	42.59%	**48,787**	(121,443)	**951,175**	1,059,987	**-**	-
Individually immaterial subsidiaries with non-controlling interests			**123,688**	16,998	**(344,873)**	342,549	**(81,719)**	(55,599)
Total			**782,204**	77,855	**12,180,393**	11,672,133	**(377,932)**	(337,775)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Lux Island Resorts Ltd

	2022	2021 (Restated)
Summarised statement of financial position:	**Rs'000**	Rs'000
Current assets	**2,473,935**	1,144,605
Non-current assets	**14,700,802**	15,194,585
Current liabilities	**2,477,618**	2,935,576
Non-current liabilities	**8,075,148**	8,316,823
Equity attributable to owners of the company	**1,166,184**	1,415,301
Convertible bonds	**1,460,283**	744,083
Non-controlling interests	**3,995,504**	2,927,407

	2022	2021 (Restated)
Summarised statement of profit or loss:	**Rs'000**	Rs'000
Revenue from contracts with customers	**6,810,860**	2,334,695
Expenses	**(6,332,184)**	(3,369,014)
Profit/(loss) for the year	**478,676**	(1,034,319)
Profit/(loss) for the year:		
- Profit/(loss) attributable to owners of the company	**261,625**	(584,124)
- Profit/(loss) attributable to the non-controlling interests	**217,051**	(450,195)
	478,676	(1,034,319)
Other comprehensive income/(loss) for the year:		
- Other comprehensive income/(loss) attributable to owners of the company	**212,188**	(78,312)
- Other comprehensive income/(loss) attributable to the non-controlling interests	**166,729**	(67,432)
	378,917	(145,744)
Total comprehensive income/(loss) for the year:		
- Total comprehensive income/(loss) attributable to owners of the company	**473,813**	(662,436)
- Total comprehensive income/(loss) attributable to the non-controlling interests	**383,780**	(517,627)
	857,593	(1,180,063)
Summarised statement of cash flows:		
Net cash inflow/(outflow) from operating activities	**2,024,371**	(537,747)
Net cash outflow from investing activities	**(616,310)**	(758,923)
Net cash (outflow)/inflow from financing activities	**(101,139)**	1,429,943
Net cash inflow for the year	**1,306,922**	133,273

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Camp Investment Company Limited

Summarised statement of financial position:	**2022 Rs'000**	2021 Rs'000
Current assets	**2,740,527**	2,321,762
Non-current assets	**5,657,357**	5,450,049
Current liabilities	**1,811,415**	1,522,063
Non-current liabilities	**1,018,845**	1,154,902
Equity attributable to owners of the company	**1,370,455**	1,245,195
Non-controlling interests	**4,197,169**	3,849,651

Summarised statement of profit or loss:	**2022 Rs'000**	2021 Rs'000
Revenue from contracts with customers	**9,014,922**	7,868,359
Expenses	**(8,561,457)**	(7,300,436)
Profit for the year	**453,465**	567,923
Profit for the year:		
- Profit attributable to owners of the company	**113,905**	143,988
- Profit attributable to the non-controlling interests	**339,560**	423,935
	453,465	567,923
Other comprehensive income for the year:		
- Other comprehensive income attributable to owners of the company	**64,979**	104,450
- Other comprehensive income attributable to the non-controlling interests	**209,281**	243,265
	274,260	347,715
Total comprehensive income for the year:		
- Total comprehensive income attributable to owners of the company	**178,884**	248,438
- Total comprehensive income attributable to the non-controlling interests	**548,841**	667,200
	727,725	915,638
Summarised statement of cash flows:		
Net cash inflow from operating activities	**784,077**	999,649
Net cash outflow from investing activities	**(298,407)**	(294,812)
Net cash outflow from financing activities	**(442,609)**	(380,970)
Net cash inflow for the year	**43,061**	323,867

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

United Basalt Products Limited

Summarised statement of financial position:	**2022 Rs'000**	2021 Rs'000
Current assets	**2,014,636**	1,580,577
Non-current assets	**4,394,790**	4,037,355
Current liabilities	**1,322,485**	693,272
Non-current liabilities	**1,615,533**	1,327,018
Equity attributable to owners of the Company	**1,027,149**	1,089,722
Non-controlling interests	**2,444,259**	2,507,920

Summarised statement of profit or loss:	**2022 Rs'000**	2021 Rs'000
Revenue from contracts with customers	**4,073,535**	3,373,210
Expenses	**(4,130,248)**	(3,157,648)
(Loss)/profit for the year	**(56,713)**	215,562
(Loss)/profit for the year		
- (Loss)/profit attributable to owners of the company	**(22,795)**	65,530
- (Loss)/profit attributable to the non-controlling interests	**(33,918)**	150,032
	(56,713)	215,562
Other comprehensive income for the year:		
- Other comprehensive income attributable to owners of the company	**37,687**	41,262
- Other comprehensive income attributable to the non-controlling interests	**76,076**	136,072
	113,763	177,334
Total comprehensive income for the year:		
- Total comprehensive income attributable to owners of the company	**14,892**	106,792
- Total comprehensive income attributable to the non-controlling interests	**42,158**	286,104
	57,050	392,896
Summarised statement of cash flows:		
Net cash inflow from operating activities	**55,463**	506,887
Net cash outflow from investing activities	**(741,570)**	(136,737)
Net cash inflow/(outflow) from financing activities	**226,118**	(186,954)
Net cash (outflow)/inflow for the year	**(459,989)**	183,196

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Chantier Naval de l'Océan Indien Limited

	2022 Rs'000	2021 Rs'000
Summarised statement of financial position:		
Current assets	1,006,770	565,747
Non-current assets	2,879,340	2,907,005
Current liabilities	675,111	272,201
Non-current liabilities	568,921	481,524
Equity attributable to owners of the Company	1,704,919	1,734,408
Non-controlling interests	937,159	984,619

	2022 Rs'000	2021 Rs'000
Summarised statement of profit or loss:		
Revenue from contracts with customers	1,454,545	961,652
Expenses	(1,201,324)	(799,839)
Profit for the year	253,221	161,813
Profit for the year:		
- Profit attributable to owners of the company	166,185	103,285
- Profit attributable to the non-controlling interests	87,036	58,528
	253,221	161,813
Other comprehensive (loss)/income for the year:		
- Other comprehensive (loss)/income attributable to owners of the company	(148,785)	260,849
- Other comprehensive (loss)/income attributable to the non-controlling interests	(84,311)	147,813
	(233,096)	408,662
Total comprehensive income for the year:		
- Total comprehensive income attributable to owners of the company	17,400	364,134
- Total comprehensive income attributable to the non-controlling interests	2,725	206,341
	20,125	570,475
Summarised statement of cash flows:		
Net cash inflow from operating activities	214,662	383,070
Net cash outflow from investing activities	(269,912)	(502,859)
Net cash inflow from financing activities	43,107	167,047
Net cash (outflow)/inflow for the year	(12,143)	47,258

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Bluelife Limited

	2022 Rs'000	2021 Rs'000
Summarised statement of financial position:		
Current assets	740,779	1,223,718
Non-current assets	2,639,666	2,346,292
Current liabilities	553,072	1,155,677
Non-current liabilities	625,845	325,838
Equity attributable to owners of the Company	1,250,353	1,028,508
Non-controlling interests	951,175	1,059,987

	2022 Rs'000	2021 Rs'000
Summarised statement of profit or loss:		
Revenue from contracts with customers	717,683	199,761
Expenses	(598,476)	(400,597)
Profit/(loss) for the year	119,207	(201,517)
Profit/(loss) for the year		
- Profit/(loss) attributable to owners of the company	70,420	(80,074)
- Profit/(loss) attributable to the non-controlling interests	48,787	(121,443)
	119,207	(201,517)
Other comprehensive (loss)/income for the year:		
- Other comprehensive (loss)/ income attributable to owners of the company	(38,580)	49,845
- Other comprehensive (loss)/income attributable to the non-controlling interests	(28,569)	110,620
	(67,149)	160,465
Total comprehensive income/(loss) for the year:		
- Total comprehensive income/(loss) attributable to owners of the company	31,840	(30,229)
- Total comprehensive income/(loss) attributable to the non-controlling interests	20,218	(10,823)
	52,058	(41,052)
Summarised statement of cash flows:		
Net cash outflow from operating activities	(181,100)	(152,018)
Net cash inflow from investing activities	64,236	337,586
Net cash inflow/(outflow) from financing activities	209,246	(186,395)
Net cash inflow/(outflow) for the year	92,382	(827)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

12. INVESTMENTS IN ASSOCIATES

(a) **THE GROUP**

	2022 Rs'000	2021 Rs'000
At 1 July	10,180,691	9,472,435
Additions	8,421	69,116
Additions - Deposit on capital	4,564	-
Disposals	(145,131)	-
Transfer to investment in subsidiaries	-	(34,351)
Impairment losses	(259,942)	(34,509)
Share of results - continuing operations	870,570	731,598
Dividend income	(332,031)	(257,690)
Remeasurement of retirement benefit obligations (OCI)	(26,866)	17,599
Movement in fair value reserves (OCI)	495	(14,612)
Movement in revaluation reserves (OCI)	76,272	-
Movement in reserves of associated companies (OCI)	1,711	-
Movement in currency translation reserves (OCI)	(110,307)	229,751
Movement in other reserves	102,357	7,699
Other movements in retained earnings	(94,699)	(6,345)
Transfer of revaluation reserves to retained earnings	(5,204)	-
Movement in retained earnings - change in percentage holding	(72,175)	-
Transfer from other financial assets (Note 14)	35,958	-
At 30 June	**10,234,684**	10,180,691

At 30 June 2022, the Group had recognised impairment losses mainly with respect to Princes Tuna (Mauritius) Ltd (Rs 240.5 million) and Mer des Mascareignes Limitée (Rs 24.5 million) due to recoverable amounts being lower than the carrying values. The recoverable amounts of the associates were determined based on their value-in-use calculations. These calculations are based on a price to earnings multiple of 10 for Princes Tuna (Mauritius) Ltd and a revalued net asset value for Mer des Mascareignes Limitée.

(b) **THE COMPANY**

	Listed Rs'000	Unquoted Rs'000	Total Rs'000
At FVTOCI			
At 01 July 2020	1,338,106	3,987,420	5,325,526
Disposal		(980)	(980)
Transfer to subsidiaries (Note 11)	-	(80,434)	(80,434)
Fair value adjustments	933,153	(118,398)	814,755
At 30 June 2021	2,271,259	3,787,608	6,058,867
At 01 July 2021	**2,271,259**	**3,787,608**	**6,058,867**
Additions	**-**	**9,762**	**9,762**
Fair value adjustments	**528,200**	**14,388**	**542,588**
At 30 June 2022	**2,799,459**	**3,811,758**	**6,611,217**

(c) Additions during the year have been financed as follows:

	THE GROUP		THE COMPANY	
	2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
Cash consideration	12,985	69,116	9,762	-

(d) The Group and the Company have pledged their investments to secure banking facilities obtained.

(e) Refer to Note 34 for commitments and Note 35 for contingent liabilities related to associates of the Group.

(f) The carrying amount of the investment in associates include an investment in preference shares of Rs 16,291,000 in Victoria Station Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(g)

Details of associates	Country of incorporation	Type of shares	2022 % held Direct	2022 % held Indirect	2021 % held Direct	2021 % held Indirect
AfrAsia Bank Limited	Mauritius	Ordinary	30.29	-	30.29	-
AfrAsia Investments Limited	Mauritius	Ordinary	-	30.29	-	30.29
Alteo Ltd	Mauritius	Ordinary	27.64	-	27.64	-
Compagnie des Travaux Maritimes des Mascareignes Ltee (iii)	Mauritius	Ordinary	-	25.00	-	25.00
Cosy Club Management Services Ltd	Mauritius	Ordinary	-	44.67	-	44.67
Crown-Corks Industries Ltd	Mauritius	Ordinary	-	7.07	-	7.07
DDL Promotion Ltee (i)	Mauritius	Ordinary	-	40.00	-	40.00
Chronopost (Mauritius) Ltd	Mauritius	Ordinary	25.00	-	25.00	-
Island Management Ltd	Mauritius	Ordinary	25.00	-	25.00	-
IBL Energy Efficiency Ltd (iii)	Mauritius	Ordinary	-	35.00	-	35.00
IBL Photovoltaic Solutions Ltd (iii)	Mauritius	Ordinary	-	40.00	-	40.00
Energie des Mascareignes Limitée	Mauritius	Ordinary	30.00	-	30.00	-
Identical Media Holding Ltd	Mauritius	Ordinary	-	10.48	-	10.48
Madalg SARL (iii)	Madagascar	Ordinary	40.00	-	40.00	-
Mauritian Commodities and Applied Solutions Co. Ltd (formerly: Mauritius Coal and Allied Services Co Ltd)	Mauritius	Ordinary	49.00	-	49.00	-
Medscheme (Mtius) Ltd	Mauritius	Ordinary	-	18.00	-	18.00
H. Savy Insurance Company Ltd	Mauritius	Ordinary	-	12.00	-	12.00
LCL Cynologics Ltd	Mauritius	Ordinary	-	29.02	-	29.02
Mer des Mascareignes Limitée	Mauritius	Ordinary	-	42.50	-	42.50
MDM Distribution Ltd	Mauritius	Ordinary	-	42.50	-	42.50
Nutrifish SAS	France	Ordinary	-	41.25	-	41.25
Princes Tuna (Mauritius) Ltd	Mauritius	Ordinary	23.37	17.27	23.37	17.27
Nouvelle Clinique du Bon Pasteur (ii)	Mauritius	Ordinary	-	27.57	-	-
Quantilab Holding Ltd	Mauritius	Ordinary	-	50.00	-	50.00
Real Soft Ltd	Mauritius	Ordinary	-	40.00	-	40.00
Scimat SAS	Reunion	Ordinary	50.00	-	-	-
Switch Energy Ltd	Mauritius	Ordinary	-	21.27	-	21.27
Price Guru Ltd	Mauritius	Ordinary	-	20.00	-	20.00
Victoria Station Ltd	Mauritius	Ordinary	-	19.34	-	19.34
Proxifresh Ltd	Mauritius	Ordinary	-	50.00	-	-
Pre Mixed Concrete Ltd	Mauritius	Ordinary	-	-	-	16.24
Cement Transport Ltd	Mauritius	Ordinary	-	8.29	-	8.29
Terrarock Ltd	Mauritius	Ordinary	-	15.24	-	15.24
Prochimad Mines et Carrières SARL	Madagascar	Ordinary	-	11.27	-	11.27
Compagnie Mauricienne d'Entreprise Ltée	Mauritius	Ordinary	-	6.70	-	6.70

(i) Companies are inactive

(ii) Increase in shareholding

(iii) These have not been equity accounted in the financial statements as they were inactive and not material to the Group

All the above associates are accounted using the equity method in the consolidated financial statements, except where mentioned otherwise.

(h) Information presented in aggregate for associates that are not individually significant:

	2022 Rs'000	2021 Rs'000
The Group's share of profit from continuing operations	206,665	42,011
The Group's share of other comprehensive income	571,171	72,548
The Group's share of profit and total comprehensive income	777,836	114,559
Carrying amount of the Group's total interest in its associates	341,926	619,330

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(i) Details of significant associates

The table below presents a summary of financial information in respect of each of the significant associates of the Group. This summary represents the amounts reported in the financial statements of the respective associates prepared in accordance with IFRS.

AfrAsia Bank Limited

	2022 Rs'000	2021 Rs'000
Summarised statements of financial position:		
Current assets	149,032,981	142,851,180
Non-current assets	59,966,708	47,232,041
Current liabilities	191,198,510	175,989,301
Non-current liabilities	7,608,961	5,037,226
Equity attributable to other shareholders	1,385,768	1,385,768
Summarised statements of profit or loss:		
Net operating income	3,297,512	2,112,728
Profit for the year attributable to ordinary shareholders of the company	1,429,266	929,596
Other comprehensive income attributable to ordinary shareholders of the company	6,288	13,262
Total comprehensive income for the year attributable to ordinary shareholders of the company	1,435,554	942,858
Group's share of profit for the year of the associate	413,223	237,219
Group's share of total comprehensive income of the associate	1,905	4,055
Dividend income from associate	71,177	114,294

Reconciliation of financial information summarised above and the carrying value of the investment in AfrAsia Bank Limited recorded in the consolidated financial statements:

	2022 Rs'000	2021 Rs'000
Net assets of the associate attributable to the Group	8,806,450	7,670,926
Percentage holding by the Group (Note 12(g))	30.29%	30.29%
Share of net assets	2,667,474	2,323,523
Goodwill	364,963	364,963
Carrying value of the Group's share	3,032,437	2,688,486

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(i) Details of significant associates (Continued)

Alteo Ltd

	2022 Rs'000	2021 Rs'000
Summarised statement of financial position:		
Current assets	13,284,244	7,367,844
Non-current assets	18,742,424	23,801,845
Current liabilities	9,335,611	5,281,176
Non-current liabilities	3,378,177	7,227,964
Equity attributable to other shareholders	1,747,076	1,651,147
Summarised statement of profit or loss:		
Revenue from contracts with customers	12,100,019	9,549,122
Profit for the year attributable to ordinary shareholders of the company	996,436	1,158,973
Other comprehensive income attributable to ordinary shareholders of the company	72,701	247,683
Total comprehensive income attributable to ordinary shareholders of the company	1,069,137	1,406,656
Group's share of profit for the year of the associate	275,415	320,341
Group's share of total comprehensive income of the associate	17,641	68,734
Dividend income from associate	69,545	63,384

Reconciliation of financial information summarised above and the carrying value of the investment in Alteo Ltd recorded in the consolidated financial statements:

	2022 Rs'000	2021 Rs'000
Net assets of associate	17,565,804	17,009,402
Percentage holding by the Group (Note 12(g))	27.64%	27.64%
Share of net assets	4,855,188	4,701,399
Carrying value of the Group's share	4,855,188	4,701,399

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(i) Details of significant associates (Continued)

Princes Tuna (Mauritius) Ltd

	2022	2021
Summarised statement of financial position:	**Rs'000**	Rs'000
Current assets	**4,321,138**	4,169,162
Non-current assets	**2,620,664**	3,146,181
Current liabilities	**2,601,008**	2,429,382
Non-current liabilities	**496,586**	682,273
Equity attributable to other shareholders	**289,194**	267,852
Summarised statement of profit or loss:		
Revenue from contracts with customers	**10,465,002**	9,231,203
(Loss)/profit for the year attributable to ordinary shareholders of the company	**(56,622)**	302,261
Other comprehensive income/(loss) attributable to ordinary shareholders of the company	**89,803**	(102,167)
Total comprehensive income for the year attributable to ordinary shareholders of the company	**33,181**	200,094
Group's share of (loss)/profit for the year of the associate	**(24,732)**	132,027
Group's share of total comprehensive income of the associate	**14,493**	87,401
Dividend income from associate	**36,223**	33,664

Reconciliation of financial information summarised above and the carrying value of the investment in Princes Tuna (Mauritius) Ltd recorded in the consolidated financial statements:

	2022	2021
	Rs'000	Rs'000
Net assets of associate attributable to the Group	**3,555,014**	3,935,836
Pecentage holding by the Group (Note 12(g))	**43.68%**	43.68%
Share of net assets	**1,552,830**	1,719,173
Goodwill	**452,303**	452,303
Carrying value of the Group's share	**2,005,133**	2,171,476

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

13. INVESTMENTS IN JOINT VENTURES

Details of joint ventures	Type of Shares	Country of incorporation		Percentage held 2022	2021
City Brokers Ltd	Ordinary	Mauritius	Direct	**50.00**	50.00
Manser Saxon Facilities Ltd	Ordinary	Mauritius	Indirect	**50.00**	46.24
Proxifresh Ltd (ii)	Ordinary	Mauritius	Direct	**–**	50.00
Panacea Pharma Ltee (i)	Ordinary	Mauritius	Indirect	**50.00**	–
Laboratoire d'Innovations Phyto-Aromatiques Ltee (i)	Ordinary	Mauritius	Indirect	**50.00**	–

(i) Increase in stake and transferred from investments in other financial assets

(ii) Transferred to investment in associates

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1	**90,950**	117,057	**382,625**	302,580
Additions	**29,061**	16,602	**–**	16,602
Share of results - continuing operations	**34,986**	25,431	**–**	–
Dividends	**(50,000)**	(55,537)	**–**	–
Fair value movement	**–**	–	**24,307**	63,443
Impairment loss (Note 33)	**–**	(16,610)	**–**	–
Share of other comprehensive income	**4,107**	4,508	**–**	–
Transfer to investment in subsidiary	**–**	(501)	**–**	–
At 30 June	**109,104**	90,950	**406,932**	382,625

The Company classified and measured its investments in joint ventures at FVTOCI.

There are no contingent liabilities and capital commitments with respect to the joint ventures (2021: nil).

None of the joint ventures are individually significant to the Group.

Information presented in aggregate for the joint ventures that are not individually significant:

	2022	2021
	Rs'000	Rs'000
Current assets	**209,403**	265,624
Non-current assets	**78,213**	19,720
Current liabilities	**151,015**	196,333
Non-current liabilities	**28,591**	17,716
Net assets	**108,010**	71,295
Share of net assets	**54,005**	35,851
Goodwill	**55,099**	55,099
Group's share of net assets of the joint ventures	**109,104**	90,950
Revenue from contracts with customers	**350,893**	328,332
Profit for the year (continuing operations)	**75,139**	56,878
Total comprehensive income for the year (continuing operations)	**72,393**	51,136
Group's share of results for the year - continuing operations	**34,986**	25,431
Group's share of other comprehensive income for the year	**4,107**	4,508
Group's share of total comprehensive income for the year	**39,093**	29,939

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

14. OTHER FINANCIAL ASSETS

THE GROUP	Fair value through OCI	Fair value through profit or loss	Measured at amortised cost	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July 2020	365,368	330,944	212,604	908,916
Additions	38,253	113,016	313,136	464,405
Acquisition of subsidiaries (Note 38(a))	59	-	-	59
Disposals	(47,034)	(100,273)	(159,516)	(306,823)
Fair value adjustments	33,632	85,667	-	119,299
Exchange differences	1,264	-	5,690	6,954
Accrued interest during the year	-	-	4,185	4,185
Expected credit losses (Note (i))	(7)	-	-	(7)
Reversal of expected credit losses	14	-	772	786
At 30 June 2021	391,549	429,354	376,871	1,197,774
At 01 July 2021	**391,549**	**429,354**	**376,871**	**1,197,774**
Additions	**36,845**	**163,350**	**181,450**	**381,645**
Disposals	**(49,128)**	**(230,856)**	**(59,881)**	**(339,865)**
Fair value adjustments	**41,643**	**(13,395)**	**-**	**28,248**
Translation differences	**(275)**	**-**	**(572)**	**(847)**
Transfer to investments in associates (Note 12)	**(16,291)**	**-**	**(19,667)**	**(35,958)**
Accrued interest during the year	**-**	**-**	**(74)**	**(74)**
Expected credit losses (Note (i))	**-**	**-**	**3,839**	**3,839**
At 30 June 2022	**404,343**	**348,453**	**481,966**	**1,234,762**

Analysed as follows:	2022	2021
	Rs'000	Rs'000
Current	**256,183**	195,714
Non-current	**978,579**	1,002,060
	1,234,762	1,197,774
Analysed as follows:		
Listed	**576,065**	488,588
Unquoted	**658,697**	709,186
	1,234,762	1,197,774

THE COMPANY	Equity securities designated at FVTOCI	Equity securities measured at FVTPL	Total
	Rs'000	Rs'000	Rs'000
At 01 July 2020	122,369	-	122,369
Disposal	-	(3,500)	(3,500)
Fair value adjustments	(20,069)	3,500	(16,569)
At 30 June 2021	102,300	-	102,300
At 01 July 2021	**102,300**	**-**	**102,300**
Additions	**13,590**	**-**	**13,590**
Fair value adjustments	**9,331**	**-**	**9,331**
At 30 June 2022	**125,221**	**-**	**125,221**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

14. OTHER FINANCIAL ASSETS (CONTINUED)

	Listed		Unquoted	
	2022	2021	2022	2021
Analysed as follows:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
At 01 July 2021	**32,805**	28,499	**69,495**	93,870
Additions	**-**	-	**13,590**	-
Fair value adjustments	**3,652**	4,306	**5,679**	(20,875)
Disposal	**-**	-	**-**	(3,500)
At 30 June 2022	**36,457**	32,805	**88,764**	69,495

(i) **Impairment of financial assets:**

At Group level, the corporate bonds and deposits are held mainly with reputable local banks and listed entities. The directors have assessed that the credit risk on these financial instruments has not increased significantly since initial recognition and recognises 12-month ECL for these assets. The directors have determined the credit ratings of these instruments to be BBB- to BB+ based on the sovereign rating and external rating for main local banks. A loss rate given default of 45% has been applied in determining the ECL on the assumption that these corporate bonds are unsecured. There was no impairment of the financial assets at Company level (2021: nil).

15. INVENTORIES

	THE GROUP			THE COMPANY	
	2022	2021 (Restated)	2020 (Restated)	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Raw materials	**1,297,260**	1,093,828	1,277,817	**-**	-
Spare parts and consumables	**608,365**	287,459	253,785	**769**	868
Work in progress - others	**534,247**	92,931	204,233	**-**	-
Work in progress - property	**497,081**	779,388	-	**-**	-
Finished goods	**4,303,634**	3,475,346	3,145,910	**1,295,410**	945,682
Goods in transit	**748,056**	531,437	285,408	**282,655**	241,533
Stock of land for sale	**88,551**	218,269	172,508	**-**	-
	8,077,194	6,478,658	5,339,661	**1,578,834**	1,188,083

The trading stocks of some subsidiaries have been pledged as security for bank facilities granted to them. The carrying amount of inventories pledged as securities is Rs 2,982.4 million (2021: Rs 2,902.1 million) for the Group and Rs 1,578.8 million (2021: Rs 1,188.1 million) for the Company. The cost of inventories recognised as an expense includes an amount of Rs 82.4 million (2021: Rs 85.0 million) in respect of write down of inventories to net realisable value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

16. RIGHT OF USE ASSETS AND LEASE LIABILITIES

(a) Right of use assets

The Group as a lessee

The Group and the Company have lease contracts for land and buildings, plant and equipment, motor vehicles, office furniture and computer equipment which contain lease components used in their operations. Land and buildings have lease terms between 7 and 60 years, plant and equipment have lease terms of 4 to 10 years, motor vehicles have lease terms between 5 and 7 years and office furniture and computer equipment have lease terms of 1 to 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options, which are further discussed below.

Set out below are the carrying amounts of right of use assets recognised and the movements during the period:

	THE GROUP					THE COMPANY		
	Land and building	Plant and equipment	Motor vehicles	Office furniture and Computer equipment	Total	Land and building	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July 2020								
- As previously reported	4,452,480	476,937	164,177	15,238	5,108,832	52,581	11,528	64,109
- Effect of prior year restatement (Note 44)	(72,519)	-	-	-	(72,519)	-	-	-
- As restated	4,379,961	476,937	164,177	15,238	5,036,313	52,581	11,528	64,109
Additions for the year	115,709	39,863	113,693	11,432	280,697	1,841	37,330	39,171
Acquisition of subsidiaries (Note 38(a))	4,211	-	-	-	4,211	-	-	-
Disposal of subsidiaries (Note 38(b))	(280,127)	(15,333)	-	-	(295,460)	-	-	-
Impairment of leased assets (Note (i) and 33)	(59,801)	(2,264)	(8,046)	-	(70,111)	-	(7,490)	(7,490)
Reassessment of leases (Note (ii))	11,606	-	-	-	11,606	-	-	-
Transfer (to) / from property, plant and equipment (Note 4)	-	(3,539)	9,227	-	5,688	-	-	-
Transfer from intangible assets (Note 6)	58,050	-	-	-	58,050	-	-	-
Transfer to held for sale	(79,334)	-	-	-	(79,334)	-	-	-
Depreciation charge for the year	(397,044)	(57,640)	(116,667)	(5,094)	(576,445)	(14,005)	(8,711)	(22,716)
Exchange differences	446,445	11	7,671	-	454,127	-	-	-
At 30 June 2021	4,199,676	438,035	170,055	21,576	4,829,342	40,417	32,657	73,074
At 01 July 2021								
- As previously reported	**4,272,221**	**438,035**	**170,055**	**21,576**	**4,901,887**	**40,417**	**32,657**	**73,074**
- Effect of prior year restatement (Note 44)	**(72,545)**	**-**	**-**	**-**	**(72,545)**	**-**	**-**	**-**
- As restated	**4,199,676**	**438,035**	**170,055**	**21,576**	**4,829,342**	**40,417**	**32,657**	**73,074**
Additions for the year	**38,384**	**128,269**	**106,792**	**269**	**273,714**	**2,782**	**11,449**	**14,231**
Acquisition of subsidiaries (Note 38 (a))	**256,001**	**9,768**	**83,677**	**8,220**	**357,666**	**-**	**-**	**-**
Impairment of leased assets (Note (i) and 33)	**(35,790)**	**-**	**-**	**-**	**(35,790)**	**-**	**-**	**-**
Reassessment of leases (Note (ii))	**83,656**	**247**	**1,119**	**-**	**85,022**	**-**	**-**	**-**
Transfer to property, plant and equipment (Note 4)	**-**	**(11,872)**	**(9,117)**	**-**	**(20,989)**	**-**	**(504)**	**(504)**
Transfer to held for sale (Note 21)	**(28,519)**	**-**	**-**	**-**	**(28,519)**	**-**	**-**	**-**
Exchange differences	**42,450**	**(17)**	**(5,698)**	**-**	**36,735**	**-**	**-**	**-**
Depreciation charge for the year	**(381,760)**	**(51,568)**	**(146,907)**	**(709)**	**(580,944)**	**(14,143)**	**(10,385)**	**(24,528)**
At 30 June 2022	**4,174,098**	**512,862**	**199,921**	**29,356**	**4,916,237**	**29,056**	**33,217**	**62,273**

(i) As a consequence of the downward medium-term trading expectations due to the current economic environment which has been exacerbated by the global COVID-19 pandemic, the Group has impaired its right of use by Rs 35.79 million for the year ended 30 June 2022 (2021: 70.11 million). The recoverable amount has been determined based on the fair value less cost to sell.

The impairment loss at Company level amounting to Rs 7.5 million for the year ended 30 June 2021 relates to an accidented motor vehicle which was fully impaired. No impairment has been booked at Company level for the year ended 30 June 2022.

(ii) During the year, leases have been reassessed due to changes in the lease terms which are not lease modifications.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

16. RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(b) Lease liabilities

	THE GROUP		THE COMPANY	
	2022	2021 (Restated)	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July				
- As previously reported	**4,585,174**	4,652,050	**76,883**	66,284
- Effect of prior year restatement (Note 44)	**1,420**	1,420	**-**	-
- As restated	**4,586,594**	4,653,470	**76,883**	66,284
Additions for the year	**246,187**	276,999	**13,534**	39,929
Acquisition of subsidiaries (Note 38(a))	**391,787**	4,371	**-**	-
Interest expense (Note 32)	**345,349**	355,681	**4,128**	4,061
Disposal of subsidiaries (Note 38(b))	**-**	(309,236)	**-**	-
Termination of lease released to profit or loss	**(3,843)**	(17,776)	**-**	(7,717)
Reassessment of lease liability (Note a(ii))	**42,162**	-	**-**	-
Transfer to assets classified as held for sale (Note 21)	**(39,739)**	(70,500)	**-**	-
Lease payment	**(920,592)**	(785,831)	**(26,374)**	(25,674)
Exchange differences	**(31,780)**	479,416	**-**	-
At 30 June	**4,616,125**	4,586,594	**68,171**	76,883

	THE GROUP			THE COMPANY	
	2022	2021 (Restated)	2020 (Restated)	**2022**	2021
	Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000
Analysed as follows:					
Current	**578,499**	554,697	474,087	**22,553**	22,027
Non-current	**4,037,626**	4,031,897	4,179,383	**45,618**	54,856
	4,616,125	4,586,594	4,653,470	**68,171**	76,883

Refer to Note 22(e) for the cash and non-cash movements in lease liabilities.

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
The following are the amounts recognised in profit or loss:				
Depreciation charged of right of use assets	**580,944**	578,482	**24,528**	22,716
Interest expense on lease liabilities (Note 32)	**345,349**	355,681	**4,128**	4,061
COVID-19 rent concession (Note 33)	**-**	18,477	**-**	-
Total amount recognised in profit or loss	**926,293**	952,640	**28,656**	26,777

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Group and the Company had total cash outflows for leases amounting to Rs 957 million (2021: Rs 823 million) and Rs 26 million (2021: Rs 25 million) respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

16. RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(c) Minimum lease payments:

	THE GROUP		THE COMPANY	
	2022	2021 (Restated)	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Within one year	**778,880**	847,061	**19,375**	6,345
After one year but not more than five years	**2,801,267**	2,875,508	**70,431**	105,308
More than five years	**11,993,091**	12,015,466	**–**	–
	15,573,238	15,738,035	**89,806**	111,653
Less: future finance charges	**(10,957,113)**	(11,151,441)	**(21,635)**	(34,770)
Present value of lease obligations	**4,616,125**	4,586,594	**68,171**	76,883

The present value of liabilities may be analysed as follows:

	THE GROUP		THE COMPANY	
	2022	2021 (Restated)	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Within one year	**578,499**	554,697	**22,553**	22,027
After one year but not more than five years	**2,438,003**	1,880,959	**45,618**	54,856
More than five years	**1,599,623**	2,150,938	**–**	–
	4,616,125	4,586,594	**68,171**	76,883

(d) The effective interest rates at the end of reporting date were as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Lease liabilities	**3.0% - 8.0 %**	3.0% - 7.5 %	**3.0% - 8.0%**	3.0% - 7.5%

During the year under review, the Group has taken exemption for short-term lease accounting amounting to Rs 5.4 million (2021: Rs 37.1 million). These leases were taken for a period of 6 - 12 months.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

17. NON-CURRENT RECEIVABLES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Amount due from related parties (Note (a))	**–**	1,850	**395,944**	429,517
Loan receivable	**–**	94,426	**–**	–
Less: Provision for expected credit losses (Note (b))	**–**	(96,276)	**(242,626)**	(337,906)
Other amounts receivable (Note (c))	**79,288**	90,763	**–**	–
Other asset	**1,500**	1,500	**1,500**	1,500
At 30 June	**80,788**	92,263	**154,818**	93,111

(a) Amount due from related parties

The Group and the Company have determined lifetime expected credit loss on loan receivables from related companies based on expected recovery of the related debts.

Amount due from related parties for the Company are unsecured and repayable on demand but not within the next 12 months. Receivable amounting to Rs 240 million (2021: Rs 127 million) are interest-free while remaining balances of Rs 156 million (2021: Rs 321 million) bear interest at rates ranging from 4.0% to 8.0% (2021: 3.1% to 7.75%). In determining the expected credit losses, the Company has assessed the ability of the related parties to pay the debts if demanded at reporting date and where the borrower has access to unrestricted cash to repay the debt, the ECL determined is immaterial. If the borrower cannot repay the debts at reporting date, management has determined a recovery period usually between 3 to 5 years on the basis that the entities will continue operations and generate future cash flows. The expected credit loss will be limited to the effect of discounting the amount due on the loan (at the loan's effective interest rate, which might be 0% if the loan is interest free) over the period until cash is realised. If the time period to realise cash is short or the effective interest rate is low, the effect of discounting might be immaterial. If the effective interest rate is 0%, and all strategies indicate that the lender would fully recover the outstanding balance of the loan, there is no impairment loss to recognise.

During the year ended 30 June 2021 and 2022, the Company waived several balances due from related parties which were converted into equity investments.

(b) Set out below is the movement in the loss allowance:

	THE GROUP	THE COMPANY
	Rs'000	Rs'000
At 01 July 2020	1,850	349,484
Increase in loss allowance recognised in profit or loss during the year	94,426	7,195
Amounts recovered during the year	–	(18,773)
At 30 June 2021	96,276	337,906
At 01 July 2021	**96,276**	**337,906**
Decrease in loss allowance recognised in profit or loss during the year	**(96,276)**	**(49,406)**
Amounts recovered during the year	**–**	**(45,874)**
At 30 June 2022	**–**	**242,626**

(c) Other amounts receivable relate to deposits which are repayable after more than one year.

Other receivables also include an amount of Rs 43,124,000 relating to sale of SAS Hotel Le Récif. As per the deed of sale of SAS Hotel Le Récif, an amount of EUR 1 million is receivable 4 years after effective date of transfer. Furthermore a contingent fee of EUR 1 million is payable upon Hotel Le Récif achieving a target EBITDA. The contingent fee has not been included at this stage as it is very difficult to assess whether the set target results would be achieved. The proceeds receivable is interest free and has been accounted as its net present value using an effective discount rate of 3%.

(d) Management has assessed ECL on other amounts receivable and other financial asset and the amount is insignificant (2021: Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

18. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade receivables (Note (a))	**4,483,299**	3,846,082	**1,068,832**	1,068,724
Trade receivables from related parties	**223,716**	233,590	**16,791**	13,528
Less: Allowance for expected credit losses	**(718,054)**	(746,407)	**(74,575)**	(58,539)
	3,988,961	3,333,265	**1,011,048**	1,023,713
Other receivables	**1,501,227**	1,015,934	**93,040**	60,990
Less: Allowance for expected credit losses (Note (b))	**(10,610)**	(17,464)	**-**	(16,476)
Prepayments	**436,340**	304,557	**44,598**	49,241
Tax receivables (VAT, TDS, etc.)	**120,658**	249,341	**9,877**	17,425
Dividend receivable	**68,223**	98,134	**475,568**	349,763
	6,104,799	4,983,767	**1,634,131**	1,484,656

The receivable balances are unsecured and interest free at year end. The directors consider that the carrying amount of trade and other receivables approximates their fair value.

(a) *Trade receivables*

Before accepting any new customer, the Group and the Company assess the potential customer's credit quality and define credit limits by customer and these are reviewed on a regular basis. The concentration of credit risk is limited due to the customer base being large and unrelated.

The Group and the Company have recognised allowance for expected credit losses against trade receivables by reference to past default experience on an individual basis.

The Group and the Company measure the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The provision rates are based on days past due for grouping of various customer segments with similar loss patterns (i.e. by geographical region, product type, customer type and credit terms). The Group has presented the credit risk exposure on trade receivables by the different business clusters consistent with the reportable segments. The Company's trade receivables arise from services provided by corporate office as well as operations in commercial and logistics clusters mainly from sale of consumer goods, healthcare products and equipment and rendering of shipping and aviation services.

Due to the current economic uncertainty relating to COVID-19, consistent with prior year, the Group has assessed the credit risk of debtors operating in impacted sectors such as hospitality and construction and made specific provision where required. No overlay on ECL was made in the year under review (2021: Rs Nil).

Building & Engineering

The activities within this cluster consist of engineering and contracting services including providing related services as well as sale of building materials. The average credit period on sales of goods and services ranges from 30 to 90 days. Management considers trade receivables to be in default when contractual payments are past due for a period ranging from 180 days to 360 days based on the business environment in which the entities operate taking into consideration the market dynamics, customer base and competition. Some of the entities within this cluster have segmented the trade receivables by customer/product/service types (e.g. related/non related, electrical, parts, storage and furniture). The entities have recognised a loss allowance of 100% against receivables over default period (except where repayment plan has been agreed) where historical experience has indicated that these receivables are generally not recoverable.

Commercial & Distribution

The Commercial & Distribution cluster consists mainly of sale of consumer goods/products, healthcare and industrial goods and rendering of related services. The average credit period on sales of goods and services ranges between 30 to 90 days. Management considers trade receivables to be in default when contractual payments are past due for a period ranging from 90 days to 180 days based on the business environment in which the entities operate taking into consideration the market dynamics, customer base and competition. Some of the entities within the cluster have segmented the trade receivables by geography/customer base (e.g. countries of exportation - Madagascar, Seychelles, hotel, restaurant, cafe (HORECA), retail key account, retail modern account, retail traditional account, Government). The entities have recognised a loss allowance of 100% against receivables over default period (except where repayment plan has been agreed or debts have been recovered) where historical experience has indicated that the receivables are generally not recoverable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (Continued)

Logistics

This cluster provides logistics, shipping and aviation services to clients. The average credit period on sales of most services is 30 days except for provision of aviation courses which has a credit period of 150 days. Management considers trade receivables to be in default when contractual payments are past due for a period ranging from 90 days to 150 days based on the business environment in which the entities operate taking into consideration the market dynamics, customer base and competition. Trade receivables have been segmented between related and non-related for some entities. The entities have recognised a loss allowance of 100% against receivables over default period (except where repayment plan has been agreed or debts have been recovered) where historical experience has indicated that these receivables are generally not recoverable.

Seafood

The activities within this cluster include production and distribution of seafood and associated products as well as provision of handling and storage services of seafood products. The average credit period on sales of goods and services is 0 to 60 days. Management considers trade receivables to be in default when contractual payments are past due for a period ranging from 120 days to 180 days based on the business environment in which the entities operate taking into consideration the market dynamics, customer base and competition. Trade receivables for certain entities have been segmented based on credit period granted to customers. The entities have recognised a loss allowance of 100% against receivables over default period (except where repayment plan has been agreed or debts have been recovered) where historical experience has indicated that these receivables are generally not recoverable.

Financial Services

The Financial Services cluster includes mainly revenue from global business management and insurance business. The average credit period on provision of services is 90 days. Management considers trade receivables to be in default when contractual payments are past due for a period ranging from 120 days to 180 days based on the business environment in which the entities operate taking into consideration the market dynamics, customer base and competition. No segmentation has been done by the entities as the historical loss experience does not show significantly different loss patterns for different customer segments. The entities have recognised a loss allowance of 100% against receivables over default period (except where repayment plan has been agreed or debts have been recovered) where historical experience has indicated that these receivables are generally not recoverable.

Property

Revenue from Property cluster includes mainly property management, real estate development and income from rental of properties. The average credit period on rendering of services ranges from 0 to 30 days. Management considers trade receivables to be in default when contractual payments are past due for 90 days based on the business environment in which the entities operate taking into consideration the market dynamics, customer base and competition. Trade receivables have been segmented between related and non-related for some entities. The entities have recognised a loss allowance of 100% against receivables over default period (except where repayment plan has been agreed or debts have been recovered) where historical experience has indicated that these receivables are generally not recoverable.

Hospitality & Services

This cluster provides hospitality services to its clients. Trade receivables are not secured, non interest-bearing and are generally on 30 days term. Impairment of receivables have been assessed on an individual basis and also on a collective basis under the 'Expected Credit Loss' model. The hospitality group has subscribed to a credit protection scheme for its trade receivables with a Global Service Provider, with a view to minimise its credit risk exposure. Bad debts written off which were provided for relate to individual debtor balances which have been impaired during the year and which were not previously provided for.

Life & Technologies

The activities within this cluster include clinical research and development and chemical, toxicological and microbiological analysis, medical diagnosis, medical and para-medical treatment and patient care. It also includes digital solutions in the web and e-commerce space. Trade receivables are considered in default when contractual payments are 90 days past due. However, in certain cases, receivables are considered to be in default when internal or external information indicates that it is unlikely that the outstanding contractual amounts will be received in full before taking into account any credit enhancements held. The balance is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (Continued)

The following table details the credit risk exposure of trade receivables based on the Group's and Company's provision matrix at 30 June 2022 and 30 June 2021:

THE GROUP

		Number of days past due									
At 30 June 2022	**Not past due**	**<30**	**31 – 60**	**61 – 90**	**91 – 120**	**121 – 150**	**151 – 180**	**181 – 270**	**271 – 360**	**>360**	**Total**
Expected credit loss rate (%)	**0 – 6.0**	**1.0 – 10.0**	**1.0 – 13.0**	**1.0 – 14.67**	**1.0 – 63.14**	**1.0 – 100**	**3.0 – 100**	**5.0 – 100**	**5.0 – 100**	**64.0 – 100**	
Expected total gross carrying amount at default (Rs'000)	**1,854,451**	**1,037,362**	**492,655**	**207,192**	**245,845**	**190,267**	**47,800**	**121,477**	**49,320**	**460,646**	**4,707,015**
Lifetime ECL (Rs'000)	**(57,887)**	**(17,293)**	**(12,293)**	**(16,862)**	**(108,687)**	**(25,066)**	**(22,097)**	**(25,593)**	**(32,800)**	**(399,476)**	**(718,054)**
At 30 June 2021											
Expected credit loss rate (%)	0.08 – 4.74	0.20 – 8.0	0.39 – 13.16	0.47 – 18.70	0.54 – 34.53	0.82 – 64.78	8.15 – 100	15.56 – 100	36.89 – 100	100	
Expected total gross carrying amount at default	1,338,283	825,856	388,124	294,536	195,087	159,846	109,439	122,592	36,148	609,761	4,079,672
Lifetime ECL (Rs'000)	(11,304)	(9,600)	(7,495)	(9,546)	(12,714)	(20,223)	(21,800)	(26,261)	(17,703)	(609,761)	(746,407)

THE COMPANY

		Number of days past due									
At 30 June 2022	**Not past due**	**<30**	**31 – 60**	**61 – 90**	**91 – 120**	**121 – 150**	**151 – 180**	**181 – 270**	**271 – 360**	**>360**	**Total**
Expected credit loss rate (%)	**0 – 6.0**	**1.0 – 10.0**	**1.0 – 13.0**	**1.0 – 14.67**	**1.0 – 63.14**	**1.0 – 100**	**3.0 – 100**	**5.0 – 100**	**5.0 – 100**	**64.0 – 100**	
Expected total gross carrying amount at default (Rs'000)	**366,935**	**367,087**	**82,538**	**34,040**	**17,822**	**88,335**	**(196)**	**8,952**	**113,809**	**6,301**	**1,085,623**
Lifetime ECL (Rs'000)	**(36,828)**	**(4,999)**	**(204)**	**(576)**	**(888)**	**(1,502)**	**118**	**(8,451)**	**(14,944)**	**(6,301)**	**(74,575)**
At 30 June 2021											
Expected credit loss rate (%)	0.08 – 4.74	0.20 – 8.0	0.39 – 13.16	0.47 – 18.70	0.54 – 34.53	0.82 – 64.78	8.15 – 100	15.56 – 100	36.89 – 100	100	
Expected total gross carrying amount at default (Rs'000)	502,025	196,805	64,689	79,558	102,019	26,835	87,800	4,975	4,108	13,438	1,082,252
Lifetime ECL (Rs'000)	(29,822)	(1,918)	(336)	(1,240)	(993)	(1,483)	(5,238)	(2,425)	(2,284)	(12,800)	(58,539)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (Continued)

The following table details the credit risk exposure of trade receivables based on the Group's and Company's provision matrix at 30 June 2022 and 30 June 2021 per industry groups:

THE GROUP

At 30 June 2022	Agro & Energy	Building & Engineering	Commercial & Distribution	Financial Services	Hospitality & Services	Life & Technologies	Logistics	Property	Seafood	Corporate Services	Consolidation adjustments	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Expected total gross carrying amount at default	**27,000**	**1,201,436**	**2,926,613**	**681,280**	**517,778**	**120,429**	**334,508**	**80,995**	**305,976**	**244,107**	**(1,733,107)**	**4,707,015**
Lifetime ECL	**–**	**(199,786)**	**(382,217)**	**(46,937)**	**(56,543)**	**(16,012)**	**(18,344)**	**(20,153)**	**–**	**(21,346)**	**43,284**	**(718,054)**
At 30 June 2021												
Expected total gross carrying amount at default	–	835,739	2,534,240	686,866	492,991	63,089	280,582	84,898	165,038	214,868	(1,278,639)	4,079,672
Lifetime ECL	–	(128,244)	(391,488)	(55,069)	(177,007)	(97)	(18,891)	(26,084)	–	(8,884)	59,357	(746,407)

THE COMPANY

At 30 June 2022	Agro & Energy	Building & Engineering	Commercial & Distribution	Financial Services	Hospitality & Services	Life & Technologies	Logistics	Property	Seafood	Corporate Services	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Expected total gross carrying amount at default	**–**	**–**	**848,733**	**–**	**–**	**–**	**8,149**	**–**	**–**	**228,741**	**–**	**1,085,623**
Lifetime ECL	**–**	**–**	**(46,928)**	**–**	**–**	**–**	**(6,301)**	**–**	**–**	**(21,346)**	**–**	**(74,575)**
At 30 June 2021												
Expected total gross carrying amount at default	–	–	875,809	–	–	–	7,200	–	–	199,243	–	1,082,252
Lifetime ECL	–	–	(47,321)	–	–	–	(2,334)	–	–	(8,884)	–	(58,539)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9.

THE GROUP	Collectively assessed Rs'000	Individually assessed Rs'000	Total Rs'000
At 01 July 2020	456,875	361,834	818,709
Increase/(decrease) in loss allowance	12,326	(85,254)	(72,928)
Acquisition of subsidiaries	123	-	123
Disposal of subsidiary	(2,383)	-	(2,383)
Amounts written off	(13,151)	(7,881)	(21,032)
Amounts recovered during the year	(30)	(5,788)	(5,818)
Net foreign exchange gain	5,873	23,863	29,736
At 30 June 2021	459,633	286,774	746,407
At 01 July 2021	**459,633**	**286,774**	**746,407**
(Decrease)/increase in loss allowance	**(95,852)**	**54,543**	**(41,309)**
Transfer to assets held for sale	**(7,428)**	**-**	**(7,428)**
Acquisition of subsidiaries	**77,402**	**-**	**77,402**
Amounts written off	**(16,631)**	**(13,590)**	**(30,221)**
Amounts recovered during the year	**(1,459)**	**(4,425)**	**(5,884)**
Net foreign exchange loss	**(1,552)**	**(19,361)**	**(20,913)**
At 30 June 2022	**414,113**	**303,941**	**718,054**

THE COMPANY	Collectively assessed Rs'000	Individually assessed Rs'000	Total Rs'000
At 01 July 2020	99,635	175	99,810
(Decrease)/increase in loss allowance	(50,640)	41,121	(9,519)
Amounts written off	(26,000)	-	(26,000)
Amounts recovered during the year	-	(5,752)	(5,752)
At 30 June 2021	22,995	35,544	58,539
At 01 July 2021	**22,995**	**35,544**	**58,539**
Increase in loss allowance	**4,165**	**11,871**	**16,036**
At 30 June 2022	**27,160**	**47,415**	**74,575**

(b) Other receivables

The Group and the Company have determined lifetime expected credit loss on other receivables based on expected recovery of the related debts. Set out below is the movement in the loss allowance in accordance with IFRS 9:

	THE GROUP Rs'000	THE COMPANY Rs'000
At 01 July 2020	8,725	-
Increase in loss allowance	10,915	16,476
Amounts recovered during the year	(2,270)	-
Foreign exchange losses	94	-
At 30 June 2021	17,464	16,476
At 01 July 2021	**17,464**	**16,476**
Increase in loss allowance	**11,453**	**-**
Amounts recovered during the year	**(18,307)**	**(16,476)**
At 30 June 2022	**10,610**	**-**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

19. DIVIDENDS

On 11 November 2021, the Board of Directors declared an interim dividend of Rs 0.15 per share (2021: Rs 0.11 per share) which was paid on 15 December 2021. On 3 June 2022 a final dividend of Rs 0.45 per share (2021: Rs 0.33 per share) was declared and paid on 29 June 2022. The total dividends declared for the year amounted to Rs 408.1 million (2021: Rs 299.3 million). The Company had a dividend payable of Rs 224.4 million at 30 June 2021.

20. (a) STATED CAPITAL

The Group and the Company

Issued and fully paid	2022 Rs'000	2021 Rs'000
At 30 June 2022: 680,224,040 ordinary shares of no par value (2021: 680,224,040 ordinary shares of no par value)	**1,361,941**	1,361,941

Each share confers to its holder the right to vote and a proportional right to dividends and to the distribution of the surplus assets of the Company upon winding up.

(b) RESTRICTED REDEEMABLE SHARES

The Group and the Company

1,510,666,650 Restricted Redeemable Shares (RRS) of no par value amounting to Rs 5 million were in issue on 30 June 2021 and 2022.

Each RRS confers to the holder the right to vote at general meetings and right to participate in a rights issue together with the holders of the ordinary shares. The RRS holders have no right to dividends or distribution of any surplus of the Company in case of winding up. The RRS are redeemable at the option of the Company and at no proceeds.

(c) CONVERTIBLE BONDS

The Group

During the financial year ended 30 June 2021, one of the subsidiaries of the Group, Lux Island Resorts Ltd ("LIR"), has contracted with the Mauritius Investment Corporation Ltd ("MIC"), a wholly owned subsidiary of the Bank of Mauritius to issue redeemable convertible bonds for a total amount of Rs 1 billion comprising of 100 bonds of Rs 10 million each. Subsequently, both parties mutually agreed to an amended financing of Rs 920 million (92 bonds).

One of the main objectives of the MIC is to provide financial support to companies impacted by the COVID-19 pandemic and in particular to the tourism sector which had the worst impact due to the full border closure. The MIC support is in the form of redeemable convertible bonds to companies which required urgent working capital to sustain its viability.

LIR issued 75 (in two tranches of 45 and 30 each) 3% convertible bonds in favour of MIC as at 30 June 2021. The last tranche of Rs 170 million (17 convertible bonds) was subscribed in January 2022.

LIR, through one of its subsidiaries, Merville Limited also signed an agreement with MIC to issue redeemable convertible bonds for a total amount of Rs 700 million comprising of 70 bonds of Rs 10 million each. As at 30 June 2022, only Rs 550 million out of the total amount of Rs 700 million had been subscribed for.

The key terms and conditions of the funding arrangements from the MIC are as follows:

- The maturity date is 9 years from first disbursement of the first tranche of the subscription proceeds.
- The conversion has been predetermined prior to the subscription.
- Interest rates of 3.00 % and 4.00 % p.a. over the duration of the bonds for LIR and Merville Limited respectively (from issue date to the earlier of the redemption date or the conversion date). The interest is payable on the last day of each interest period. On maturity date, any unpaid capital and interest is converted into ordinary shares in accordance with the predetermined conversion price.
- Redemption of the bonds shall be at the option of the issuer. The issuer may redeem some or all the bonds, any time prior to the maturity date.
- All outstanding bonds will be converted into ordinary shares at a pre-agreed formula and price on maturity date.

The conversion price of the convertible bonds has been set at Rs 33.52 and Rs 405.00 for LIR and Merville Limited respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

21. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

(a) **Les Villas Du Lagon**

On 29 June 2022, Lux Island Resorts Ltd ("LIR") had an offer from a potential buyer for the acquisition of Les Villas Du Lagon, in Reunion Island. The negotiation is still ongoing for the total proceeds and modus operandi of the transaction. The assets and liabilities retranslated at year end rate were classified as held for sale at 30 June 2022 and no impairment loss was recognised as at date.

(b) **UBP Madagascar**

The Group has the intention to sell its Malagasy subsidiary, UBP Madagascar and had initiated an active programme to locate a buyer as from 01 November 2021. This operation which is expected to be sold within 12 months, has been classified as a disposal group held for sale and presented separately in the statement of financial position. The proceeds from disposal are expected to exceed the carrying amount of the related net assets and accordingly no impairment losses have been recognised on the classification of this operation as held for sale. Results of the operations from date of classification as held for sale were recognised in discontinued operations.

(c) **United Granite Products (Private) Limited ("UGPL")**

In June 2021, United Basalt Products Limited ("UBP") initiated an active programme to locate a buyer following its intention to sell its Sri Lankan subsidiary, UGPL. This operation, which was expected to be sold within 12 months, was classified as a disposal group held for sale and presented separately in the group statement of financial position at 30 June 2021. As a result of the programme initiated, several potential buyers showed their interest, but the deal could not be completed as there was no agreement on the proposed consideration. Moreover, during the one-year period, there were circumstances which were beyond the Group's control and further complicated the negotiations. Management remains committed to their plan to sell UGPL and continues to be classified as a disposal group held for sale and presented separately in the group statement of financial position at 30 June 2022. An impairment loss of Rs 7 million was recognised on the assets during the year under review and presented under discontinued operations together with the results from operations for the year.

(d) **Bare Land in the books of Circle Square Holding Co Ltd ("CSHL")**

CSHL owns bare land at Forbach and the Circle Square Retail Park. As at reporting date, the investment properties of CSHL are classified as held for sale. The investment properties of CSHL, which were held for sale since the past three years, have been partly sold during the reporting year ended 30 June 2021. The sale of 3 plots have been completed and a fourth plot has been sold in August 2021. The three remaining units are expected to be sold in the first quarter of financial year ending 30 June 2023.

(e) **Bare Land in the books of Aquatic Proteins Products Limited ("APPL")**

APPL owns bare land in the state of Kerala in India. On 01 July 2020, the Board of Directors of APPL has decided to discontinue its operations in India and has been looking for a buyer to dispose of the bare land. The bare land was transferred from property, plant & equipment amounting to Rs 145 million to assets held for sale. At the reporting date, the land was valued at the lower of fair value less cost to sell and its carrying value and an impairment loss of Rs 86 million was provided during the year ended 30 June 2021 in view of current market conditions in India. The carrying value of the bare land at the reporting date was Rs 58 million and no further impairment loss was recognised during the year under review. The Company expect to complete the sale during the financial year ended 30 June 2023.

(f) **PL Resort Ltd**

The assets and liabilities were classified as held for sale during the financial year ended 30 June 2021 as a binding offer was signed since April 2021 with an external foreign third party. The sale was concluded in March 2022. The results up to date of disposal were recognised in discontinued operations.

(g) **Manser Saxon Dubai LLC ("MSD")**

MSD was classified as a discontinued operation during the year ended 30 June 2020 and 30 June 2021. The assets were disposed during the year ended 30 June 2022 with all proceeds used to settle debts of the company. MSD was deconsolidated as a subsidiary on 01 July 2021 following winding of the company.

(h) **SALT Hospitality Ltd ("SHL")**

SHL entered into a voluntary administration in February 2021. Consequently, the Group lost control over the activities of SHL. The Group has accounted for the results of SHL under discontinued operations, recognised liabilities and guarantees given on behalf of SHL and have deconsolidated the statement of financial position of SHL when control was lost.

During the year, the Company exited from the voluntary administration, as explained in Note 38(a), and the restructured SALT Hospitality Ltd was consolidated effective as from 05 January 2022.

(i) **Reefer Operations (BVI) Limited ("ROLBVI")**

On 01 July 2020, the Board of Directors of ROLBVI decided to cease its operations and decided to dispose of its shipping vessel amounting to Rs 188 million. The sale was concluded in December 2020 and ROLBVI is in the process of winding up. The results for the year ended 30 June 2021 were presented under discontinued operations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

21. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

(j) **Hotel Le Récif SAS**

On 1 August 2020, LIR had finalised the sale of Hotel Le Récif SAS, in Reunion Island for a total proceeds of EUR 9 million, payable as follows:

- EUR 7 million payable on date of signature
- EUR 1 million payable 4 years after date of signature
- EUR 1 million contingent upon Hotel Le Récif SAS achieving a target EBITDA

The amount of EUR 7 million as per the deed of sale has already been paid. There was no impairment of the assets of Hotel Le Récif SAS as the disposal proceeds exceed the fair value of the net assets.

The effective date of the disposal was 01 July 2020 where the net asset value of the subsidiary after netting off of intercompany transactions was Rs 264.5 million.

As per the deed of sale of Hotel Le Récif SAS, an amount of EUR 1 million (Rs 45.9 million) is receivable 4 years after effective date of transfer and this is included in non current receivables. Cash proceeds upon disposal of Hotel Le Récif SAS was Rs 231.1 million.

The assets and liabilities classified as held for sale in relation to the Group are as follows:

	THE GROUP	
	2022	2021
	Rs'000	Rs'000
Assets		
Property, plant and equipment (Note (i))	**554,318**	466,540
Investment property (Note (ii))	**31,055**	109,219
Intangible assets (Note (iii))	**1,123**	211
Right of use assets (Note (iv))	**28,519**	79,389
Deferred tax asset	**–**	11,519
Inventories	**41,071**	14,086
Trade and other receivables	**49,650**	13,028
Cash and cash equivalents	**122,820**	144,527
Assets classified as held for sale	**828,556**	838,519
Liabilities		
Borrowings	**147,608**	354,786
Retirement benefit obligations (Note (v))	**14,446**	1,411
Current tax liabilities	**870**	–
Lease liabilities	**39,739**	–
Trade and other payables	**251,918**	17,002
Liabilities associated with assets classified as held for sale	**454,581**	373,199

The results for the years ended 30 June 2021 and 30 June 2022 for the assets classified as held for sale are disclosed below. The comparative figures have been reclassified in accordance with IFRS 5.

	THE GROUP	
	2022	2021
	Rs'000	Rs'000
Revenue	**189,183**	200,343
Cost of sales	**(139,787)**	(155,547)
Gross profit	**49,396**	44,796
Other income	**52,532**	50,729
Administrative expenses	**(97,789)**	(277,876)
Operating profit/(loss)	**4,139**	(182,351)
Finance costs	**(11,747)**	(34,694)
Other gains and losses	**30,731**	71,235
Profit/(loss) before tax	**23,123**	(145,810)
Tax expense	**–**	14,509
Profit/(loss) for the year from discontinued operations	**23,123**	(131,301)
Attributable to:		
· Owners of the Company	**14,769**	(151,953)
· Non-controlling interests	**8,354**	20,652
	23,123	(131,301)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

21. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

Movement in the assets during the year ended 30 June 2022:

		THE GROUP
		2022
		Rs'000
(i)	Property, plant and equipment	
	Carrying amount at 01 July	**466,540**
	Additions	**1,210**
	Impairment of assets	**(7,414)**
	Depreciation for the year	**(5,854)**
	Disposal of subsidiary (Note 38(b))	**(363,612)**
	Disposal of assets	**(1,600)**
	Transfer from property, plant and equipment (Note 4)	**476,751**
	Translation differences	**(11,703)**
	Carrying amount at 30 June	**554,318**
(ii)	Investment property	
	Carrying amount at 01 July	**109,219**
	Disposal of assets	**(78,164)**
	Carrying amount at 30 June	**31,055**
(iii)	Intangible assets	
	Carrying amount at 01 July	**211**
	Transfer from intangible assets (Note 6)	**1,123**
	Amortisation for the year	**(137)**
	Disposal of subsidiaries (Note 38(b))	**(74)**
	Carrying amount at 30 June	**1,123**
(iv)	Right of use assets	
	Carrying amount at 01 July	**79,389**
	Depreciation charge for the year	**(996)**
	Disposal of subsidiary (Note 38(b))	**(78,393)**
	Transfer from right of use assets (Note 16)	**28,519**
	Carrying amount at 30 June	**28,519**
(v)	Retirement benefit obligations	
	Carrying amount at 01 July	**1,411**
	Movement for the year – profit	**2,415**
	Disposal of subsidiary (Note 38(b))	**(2,861)**
	Transfer from retirement benefit obligations (Note 24)	**13,481**
	Carrying amount at 30 June	**14,446**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

22. BORROWINGS

(a) The borrowings are repayable as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Within one year	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Secured bank overdrafts	**897,156**	988,477	**6,748**	–
Unsecured bank overdrafts	**2,219,938**	1,387,174	**2,201,632**	1,366,297
Secured bank loans	**1,399,363**	1,954,315	**–**	–
Unsecured borrowings	**66,209**	55,500	**–**	–
Bonds secured by floating charges (Note (b)(iii))	**1,032,345**	36,041	**1,032,345**	31,612
Bonds and notes issued	**1,012,108**	4,331	**1,001,479**	1,232
Borrowings – Current	**6,627,119**	4,425,838	**4,242,204**	1,399,141
After one year and before two years				
Secured bank loans	**1,485,957**	1,642,004	**–**	–
Deposits from customers	**–**	–	**–**	84,594
Unsecured borrowings	**–**	–	**–**	–
Bonds secured by floating charges (Note (b)(iii))	**–**	1,000,000	**–**	1,000,000
Bonds and notes issued	**650,000**	1,000,000	**–**	1,000,000
	2,135,957	3,642,004	**–**	2,084,594
After two years and before five years				
Secured bank loans	**2,837,626**	3,190,526	**–**	–
Unsecured borrowings	**–**	–	**–**	–
Bonds secured by floating charges (Note (b)(iii))	**5,000,000**	3,000,000	**5,000,000**	3,000,000
Bonds and notes issued	**–**	650,000	**–**	–
	7,837,626	6,840,526	**5,000,000**	3,000,000
After five years				
Secured bank loans	**2,569,954**	2,202,513	**–**	–
Unsecured borrowings	**3,413**	3,474	**–**	–
Bonds secured by floating charges (Note (b)(iii))	**3,000,000**	5,000,000	**3,000,000**	5,000,000
Bonds and notes issued	**2,579,000**	2,005,000	**–**	–
	8,152,367	9,210,987	**3,000,000**	5,000,000
Borrowings – Non-current	**18,125,950**	19,693,517	**8,000,000**	10,084,594
Total borrowings	**24,753,069**	24,119,355	**12,242,204**	11,483,735

(b) Details of borrowings facilities:

(i) *Secured bank overdraft and bank loans*

The bank overdrafts and bank loans are secured by fixed and floating charges on the assets of the Group and of the Company.

(ii) *Bank covenants*

During the years ended 30 June 2022 and 2021, there has been no breach of bank covenants by the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

22. BORROWINGS (CONTINUED)

(b) Details of borrowings facilities (continued):

(iii) *Bonds issued by the Company*

Multicurrency notes

The Company has set up a multicurrency medium term secured and unsecured note programme of up to an aggregate nominal of Rs 10 billion.

In September 2017, the Company issued the first Series of notes, in 5 tranches for an aggregate nominal amount of Rs 3 billion (in Mauritian Rupees) which are secured by floating charges on the assets of the Company. Tenor period ranges from 2 to 7 years and interest is payable semi-annually at both fixed and floating rates. The notes issued under Tranches 2 to 5 aggregating to Rs 2 billion are listed on the Stock Exchange of Mauritius and the fair value of these notes at 30 June 2022 amounted to Rs 2.01 billion (2021: Rs 1.99 billion).

On 27 September 2019, the Company issued the second Series of notes, in 4 tranches for an aggregate nominal amount of Rs 4 billion which are secured by floating charges on the assets of the Company. Tenor period ranges from 5 to 7 years and interest is payable semi-annually at both fixed and floating rates.

On 17 June 2021, the Company has issued a third Series of notes in 5 tranches for an aggregate nominal amount of Rs 3 billion with tenors ranging from 7 to 15 years. The notes are secured by floating charges on the assets of the Company and were issued under private placement to sophisticated investors. The proceeds of the third issue will be used to refinance the Company's existing short-term debts and for future financing investment.

(iv) The Company has also issued a promissory note of Rs1 billion to a financial institution which is repayable by December 2022.

(v) One of the subsidiaries has agreed to borrow principal amounts of Rs 2 billion and Rs 1 billion against the issue of Company Notes as per the Notes Subscription Agreement dated February and July 2019. The notes are secured by floating charges on the subsidiary's assets and the principal is payable after 12 years from the subscription date. At 30 June 2022, the outstanding balance was Rs 2.3 billion.

(vi) One of the subsidiaries has taken a long term secured Promissory Note amounting to Rs 650 million. The notes are secured by a floating charge on the subsidiary's assets and are repayable in October 2023.

(vii) One of the subsidiaries has issued convertible redeemable bonds amounting to Rs 300 million in July 2021 as follows:

- 506 unsecured and 106 secured bonds issued to the shareholder of the subsidiary
- 5,318 secured bonds issued to a sophisticated investor by way of a private placement
- 5 unsecured and 5 secured bonds listed on the Stock Exchange of Mauritius
- The bonds will constitute unsecured obligations of the issuer and will subordinated to secured creditors. IBL Ltd has provided a corporate guarantee in favour of the secured bondholders to secure the repayment of the nominal amount only.

The bonds are convertible at the option of the bondholders as from the 5th anniversary and unconverted bonds will be payable on 4 July 2028.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

22. BORROWINGS (CONTINUED)

(c) The effective interest rate on borrowings are as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Secured borrowings	**1.45% - 7.75%**	3.00% - 7.70%	**4.50%**	4.50%
	PLR + (0.53% - 7.14%)	PLR + (6.10% - 7.30%)	**-**	-
	LIBOR + (1.25% - 5.00%)	LIBOR + (2.00% - 4.00%)	**-**	-
	EURIBOR + (1.30% - 4.50%)	EURIBOR + (1.22% - 4.50%)	**-**	-
	PLR - (1.00% - 4.95%)	PLR - (0.25% - 1.3%)	**-**	-
Unsecured borrowings	**3.25% - 7.00%**	3.40% - 7.00%	**2.00% - 4.95%**	4.00% - 6.85%
	PLR + (0.25% - 5.00%)	EURIBOR + 2.05%	**-**	-
	-	LIBOR + 2.50%	**-**	-
Bonds and Notes	**4.00% - 7.50%**	4.00% - 5.50%	**4.00% - 5.50%**	4.00% - 5.50%
	Repo + (0.75% - 2.05%)	Repo + (0.75% - 2.05%)	**Repo + (0.75% - 2.05%)**	Repo + (0.75% - 2.05%)

(d) Interest Rate Benchmark Reform - Phase 2

Benchmark interest rates such as the London Inter-Bank Offered Rates (LIBOR) and other inter-bank offered rates have been prioritised for reform and replacement with Risk Free Rates (RFR) by global regulators.

The amendments introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the inter-bank offered rate (IBOR) reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the Group and the Company are exposed to and how the Group and the Company manage those risks as well as the Group's and the Company's progress in transitioning from IBORs to alternative benchmark rates. The adoption of the amendments had no material impact on the Group's and the Company's in prior periods and are not expected to significantly affect the current and future periods.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

22. BORROWINGS (CONTINUED)

(e) Reconciliation of liabilities arising from financing activities

The table details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in cash flows from financing activities in the statement of cash flows. In accordance with the transitional guidance, no comparatives have been presented.

THE GROUP

			Non-cash changes							
	At 01 July	Financing cash flows	Acquisition of subsidiaries	Disposal of subsidiaries	Cash flow hedge	New leases	Exchange differences	Held for sale	Others	At 30 June
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
					(Note (i))				(Note (ii))	
2022										
Bank loans	**8,989,358**	**(366,261)**	**–**	**–**	**(310,882)**	**–**	**104,674**	**(123,989)**	**–**	**8,292,900**
Other borrowings	**58,973**	**(3,543)**	**14,277**	**–**	**–**	**–**	**(172)**	**–**	**87**	**69,622**
Bonds and notes	**12,695,372**	**533,628**	**–**	**–**	**–**	**–**	**–**	**–**	**44,453**	**13,273,453**
Lease liabilities	**4,586,594**	**(575,243)**	**391,787**	**–**	**–**	**284,506**	**(31,780)**	**(39,739)**	**–**	**4,616,125**
	26,330,297	**(411,419)**	**406,064**	**–**	**(310,882)**	**284,506**	**72,722**	**(163,728)**	**44,540**	**26,252,100**
2021										
Bank loans	7,735,411	802,825	–	(75,851)	351,605	–	146,911	16,039	12,418	8,989,358
Other borrowings	244,329	(42,487)	–	–	–	–	1,439	(162,925)	18,617	58,973
Bonds and notes	9,946,196	2,706,973	–	–	–	–	1,835	–	40,368	12,695,372
Lease liabilities	4,653,470	(430,150)	4,371	(309,236)	–	188,733	479,406	–	–	4,586,594
	22,579,406	3,037,161	4,371	(385,087)	351,605	188,733	629,591	(146,886)	71,403	26,330,297

THE COMPANY

			Non-cash changes		
	At 01 July	Financing cash flows	New leases	Others	At 30 June
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022				(Note (ii))	
Other borrowings	**84,594**	**(84,594)**	**–**	**–**	**–**
Bonds and notes	**10,032,844**	**–**	**–**	**980**	**10,033,824**
Lease liabilities	**76,883**	**(26,374)**	**14,039**	**3,623**	**68,171**
	10,194,321	**(110,968)**	**14,039**	**4,603**	**10,101,995**
2021					
Other borrowings	–	84,594	–	–	84,594
Bonds and notes	7,368,032	2,624,243	–	40,569	10,032,844
Lease liabilities	66,292	(21,613)	32,204	–	76,883
	7,434,324	2,687,224	32,204	40,569	10,194,321

(i) Cash flow hedge reserve is used to record the exchange differences arising on the EUR, GBP and USD loans taken by the Group. The hedging of those loans are done with the inflows of revenue by the Group in the same currency. The movement for the year is in respect of exchange difference on conversion of loan in USD, GBP and EUR at year end rate. Upon annual repayment of long term borrowings the portion of hedge realised is released to profit or loss.

(ii) Others include non-cash transactions such as interests accrued but not yet paid on interest-bearing loans and borrowings. The Group classifies interests paid as cash flows from operating activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

23. OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Long term incentive scheme (Note (a))	**155,420**	164,945	**100,335**	102,275
Other payables (Note (b))	**25,396**	–	**11,273**	–
	180,816	164,945	**111,608**	102,275
Analysed as follows:				
Current	**45,047**	29,979	**27,515**	20,809
Non-current	**135,769**	134,966	**84,093**	81,466
	180,816	164,945	**111,608**	102,275

(a) IBL Ltd has implemented a Long Term Incentive scheme (LTI) as from 01 July 2017 which provides an opportunity for executives of IBL Ltd and certain subsidiaries to participate in the creation of value within the IBL Group.

The LTI is a Phantom Share Award Scheme whereby executives are entitled to future cash payments based on the increase in share price of IBL Ltd from a specified level over a specified period of time. Allocations to eligible executives may be made once a year on 01 July.

The LTI payment shall be made to participants who remain employees in Good Standing of IBL Ltd or relevant subsidiaries on the exercise date, and based on IBL Ltd shares vested and the Exercise Price.

The vesting periods for payments to be made under the scheme are based on a percentage of phantom shares allocated and start at the end of the third year from the allocation date up to the fifth year.

Under IFRS 2, for cash-settled share-based payment transactions, the fair value of liability for the awards made is remeasured at reporting date and at the settlement date. The fair value is recognised over the vesting period and is based on the closing share price of IBL Ltd as published on the Stock Exchange of Mauritius at each reporting date. The amount recognised takes into account the best available estimate of the number of phantom shares to vest under the service and the performance conditions.

(b) Other payables comprise a provision for severance costs for which the benefits will be settled monthly up to June 2031.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

24. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2022 Rs'000	2021 Rs'000	**2022 Rs'000**	2021 Rs'000
Amounts recognised in the statements of financial position:				
Defined benefit plans (Note (i))	**1,302,174**	1,217,056	**734,351**	627,125
Other retirement benefits (Note (ii))	**941,666**	877,040	**99,912**	102,721
	2,243,840	2,094,096	**834,263**	729,846
Defined benefit plan allocated to related companies	**(8,173)**	(6,798)	**(250,400)**	(231,583)

THE GROUP AND THE COMPANY

(i) **Defined benefit plan**

Pension plans

The Company and its subsidiaries provide final salary defined benefit (DB) plans to some of their employees, and the plans operate under the IBL Pension Fund Scheme ('Fund') which is in existence since 01 July 2002. The plans provide for a pension at retirement and a benefit on death or disablement in service before retirement. The plans are wholly funded. The Fund is managed by Pension Consultants and Administrators Ltd. These entities are participating employers of the Fund that allows them to pool their assets for investment purposes (group administration plans).

Moreover, some of the employees of the Group who were previously under the defined benefit plans were transferred to the defined contribution plans in prior years. These employees have a No Worse Off Guarantee (NWOG) whereby at retirement, their pension benefits will not be less than what would have been payable under the previous DB plans. An employee forgoes this guarantee if he leaves before normal retirement age. The NWOG is unfunded.

The Company's pension plan shares risks between some of its subsidiaries (group plan) while the Company remains the legal sponsoring employer of the plan. The Company and these subsidiaries are party to contractual agreements whereby each subsidiary bears a proportion of the retirement benefit obligations for its employees (both active employees and pensioners) who are part of the group plan. The liabilities recharged by the Company are presented in non-current assets under 'Retirement benefit obligations allocated to related parties'.

The most recent actuarial valuation of the pension plans were carried out at 30 June 2022 by Swan Life Ltd.

The pension plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Longevity risk — The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. If the experience of the pension plan is less favorable than the standard mortality tables, the liability will increase.

Interest rate risk - If bond yields decline, the liability would be calculated using a lower discount rate and would therefore increase.

Investment risk - The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise.

Salary risk - If salary increases are higher than anticipated in the assumptions, the liabilities would increase giving rise to actuarial losses.

There has been no plan amendment, curtailment or settlement during the year.

The Company has assessed forExpected Credit Losses (ECL) on the employee benefit assets and ECL are deemed to be insignificant.

	THE GROUP		THE COMPANY	
	2022 Rs'000	2021 Rs'000	**2022 Rs'000**	2021 Rs'000
Amounts recognised in the statements of financial position:				
Present value of funded obligation	**3,549,787**	3,513,962	**1,841,729**	1,796,784
Present value of unfunded obligation	**106,791**	-	**9,941**	-
Fair value of plan assets	**(2,354,404)**	(2,296,906)	**(1,117,319)**	(1,169,659)
Liability recognised in the statements of financial position	**1,302,174**	1,217,056	**734,351**	627,125
DB plan allocated to related companies	**(8,173)**	(6,798)	**(250,400)**	(231,583)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

24. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(i) **Defined benefit plan (Continued)**

Movement in the liabilities recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
	2022 Rs'000	2021 Rs'000	**2022 Rs'000**	2021 Rs'000
At 01 July	**1,217,056**	2,219,591	**627,125**	1,099,575
Amount recognised in profit or loss	**125,606**	162,960	**53,691**	66,066
Amount recognised in other comprehensive income	**100,809**	(932,371)	**153,645**	(386,782)
Acquisition of subsidiaries (Note 38(a))	**21,321**	-	**-**	-
Contributions and direct benefit paid	**(162,618)**	(233,124)	**(100,110)**	(151,734)
At 30 June	**1,302,174**	1,217,056	**734,351**	627,125

Amounts recognised in:

- Statements of profit or loss:

	THE GROUP		THE COMPANY	
	2022 Rs'000	2021 Rs'000	**2022 Rs'000**	2021 Rs'000
Current service cost	**76,035**	98,424	**28,816**	36,987
Net interest cost	**49,571**	64,536	**24,875**	29,079
	125,606	162,960	**53,691**	66,066
Allocated to related companies	**(600)**	325	**(20,008)**	24,400
Components of amount recognised in profit or loss	**125,006**	163,285	**33,683**	90,466
- Statements of other comprehensive income:				
Return on plan assets (excluding amounts included in net interest expense)	**58,416**	(197,528)	**76,978**	(71,929)
Actuarial loss/(gain) arising from changes in financial assumptions	**31,334**	(635,425)	**45,402**	(304,437)
Actuarial loss/(gain) arising from experience adjustments	**11,059**	(99,418)	**31,265**	(10,416)
	100,809	(932,371)	**153,645**	(386,782)
Allocated to related companies	**(2,002)**	4,201	**(51,023)**	181,529
Components of amount recognised in other comprehensive income	**98,807**	(928,170)	**102,622**	(205,253)
Total	**223,813**	(764,885)	**136,305**	(114,787)

Movement in the present value of the defined benefit obligations were as follows:

	THE GROUP		THE COMPANY	
	2022 Rs'000	2021 Rs'000	**2022 Rs'000**	2021 Rs'000
At 01 July	**3,513,962**	4,189,764	**1,796,784**	2,110,177
Current service cost	**66,540**	79,863	**22,413**	34,614
Interest cost	**150,989**	123,481	**74,001**	58,305
Benefits paid	**(201,514)**	(169,552)	**(118,195)**	(91,459)
Actuarial loss/(gain) arising from experience adjustments	**11,059**	(99,418)	**31,265**	(10,416)
Actuarial loss/(gain) arising from changes in financial assumptions	**23,450**	(635,425)	**45,402**	(304,437)
Transfer of liabilities to Annuity Fund	**48,156**	25,637	**-**	-
Acquisition of subsidiaries	**43,834**	-	**-**	-
Employee's contribution	**102**	(388)	**-**	-
At 30 June	**3,656,578**	3,513,962	**1,851,670**	1,796,784

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

24. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(i) Defined benefit plan (Continued)

Movements in the fair value of the plan assets were as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 01 July	**2,296,906**	1,970,173	**1,169,659**	1,010,602
Interest income	**101,418**	58,945	**49,126**	29,226
Current service cost	**–**	(14,277)	**–**	–
Transfer from member account to Annuity Fund	**48,156**	–	**–**	–
Acquisition of subsidiaries	**22,513**	–	**–**	–
Actuarial (gain)/loss arising from changes in financial assumptions	**(7,884)**	–	**–**	–
Return on plan assets excluding interest income	**(58,416)**	197,528	**(76,978)**	71,929
Employer's contribution	**162,618**	232,735	**100,110**	151,734
Employee's contribution	**102**	–	**–**	–
Scheme expenses	**(6,113)**	(1,009)	**(4,457)**	28
Cost of insuring risk benefits	**(3,382)**	(3,275)	**(1,946)**	(2,401)
Transfer from defined contribution reserve account	**–**	25,638	**–**	–
Benefits paid	**(201,514)**	(169,552)	**(118,195)**	(91,459)
At 30 June	**2,354,404**	2,296,906	**1,117,319**	1,169,659

The fair value of the plan assets at the end of the reporting period for each category are as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash and cash equivalents	**219,032**	345,887	**138,857**	231,115
Equity investments categorised by industry type:				
– Local	**633,890**	718,407	**375,739**	254,620
– Foreign	**657,896**	559,052	**390,952**	377,008
Fixed interest instruments	**791,910**	665,993	**211,771**	306,916
Properties	**51,676**	7,567	**–**	–
Total market value of assets	**2,354,404**	2,296,906	**1,117,319**	1,169,659
Actual return on plan assets	**43,002**	256,473	**153,645**	101,155

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

24. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(i) Defined benefit plan (Continued)

The principal actuarial assumptions used for accounting purposes are:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Discount rate	**3.2% – 5.2%**	3.1% – 5.8%	**4.8%**	4.2%
Future long term salary increase	**1.9%**	2.0%	**1.0%**	2.0%
Future pension increase	**0%**	0%	**1%**	0%
Average retirement age (ARA)	**60 – 65 years**	60 – 65 years	**60 years**	60 years

Sensitivity analysis on defined benefit obligations at end of the reporting date:

The sensitivity analysis below has been carried out by recalculating the present value of obligation at the year end after increasing or decreasing the actuarial assumptions below while leaving all other assumptions unchanged. The sensitivity analysis presented may not be representative of the actual change in the defined benefit liability as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Increase in defined benefit obligation due to 1% decrease in discount rate	**556,150**	620,446	**252,116**	306,163
Decrease in defined benefit obligation due to 1% increase in discount rate	**475,120**	511,448	**208,900**	250,451
Increase in defined benefit obligation due to 1% increase in salary	**140,098**	161,285	**43,309**	60,733
Decrease in defined benefit obligation due to 1% decrease in salary	**133,380**	151,975	**40,038**	55,541

Future cash flows:

The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries.

The Group and the Company expects to make a contribution of Rs 66.2 million to the defined benefit plan during the year ending 30 June 2022 (2021: Rs 127.5 million).

The average duration of the defined benefit obligation at 30 June 2022 was between 9 and 22 years (2021: 9 and 23 years).

(ii) Other retirement benefits

Retirement benefit obligations are recognised for employees who are entitled to Retirement Gratuities payable under The Workers' Rights Act 2019. The latter provides for a lump sum at retirement based on final salary and years of service as follows:

- For employees who are members of the IBL Pension Fund (IBLPF) and who are insufficiently covered under the pension plans, half of any lump sum and 5 years of pension (relating to Employer's share of contributions only) payable from the pension fund have been offset from the retirement gratuities.
- Prior to implementation of the Portable Retirement Gratuity Fund (PRGF), the benefits payable to employees who are not part of any pension plans, were unfunded as at 31 December 2019. With the implementation of PRGF, these employees who resign as from 2020, are eligible for a portable gratuity benefit based on service with the employer as from 1 January 2020 and remuneration at exit (same benefit formula as for retirement/death gratuity). As from January 2022, the Company has started to contribute to PRGF for these employees.

The most recent actuarial valuation of the retirement gratuities and other retirement benefit liabilities were carried out at 30 June 2022 by Swan Life Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

24. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(ii) Other retirement benefits (Continued)

The Company is exposed to the following actuarial risks:

Interest rate risk: If bond yields decline, the liabilities would be calculated using a lower discount rate and would therefore increase.

Salary risk: If salary increases are higher than anticipated in the assumptions used, the liabilities would increase giving rise to actuarial losses.

Longevity risk: Employees living longer than expected will expose the Company to the risk that more employees make it to the retirement to claim their benefits thereby increasing the liabilities.

There has been no plan amendment, curtailment or settlement during the year.

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Retirement gratuities under The Workers' Rights Act 2019	**941,666**	877,040	**99,912**	102,721

Movement in liability recognised in financial position:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 01 July	**877,040**	992,188	**102,721**	103,085
Acquisition of subsidiaries (Note 38(a))	**7,598**	4,090	**–**	–
Disposal of subsidiaries (Note 38(b))	**–**	(3,708)	**–**	–
Transfers	**502**	–	**85**	–
Amount recognised in profit or loss	**101,972**	112,762	**10,804**	10,064
Amount recognised in other comprehensive income	**28,738**	(182,700)	**(11,609)**	(2,513)
Translation difference	**(1,627)**	305	**–**	–
Transfer to liabilities associated with assets classified as held for sale (Note 21)	**(13,481)**	–	**–**	–
Benefits paid	**(59,076)**	(45,897)	**(2,089)**	(7,915)
At 30 June	**941,666**	877,040	**99,912**	102,721

Amounts recognised in the statement of comprehensive income:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**63,880**	84,476	**6,170**	7,256
Past service cost	**820**	4,813	**–**	–
Settlement cost	**(148)**	(23)	**–**	–
Net interest cost	**37,420**	23,496	**4,634**	2,808
Components of amount recognised in profit or loss	**101,972**	112,762	**10,804**	10,064
Remeasurement of the net defined benefit liability:				
Actuarial (gain)/loss arising from experience adjustments	**(4,589)**	(25,818)	**(24,929)**	8,626
Actuarial loss/(gain) arising from changes in financial assumptions	**33,327**	(156,882)	**13,320**	(11,139)
Components of amount recognised in other comprehensive income	**28,738**	(182,700)	**(11,609)**	(2,513)
At 30 June	**130,710**	(69,938)	**(805)**	7,551

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

24. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(ii) Other retirement benefits (Continued)

Movements in the present value of the defined benefit obligations in the current year were as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 01 July	**877,040**	992,188	**102,721**	103,085
Acquisition of subsidiaries (Note 38(a))	**7,598**	4,090	**–**	–
Transfer to liabilities associated with assets classified as held for sale (Note 21)	**(13,481)**	–	**–**	–
Transfer to subsidiaries	**502**	–	**85**	–
Current service cost	**63,880**	84,476	**6,170**	7,256
Settlement cost	**(148)**	(23)	**–**	–
Interest cost	**37,420**	23,496	**4,634**	2,808
Past service cost	**820**	4,813	**–**	–
Actuarial (gain)/loss arising from experience adjustments	**(4,589)**	(25,818)	**(24,929)**	8,626
Actuarial loss/(gain) arising from changes in financial assumptions	**33,327**	(156,882)	**13,320**	(11,139)
Benefits paid	**(59,076)**	(45,897)	**(2,089)**	(7,915)
Disposal of subsidiary	**–**	(3,708)	**–**	–
Translation difference	**(1,627)**	305	**–**	–
At 30 June	**941,666**	877,040	**99,912**	102,721

The principal actuarial assumptions used for accounting purposes are:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Discount rate	**2.4% – 5.8%**	3.1% – 6.1%	**4.1%**	4.8%
Future long term salary increase	**2.6%**	2.0%	**3.0%**	2.0%

Sensitivity analysis on defined benefit obligations at end of the reporting date:

The sensitivity analysis below has been carried out by recalculating the present value of obligation at the year end after increasing or decreasing the actuarial assumptions below while leaving all other assumptions unchanged. The sensitivity analysis presented may not be representative of the actual change in the defined benefit liability as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Increase in defined benefit obligation due to 1% decrease in discount rate	**122,069**	146,656	**16,752**	19,659
Decrease in defined benefit obligation due to 1% increase in discount rate	**122,642**	111,451	**14,242**	16,599
Increase in defined benefit obligation due to 1% increase in salary	**142,627**	145,757	**16,479**	17,729
Decrease in defined benefit obligation due to 1% decrease in salary	**110,569**	114,533	**14,176**	15,179

Future cash flows:

The funding policy is to pay benefits out of the reporting entity's cashflow as and when due.

The average duration of the defined benefit obligation at 30 June 2022 was between 9 and 22 years (2021: 9 and 23 years).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

24. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(iii) Defined contribution plans

As from 01 July 1999, the defined benefit plans have been closed to new entrants and all new entrants of the Company joined a defined contribution plan operated by the Fund.

The subsidiaries as well provide defined contribution plans to some of their employees under the Fund.

	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Contributions for the defined contribution plans (Note 28 (a) (i))	**104,405**	188,835	**38,265**	23,791

(iv) State pension plan

	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
National Pension Scheme contribution expensed (Note 28 (a) (i))	**67,974**	102,887	**30,483**	15,565

25. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2022	2021 (Restated)	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade payables	**4,386,215**	3,523,213	**675,018**	534,782
Other payables	**2,752,707**	2,649,406	**463,038**	281,078
Amounts payable to related companies	**65,931**	81,241	**249,433**	116,525
COVID-19 levy payable	**4,506**	55,688	**-**	-
Accruals	**2,045,552**	1,542,005	**291,525**	303,428
Provision for financial guarantees	**1,893**	125,310	**1,893**	40,000
Dividend payable to non-controlling interests	**232,009**	96,340	**-**	-
	9,488,813	8,073,203	**1,680,907**	1,275,813

The trade payables and amounts due to related companies are unsecured, interest free and the average credit period is 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Other payables and accruals comprise provisions for payroll related costs, amounts payable to contractors, deposits from tenants, director fees, professional fees, project cost fees, and other accruals made in the normal course of business.

The COVID-19 levy payable relates to COVID-19 levy which is an obligatory event arising upon the making of taxable profit. The COVID-19 levy is only applicable if an entity applied for the wage assistance scheme. The levy is payable to the Mauritius Revenue Authority if the entities are profitable in the next year of assessment.

Provision for financial guarantee contracts

SALT Hospitality Ltd ("SHL") entered into a voluntary administration in February 2021. A financial guarantee provision has been provided in respect of SHL for corporate guarantees given to banks and creditors. The provision for financial guarantees are with financial institutions having credit risk ratings of Baa3 as per Moody's credit ratings.

In the current financial year, SHL came out of the voluntary administration and was re-acquired by The Lux Collective Ltd. The provision for financial guarantees amounting to Rs 40m booked in 2021 has therefore been reversed.

The Company has provided for credit losses on financial guarantee contracts in relation to corporate guarantees granted to its subsidiaries. The ECL is based on proxy credit ratings of the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

26. TAXATION

Income tax is calculated at the rate of 15% (2021: 15%) on the profit for the year as adjusted for income tax purposes.

The Company is required to set up a Corporate Social Responsibility ("CSR") fund equivalent to 2% of its chargeable income of the preceeding year to implement a CSR programme in accordance with its own CSR framework. Where the amount paid out of the CSR fund is less than the amount provided under the fund, the difference shall be remitted to the Director-General at the time of submission of the income tax return of the year under review.

(a) Income tax - statements of financial position

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 01 July	**(11,443)**	(38,632)	**(2,000)**	(4,965)
Acquisition of subsidiaries (Note 38(a))	**(2,483)**	5,642	**-**	-
Under/(over) provision in income tax in previous years	**35,173**	(1,496)	**5,282**	4,078
Provision for the year	**338,937**	204,945	**-**	-
Tax paid	**(209,095)**	(203,014)	**-**	(570)
Tax refunded	**43,511**	40,521	**3,838**	3,225
Provision for contribution CSR	**33,608**	30,018	**-**	511
CSR paid during the year	**(11,903)**	(10,222)	**-**	(476)
Tax deducted at source	**(45,411)**	(48,072)	**(3,782)**	(3,803)
Transfer to assets classified as held-for-sale (Note 21)	**(870)**	-	**-**	-
Translation difference	**(286)**	6,481	**-**	-
Other movements	**3,090**	2,386	**(5,282)**	-
At 30 June	**172,828**	(11,443)	**(1,944)**	(2,000)
Tax assets	**(53,725)**	(70,467)	**(4,136)**	(2,000)
Tax liabilities	**226,553**	59,024	**2,192**	-
	172,828	(11,443)	**(1,944)**	(2,000)

(b) Income tax - statements of profit or loss

	THE GROUP		THE COMPANY	
	2022	2021 (Restated)	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Provision for the year - continuing operations	**338,937**	202,870	**-**	-
Exchange difference	**-**	(5,042)	**-**	-
Under/(over) provision in income tax in previous years	**35,173**	(41,094)	**5,282**	37,947
Deferred tax movement (Note 7)	**328,648**	(62,366)	**6,529**	(6,483)
Provision for contribution CSR	**33,608**	30,018	**-**	511
Tax expense for the year	**736,366**	124,386	**11,811**	31,975
Attributable to:				
- Continuing operations	**736,366**	138,895	**11,811**	31,975
- Discontinued operations (Note 21)	**-**	(14,509)	**-**	-
	736,366	124,386	**11,811**	31,975

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

26. TAXATION (CONTINUED)

(c) The total charge for the year can be reconciled to the accounting profit as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before tax from continuing operations	**2,678,060**	367,608	**256,122**	43,055
Profit/(loss) before tax from discontinued operations (Note 21)	**23,123**	(145,810)	**–**	–
	2,701,183	221,798	**256,122**	43,055
Tax calculated at a rate of 17% (2021: 17%)	**459,201**	37,706	**43,541**	7,319
Adjustments for:-				
Non-deductible expenses	**387,239**	248,125	**102,266**	99,901
Exempt income	**(99,698)**	(65,807)	**(140,370)**	(114,784)
Tax losses utilised	**18,682**	33,619	**–**	–
Tax rate differential	**(27,893)**	(55,006)	**–**	–
Under/(over) provision of deferred tax in previous years	**8,057**	13,846	**–**	33,870
Under/(over) provision in income tax in previous years	**35,173**	(26,584)	**5,282**	4,077
Share of results of associates and joint ventures	**(123,824)**	(125,510)	**–**	–
Depreciation of assets not qualifying for capital allowances	**137**	1,744	**1,092**	1,081
Deferred tax not recognised	**80,106**	60,818	**–**	–
CSR adjustment	**(2,428)**	7,938	**–**	511
Others	**1,614**	(6,503)	**–**	–
Tax expense	**736,366**	124,386	**11,811**	31,975

(d) Tax losses

	THE GROUP	THE COMPANY
	Rs'000	**Rs'000**
Loss in respect of capital allowances acquired after 30 June 2006 – to be carried forward indefinitely	**348,163**	**8,890**
Assuming no future tax loss, the losses shall be extinguished as follows:		
30 June 2023	**18,451**	**–**
30 June 2024	**46,943**	**–**
30 June 2025	**172,190**	**–**
30 June 2026	**69,978**	**–**
30 June 2027	**700,659**	**–**
	1,356,384	**8,890**

27. GOVERNMENT GRANTS

	2022	2021
<u>THE GROUP</u>	**Rs'000**	Rs'000
At 01 July	**42,510**	46,792
Additions	**49,434**	–
Release against depreciation charge	**(21,890)**	(4,801)
Exchange differences	**(4,678)**	519
Transfer to asset held for sale	**(1,733)**	–
At 30 June	**63,643**	42,510
Non-current	**51,480**	29,864
Current	**12,163**	12,646
	63,643	42,510

The grants are in respect of capital grants received by one of the subsidiaries following their capital expenditure incurred on building improvements and some plant and machinery and have been accounted under the income approach. The grants will be released to profit and loss and offset against the depreciation charge over the useful life of the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

28. OPERATING PROFIT

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
(a) Operating profit is arrived at after charging the following main items:	**Rs'000**	(Restated) Rs'000	**Rs'000**	Rs'000
<u>**Continuing operations**</u>				
Depreciation on property, plant and equipment	**1,759,915**	1,616,020	**43,301**	62,335
Depreciation on right of use assets	**580,944**	576,445	**24,528**	22,716
Amortisation of intangible assets	**95,081**	92,023	**9,722**	14,138
Cost of inventories recognised as expense	**18,599,880**	22,315,391	**4,312,451**	3,768,190
Selling and distribution expenses	**315,538**	261,433	**69,914**	2,225
Excise and specific duties	**2,648,810**	2,461,226	**–**	–
Staff costs (Note (i))	**5,785,540**	5,372,516	**851,322**	746,691
Termination benefits	**9,908**	41,675	**4,911**	7,717
Entertainment and passage benefits	**35,901**	21,250	**11,503**	2,156
Advertising and promotional expenses	**328,683**	147,423	**4,558**	2,303
Repairs and maintenance	**200,141**	189,062	**4,885**	3,169
Motor vehicle expenses	**183,449**	231,013	**23,507**	24,175
Loss on exchange	**139,140**	132,861	**(18,980)**	15,775
Termination of leases	**3,843**	–	**–**	–
Assets written off	**124,557**	15,649	**2,538**	4,347
<u>**Discontinued operations**</u>				
Depreciation on property, plant and equipment (included in Note 4)	**6,183**	11,482	**–**	–
Amortisation of intangible assets	**–**	109	**–**	–
Staff costs	**–**	8,092	**–**	–
Depreciation on right of use assets	**–**	1,802	**–**	–

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
(i) The following are included in staff costs:				
Post employment benefits (Note 24):				
Defined benefit plans	**226,978**	276,047	**44,487**	100,530
Defined contribution plans	**104,405**	188,835	**38,265**	23,791
State pension plan	**67,974**	102,887	**30,483**	15,565
	399,357	567,769	**113,235**	139,886

(b) Expected credit losses

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Allowance for credit losses on trade and other receivables	**29,856**	62,013	**(16,036)**	(6,957)
Allowance for credit losses on contract assets	**(5,670)**	(1,502)	**–**	–
Allowance for credit losses on non-current loan receivables	**96,276**	(94,426)	**49,406**	(7,195)
Allowance for credit losses on financial guarantees in other payables	**123,417**	(125,310)	**38,107**	(40,000)
Allowance for credit losses on other financial assets	**3,839**	–	**–**	–
	247,718	(159,225)	**71,477**	(54,152)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

29. REVENUE

	THE GROUP		THE COMPANY	
	2022	2021 (Restated)	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Revenue from contracts with customers (Note (a))	**43,438,063**	34,382,780	**5,442,503**	4,765,899
Gross insurance premiums	**1,614,142**	1,487,302	**–**	–
Rental income	**87,992**	120,377	**2,964**	2,059
Dividend income	**26,134**	6,020	**825,709**	725,400
Total revenue	**45,166,331**	35,996,479	**6,271,176**	5,493,358
Attributable to :				
– Continuing operations	**44,977,148**	35,796,136	**6,271,176**	5,493,358
– Discontinued operations (Note 21)	**189,183**	200,343	**–**	–
	45,166,331	35,996,479	**6,271,176**	5,493,358

(a) Revenue from contracts with customers

Set out below is the disaggregation of the Group's and the Company's revenue from contracts with customers for the transfer of goods and services in the following major product and service lines. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segments (See Note 39).

	Timing of revenue recognition	THE GROUP		THE COMPANY	
		2022	2021 (Restated)	**2022**	2021
		Rs'000	Rs'000	**Rs'000**	Rs'000
Disaggregation of revenue					
Construction and repairs of ships	Over time	**1,292,594**	973,594	**–**	–
Construction and sale of properties	Over time	**49,777**	156,666	**–**	–
Construction contracts – construction, engineering and interior design	Over time	**1,446,379**	2,043,367	**–**	–
Customer loyalty programmes	Over time	**166**	–	**3,725**	3,610
Freight forwarding and custom clearing services	At a point in time	**687,965**	419,225	**–**	–
Hotel operations, management and leisure	Over time	**7,114,925**	1,972,367	**–**	–
Maintenance, repairs and after sale services	Over time	**123,802**	175,584	**–**	–
Manufacturing, storage and sale of seafood and associated products	At a point in time	**1,195,537**	1,292,984	**–**	–
Medical research	Over time	**314,764**	277,525	**–**	–
Processing and sale of beverages	At a point in time	**8,573,633**	7,481,394	**119,689**	96,371
Professional services – local and global businesses	Over time	**774,406**	644,351	**–**	–
Sale of equipment – heavy machineries, generators and irrigation	At a point in time	**639,139**	649,795	**–**	–
Sale of goods – tools, spare parts and electrical goods	At a point in time	**721,381**	639,261	**–**	–
Sales of goods – consumer, retail, wholesale and other products	At a point in time	**19,820,145**	17,234,471	**5,238,198**	4,656,700
Shipping and aviation services	Over time	**260,801**	187,191	**80,891**	9,218
Transport services – Cargo and passengers	At a point in time	**416,462**	228,047	**–**	–
Travel-related services – corporate and leisure	At a point in time	**2,780**	1,047	**–**	–
Others	At a point in time	**3,407**	5,911	**–**	–
		43,438,063	34,382,780	**5,442,503**	4,765,899
Attributable to:					
– Continuing operations		**43,248,880**	34,182,437	**5,442,503**	4,765,899
– Discontinued operations (Note 21)		**189,183**	200,343	**–**	–
		43,438,063	34,382,780	**5,442,503**	4,765,899

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

29. REVENUE (CONTINUED)

(b) Contract assets

The contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the reporting date on construction contracts. The Group also receives advances on hotel operations and medical researches.

	THE GROUP	
	2022	2021 (Restated)
	Rs'000	Rs'000
At 01 July		
– As previously reported	**793,804**	591,560
– Effect of prior year restatement (Note 44)	**86,064**	–
– As restated	**879,868**	591,560
Addition during the year	**49,461**	376,395
Allowance for expected credit losses	**(5,670)**	(1,502)
Write offs during the year	**(94,319)**	(6,703)
Acquisition of subsidiaries (Note 38(a))	**–**	2,632
Progress billings	**(66,847)**	(83,276)
Exchange differences	**1,252**	762
At 30 June	**763,745**	879,868
Non-current	**–**	77,600
Current	**763,745**	802,268
	763,745	879,868

Management has assessed its lifetime ECL on contract assets on the same basis as its trade receivables.

Set out below is the movement in the loss allowance:

	2022	2021
	Rs'000	Rs'000
At 01 July	**(3,754)**	(2,252)
Increase in loss allowance recognised in profit or loss during the year	**(5,670)**	(1,502)
At 30 June	**(9,424)**	(3,754)

(c) Contract liabilities

The contract liabilities relate to advance consideration received from customers for which revenue is recognised over time.

	THE GROUP			
	At 01 July	**Amount received during the year**	**Amount recognised in revenue**	**At 30 June**
2022	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Arising on upfront fees from management services recognised over time	**68,193**	**77,098**	**(69,033)**	**76,258**
Deposits collected on future stay from customers	**223,529**	**349,472**	**(251,651)**	**321,350**
Amounts related to construction contracts	**277,551**	**450,799**	**(246,688)**	**481,662**
Customer loyalty programme	**15,737**	**–**	**(15,737)**	**–**
Amounts related to research and development	**12,721**	**12,337**	**(12,721)**	**12,337**
	597,731	**889,706**	**(595,830)**	**891,607**
2021				
Arising on upfront fees from management services recognised over time	72,847	68,599	(73,253)	68,193
Deposits collected on future stay from customers	1,873	223,529	(1,873)	223,529
Amounts related to construction contracts	393,175	186,219	(301,843)	277,551
Customer loyalty programme	19,117	230	(3,610)	15,737
Amounts related to research and development	7,812	4,909	–	12,721
	494,824	483,486	(380,579)	597,731

	2022	2021
	Rs'000	Rs'000
Non-current	**–**	19,734
Current	**891,607**	577,997
	891,607	597,731

The Company had no contract liabilities as at 30 June 2022 (30 June 2021: Rs 15.7 million).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

30. OTHER INCOME

	THE GROUP		THE COMPANY	
	2022	2021 (Restated)	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Sundry income (Note (i))	**548,556**	406,096	**171,719**	104,853
Transport income	**28,054**	31,207	**–**	–
Profit on disposal of property, plant and equipment	**28,519**	11,346	**493**	614
(Loss)/ profit on disposal of intangible assets	**(23)**	1,644	**–**	–
Professional services	**7,766**	727	**5,690**	30,527
Gain / (loss) on exchange	**190,561**	336,099	**(3,863)**	47,592
Management and secretarial fees	**2,692**	6,397	**10,976**	21,115
Wage assistance scheme	**238,757**	478,646	**–**	–
Bad debts recovered	**1,701**	1,539	**–**	10
Profit on sale of IHS units	**319,388**	28,980	**–**	–
	1,365,971	1,302,681	**185,015**	204,711
Attributable to:				
– Continued operations	**1,313,439**	1,251,952	**185,015**	204,711
– Discontinued operations (Note 21)	**52,532**	50,729	**–**	–
	1,365,971	1,302,681	**185,015**	204,711

(i) Sundry income includes marketing incentives received from suppliers and staff secondment among others.

31. INTEREST INCOME USING THE EFFECTIVE INTEREST RATE METHOD

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest income	**63,411**	84,831	**1,394**	13,839
Attributable to:				
– Continuing operations	**63,411**	84,831	**1,394**	13,839

32. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
<u>Interest expense on:</u>				
– Bank loans	**326,620**	422,081	**–**	–
– Bank overdrafts	**55,361**	123,053	**25,465**	67,406
– Bonds and notes	**530,898**	326,814	**404,090**	289,530
– Leases	**345,349**	355,681	**4,128**	4,061
	1,258,228	1,227,629	**433,683**	360,997
Attributable to:				
– Continuing operations	**1,246,481**	1,192,935	**433,683**	360,997
– Discontinued operations (Note 21)	**11,747**	34,694	**–**	–
	1,258,228	1,227,629	**433,683**	360,997

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

33. OTHER GAINS AND LOSSES

	THE GROUP		THE COMPANY	
	2022	2021 (Restated)	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Fair value adjustment on investment properties	**290,279**	124,207	**–**	–
(Loss)/gain on debt instruments at FVTPL	**(13,395)**	85,667	**–**	3,500
Gain on disposal of associates	**–**	980	**–**	–
Gain on deemed disposal of associates	**158,236**	59,724	**–**	–
Loss on disposal of subsidiaries	**38,145**	218,575	**–**	–
Gain on winding up of subsidiaries	**4,794**	–	**–**	–
Impairment loss on investment in associates	**(259,942)**	(34,509)	**–**	–
Impairment loss on investment in joint ventures	**–**	(16,610)	**–**	–
Impairment of goodwill	**(380,747)**	(23,731)	**–**	–
Gain on bargain purchase on acquisition of an associate	**21,631**	–	**–**	–
Termination of lease released to profit or loss	**–**	17,776	**–**	7,717
Loss on disposal of held for sale assets	**–**	(60,888)	**–**	–
Impairment of held for sale assets	**(7,414)**	(86,452)	**–**	–
Impairment of property, plant and equipment and intangibles assets	**(211,830)**	(13,249)	**–**	–
Impairment of right of use assets	**(35,790)**	(70,111)	**–**	(7,490)
COVID-19 rent concession	**–**	18,477	**–**	–
Cost of issue of bonds and other costs	**–**	(14,902)	**–**	(14,902)
Reversal of provisions	**–**	–	**–**	22,886
Refund of contract assets	**22,387**	–	**–**	–
	(373,646)	204,954	**–**	11,711
Attributable to:				
– Continuing operations	**(404,377)**	133,719	**–**	11,711
– Discontinued operations (Note 21)	**30,731**	71,235	**–**	–
	(373,646)	204,954	**–**	11,711

34. COMMITMENTS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Capital commitments				
Authorised by the Board of Directors and:				
– Contracted for	**394,374**	510,046	**11,000**	–
– Not contracted for	**988,295**	865,864	**12,678**	43,209
	1,382,669	1,375,910	**23,678**	43,209

The associates and joint ventures of the Group had contracted and non-contracted capital commitments amounting to Rs 1.2 billion (2021: Rs 1.0 billion) for the year ended 30 June 2022.

(b) Operating lease commitments

<u>The Group as a lessor</u>

The Group has entered into operating leases on its investment property portfolio consisting of certain office and commercial buildings. These leases have terms between 5 and 20 years.

Future minimum rentals receivables under non-cancellable leases as at 30 June are as follows:

	THE GROUP	
	2022	2021
	Rs'000	Rs'000
Within one year	**60,876**	62,580
After one year but not more than five years	**109,250**	150,062
More than five years	**6,850**	18,869
	176,976	231,511

Rental income earned during the year was Rs 88.0 million (2021: Rs 120.4 million).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

35. CONTINGENT LIABILITIES

(a) Legal claim contingency

Lux Island Resorts ("LIR")

Legal claims of Rs 59.4 million (2021: Rs 60.4 million) have been lodged against LIR in the Intermediary Court of Mauritius arising from claims mainly in respect of termination of employment or contracts. The directors have been advised that some claims appear unfounded and that the severance allowance/damages claim in others appear grossly exaggerated. At this stage, the directors do not believe that the Group will be required to settle the amounts claimed.

United Basalt Products Ltd ("UBP")

Legal action has been initiated by former employees against UBP in respect of unpaid severance allowances. The estimated payout is Rs 39.5 million (2021: Rs 41.5 million), should the action be successful. Trials are ongoing and therefore it is not practicable to state the timing of payment, if any. The Group has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in the financial statements.

Alteo Limited

There are several legal cases against Transmara Sugar Company Ltd relating to disputes and breach of outgrowers' contracts and termination of employment with total exposure amounting to Rs 343 million (2021: Rs 231 million). A provision amounting to Rs 7.8 million (2021: Rs 6.5 milllion) was recorded in the year for the cases that management assessed the probability of losing as possible. For the rest of the amount, management has assessed the risk of crystalising as not more than likely and hence no provision was made. The Group's share of the provision was Rs 2.2 million at 30 June 2022 (2021: Rs 1.8 million).

(b) Bank and other guarantees

The Company and several subsidiaries have provided bank guarantees and other guarantees in the normal course of their activities. The directors consider that no liabilities will arise as the probability for default in respect of the guarantees is remote.

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Bank guarantees	**131,700**	460,483	**59,505**	52,983
Guarantees provided by group companies to subsidiaries	**2,418,980**	1,741,003	**905,900**	590,155
	2,550,680	2,201,486	**965,405**	643,138

ECL on financial guarantee contracts are disclosed in Note 25.

Contingent liabilities of the associated companies of the Group for which no provision has been made are as follows:

	2022	2021
	Rs'000	Rs'000
Bank guarantees	**21,560**	23,079
Financial guarantees and letters of credit	**2,855,268**	1,712,762
	2,876,828	1,735,841

The associated companies have bank guarantees and other guarantees in the normal course of their activities. Management considers that no liabilities will arise as the probability for default in respect of the guarantees is remote.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

36. RELATED PARTY TRANSACTIONS

THE GROUP

	Associates and joint ventures	
	2022	2021
Balances	**Rs'000**	Rs'000
Cash and cash equivalents	**246,633**	55,734
Trade and other receivables	**223,716**	233,590
Trade and other payables	**65,931**	81,241
Bank overdrafts and borrowings	**489,289**	448,178

	Associates and joint ventures	
	2022	2021
Transactions	**Rs'000**	Rs'000
Sale of goods and services	**1,117,831**	1,314,358
Purchase of goods and services	**859,743**	650,053
Purchase of property, plant and equipment	**914**	-
Administrative expenses	**143,523**	46,069
Other income	**26,329**	30,747
Interest expense	**10,752**	25,213

THE COMPANY

	Subsidiaries		Associates and joint ventures	
	2022	2021	**2022**	2021
Balances	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Cash and cash equivalents	**-**	-	**100,482**	25,279
Trade and other receivables	**432,971**	384,362	**16,791**	13,528
Trade and other payables	**232,954**	95,566	**16,479**	20,959
Borrowings	**-**	-	**192,040**	89,097

	Subsidiaries		Associates and joint ventures	
	2022	2021	**2022**	2021
Transactions	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Sale of goods and services	**1,108,648**	1,037,510	**22,852**	13,101
Purchase of goods and services	**152,782**	94,379	**216,710**	191,421
Dividend income	**601,674**	466,659	**219,664**	254,787
Interest expense	**16,202**	14,623	**1,491**	11,736
Other income	**43,508**	85,810	**5,393**	6,131
Administrative expenses	**340,187**	288,672	**1,940**	2,185
Management fees	**61,677**	57,002	**17,256**	6,100

The Group and the Company have applied the ECL rates on trade receivables and have also made provision amounting to Rs 243 million (2021: Rs 338 million) on amount due by related parties.

The terms and conditions of transactions with related party are presented in their respective notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

36. RELATED PARTY TRANSACTIONS (CONTINUED)

Retirement benefit - group plan

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Retirement benefit costs				
Retirement benefit costs allocated to subsidiaries	**-**	-	**(68,429)**	201,403
Retirement benefit costs allocated to associates	**(2,602)**	4,526	**(2,602)**	4,526
	(2,602)	4,526	**(71,031)**	205,929
Retirement benefit liability				
Retirement benefit liability allocated to subsidiaries	**-**	-	**242,227**	223,410
Retirement benefit liability allocated to associates	**8,173**	6,798	**8,173**	8,173
	8,173	6,798	**250,400**	231,583

Compensation paid to key management personnel

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Short term benefits	**921,502**	722,318	**263,104**	156,944
Post employment benefits	**121,157**	65,899	**51,196**	22,583
	1,042,659	788,216	**314,300**	179,527

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

37(a). FINANCIAL INSTRUMENTS

In its ordinary operations, the Group and the Company are exposed to various risks such as capital risk, foreign currency risks, interest rate risks, credit risks and liquidity risks. The Group and the Company have devised on a central basis a set of specific policies for managing these exposures.

Capital risk management

The Group and the Company manage their capital to ensure that they will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remains unchanged.

The capital structure of the Group and the Company consists of debt, which includes borrowings, net of cash and cash equivalents and equity, comprising stated capital, reserves, retained earnings and non-controlling interests as disclosed in the statements of changes in equity.

Gearing ratio

The Group and the Company monitor capital on the basis of the debt-to-equity ratio. This ratio is calculated as net debt over net debt plus total equity. Net debt is calculated as total borrowings (as shown on the statement of financial position) less cash and cash equivalents. Total equity comprises all components of equity (i.e. stated capital, non-controlling interests, retained earnings and reserves).

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Total debt (Note (i))	**29,369,194**	28,705,949	**12,310,375**	11,560,618
Less: Cash and cash equivalents	**(5,848,841)**	(4,622,354)	**(603,898)**	(485,399)
Net debt	**23,520,353**	24,083,595	**11,706,477**	11,075,219
Total equity	**29,589,129**	27,462,461	**21,565,290**	18,159,457
Gearing (net debt / (net debt + total equity))	**44%**	47%	**35%**	38%

(i) Total debt includes borrowings (Note 22) and lease liability (Note 16)

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability and equity instruments are disclosed in Note 2(B) to the financial statements.

Categories of financial instruments

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Financial assets				
Financial assets at fair value through other comprehensive income	**404,343**	391,549	**31,598,258**	27,858,610
Financial assets at fair value through profit or loss	**348,453**	429,354	**-**	-
Financial assets at amortised cost	**14,204,655**	11,505,809	**2,338,372**	1,996,500
	14,957,451	12,326,712	**33,936,630**	29,855,110
Financial liabilities				
Amortised cost	**42,128,896**	39,618,031	**14,102,858**	13,218,740

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Fair value

Except where stated elsewhere, the carrying amounts of the Group's and the Company's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

The fair values of financial assets and liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.
- Where there is no active market, the fair value of available for sale investments have been determined using valuation techniques including comparisons to similar recent transactions, reference to price earnings ratios of similar quoted investments, discounted cash flow and other valuation models. Such valuation exercises require that the Group and the Company make estimates of future cash flows, discount rates and price earning ratio as applicable to the relevant markets.

The following table provides an analysis of financial assets that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

	THE GROUP			
	Level 1	**Level 2**	**Level 3**	**Total**
2022	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Other financial assets	**256,371**	**222,335**	**274,090**	**752,796**
2021				
Other financial assets	256,841	326,402	237,660	820,903

	THE COMPANY			
	Level 1	**Level 2**	**Level 3**	**Total**
2022	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Investment in subsidiaries	**6,781,021**	**–**	**17,673,867**	**24,454,888**
Investment in associates	**2,799,459**	**–**	**3,811,758**	**6,611,217**
Investment in joint ventures	**–**	**–**	**406,932**	**406,932**
Other financial assets	**36,457**	**–**	**88,764**	**125,221**
	9,616,937	**–**	**21,981,321**	**31,598,258**
2021				
Investment in subsidiaries	5,256,218	–	16,058,600	21,314,818
Investment in associates	2,271,259	–	3,787,608	6,058,867
Investment in joint ventures	–	–	382,625	382,625
Other financial assets	93,870	–	–	93,870
	7,621,347	–	20,228,833	27,850,180

There has been no transfer between Level 1 and Level 2 as at 30 June 2022 and 30 June 2021.

The reconciliation of Level 3 fair value financial instruments for the Company are detailed in Notes 11, 12, 13 and 14.

Reconciliation of Level 3 for the Group

	2022	2021
	Rs'000	Rs'000
At 1 July	**237,660**	321,137
Additions	**14,169**	4,108
Acquisition of subsidiaries	**–**	59
Disposals	**–**	(107,904)
Impairment loss	**–**	(7)
Fair value adjustment	**11,792**	17,001
Translation difference	**(399)**	204
Accrued interest	**–**	3,062
Reclassification from Level 1 to Level 3	**712**	–
Reclassification from Level 3 to Level 1/2	**10,156**	–
At 30 June	**274,090**	237,660

The impairment loss and fair value adjustment are unrealised. Since investment in associates and joint ventures are equity accounted, the fair value adjustment only relates to other financial assets. Refer to Note 14.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Quantitative information of significant unobservable inputs – Level 3

THE GROUP

	Unquoted equity investment		
Valuation technique	**Significant unobservable inputs**	**Range (weighted average)**	**Sensitivity to the input to fair value**
2022			
PE Multiple	Multiple	16.27x	An increase of 1x (decrease) would result in an increase (decrease) in fair value by Rs 5,993,000
PE Multiple	Discount for lack of marketability	20%	An increase of 5% (decrease) would result in a decrease (increase) in fair value by Rs 4,698,000
	Foreign equity-Bank		
Price to book value	Discount due to lack of marketability	0-40%	A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs 6.45M (2021: Rs 15.85M) in fair value.
	Commerce and others		
Dividend yield	Discount due to lack of marketability	10-20%	A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs0.016M (2021: Rs0.016M) in fair value.

	Unquoted equity investment		
2021			
PE Multiple	Multiple	11.35x-18.8x	An increase of 1x (decrease) would result in an increase (decrease) in fair value by Rs 5,480,000
PE Multiple	Discount for lack of marketability	15-55%	An increase of 5% (decrease) would result in a decrease (increase) in fair value by Rs 5,662,000
	Foreign equity-Bank		
Price to book value	Discount due to lack of marketability	0-40%	A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs15.85M (2020: Rs7M) in fair value.
	Commerce and others		
Dividend yield	Discount due to lack of marketability	10-20%	A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs0.016M (2020: Rs0.07M) in fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Quantitative information of significant unobservable inputs - Level 3 (Continued)

THE COMPANY

Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity to the input to fair value
	Unquoted equity investment		
2022			
DCF method	Long-term growth rate for cash flows for subsequent years	3.00%-3.00% (3.00%)	1% increase (decrease) would result in an increase (decrease) in fair value by Rs 1,037,788,000
DCF method	WACC	9.19%-19.00% (12.38%)	1% increase (decrease) would result in a decrease (increase) in fair value by Rs 1,213,400,000
PE Multiple	Multiple	3.00x-13.29x	An increase of 1x (decrease) would result in an increase (decrease) in fair value by Rs 220,012,077
PE Multiple	Discount for lack of marketability	0-20%	An increase of 5% (decrease) would result in a decrease (increase) in fair value by Rs 122,222,246
PB Multiple	Multiple	0.95x-1.08x	An increase of 5% (decrease) would result in an increase (decrease) in fair value by Rs 183,609,071
EV/EBITDA Multiple	EBITDA	4.00x-15.06x	An increase of 1x (decrease) would result in an increase (decrease) in fair value by Rs 74,129,865
	Unquoted equity investment		
2021			
DCF method	Long-term growth rate for cash flows for subsequent years	3.00% - 3.00% (3.00%)	1% increase (decrease) would result in an increase (decrease) in fair value by Rs 951,844,000
DCF method	WACC	10.39%-24.09% (14.21%)	1% increase (decrease) would result in a decrease (increase) in fair value by Rs 1,202,480,000
PE Multiple	Multiple	10.0x	An increase of 1x (decrease) would result in an increase (decrease) in fair value by Rs 157,057,663
PE Multiple	Discount for lack of marketability	0-20%	An increase of 5% (decrease) would result in a decrease (increase) in fair value by Rs 100,148,571
PB Multiple	Multiple	1.0x-1.08x	An increase of 5% (decrease) would result in an increase (decrease) in fair value by Rs 169,705,909
EV/EBITDA Multiple	EBITDA	3.81x-24.75x	An increase of 1x (decrease) would result in an increase (decrease) in fair value by Rs 103,014,713

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Foreign exchange risk

The Group and the Company are exposed to the risk that the exchange rate of the Mauritian Rupee relative to foreign currencies may change in a manner which has a material effect on the reported values of the Group's and the Company's assets and liabilities. The Group and the Company undertake certain transactions denominated in foreign currencies and hence, exposures to exchange rate fluctuations arise. The Group and the Company are mainly exposed to the United States Dollar (USD), Euro (EUR) and Great Britain Pound (GBP).

Currency profile

	THE GROUP		THE COMPANY	
	2022 Rs'000	2021 Rs'000	**2022 Rs'000**	2021 Rs'000
Financial assets				
Mauritian Rupee	**12,674,968**	8,989,423	**30,471,382**	29,657,389
US Dollar	**963,319**	1,289,877	**14,817**	118,665
Euro	**1,019,211**	763,386	**14,195**	77,173
Great Britain Pound	**89,310**	204,483	**11,740**	650
Others	**210,643**	1,079,543	**3,424,496**	1,233
	14,957,451	12,326,712	**33,936,630**	29,855,110
Financial liabilities				
Mauritian Rupee	**34,362,772**	27,978,053	**12,826,015**	13,218,740
US Dollar	**2,675,656**	4,566,808	**259,342**	-
Euro	**3,140,140**	4,023,542	**265,007**	-
Great Britain Pound	**653,784**	691,162	**6,127**	-
Others	**1,296,544**	2,358,466	**746,367**	-
	42,128,896	39,618,031	**14,102,858**	13,218,740

Foreign currency sensitivity analysis

The following table details the Group's and the Company's sensitivity to a 10% increase and decrease in the Mauritian Rupee against the relevant foreign currencies. 10% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the Mauritian Rupee appreciates 10% against the relevant currency. For a 10% weakening of the Mauritian Rupee against the relevant currency, there would be an equal and opposite impact on the profit.

Impact of an appreciation of 10% of the Mauritian Rupee against the relevant currencies:

	THE GROUP		THE COMPANY	
	2022 Rs'000	2021 Rs'000	**2022 Rs'000**	2021 Rs'000
Impact - US Dollar				
Profit or loss	**(171,234)**	(327,693)	**(24,453)**	11,867
Equity	**(105,050)**	(125,530)	**-**	-
Impact - Euro				
Profit or loss	**(212,093)**	(326,016)	**(25,081)**	7,717
Equity	**(75,696)**	(55,840)	**-**	-
Impact - Great Britain Pound				
Profit or loss	**(56,447)**	(48,668)	**561**	65
Equity	**(30,393)**	(33,638)	**-**	-

The profit or loss is mainly attributable to the exposure outstanding on foreign currency receivables, payables, borrowings and cash and cash equivalents at year end for the Group and the Company.

The equity impact of a change in rate of EUR vis-à-vis the Mauritian Rupee is attributable mainly to net investment in the subsidiary in Réunion Island and also to the hedge reserve arising on the hedge accounting of EUR loans.

The equity impact of a change in rate of USD vis-à-vis the Mauritian Rupee is attributable mainly to net investment in the subsidiary, Lux Island Resorts Maldives Ltd, and also to the hedge reserve arising on hedge accounting of USD loans.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

The Group and the Company are exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates.

The Group and the Company manage the risk by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates for the non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. Financial assets are either interest free or bear a fixed rate of interest; therefore, they are not exposed to interest rate risk. For instance, the financial assets as shown in the categories of financial instruments, with the exception of loans and advances, are interest free. Financial assets encompassing loans and advances have a fixed rate of interest. A 100 basis point increase or decrease is used and it represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2022 would decrease/increase by Rs 177,304,310 (2021: Rs 169,797,910) and the Company's profit for the year ended 30 June 2022 would decrease/increase by Rs 68,092,880 (2021: Rs 59,731,260). This is mainly attributable to the Group's and the Company's exposure to interest rates on their variable rate borrowings.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are approved and reviewed by key management on regular basis. Refer to Note 2B(l) for the credit risk attributes in relation to trade and other receivables, cash and bank balances and corporate bonds and deposits.

The Group's and the Company's credit risk are primarily attributable to trade and other receivables. The amounts presented in the statements of financial position are net of allowances for doubtful receivables, estimated by management based on prior experience and represents the Group's and the Company's maximum exposure to credit risk. Refer to Note 18 for the credit risk exposure of trade and other receivables based on the Group's and the Company's provision matrix in accordance with IFRS 9.

Other price risks

The Group and the Company are exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group and the Company do not actively trade these investments.

The sensitivity analysis has been determined based on the exposure to equity price risks at the reporting date.

If the equity price had increased or decreased by 10%:

- There would be no impact on the net profit at 30 June 2022 and 2021 as equity investments are classified as Financial assets at fair value through other comprehensive income (FVTOCI).
- The other comprehensive income and fair value reserves included in equity would increase/decrease by Rs 25,637,100 (2021: Rs 25,684,100) for the Group and Rs 961,693,700 (2021: Rs 762,134,700) for the Company, as a result of the changes in fair value of Financial assets at fair value through other comprehensive income (FVTOCI).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk management

The Group and the Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below shows the maturity profile of the financial liabilities of the Group and the Company, based on contracted payments:

	THE GROUP				
	At call	Less than one year	1 to 5 years	> 5 years	Total
2022	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Lease liabilities	**–**	**578,499**	**2,438,003**	**1,599,623**	**4,616,125**
Non-interest bearing instruments**	**–**	**11,353,616**	**135,769**	**–**	**11,489,385**
Variable interest rate instruments	**3,022,155**	**1,717,198**	**6,746,615**	**6,244,463**	**17,730,431**
Fixed interest rate instruments	**94,939**	**1,792,826**	**3,226,969**	**1,907,904**	**7,022,638**
Financial guarantee contracts*	**2,418,980**	**–**	**–**	**–**	**2,418,980**
	5,536,074	**15,442,139**	**12,547,356**	**9,751,990**	**43,277,559**
2021					
Lease liabilities	–	554,697	1,880,959	2,150,938	4,586,594
Non-interest bearing instruments**	–	9,784,492	134,966	–	9,919,458
Variable interest rate instruments	2,679,359	1,329,476	6,728,313	6,242,643	16,979,791
Fixed interest rate instruments	95,977	934,615	5,333,599	14,044,556	20,408,747
Financial guarantee contracts*	1,741,003	–	–	–	1,741,003
	4,516,339	12,603,280	14,077,837	22,438,137	53,635,593

*Based on the maximum amount that can be called for under financial guarantee contracts under IFRS 9.

**Non-interest bearing instruments consist of trade and other payables, other payables, dividend payable and gross outstanding claims.

	THE COMPANY				
	At call	Less than one year	1 to 5 years	> 5 years	Total
2022	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Lease liabilities	**–**	**22,553**	**45,618**	**–**	**68,171**
Non-interest bearing instruments**	**–**	**1,708,422**	**84,093**	**–**	**1,792,515**
Variable interest rate instruments	**2,201,633**	**512,655**	**2,565,000**	**1,530,000**	**6,809,288**
Fixed interest rate instruments	**6,747**	**1,521,169**	**2,435,000**	**1,470,000**	**5,432,916**
Financial guarantee contracts*	**905,900**	**–**	**–**	**–**	**905,900**
	3,114,280	**3,764,799**	**5,129,711**	**3,000,000**	**15,008,790**
2021					
Lease liabilities	–	22,027	54,856	–	76,883
Non-interest bearing instruments**	–	1,521,096	81,466	–	1,602,562
Variable interest rate instruments	1,366,296	26,830	2,050,000	2,530,000	5,973,126
Fixed interest rate instruments	–	6,015	2,950,000	2,470,000	5,426,015
Financial guarantee contracts*	590,155	–	–	–	590,155
	1,956,451	1,575,968	5,136,322	5,000,000	13,668,741

*Based on the maximum amount that can be called for under financial guarantee contracts under IFRS 9.

**Non-interest bearing instruments consist of trade and other payables, other payables and dividend payable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk management (Continued)

Cash flow hedge

The hedge reserve is used to record the exchange differences arising on the EUR, GBP and USD loans taken by the Group and which have been designated as hedging instruments against future revenues of the Group in the respective currencies. The risk management objective is to hedge the changes in cash flows arising from foreign exchange rate risk associated with future revenues and cash flows of the Group. The hedging strategy is to enter into loan agreements (the "hedging instruments"), in EUR, GBP and USD with future principal payments that will be matched by the future remittances from customers in these currencies. The movement for the year is in respect of exchange difference on conversion of loan in USD, GBP and EUR at year end rate. Upon annual repayment of long term borrowings and leases, the portion of hedge realised is released from the hedge reserve.

The effective portion of the gain or loss on the hedging instruments in cash flow hedge reserves recognised in the cash flow hedge as at 30 June 2022 is a negative reserve of Rs 29,622,000 (2021: negative Rs 310,743,000). The amount included in "other reserves" is negative Rs 40,813,000 (2021: negative Rs 199,554,000) while amount attributable to non-controlling interests is Rs 11,191,000 (2021: negative Rs 111,189,000).

The movement for the year amounting to Rs 281,121,000 (2021: negative Rs 339,383,000) relates to exchange differences on translation of US Dollar and Euro at year end rate in addition to the portion of exchange difference reserve realised on repayment of borrowings. An amount of Rs 158,741,000 (2021: negative Rs 191,640,000) is attributable to the Group while an amount of Rs 122,380,000 (2021: negative Rs 147,743,000) is attributable to non-controlling interests.

Cash flow hedge reserves

	THE GROUP	
	2022	2021 Restated
	Rs'000	Rs'000
At 1 July		
- As previously reported	**(567,337)**	(262,612)
- Effect of prior year restatements (Note 44)	**(85,105)**	(38,126)
- As restated	**(652,442)**	(300,738)
Cash flow hedge on loan in foreign currency	**241,974**	(374,807)
Cash flow hedge reserve released on repayment of loan	**68,908**	20,726
Deferred tax	**(4,938)**	2,377
At 30 June	**(346,498)**	(652,442)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

37(b). MANAGEMENT OF INSURANCE RISKS

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be (Law of large numbers). In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Casualty insurance

Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of awards for the damage suffered as a result of motor injury claims. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. As part of its permeating and systematic risk management, the Group continually identifies and analyses the risks. Underwriting guidelines and limits clearly regulate responsibility and accountability for the whole process of acquiring and concluding insurance contracts. Compliance with the above are regularly checked. Following developments in the local and global market, appropriate measures are taken, translated without delay in corresponding underwriting guidelines if required.

Underwriting limits are thus in place to enforce appropriate risk selection criteria. For example, the Group has the right to impose deductibles and it has the right to reject the payment of a fraudulent claim, as well as inviting renewals on different terms. Insurance contracts also entitle the Group to sue third parties for payment of incurred costs (i.e. subrogation).

The reinsurance arrangements are mostly excess of loss reinsurance layers in respect of casualty.

Property insurance

Frequency and severity of claims

For property insurance contracts, climatic changes give rise to more frequent and severe extreme weather events (for example, cyclones, tsunami etc.) and their consequences (for example, cyclone claims).

For certain contracts, the Group has also limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year.

The Group has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claims payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies. The greatest likelihood of significant losses on these contracts arises from cyclone or flood damage. The availability and cost of reinsurance are subject to prevailing market conditions, both in terms of price and availability capacity. Although the reinsurers are liable to the extent of the reinsurance ceded, the Group remains primarily liable to the policy holder as the direct insurer of all risks reinsured. The Group evaluates the financial condition of its reinsurers to minimize its exposures to losses from reinsurer insolvencies.

To the Group's knowledge, none of its reinsurers is experiencing financial difficulties. Markets have tightened their underwriting of proportional treaty programme, which have impacted on the Mauritian Insurance sector where companies were more used to traditional reinsurance and had to increase their net retention.

Catastrophe protection treaties are a must to insurance companies based in Mauritius due to our constant exposure towards tropical cyclones.

The Group has reinsurance cover for such damage to accommodate its increased exposure.

Property insurance contracts are subdivided into four risk groups: fire, business interruption, cyclone damage and other perils. The insurance risk arising from these contracts is not concentrated in any of the territories in which the Group operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

37(b). MANAGEMENT OF INSURANCE RISKS (CONTINUED)

Concentration of insurance risk (Short-term insurance)

The following table discloses the concentration of outstanding claims by class of business, gross and net of reinsurance.

Class of business	2022			2021		
	Gross	**Reinsurance**	**Net**	Gross	Reinsurance	Net
	Rs'000	**Rs'000**	**Rs'000**	Rs'000	Rs'000	Rs'000
Accident	**19,262**	**(2,421)**	**16,841**	96,243	(34,291)	61,952
Engineering	**111,424**	**(89,866)**	**21,558**	108,445	(94,102)	14,343
Fire	**770,509**	**(706,344)**	**64,165**	418,113	(372,885)	45,228
Liability	**313,744**	**(178,130)**	**135,614**	233,980	(149,985)	83,995
Motor	**329,697**	**(50,409)**	**279,288**	310,769	(25,942)	284,827
Health	**45,948**	**(33,533)**	**12,415**	31,376	(23,714)	7,662
Marine	**71,574**	**(23,483)**	**48,091**	116,502	(74,025)	42,477
IBNR	**157,598**	**(80,459)**	**77,139**	141,408	(63,190)	78,218
	1,819,756	**(1,164,645)**	**655,111**	1,456,836	(838,134)	618,702

The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

Sources of uncertainty in the estimation of future benefit payments

Casualty insurance

Claims on casualty contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contracts term. As a result, liability claims are settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR). There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered by employees (for employer's liabilities covers) or members of the public (for public liability covers). Such awards are lump-sum payments that are calculated as the present value of the lost earnings and rehabilitation expenses that the injured party will incur as a result of incident.

The estimated cost of claims includes direct expenses incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposure. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks at the end of the reporting period. The amount of casualty claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. Casualty contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the end of the reporting period.

In calculating the estimated cost of unpaid claims (both reported and not), the Group's estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

The initial loss-ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and historical claims inflation. The initial estimate of the loss ratios used for the current year (before reinsurance) are analysed by territory and type of risk where the insured operates for current and prior year premium earned.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

37(b). MANAGEMENT OF INSURANCE RISKS (CONTINUED)

Sources of uncertainty in the estimation of future benefit payments (Continued)

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insurer until many years after the event that gave rise to the claims has happened. For casualty contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities.

In estimating the liability for the cost of reported claims not yet paid, the Group considered any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

Property insurance

Property claims are analysed separately for cyclone and non-cyclone claims. The development of large losses/catastrophes is analysed separately. Non-cyclone claims can be estimated with greater reliability, and the Group's estimation processes reflect all the factors that influence the amount and timing of cash flows from these contracts. The shorter settlement period for these claims allow the Group to achieve a higher degree of certainty about the estimated cost of claims, and relatively little (Incurred but not Reported) IBNR is held at year-end.

Claims development table

The development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The table below illustrates how the estimates of total claims outstanding for each year have changed at successive year-ends and reconciles the cumulative claims to the amount appearing in the statement of financial position.

2022

	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
At end of							
Accident year	**428,699**	**841,151**	**840,449**	**825,515**	**742,886**	**1,092,813**	**4,771,513**
1 year later	**163,750**	**59,271**	**51,996**	**47,362**	**(9,262)**	**-**	**313,117**
2 years later	**(32,106)**	**24,714**	**(71)**	**(30,984)**	**-**	**-**	**(38,447)**
3 years later	**(17,328)**	**(11,478)**	**(2,025)**	**-**	**-**	**-**	**(30,831)**
4 years later	**2,144**	**(9,642)**	**-**	**-**	**-**	**-**	**(7,498)**
5 years later	**(1,917)**	**-**	**-**	**-**	**-**	**-**	**(1,917)**
Current estimate of cumulative claims	**543,242**	**904,016**	**890,349**	**841,893**	**733,624**	**1,092,813**	**5,005,937**
Accident year	**317,902**	**308,880**	**308,367**	**508,812**	**472,863**	**472,171**	**2,388,995**
1 year later	**128,796**	**179,049**	**415,540**	**211,620**	**135,969**	**-**	**1,070,974**
2 years later	**16,075**	**51,861**	**29,820**	**33,809**	**-**	**-**	**131,565**
3 years later	**5,199**	**4,456**	**9,467**	**-**	**-**	**-**	**19,122**
4 years later	**3,370**	**10,685**	**-**	**-**	**-**	**-**	**14,055**
5 years later	**1,355**	**-**	**-**	**-**	**-**	**-**	**1,355**
Cumulative payment to date	**472,697**	**554,931**	**763,194**	**754,241**	**608,832**	**472,171**	**3,626,066**
	70,545	**349,085**	**127,155**	**87,652**	**124,792**	**620,642**	**1,379,871**
Liabilities in respect of prior years*							**282,287**
IBNR							**157,598**
Total gross liabilities							**1,819,756**

**This represents the cumulative liabilities prior to 2017*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

37(b). MANAGEMENT OF INSURANCE RISKS (CONTINUED)

Claims development table (Continued)

2021

	2016	2017	2018	2019	2020	2021	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At end of							
Accident year	608,754	428,699	841,151	840,449	825,515	742,886	4,287,454
1 year later	89,706	163,750	59,271	51,996	47,362	–	412,085
2 years later	25,761	(32,106)	24,714	(71)	–	–	18,298
3 years later	(31,859)	(17,328)	(11,478)	–	–	–	(60,665)
4 years later	(6,673)	2,144	–	–	–	–	(4,529)
5 years later	34,354	–	–	–	–	–	34,354
Current estimate of cumulative claims	720,043	545,159	913,658	892,374	872,877	742,886	4,686,997
Accident year	349,390	317,902	308,880	308,367	508,812	472,863	2,266,214
1 year later	206,400	128,796	179,049	415,540	211,620	–	1,141,405
2 years later	20,571	16,075	51,861	29,820	–	–	118,327
3 years later	2,838	5,199	4,456	–	–	–	12,493
4 years later	1,964	3,370	–	–	–	–	5,334
5 years later	59,192	–	–	–	–	–	59,192
Cumulative payment to date	640,355	471,342	544,246	753,727	720,432	472,863	3,602,965
	79,688	73,817	369,412	138,647	152,445	270,023	1,084,032
Liabilities in respect of prior years*							231,396
IBNR							141,408
Total gross liabilities							1,456,836

**This represents the cumulative liabilities prior to 2016*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

38. BUSINESS COMBINATIONS

(a) Acquisition of subsidiaries

<u>Acquisitions in 2022</u>

On 27 October 2021, one of the subsidiaries, UBP acquired the remaining 51% of Pre-Mixed Concrete Ltd ("Pre-Mixed") and obtained control over the subsidiary. Pre-Mixed is engaged in the manufacture of ready mixed concrete. Pre-Mixed has been acquired by the Group to be in line with its vertical integration strategy and paid a control premium to achieve same. The goodwill was fully impaired at 30 June 2022 as it is not expected to be recovered based on the value in use calculation of the acquired subsidiary.

SALT Hospitality Ltd, a subsidiary company, went under voluntary administration on 19 February 2021 and was subsequently derecognised as a subsidiary company due to loss of control as from that date. At the watershed meeting held on 17 December 2021, the Creditors of SALT Hospitality Ltd ("SHL") resolved the execution of a deed of company arrangement (DOCA), the terms and conditions of which were presented by the Administrator at the meeting. The DOCA contained a plan, which upon execution, will allow SHL to continue as a going concern. Under the terms of the DOCA, various liabilities covered by corporate financial guarantees were assigned to the Company, namely bank loans, lease obligations and secured creditors. Novation agreements reflecting the assignment of these debts as well as unconditionally releasing and discharging SHL of its obligations with respect to guaranteed claims have been signed between the various parties. On 28 December 2021, the Board of SHL, has, by resolution, approved the execution of the DOCA by and on behalf of SHL. The DOCA was effectively executed and registered on 5 January 2022 and accordingly SALT Hospitality Ltd was recognised as a subsidiary as from that date.

<u>Acquisitions in 2021</u>

In December 2020, the Group acquired a controlling stake in Confido Holdings Ltd for a total consideration of Rs 191 million hence increasing its shareholding to 100%. Goodwill arising on the acquisition amounts to Rs 221.67 million. The Group is committed to sell 26%-44% of its stake in the coming three years.

In January 2021, one of the associates made a dividend in specie in the form of shares of Ekada Capital Ltd. The Company subscribed for further shares and obtained a controlling interest of 51.97%. Goodwill arising on the acquisition amounts to Rs 20.29 million.

In December 2020, one of the subsidiaries, IBL Life Ltd, acquired a controlling stake in Plat Form Laser Ltée for a total consideration of Rs 1.8 million, hence increasing its shareholding to 100%. Goodwill arising on the acquisition amounts to Rs 1.29 million.

The goodwill generated from the acquisition of above subsidiaries were in relation to the benefit of expected synergies of the services and products in the financial services sector as well as consolidating the Group's position in the life sector.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

38. BUSINESS COMBINATIONS (CONTINUED)

(a) Acquisition of subsidiaries (Continued)

The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	2022 Rs'000	2021 Rs'000
Assets		
Property, plant and equipment	207,337	3,966
Intangible assets	83,759	11,282
Non-current receivables	–	348
Right of use assets	357,666	4,211
Deferred tax assets (Note 7)	14,308	375
Inventories	18,194	–
Trade and other receivables	203,800	92,132
Contract assets (Note 29(b))	–	2,632
Other financial assets (Note 14)	–	59
Current tax assets	2,483	–
Cash and cash equivalents	13,922	91,695
	901,469	206,700
Liabilities		
Borrowings	14,277	–
Bank overdrafts	287	–
Trade and other payables	244,318	128,792
Retirement benefit obligations	28,919	4,090
Current tax liabilities	–	5,642
Contract liabilities	2,946	–
Lease liabilities	391,787	4,371
	682,534	142,895
Fair value of net assets acquired	218,935	63,805
Consideration paid in cash	285,416	201,127
Fair value of previously held interests	274,235	105,954
	559,651	307,081
Goodwill	340,716	243,276

Cash flow	2022 Rs'000	2021 Rs'000
Consideration paid in cash	285,416	201,127
Less: cash and cash equivalents acquired in subsidiary	(13,635)	(91,695)
Net cash outflow on acquisition	271,781	109,432

Impact of the acquisitions on the results of the Group

The revenue and results for the year ended 30 June 2022 include an amount of Rs 490 million and a loss of Rs 42 million respectively attributable to the additional business generated by the acquired subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

38. BUSINESS COMBINATIONS (CONTINUED)

(b) Disposal of subsidiaries

Disposals in 2022

Bluelife Limited realised the sale of PL Resort Ltd in March 2022. The assets and liabilities were previously classified as held for sale in the financial year ended 30 June 2021 and the results were presented in discontinued operations up to date of disposal.

During the year under review, the Group has also deconsolidated certain subsidiaries following the winding up of these subsidiaries. They were deconsolidated on 1 July 2021.

Disposals in 2021

Le Recif SAS was classified as assets held for sale as at June 2020. On 1 August 2020, the Group has finalised the sale of Hotel Le Recif, in Reunion Island, for a total proceeds of Rs 277 million.

SALT Hospitality Ltd ("SHL") entered into a voluntary administration in February 2021. Consequently, the Group lost control over the activities of SHL. The Group has accounted for the results of SHL under discontinued operations, recognised liabilities and guarantees given on behalf of SHL and have deconsolidated the statement of financial position of SHL when control was lost.

Analysis of assets and liabilities over which control was lost:

	2022 Rs'000	2021 Rs'000
Assets		
Property, plant and equipment	363,612	385,469
Intangible assets	74	42,473
Right of use assets	78,393	295,460
Deferred tax assets	5,107	105,533
Inventories	4,494	7,003
Trade and other receivables	26,222	83,017
Cash and cash equivalents	23,016	1,656
	500,918	920,611
Liabilities		
Borrowings	331,167	195,418
Bank overdraft	29,944	4,721
Trade and other payables	191,045	344,682
Retirement benefit obligations	2,861	8,144
Lease liabilities	–	309,236
	555,017	862,201
Net assets disposed	(54,099)	58,410
Share of net assets disposed	(34,377)	58,410
Profit on disposal	38,145	218,574
Profit on winding up of subsidiaries	4,794	–
	8,562	276,984
Consideration		
Consideration received in cash	8,562	276,984

Cash flow	2022 Rs'000	2021 Rs'000
Consideration paid in cash	8,562	276,984
Less: cash and cash equivalents acquired in subsidiary	6,928	3,065
Net cash inflow on disposal	15,490	280,049

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

38. BUSINESS COMBINATIONS (CONTINUED)

(c) Change in percentage holding in subsidiaries

On 01 July 2021, the Group acquired an additional 0.03% in Manser Saxon Contracting Ltd for a purchase consideration of Rs 165,852. The non-controlling interests was nil at that date and the Group recorded a decrease in equity attributable to owners of the Company of Rs 165,852. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2022
	Rs'000
Cash consideration paid to non-controlling interests	166
Less: Carrying amount of non-controlling interests acquired	-
Adjustment recognised in retained earnings (Debit)	166

On 01 July 2021, the Group acquired an additional 25% in LCF Holdings Ltd for a purchase consideration of Rs 3,900,000. The Group derecognised the non-controlling interests and recorded a decrease in equity attributable to owners of the Company of Rs 4,370,250. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2022
	Rs'000
Cash consideration paid to non-controlling interests	3,900
Less: Carrying amount of non-controlling interests acquired	470
Adjustment recognised in retained earnings (Debit)	4,370

On 27 October 2021, a subsidiary acquired an additional 17.24% of the issued shares of Drymix Ltd for a purchase consideration of Rs 96.4 million. The Group derecognised the non-controlling interests and recorded a decrease in equity attributable to owners of the Company of Rs 72.1 million. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2022
	Rs'000
Cash consideration paid to non-controlling interests	96,406
Less: Carrying amount of non-controlling interests acquired	(24,336)
Adjustment recognised in retained earnings (Debit)	72,070

On 16 June 2022, a subsidiary acquired an additional 24% of the issued shares of The (Mauritius) Glass Gallery Ltd for a purchase consideration of Rs 442,000. The Group derecognised the non-controlling interests and recorded a decrease in equity attributable to owners of the Company of Rs 2,290,000. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2022
	Rs'000
Cash consideration paid to non-controlling interests	442
Less: Carrying amount of non-controlling interests acquired	1,848
Adjustment recognised in retained earnings (Debit)	2,290

During the year 2022, Bluelife Limited acquired an additional 27% of the issued shares of Haute Rive Azuri Hotel Ltd for a nominal consideration of Rs 1. The Group derecognised the non-controlling interests and recorded a decrease in equity attributable to owners of the Company of Rs 18,349,000. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2022
	Rs'000
Cash consideration paid to non-controlling interests	-
Less: Carrying amount of non-controlling interests acquired	18,349
Adjustment recognised in retained earnings (Debit)	18,349

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

38. BUSINESS COMBINATIONS (CONTINUED)

(c) Change in percentage holding in subsidiaries (Continued)

On 27 April 2021, the Group acquired an additional 10% of the issued shares of UBP Coffrages Ltée for a purchase consideration of Rs 900,000. The Group derecognised the non-controlling interests and recorded an increase in equity attributable to owners of the Company of Rs 370,000. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2021
	Rs'000
Cash consideration paid to non-controlling interests	900
Less: Carrying amount of non-controlling interests acquired	(1,270)
Adjustment recognised in retained earnings (Credit)	(370)

On 29 June 2021, the Group acquired an additional 5% of the issued shares of Ekada Capital Management Ltd for a purchase consideration of Rs 30,042,000. The Group derecognised the non-controlling interests and recorded an increase in equity attributable to owners of the Company of Rs 19,958,000. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2021
	Rs'000
Cash consideration paid to non-controlling interests	30,042
Less: Carrying amount of non-controlling interests acquired	(50,000)
Adjustment recognised in retained earnings (Credit)	(19,958)

39. SEGMENTAL INFORMATION - GROUP

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Group's reportable segments under IFRS 8 are:

- Agro & Energy
- Building & Engineering
- Commercial & Distribution
- Financial Services
- Hospitality & Services
- Life & Technologies
- Logistics
- Property
- Seafood
- Corporate Services

The segment information reported below does not include any amounts for the Group's discontinued operations. More information is given in Note 21.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

39. SEGMENTAL INFORMATION – GROUP (CONTINUED)

(i) Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reporting segment.

At 30 June 2022	**Agro & Energy**	**Building & Engineering**	**Commercial & Distribution**	**Financial Services**	**Hospitality & Services**	**Life & Technologies**	**Logistics**	**Property**	**Seafood**	**Corporate Services**	**Consolidation adjustments**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Revenue (Note 29)	**–**	**7,680,102**	**27,636,798**	**2,352,096**	**7,210,029**	**409,166**	**2,052,067**	**706,641**	**1,547,247**	**204,115**	**(4,821,113)**	**44,977,148**
Results												
Segment result	**(47,534)**	**419,165**	**1,329,385**	**210,055**	**1,590,161**	**(31,610)**	**68,460**	**63,823**	**302,970**	**(418,538)**	**(126,386)**	**3,359,951**
Share of results of												
Associates & Joint Ventures	**274,934**	**12,525**	**2,996**	**461,144**	**–**	**165,497**	**474**	**(753)**	**(24,038)**	**12,777**	**–**	**905,556**
Finance costs (Note 32)												**(1,246,481)**
Finance income (Note 31)												**63,411**
Other gains and losses (Note 33)												**(404,377)**
Profit before tax (continuing operations)												**2,678,060**
Tax expense (Note 26)												**(736,366)**
Profit for the year												**1,941,694**

At 30 June 2021	Agro & Energy	Building & Engineering	Commercial & Distribution	Financial Services	Hospitality & Services	Life & Technologies	Logistics	Property	Seafood	Corporate Services	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Revenue (Note 29)	–	7,019,764	24,413,598	2,098,750	2,070,945	307,521	1,319,262	420,818	1,555,751	160,532	(3,570,805)	35,796,136
Results												
Segment result	(6,535)	580,980	1,184,302	145,458	(973,471)	(7,933)	(27,497)	8,917	305,843	(589,952)	(35,148)	584,964
Share of results of												
Associates & Joint Ventures	320,341	7,074	2,725	276,417	–	25,501	–	(2,358)	117,702	9,627	–	757,029
Finance costs (Note 32)												(1,192,935)
Finance income (Note 31)												84,831
Other gains and losses (Note 33)												133,719
Profit before tax (continuing operations)												367,608
Tax expense (Note 26)												(138,895)
Profit for the year												228,713

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2B. Segment profit represents the profit earned by each segment without allocation of finance costs, finance income, other gains and losses, and tax expense.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

39. SEGMENTAL INFORMATION – GROUP (CONTINUED)

(ii) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reporting segment.

At 30 June 2022

	Agro & Energy	Building & Engineering	Commercial & Distribution	Financial Services	Hospitality & Services	Life & Technologies	Logistics	Property	Seafood	Corporate Services	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Segment assets	–	12,082,246	17,141,035	4,082,284	17,359,740	1,027,119	1,535,100	8,393,311	2,321,997	1,633,305	(2,220,941)	63,355,196
Investments in:												
Associates (Note 12)	4,923,609	69,799	21,112	3,182,932	–	104,290	–	111,187	1,786,926	34,829	–	10,234,684
Joint ventures (Note 13)	–	14,467	–	68,773	–	25,864	–	–	–	–	–	109,104
Other financial assets (Note 14)	–	31,162	4,624	1,054,625	4	17,680	1,446	–	–	125,221	–	1,234,762
Total investments	4,923,609	115,428	25,736	4,306,330	4	147,834	1,446	111,187	1,786,926	160,050	–	11,578,550
Deferred tax assets (Note 7)												287,942
Current tax assets (Note 26)												53,725
Assets classified as held for sale (Note 21)												828,556
Consolidated total assets												76,103,969
Segment liabilities	31,195	5,697,271	8,185,801	3,289,904	10,401,448	746,501	1,175,463	3,801,313	779,481	13,506,436	(3,052,591)	44,562,222
Deferred tax liabilities (Note 7)												1,271,484
Current tax liabilities (Note 26)												226,553
Liabilities associated with assets classified as held for sale (Note 21)												454,581
Consolidated total liabilities												46,514,840

At 30 June 2021

	Agro & Energy	Building & Engineering	Commercial & Distribution	Financial Services	Hospitality & Services	Life & Technologies	Logistics	Property	Seafood	Corporate services	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Segment assets	–	10,691,562	15,049,948	3,628,694	16,804,628	664,426	1,336,476	7,521,107	2,076,619	1,441,640	(1,215,088)	58,000,012
Investments in:												
Associates (Note 12)	4,770,300	183,634	1,480	2,817,023	–	72,499	–	95,649	2,218,591	21,515	–	10,180,691
Joint ventures (Note 13)	–	13,205	–	77,745	–	–	–	–	–	–	–	90,950
Other financial assets (Note 14)	–	26,008	4,782	1,027,493	4	19,450	1,446	16,291	–	102,300	–	1,197,774
Total investments	4,770,300	222,847	6,262	3,922,261	4	91,949	1,446	111,940	2,218,591	123,815	–	11,469,415
Deferred tax assets (Note 7)												446,649
Current tax assets (Note 26)												70,467
Assets classified as held for sale (Note 21)												838,519
Consolidated total assets												70,825,062
Segment liabilities	2,439	4,116,691	7,051,544	2,885,807	11,555,896	484,002	1,008,734	3,368,020	765,780	12,808,632	(2,209,814)	41,837,731
Deferred tax liabilities (Note 7)												1,092,647
Current tax liabilities (Note 26)												59,024
Liabilities associated with assets classified as held for sale (Note 21)												373,199
Consolidated total liabilities												43,362,601

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

39. SEGMENTAL INFORMATION – GROUP (CONTINUED)

(ii) Segment assets and liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than taxes. Goodwill is allocated to reportable segments as described in Note 6. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- all liabilities are allocated to reportable segments other than taxes. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

(iii) Other segment information

Additions to non-current assets (including property, plant and equipment, investment properties, intangible assets and excluding investments, deferred tax assets and right of use assets) and depreciation and amortisation are as follows:

	Agro & Energy	Building & Engineering	Commercial & Distribution	Financial Services	Hospitality & Services	Life & Technologies	Logistics	Property	Seafood	Corporate Services	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 30 June 2022											
Additions to non-current assets	**2,000**	**1,029,482**	**827,334**	**69,185**	**623,047**	**245,386**	**70,059**	**237,328**	**100,400**	**47,643**	**3,251,864**
Depreciation and amortisation	**348**	**420,946**	**591,706**	**50,404**	**511,008**	**19,779**	**67,288**	**68,398**	**110,807**	**20,495**	**1,861,179**
At 30 June 2021											
Additions to non-current assets	195	704,498	504,054	286,348	1,199,667	21,841	44,640	88,051	85,422	4,697	2,939,413
Depreciation and amortisation	19	347,354	551,716	48,452	448,066	10,647	75,743	65,072	118,731	42,243	1,708,043

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

39. SEGMENTAL INFORMATION – GROUP (CONTINUED)

(iii) Other segment information (Continued)

Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

Cluster	Activity	2022 Rs'000	2021 Rs'000
Building & Engineering	– Contracting & equipment	7,680,102	7,019,764
Commercial & Distribution	– Consumer goods, sale of beverages & chain of supermarkets	27,636,798	24,413,598
Financial Services	– Insurance, leasing and management services	2,352,096	2,098,750
Hospitality & Services	– Hotels operation	7,210,029	2,070,945
Life & Technologies	– Medical research	409,166	307,521
Logistics	– Freight forwarding	2,052,067	1,319,262
Seafood	– Seafood sector	1,547,247	1,555,751
Others		910,756	581,350
Consolidation adjustments		(4,821,113)	(3,570,805)
		44,977,148	35,796,136

Information about major customers

The Group does not have any one single external customer to whom sales of goods and services amounted to 10% or more of the Group's total turnover.

Geographical information

The Group's operations are located in the countries as described below.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	2022 Rs'000	2021 Rs'000
Mauritius	36,474,198	30,956,628
Europe	1,223,804	1,061,589
USA	72,741	92,992
Madagascar, Comoros, Seychelles & Reunion	3,360,875	2,201,816
Dubai, Africa, Australia & others	1,271,758	1,017,230
Maldives	2,573,772	465,881
	44,977,148	35,796,136

40. EARNINGS PER SHARE

	2022 Rs	2021 Rs
Earnings per share		
Basic and diluted:		
– From continuing and discontinued operations	1.74	0.03
– From continuing operations	1.72	0.25

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

40. EARNINGS PER SHARE (CONTINUED)

The earnings and weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

	2022 Rs'000	2021 Rs'000
Earnings for the year attributable to owners of the Company used in calculation of earnings per share – From continuing and discontinued operations	1,182,613	19,557
Earnings for the year attributable to owners of the Company used in calculation of earnings per share – From continuing operations	1,167,844	171,510

	2022	2021
Weighted average number of ordinary shares	680,224,040	680,224,040

41. CLIENTS' MONIES

An analysis of clients' monies handled by the subsidiaries of the Group is shown below:

THE GROUP

	2022 Rs'000	2021 Rs'000
At 1 July	375,775	321,405
Opening balance of subsidiaries acquired	–	111,999
Amounts received during the year from clients	4,511,237	2,852,751
Amounts disbursed during the year on behalf of clients	(4,632,586)	(2,910,380)
At 30 June	254,426	375,775

The funds are paid into a separate bank account kept solely for the purpose of handling clients' monies.

These accounts are managed separately and all interests earned are for the benefits of the clients. As such, clients' monies have been disclosed off balance sheet as the subsidiaries do not retain the risks and rewards of ownership.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

42. SUMMARY OF THE PUBLISHED RESULTS AND OF THE ASSETS AND LIABILITIES OF THE GROUP

	2022 Rs'000	2021 Rs'000
Statements of profit or loss and other comprehensive income		
Revenue	44,977,148	35,796,136
Share of results of associates and joint ventures	905,556	757,029
Profit before tax	2,678,060	367,608
Tax expense	(736,366)	(138,895)
Profit for the year from continuing operations	1,941,694	228,713
Profit/(loss) for the year from discontinued operations	23,123	(131,301)
Profit for the year	1,964,817	97,412
Other comprehensive income for the year, net of tax	392,407	1,906,046
Total comprehensive income for the year	2,357,224	2,003,458
Profit attributable to:		
- Owners of the parent	1,182,613	19,557
- Non-controlling interests	782,204	77,855
	1,964,817	97,412
Total comprehensive income attributable to:		
- Owners of the parent	1,216,602	1,277,353
- Non-controlling interests	1,140,622	726,105
	2,357,224	2,003,458
Dividends	408,134	299,299

	2022 Rs'000	2021 (Restated) Rs'000	2020 (Restated) Rs'000
Statements of financial position			
Assets			
Non-current assets	52,612,325	51,674,303	49,520,695
Current assets	22,663,088	18,312,240	15,903,723
Assets classified as held for sale	828,556	838,519	921,518
Total assets	76,103,969	70,825,062	66,345,936
Equity and liabilities			
Share capital and reserves	15,943,453	15,041,245	14,085,535
Restricted redeemable shares	5,000	5,000	5,000
Convertible bonds	1,460,283	744,083	-
Non-controlling interests	12,180,393	11,672,133	11,085,491
Total equity	29,589,129	27,462,461	25,176,026
Liabilities			
Non-current liabilities	25,866,149	27,096,721	22,270,131
Current liabilities	20,194,110	15,892,681	18,457,923
Liabilities associated with assets classified as held for sale	454,581	373,199	441,856
Total liabilities	46,514,840	43,362,601	41,169,910
Total equity and liabilities	76,103,969	70,825,062	66,345,936

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

43. EVENTS AFTER THE REPORTING PERIOD

The following subsequent events were noted for the Group and the Company which did not result in any adjustments to the figures as at reporting date:

IBL Ltd

On 10 August 2022, the Company, being the lead investor of a consortium, i.e, Mambo Retail Ltd, has signed an agreement to acquire 40.0% of the shares of Naivas International, which in turn holds 100.0% of the shares of Naivas Limited (incorporated in Kenya). The equity contribution of IBL towards Mambo Retail Ltd is USD 100.00 million, equivalent to approximately Rs 4.59 billion and represents an effective stake of 26.3% in Naivas International. IBL's partners in Mambo Retail Ltd are Proparco and DEG. The 40.0% stake acquired in Naivas International (through Mambo Retail Ltd) represents (i) all shares previously held by Amethis Retail Limited and (ii) part of the shares held by Gakiwawa Family.

Lux Island Resorts Ltd ("LIR")

On 2 July 2022, a fire broke out at LUX* Belle Mare, a hotel owned by the subsidiary, Beau Rivage Co Ltd. The hotel will remain closed all throughout the financial year ending 30 June 2023. The hotel is insured for both material damages and business interruption and management is compiling all figures with respect to the claim which is being discussed with the loss adjuster. Reconstruction of the hotel has already started so as to start operation as soon as possible. It is worth noting that LIR is expected to generate positive results and cashflows during 2023, even if LUX* Belle Mare performance is excluded. Moreover, the Directors would assess the hedge effectiveness on the loans of Beau Rivage Co Ltd and the ineffective portion would be recycled to profit or loss during the year ending 30 June 2023.The fire is considered to be a non-adjusting event as the event arose after the balance sheet date.

The United Basalt Products Limited ("UBP")

In reference to the communiqué dated 23 June 2022 concerning the acquisition of a group of companies operating in a similar line of business of the Company in Réunion Island, a Share Purchase Agreement (SPA) was signed on 7 July 2022 . The transaction is subject to the satisfactory completion of conditions precedent, the obtention of all regulatory, corporate and any other approvals required by the parties. The transaction will enable the UBP Group to expand its principal activities within the Indian Ocean.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

44. PRIOR YEAR ADJUSTMENTS

The Group has restated its financial statements in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, to correct the below errors identified during the year ended 30 June 2022.

(i) The Group has recognised its right of use asset meeting the definition of investment property as cost less depreciation and impairment. The accounting policy is to measure investment properties at fair value and hence the right of use asset should also be measured at fair value in accordance with the requirements of IFRS 16 – Leases and IAS 40 – Investment Property. There is no impact on the statement of cash flows.

(ii) One of the subsidiaries, Lux Island Resorts Ltd (LIR) has loans denominated in foreign currencies which are translated at year end exchange rate every year. The loan in foreign currency acts as a hedge instrument to mitigate the foreign currency impact on revenue denominated in foreign currencies. The exchange differences arising on translation of loan in foreign currencies are accounted in equity as hedge reserve. In the prior years, the subsidiary recorded the corresponding deferred tax effect arising on the hedge reserve movement.

Gains or losses arising on translation of loan in foreign currencies are not subject to income tax and as such the deferred tax recorded every year on hedge reserve movement is not correct. The subsidiary has therefore booked a prior year adjustment to reverse opening balance of tax on hedge reserve at 1 July 2020 as well as tax on movement on hedge reserve during the financial year ended 30 June 2021. The restatement will only have an impact on deferred tax and hedge reserve.

(iii) During the redevelopment of LUX* Grand Baie, LIR has constructed some villas and residences under the Investment Hotel Scheme (IHS) to be sold to private owners under the VEFA (Vente en Etat Future D'achèvement) scheme. These units would then be leased back to LUX* Grand Baie in return for a rental determined principally on the room revenues generated by the hotel.

LIR did not account for any other income or expenses (net of revenue generated from deposits less cost of construction and cost to sell) in the year the transaction took place as per the requirement of IFRS 15. In the case of of LUX* Grand Baie, the transaction should be considered as 2 separate phases where first we recognise the sale of IHS units under IFRS 15 (i.e. the sales occurs when the VEFA is signed which is usually during construction period) and recognise the lease under IFRS 16 (i.e. lease of the units to the hotel would start only after construction period and the unit holders have paid for full consideration and taken possession of their respective units).

The prior year adjustment will be as follows:

- Revenue on sale of the villas and residences must be recognised over time under IFRS 15. Therefore, some revenues for VEFA contracts signed prior to 30 June 2021 should have been recognised in the financial year ended 30 June 2021.
- Construction costs with respect to the villas and residences should be recorded in stock as work in progress.
- The revaluation gain should be recycled from asset revaluation to retained earnings as soon as the project starts.

(iv) During the financial year ended 30 June 2021, IBL transferred an owner-occupied property to investment property. The related revaluation reserves were also reclassified to retained earnings as a result of this transfer. In accordance with IAS 40 – Investment Property, the revaluation reserves may be transferred to retained earnings only on disposal of that property. Hence an adjustment is required to reverse this reclassification in equity. There is no impact on the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

44. PRIOR YEAR ADJUSTMENTS (CONTINUED)

The below reflects the impact of these adjustments, including the deferred tax implication, on the statement of financial position and statement of profit or loss line items, earnings per share and statement of cash flows.

Statement of financial position (Extract)

	As previously reported	Restatement (i)	Restatement (ii)	Restatement (iii)	Restatement (iv)	As restated
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Impact as at 1 July 2020						
Property, plant and equipment	28,355,603	–	–	(79,363)	–	28,276,240
Investment property	2,857,422	138,319	–	–	–	2,995,741
Right of use assets	5,108,832	(72,519)	–	–	–	5,036,313
Inventories	5,260,298	–	–	79,363	–	5,339,661
Deferred tax assets	588,737	(3,578)	–	–	–	585,159
Lease liabilities	4,652,050	1,420	–	–	–	4,653,470
Deferred tax liabilities	1,012,712	7,365	38,126	–	–	1,058,203
Retained earnings	6,624,092	48,610	–	44,768	–	6,717,470
Revaluation and other reserves	6,072,422	–	(21,530)	(44,768)	–	6,006,124
Non controlling interest	11,097,260	4,827	(16,596)	–	–	11,085,491
Impact as at 30 June 2021						
Property, plant and equipment	29,772,771	–	–	(548,664)	–	29,224,107
Investment property	3,123,499	144,119	–	–	–	3,267,618
Right of use assets	4,901,887	(72,545)	–	–	–	4,829,342
Inventories	6,195,328	–	–	283,330	–	6,478,658
Contract assets	793,804	–	–	86,064	–	879,868
Deferred tax assets	496,147	–	(44,570)	(4,928)	–	446,649
Lease liabilities	4,585,174	1,420	–	–	–	4,586,594
Deferred tax liabilities	1,033,829	18,282	40,536	–	–	1,092,647
Trade and other payables	8,106,851	–	–	208,250	–	8,315,101
Retained earnings	7,087,865	47,266	–	58,351	(144,298)	7,049,184
Revaluation and other reserves	6,578,649	–	(48,059)	(44,768)	144,298	6,630,120
Non controlling interest	11,694,104	4,606	(37,047)	10,470	–	11,672,133

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

44. PRIOR YEAR ADJUSTMENTS (CONTINUED)

The below reflects the impact of these adjustments, including the deferred tax implication, on the statement of financial position and statement of profit or loss line items, earnings per share and statement of cash flows.

Statement of profit or loss and other comprehensive income (Extract)

	As previously reported	Restatement (i)	Restatement (ii)	Restatement (iii)	Restatement (iv)	As restated
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
For the year ended 30 June 2021						
Administrative expenses	(9,378,737)	2,037	–	–	–	(9,376,700)
Other gains and losses	204,832	3,737	–	–	–	208,569
Other income	1,222,972	–	–	28,980	–	1,251,952
Profit before tax	292,908	5,774	–	28,980	–	327,662
Tax expense	(126,628)	(7,339)	–	(4,928)	–	(138,895)
Profit for the year, attributable to						
· Owners of the Company	7,318	(1,344)	–	13,583	–	19,557
· Non-controlling interests	67,607	(221)	–	10,469	–	77,855
	74,925	(1,565)	–	24,052	–	97,412
Other comprehensive income:						
Deferred tax on cash flow hedge	54,562	–	(46,979)	–	–	7,583
Total comprehensive income for the year, attributable to:						
Owners of the Company	1,291,643	(1,344)	(26,529)	13,583	–	1,277,353
Non-controlling interests	736,307	(221)	(20,450)	10,469	–	726,105
	2,027,950	(1,565)	(46,979)	24,052	–	2,003,458
Earnings per share						
· From continuing and discontinued operations	0.01	–	–	–	–	0.03
· From continuing operations	0.25	–	–	–	–	0.25
Statement of cash flows						
For the year ended 30 June 2021						
Net cash flow from operating activities	1,796,599	–	–	(469,301)	–	1,327,298
Net cash flow from investing activities	(2,358,105)	–	–	469,301	–	(1,888,804)

**Restatements (i), (ii) and (iv) have no impact on cash flows for the year ended 30 June 2021.*